to prop up competition, companies that compete with us. That is not free trade. It has cost us thousands, hundreds of thousands of jobs in this country. But we are not saying they cannot make these loans; we are saying come to Congress and get approval.

We just spent 2 hours debating a $200,000 expenditure a year for the next few years. We are not talking about $200,000 here. We are talking about a $34 billion fund.

Mr. Chairman, let me say in conclusion, we passed this measure in 1995. In 1995, this Congress, most of the Members that will be voting tonight said it is prudent for us to approve these loans. And it is still prudent today. We have had a loan of $5 billion from this fund to Korea. We have had a loan of $5 billion or commitment from this fund to Brazil. We have had a commitment of $3 billion from this fund to Indonesia. There is an honest disagreement here.

Mr. BENTSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I have to take issue with a number of points that have been made. There is some question about the comments of the gentleman from Vermont (Mr. SANDERS), the author of the amendment who is a friend, we do not always agree, and the comments of the gentleman from Alabama (Mr. BACHUS), chairman of the Subcommittee on Domestic and International Monetary Policy of the House Committee on Banking and Financial Services on which I serve.

First of all, Mr. Chairman, I would ask the author of the amendment, would a loan or an extension of credit for the stabilization of currency apply under the gentleman's amendment, or would it be subject to oversight or subject to congressional approval?

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. BENTSEN. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, it would not be subject to congressional approval. It would continue to do as the purpose of this program was meant to.

Mr. BENTSEN. So, reclaiming my time then, to the extent an extension of credit was made to the Mexican Government to stabilize the peso, then that will be allowed apparently under this, and it would be up to the general counsel of the Treasury Department.

Mr. SANDERS. Mr. Chairman, if the gentleman would continue to yield, he would have to define what currency stabilization means. But in the current sense of what currency stabilization means, and what has historically been done under this fund, this amendment would allow that to continue.

Mr. BENTSEN. Mr. Chairman, again reclaiming my time, I think this amendment is fraught with uncertainty and problems. Back in 1995 when this amendment passed and we were in the midst of the crisis in Mexico, we were not sure what was going to happen. We now know that the Mexican economy did not collapse; and had it collapsed, it would have had broad ramifications for the United States.

Certainly my State of Texas would have felt it a great deal since Mexico is our number one trading partner. We would have lost jobs. We would have lost exports to that country. We would have had an increase in the immigration problem as a result of it.

But instead, Mr. Chairman, we have seen the Mexico bolsa coming back and the peso has stabilized some. Yes, they still have problems, but they would have been a lot worse out if we had not done anything. And in fact we have half a billion dollars more than the principal that was returned to the economic stabilization fund.

With respect to South Korea, the commitment was made at a very delicate time when the South Korean won was going down; The South Korean market was going down. Rapid unemployment. And part of that commitment, which was a multinational multilateral commitment to defend the currency, the South Korean currency for the benefit of the United States currency, in a large export market where we actually run a trade surplus, and the fact that that opportunity, that we were able to participate in that and never actually spent the funds or lent the funds, no funds went from the Treasury, it has worked now because the South Korean economy has stabilized. Yes, they have to continue to make changes but it worked.

In Brazil, where the commitment was made, we now see the real has stabilized and the Brazilian markets have stabilized because we have to do it. Why would we want to go and change something that works?

I would argue to my colleague from Florida, who I think has left the floor, we exercise our constitutional prerogative every day we are in session. And every day we are in session we can look at this and say if this is not working, we want to change it. If we want, 218 Members can file a bill and go sign a discharge petition to get it on the floor, if we cannot get the leadership to do it.

But this is something that works, and it has been to the benefit of the United States economy. If we had allowed the Mexican economy to go down in 1995, as it surely would had we not done this, or if we had allowed the Asian economy to go down as it was heading a year and a half ago, we would have felt it in the United States and we would have lost more jobs.

And, yes, austerity programs come in. We have problems with how the IMF does some things. But the fact is if we had done nothing, they would have been worse off. A complete collapse of the economy would have brought anarchy in the countries and increased unemployment and what good would that be? Maybe philosophically my colleagues would have felt more pure, but more people would have been unemployed and not just in those countries but in the United States as well.

Mr. Chairman, this is a program that has worked. We have oversight quarterly. The Treasury reports to the Committee on Banking and Financial Services, which the gentleman from Vermont sits on along with myself and the gentleman from Alabama (Mr. BACHUS) and the gentleman from Texas (Mr. PAUL). Annually it reports to the entire Congress. We know what is going on there. We know how it is working. And if was not working, then it would be a problem and then we would have to address it.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. BENTSEN. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, I appreciate the words of my good friend. Is there anything in this amendment which would suggest that anybody here is not deeply concerned about what is happening around the world, that we do not want to see the economies of Mexico, Russia, Asia strong?

All that we are saying is, for example, maybe if the Congress had been involved in the discussion over the bailout of Russia, maybe the Russian economy would not be in the pits that it is in now.

Mr. BENTSEN. Mr. Chairman, reclaiming my time, this has nothing to do with Russia.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words.

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Chairman, I rise in support of this amendment, and I thank the gentleman from Vermont (Mr. SANDERS) for bringing this amendment to the floor.

I would like to clarify one thing about the original intent of the Exchange Stabilization Fund. It was never meant to be used to support foreign currencies. It should not be so casually accepted that that is the proper function of the Exchange Stabilization Fund.

The Exchange Stabilization Fund was set up, I think in error; but it was set up for the purpose of stabilizing the dollar in the Depression. How did that come about? Well, it started with an Executive order. It started with an Executive order to take gold forcefully from the people. And then our President then revalued gold from $20 an ounce to $35 an ounce, and there was a profit and they took this profit and used some of those profits to start the Exchange Stabilization Fund. They set it up with $200 million. It does not seem like a whole lot of money today.

How did it come about over these many years that this fund has been allowed to exist without supervision of this Congress, and now has reached to the size of $34 billion and we give it no oversight? It is supposed to send reports to us, very superficial reports to the Congress. We don't know how they got $34 billion. They earned interest on some of the loans, and all the loans are paid back because the countries who get the loans borrow more money.

Mr. Chairman, the Mexico bailout did not solve the Mexico problem. It is ongoing. The peso is in trouble again. They are in more debt than before. We only encourage the financial bubble around the world. This is a dangerous notion that we can take something that was set up to stabilize the dollar, and now we are pretending we can stabilize all the currencies in the world and use it as foreign aid to boot without the congressional approval. There is something seriously flawed with this.

It has also been suggested by many who know a lot more about the details of the Exchange Stabilization Fund than I do, and it has been suggested that possibly, quite possibly, what happens is Treasury deals in currencies all the time and there are profits to be made. And when there is a profit, it goes into the Exchange Stabilization Fund. When there is a loss. It is sent over to the Treasury and then recorded as a loss.

This is a magnificent thing, but in a free society, in a democracy, in a republic where we are supposed to have the rule of law, we are not supposed to have a slush fund that is run by our Treasury without supervision to be doing things that was never intended. This is a serious problem. And I think economically it is serious because it is contributing to the bubble. It is contributing to a financial bubble.

So, yes, we tide Mexico over for a year or two, but what are we going to say next year when there is another peso crisis? Are we going to close our eyes and say we will do whatever we want, it is a major crisis? Our obligation here in the Congress is to have a sound dollar, not to dilute the value of the dollar without our permission and for our President and our Treasury Department and the IMF and the World Bank and the internationalists to destroy the value of the dollar. That is not permissible under the rule of law, and yet we have casually permitted this to happen and we do not even ask the serious questions.

We should make it certain that all loans, all use of that is reviewed by the Congress. This is a very, very modest request by the gentleman from Vermont. It should be absolutely approved. But then some day we ought to give a serious study about how we as a Congress allow these kind of things to happen without our supervision.

What is the purpose of having a Congress? What is the purpose of the Constitution if we have an obligation to guarantee the value of the dollar and if we permit somebody not under our control to do whatever they want to the dollar under the pretense that we are going to protect the value of all the currencies of Asia?

Mr. Chairman, are we going to protect the Euro now? The Euro is getting pretty weak. I guess we are going to bail out the Euro. When it drops down under a dollar, we will expect the Exchange Stabilization Fund to come and bail out the Euro. This has to be looked at. This is the first very modest, very minimal step that we are making tonight. It should be overwhelmingly supported.

It is up to us to assume our responsibility to protect the dollar, have the rule of law, make sure that we assume the responsibilities that have been delegated to us and not close our eyes and let this slush fund of $34 billion that has existed for now these many decades and have allowed the Treasury Department to run it without us caring. So I plead with my colleagues, support the amendment.

Mr.LAFALCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. So many things have been said that are so blatantly false. First of all, one of the distinguished gentlemen said that the actions of the executive branch under the Exchange Stabilization Fund are unconstitutional and this is, therefore, primarily a constitutional question. Well, we have used this now since the early 1930s and never has this been found unconstitutional. That is simply not before us.

Other individuals have said we should not have these wasteful expenditures of government monies as if we were giving foreign aid or grants. And yet we are talking about loans or credits, money that absolutely must be repaid and in every instance has been repaid.

Charges have been made, well, the chief executive acts in an unaccountable manner; and yet by law we have mandated monthly reports. Not simply annual reports, but monthly reports, as the gentleman from Texas (Mr. BENTSEN) said. We know everything they do.

A few days before he left office as Secretary of the Treasury, Bob Rubin had dinner with a number of Members of Congress and he did not talk about this issue. He talked about one of his concerns, perhaps his chief concern, and that was the ability of the United States Government to function in the future, given its cumbersome way of working.

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Other governments have a parliamentary form of government so the prime minister can make a decision and act upon it. We have chosen our way with the separation of powers, et cetera. But Congress wisely realizes that there are certain times and certain events where we must delegate authority.

We have delegated authority with respect to the Exchange Stabilization Fund, going back to the early 1930s. What has happened since the 1930s? Well, the world has become unbelievably smaller. We have had an integrated global economy involving trillions and trillions of dollars where what goes on in Korea or Brazil or Germany or Mexico profoundly impacts citizens of the United States.

There has been a huge increase in technology, too. So trillions of dollars are transferred today every day in fractions of a second. We must be able to respond. We have the Exchange Stabilization Fund so that we can respond.

If we were to say one cannot act with a loan or credit in excess of $1 billion, and very, very frequently when the Secretary of the Treasury and the President act, it must be in excess of a billion dollars, whether it is Mexico, Brazil, Korea, name it, it must be, if one must have the Congress of the United States work its will, one might as well say that the United States must abdicate its leadership, and not only abdicate its leadership, abdicate its role in dealing with any future international financial crisis.

That is what the effect of this amendment would be if it were passed. That is why the past Secretary of the Treasury, the Secretary of the Treasury before him and before him and the current Secretary of the Treasury has said any bill that contains such a provision should be vetoed.

Please vote against this. My colleagues would not just abdicate the United States economic leadership, they would forfeit any United States role in dealing with any future international financial crisis.

Mr. KUCINICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Exchange Stabilization Fund is being misused by Treasury to bail out foreign investment failures. When some aspects of corporate foreign investment policy fails, the Treasury taps the ESF to cover over the failure.

Here is a recent example, Mr. Chairman. In Indonesia, the International Monetary Fund caused a run on Indonesian banks when it directed the closure of 16 banks there. A confidential internal IMF memo even acknowledged the failure. The IMF caused a panic by making a bad situation much worse. So what does this ''Foreign Investment Failure Fund'' do? Without congressional approval, Treasury dispatched a credit line of $3 billion to cover the mistake.

NAFTA caused a flood of U.S. investors to abandon their investments in the U.S. for higher rates of return in Mexico. Then the already over-valued Mexican currency collapsed. Guess what? The ''Foreign Investment Failure Fund'' was used without congressional approval to cover the multi-billion dollar failure.

Indeed, the ESF was used in this way because Congress refused to pass a $20 billion package to benefit the Mexican elite at the expense of the Mexican people. The use of the ESF by Treasury thwarted the will of the Congress.

The ''Foreign Investment Failure Fund'' is used to accomplish policy changes that often make international financial problems worse. In Korea, important consumer and labor standards and regulations were overturned as conditions for $5 billion in ''Foreign Investment Failure'' funds from the U.S.

Koreans now talk about ''IMF suicides'' to characterize the wave of suicide among jobless and hopeless Koreans. Korean labor unions are conducting massive protests and strikes. Without Congress' approval or involvement, global economic policy is being forged for the benefit of the few with the funds of the American people as leverage.

This amendment will correct the abuses, but it will not tie Treasury's hands. If Treasury needs to stabilize another country's currency, it will be able to use the ESF to do so unilaterally and without Congress' approval. The amendment allows Treasury to do currency swaps and other currency stabilization aids without Congressional approval.

But if Treasury is making a large loan to another country, they will have to come to Congress, which is the only appropriate process, given the American system of checks and balances.

This amendment is nearly identical to one that Congress passed in 1995. Many of my fellow Democrats voted for that amendment then. Unfortunately, the authority of that provision lapsed in October of 1997. Today, we need to repeat our correct action.

So long as the Exchange Stabilization Fund is used to extend credit or give loans to foreign nations without Congress' approval, these foreign investment failures will get larger and will become more frequent. More of the U.S. Treasury will be exposed to paper over them, benefit foreign elites, bail out big banks, and underwrite austerity, joblessness and hopelessness for the majority of people around the globe.

Let us stabilize the power of Congress by voting yes on this amendment.

Mr. DOOLEY of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to this amendment. The world is going through one of the most fundamental changes in its economy in history. As we move from the industrial age to the information age, we are moving to an economy that is based much more on speed, whether it be the speed of commerce, the speed of innovation, the speed of communication.

As we move into this information-based economy, we are seeing the world shrink. We are seeing national borders are becoming increasingly porous to the flows of information as well as capital. It is leading to the integration of our economies.

The United States can no longer insulate itself from the affairs and the impacts of other countries and the financial situations and crises that occur there. So it is becoming increasingly important that the administration have the ability and the flexibility to use most effectively the Exchange Stabilization Fund.

We can look back at how effectively it has been used to stabilize some crises in Asia, in South America, which is in the interest of United States' working people and the interest of United States' businesses.

When we want people to advocate that this is something that Congress ought to take a role in to approve almost every loan that the United States might participate in through the Exchange Stabilization Fund, it certainly would be something that would almost render this inoperable, because in Congress, quite honestly, it almost takes us a year to name a Federal Post Office. To have Congress coming in and trying to okay and approve every loan is certainly going to be too cumbersome. That would render the effectiveness of the Exchange Stabilization Fund almost obsolete.

This is a tool that is benefiting not other countries so much, it is a tool which is benefiting working men and women in the United States, and we should oppose this amendment.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of this amendment. We have heard arguments on both sides tonight. But I would ask people to use their common sense. I would ask the people at home to listen very carefully to the arguments, those reading the CONGRESSIONAL RECORD to read the words very carefully.

The proposition is very simple. If there is a $1 billion transaction or more from the Exchange Stabilization Fund, which means American tax dollars, the American people's money, there should be approval by Congress. It is almost nonsensical for us to suggest that the American people do not deserve accountability for expenditures of over $1 billion. I do not understand it.

I hope the people listening to this debate, I hope those people reading the CONGRESSIONAL RECORD begin asking themselves, why is it that we have such heavy debates on issues, for example, of whether we should increase spending for veterans benefits by $100 million or $50 million, yet we have people that are going to the floor defending a policy of having unelected officials, shadowy figures, who we do not know who exactly is making the decision, spending billions of dollars of American tax dollars to help foreign currencies?

The gentleman from Texas (Mr. PAUL) made a very important point tonight. The original purpose of the Exchange Stabilization Fund was to stabilize the American currency. At least, there is some justification, or perhaps there was at that time, that we were watching out for the interest of the American people.

Now, what we have here is yet another example, and I hope people look at this example, of American liberty being sacrificed on the alter of globalism: America has to come second. The interest of the American people should not be considered. We cannot hold ourselves accountable to the American people, even though it is billions of dollars of their money.

Count me out on that, please. I came here to Congress to be held accountable.

Now, we disagree on a lot of things. The gentleman from Massachusetts (Mr. FRANK) and I, we disagree on a lot of things. The gentleman from Vermont (Mr. SANDERS), the author of this amendment, and I disagree. We debate about them on the floor.

I happen to believe that less expenditures are good. That is a good policy for the United States. The gentleman from Vermont (Mr. SANDERS) thinks that we should have more government intervention here at home. But that is an honest debate. We are held accountable for that.

To have people here say that, for the government of Brazil or Indonesia or some crooked regime in some other country, far-off country of the world, we have to give the power to some unelected officials to spend billions of dollars of our money without a vote of Congress, talk about undermining the democratic principles on which this country is founded.

I think this is very clear. I hope everyone pays attention to the debate. Unfortunately, it is happening at 10 o'clock at night. But I hope the American people pay attention to who is making the arguments and who is on their side.

Unfortunately, when one gives the power to an unelected elite to spend the money without any approval of Congress, and that is what we are talking about, billions of dollars being spent by an unelected elite, sometimes that money does not go to people who really share our values. Sometimes it goes to people like in Indonesia when it was being controlled by an autocratic regime. Sometimes it goes to people who are just part of the same international country club, the guys making the decisions, these Ivy Leaguers who get hired to make these decisions.

Now, after all, we Members of Congress cannot be trusted to make decisions like that. We have to leave it up to these guys from the Ivy League schools who are not elected by anybody to watch out for the American people.

No, I am sorry. That is not the way it works here in America. What works here in America is we have trust in the people. We have trust that, if we make the wrong decision, we are going to get kicked out. But everything is supposed to be up front.

Unfortunately, over the decades, we have permitted the freedom and the accountability of the democratic system to be eroded, and this is perhaps the best example in our government today.

My hat is off to the gentleman from Vermont, again a man who I disagree