

service that nobody else can provide in this country.

What amazes me is the fact that OPIC steps into very unique situations and makes projects nobody else can do. Look what is going on just in Africa alone: In Uganda, Agro Management; in Tanzania, NBS Card Service in Africa; in Ethiopia, the Louisiana-Baton Rouge Schaffer & Associates; in Tanzania, a small business with ACG Co.; with Tanzania suppliers, ADCO.

All over Africa we see OPIC stepping into the gap, so we have small, emerging companies that are getting a foothold, and then after a while, such as in Hungary, OPIC backs out because it is no longer necessary to have political risk insurance, because when a country becomes a member of OECD it no longer is eligible for political risk insurance under OPIC.

So we have an organization here that actually makes money; not on paper, it actually makes money. We would urge the defeat of that amendment.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PAUL].

Mr. PAUL. Mr. Chairman, I thank the gentleman for yielding time to me. This is a form of welfare that should be stopped. We have poor man's welfare, foreign welfare, and corporate welfare. This is an example of foreign and corporate welfare. The program really ought to be abolished.

If it is true that this program pays its own way, then there is no need for us to be here. Why are they asking for \$32 million? It is a good program. Some insurance company will take it over.

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Obviously, they need the \$32 million that is in here. But there is something else involved here that is very, very important. On the very chart that was standing here a minute ago, it was showing that they do fabulously, this tremendous income of \$299 million in 1996, which is true. But in looking at this Price Waterhouse balance sheet, financial report for 1996, it shows that OPIC owns \$2.47 billion worth of bonds. Right above it, as a matter of fact, the line went through it, so you could not read it, it said that the income from these treasuries was \$166 million. That is what it is costing the taxpayers.

We are giving a subsidy to OPIC in the back door by paying interest. It appears on the budget as an interest payment. I mean this is really close to outright deception on the part of many here in the Congress as well as the American people. So it is not paying its own way.

The other argument, we heard it expressed several times now, is that this is a very necessary program because it goes where the private market will not go. That is precisely the reason we should not be there, because there is a risk. The businessman will not go there because it is too risky.

So what do we do? We ask the American taxpayers to back it up. What to

do? To take our businesses from this country, export the business and export the jobs. Most of this money goes to big companies. If we look at their record over the past 6 years, these big companies have had a significant shrinkage of employment. These jobs are going overseas. Programs like this serve to export jobs, and this amendment should be passed.

Ms. PELOSI. Mr. Chairman, I yield 10 seconds to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, we are allowing OPIC to spend money that they have earned. This is not a new appropriation.

Ms. PELOSI. Mr. Chairman, we have had considerable interest on our side on this issue. Members were not aware that there was going to be a time limitation on this. I ask unanimous consent for 10 additional minutes on this side in opposition to the OPIC amendment.

The CHAIRMAN. The Chair is only able to entertain such a request if it is 10 additional minutes for the proponents and opponents. Is that the gentleman's request?

Ms. PELOSI. Yes, Mr. Chairman.

The CHAIRMAN. The Chair's understanding of the request is 10 additional minutes for the opponents and 10 additional minutes for the gentleman from California [Mr. ROYCE].

Is there objection to the request of the gentleman from California?

There was no objection.

Ms. PELOSI. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. TRAFICANT).

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

Mr. TRAFICANT. Mr. Chairman, I want to talk about a different aspect. After encouragement from the White House themselves, a company in my district, Buchite International, is the only American company to agree to be a model company for investment in Gaza. Mr. Chairman, they have been ripped off big time, and we cannot allow this to happen.

In their dealings with the Cairo Amman Bank of Gaza, the corporate accounts were opened without proper documentation. Corporate checks denominated in dollars were endorsed and cashed by individuals without first being deposited into the account.

Canceled checks were not returned. Corporate funds in excess of \$100,000 were used to guarantee an overdraft facility of a private individual without authorization. The company had no knowledge or approval of this. A letter of guarantee was written by a bank without notifying the company, in strict violation of company instructions. Four point four million was invested, forcing them to default on a \$2 million loan.

Tomorrow I will be bringing an amendment and there may be some technicalities to that amendment. I want the Congress to allow that

amendment to go forward because the PLO and Palestinian authorities cannot rip off American companies. We cannot tolerate that. Vote your conscience on any of these amendments.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes and 15 seconds to the gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Chairman, I rise in strong support of the pending amendment which would reduce the OPIC account by 11.2 million. Let me emphasize this is not abolition of OPIC. This is a reduction in the administrative account. If I may quote from a letter from my distinguished colleague from California, he states here that OPIC uses taxpayers fund to provide loans, and the amendment would bring OPIC's administrative appropriation in line with its stated administrative cost.

According to OPIC, administrative expenses were 20.2 million in 1994. Even though OPIC has the same insurance and loan caps as it had in 1994, it has requested a 50 percent increase in appropriations from what administrative costs were in 1994.

It is a simple question of whether or not this corporation can operate with the same workload as it did in 1994, with the same administrative overhead.

We have heard about the fact that the loans are going to Fortune 500 companies that only 3 percent or three loans went to small businesses and 41 went to the Fortune 500 companies. But aside from subsidizing these megacorporations, OPIC has risked over \$8.7 billion in U.S. taxpayers money by underwriting risky investments in unstable regions of the world. Let me remind my friends that, should political unrest and turmoil upset these foreign markets, American taxpayers will be liable for the losses of OPIC insured corporations.

I heard one of my colleagues mention earlier, remember that the FDIC and the FSLIC could never go wrong. They always would make money and we know what happened in the savings and loan fiasco.

Mr. Chairman, OPIC is not contributing to reducing the deficit. The resources that come from the OPIC premiums that are received do not go into the Treasury. They go, as they should, to income, to a capital account to reduce the probability or possibility that there will be a default.

Mr. Chairman, I urge my colleagues to join the Americans for Tax Reform, Capital Watch, Citizens Against Government Waste, Citizens for a Sound Economy, Competitive Enterprise Institute, Friends of the Earth, National Taxpayers Union, Public Citizens and USPIRG in supporting this amendment.

Mr. CALLAHAN. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from New York [Mr. GILMAN], chairman of the Committee on International Relations.