

Given this state of affairs, I urge President Bush to approach the Italian and Japanese governments to convince them to halt these morally repugnant investments.

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Should these diplomatic initiatives fail, I believe President Bush has a moral obligation to impose sanctions on the relevant governments, as he is directed under ILSA, without waiver.

Would the chairman agree that it is now time for the United States to react firmly in the face of such flagrant disregard for international principles and both the spirit and the provisions of our legislation?

Mr. GILMAN. Mr. Speaker, if the gentleman will continue to yield, I too would like the President to act. Hopefully, President Bush will consider publicly stating that ILSA will be fully implemented, if these deals proceed forward, without any waivers. If we fail to act resolutely in these cases, the credibility of our Nation's foreign policy and international sanction regimes will almost certainly be undermined.

Mr. LANTOS. Reclaiming my time, Mr. Speaker, I want to thank the chairman very much for his strong and unequivocal statement.

And let me just add as a direct message to both the Italian and Japanese companies concerned, that should the administration not take appropriate action, we will come here with new legislation mandating sanctions against these companies or others that might take similar action.

Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume, and I want to thank the gentleman from California (Mr. LANTOS) for his strong support of this measure and his being a cosponsor. As a ranking member of our committee, he has been an eloquent speaker and has been a long-time supporter of human rights in our committee and making certain that the world of nations abide by peaceful principles.

Mr. SHERMAN. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. SHERMAN. Mr. Speaker, I want to associate myself with the comments made in this colloquy and say that to those two companies, in addition to all of the sanctions outlined in ILSA, we should come back, if necessary, in this Congress, and mandate that those who violate ILSA's strict provisions are denied all access to American capital markets and that their stocks and bonds will not be listed on NASDAQ or the New York Stock Exchange.

We are studying those types of provisions in the Committee on Financial Services, and I am confident that we will have the votes to make sure that this access to American capital markets, which is increasingly important to Japanese and European companies,

will not be available to those companies that invest significantly in the Iranian petroleum sector.

Mr. PAUL. Mr. Speaker, there are a number of problems with this move to extend the Iran/Libya Sanctions Act.

First, the underlying Act places way too much authority both to make determinations and to grant waivers, in the hands of the President and the Executive Branch. As such, it is yet another unconstitutional delegation of authority which we ought not extend.

Moreover, as the Act applies to Libya, the authority upon which the bill depends is a resolution of the United Nations. So, any member who is concerned with UN power should vote against this extension.

Furthermore, the sanctions are being extended from a period of five years to ten years. If the original five year sanction period has not been effective in allaying the fears about these governments why do we believe an extra five years will be effective? In fact, few companies have actually been sanctioned under this Act, and to the best of my knowledge no oil companies have been so sanctioned. Still, the sanctions in the Act are not against these nations but are actually directed at "persons" engaged in certain business and investments in these countries. There are already Executive Orders making it illegal for US companies to undertake these activities in these sanctioned countries, so this Act applies to companies in other countries, mostly our allied countries, almost all of whom oppose and resent this legislation and have threatened to take the kinds of retaliatory action that could lead to an all out trade war. In fact, the former National Security Advisor Brent Scowcroft recently pointed out how these sanctions have had a significant adverse impact upon our Turkish allies.

Mr. Speaker, I support those portions of this bill designated to prohibit US financing through government vehicles such as the Export-Import Bank. I also have no problem with guarding against sales of military technology which could compromise our national security. Still, on a whole, this bill is just another plank in the failed sanctions regime from which we ought to loosen ourselves.

The Bush Administration would prefer this legislation to expire and, failing that, they prefer taking a first step by making the extension last for a shorter period. In this I believe the Administration has taken the correct position. For one thing, there have been moves, particularly in Iran, to liberalize. We harm these attempts by maintaining a sanctions regime.

I also have to point out the inconsistency in our policy. Why would we sanction Iran but not Sudan, and why would we sanction Libya but not Syria? I hear claims related to our national security but surely these are made in jest. We subsidize business with the People's Republic of China but sanction Europeans from helping to build oil refineries in Iran.

There has been a real concern in our country regarding the price of gasoline. Since these sanctions are directly aimed at preventing the development of petroleum resources in these countries, this bill will DIRECTLY RESULT IN AMERICANS HAVING TO PAY A HIGHER PRICE AT THE GASOLINE PUMP. These sanctions HURT AMERICANS. British Petroleum and others have refused to provide significant investment for petroleum extraction in Iran because of the uncertainty this legislation

helps to produce. The tiny nation of Qatar has as much petroleum related investment as does Iran since this legislation went into effect. Again, this reduces supply and raises prices at the gas pump.

Will the members of this body return to their district and tell voters "I just voted to further restrict petroleum supply and keep gas prices high"? I doubt that.

Mr. Speaker, I am fully aware of the legislative realities as regards this legislation and the powerful interests that want it extended. However, it is not just myself and the Bush Administration suggesting this policy is flawed. The Atlantic Council is a prestigious group co-chaired by Lee Hamilton, James Schlesinger and Brent Scowcroft that has suggested in a recent study that we ought to end sanctions upon Iran.

Mr. Speaker, I believe the time has come for us to consider the U.S. interest and the benefits of friendly commerce with all nations. We are particularly ill-advised in passing this legislation and hamstringing the new Administration at this time. I must oppose any attempt to extend this Act and support any amendment that would reduce the sanction period it contemplates.

Mr. DIAZ-BALART. Mr. Speaker, I rise in support of the Iran-Libya Sanctions Extension Act. I do not believe that now is the time to end the provisions set out under ILSA. While I hope that the internal situation in Iran and Libya may one day merit lifting the provisions of ILSA, it does not appear to be the case at this time. Recognizing the tenuous nature of peace in the region, and our continued support of our ally, Israel, I believe we must support the Iran-Libya Sanctions Extension Act.

Iran is still actively seeking to obtain weapons of mass destruction (WMD) assisted by China, Russia, and North Korea. Such a threat to our allies, such as Israel, and to international peace and security is not indicative of a state concerned with immediate reform. According to the State Department, Iran remains an active state sponsor of international terrorism. Any state that resorts to terrorism is cowardly and certainly deserves no special consideration. I also would like to stress that Iran continues to commit human rights abuses, particularly against members of certain religious faiths.

Libya has not yet compensated the families of the victims of Pan Am flight 103. Libya also continues to harbor and foster terrorism and is likely seeking weapons of mass destruction.

Given these realities and many others, I again do not believe now is the time to end sanctions on Iran and Libya.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KIRK). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 1954, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the