

Mr. KOLBE. Mr. Chairman, I rise in opposition to the amendment and claim the time in opposition.

Because I am going to close, unless the gentlewoman from New York wishes to say something on this amendment, I reserve the balance of my time.

Mr. PAUL. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. KELLER).

Mr. KELLER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Speaker, today I rise to support the amendment and in opposition to the 2005 Foreign Operations appropriations bill. At a time when our country is facing record budget deficits, I cannot justify voting for the largest foreign aid bill in history. We should not give away billions of dollars in foreign aid in the name of friendship when everybody knows that friendship cannot be bought.

Over the past four sessions of the U.N. General Assembly, 86 percent of the U.S. foreign aid recipients voted against the United States a majority of the time. Now, let me give my colleagues five specific examples.

Egypt is slated to get \$1.836 billion in foreign aid in this bill, even though they voted against us at the U.N. 86 percent of the time.

Indonesia will get \$151 million in foreign aid. They voted against us 83 percent of the time.

Nigeria will get \$68 million in foreign aid. They voted against us at the U.N. 76 percent of the time.

Kenya will get \$67 million. They voted against us at the U.N. 81 percent of the time.

Bangladesh will get \$63 million in foreign aid. They voted against us 82 percent of the time.

Not one of these five countries contributed any money or troops to the war effort or reconstruction of Iraq.

Now, some might say, but what about the money we are giving Israel? Well, I fully and completely support 100 percent of the \$2.58 billion in aid to Israel. They are, by far, our best ally in the Middle East. They are the only democracy in the Middle East, and they face increasing terrorist threats.

But I cannot in good conscience vote for a \$19.4 billion foreign aid bill when only a tiny portion of it goes to support our valuable ally Israel.

I cannot go home to Orlando, Florida, and look waitresses and secretaries in the eye and tell them that we took taxpayer dollars from their paychecks and gave it in foreign aid to countries that do not even support the United States.

I urge my colleagues to support this amendment and vote "no" on the bill.

Mr. PAUL. Mr. Chairman, I yield myself such time as I may consume.

Let me follow up on the point I made earlier about the good intentions of a program like this to promote free market changes in certain countries, but, unfortunately, this backfires because once the money gets in the hands of

the government we then require them to develop partnerships or alliances with businesses, which is exactly the opposite of free markets. This is closer to crony capitalism or fascism when we combine government money with business interests.

At the same time, we know that our corporations will also participate in these programs. So the money once again leaves the people of this country, many times the poor, and goes to these foreign aid programs which subsidize certain governments, solidifying powers of certain politicians, which then allows fungibility of their other funds to do other things and then encourage business partnerships between government and business which is not free markets, which literally is undermining the move that I think is intended and that is to improve the conditions of other countries.

If the conditions of a country are amenable to capitalism and investment, there is never a problem of a lack of investors. The fact that we have to do this, that means there are flaws in the system. This will not improve it. It actually makes it worse. Just because you have partnership with businesses does not mean you are moving toward free enterprise. That means you are moving toward a system of interventionism, or crony capitalism. It is not true reform.

So a program like this actually does the reverse. It has unintended consequences. It makes our problems worse. And, besides, we do not have the right to do it. We do not have the constitutional authority to do it, and we certainly do not have a moral authority to undermine the poor people of this country by making the conditions worse here.

For this reason, I strongly urge my colleagues to vote "yes" on this amendment.

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

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

I do rise in opposition to this amendment.

I find it ironic that a few moments ago we had an amendment offered by the gentleman from Minnesota to take money out of IDA and put it into the Millennium Challenge Corporation. Now we are having an amendment to take everything out of the Millennium Challenge Corporation, which suggests to me that maybe the subcommittee is just in the right place here in regards to the amount of the funds that we have.

I also find it ironic that the gentleman from Texas, who is a strong fiscal conservative, is offering this amendment. If ever there was anything in foreign assistance that made sense, it is the Millennium Challenge Corporation. I believe that it is the most dramatic departure from the way we have administered and provided foreign assistance since the Marshall Plan at the end of World War II, and I think it

has a real opportunity to make a difference in the way that countries approach foreign assistance. In fact, we are already finding that to be the case, that countries that are not on the list of those who are eligible yet for consideration for the Millennium Challenge grants are saying what do we have to do to get on that, what kind of reforms do we have to undertake, and this is exactly what this Millennium Challenge Corporation, which we carried in our bill last year, does.

It is different than any other foreign assistance account that we have. It is different for four essential reasons.

First, the MCC will act as an incentive for countries to govern justly, to invest in their own people and create the right policy framework for economic growth. In short, it rewards good governance. No other development or economic assistance administered by USAID or the Department of State currently provides that kind of incentive.

Second, the MCC will offer up a laser focus on economic growth and poverty reduction. That is unlike current development assistance efforts where the U.S. government and other donors try to do a little bit of everything.

Third, the MCC recognizes that successful reforms have to be internally led. As I said a moment ago, this goes to countries where they have made a commitment to rooting out corruption, where they have openness and transparency, where they have a commitment to the rule of law, where they have a commitment to the protection of property rights. So it has to come internally in order to make this work. These are incentive kinds of grants, technical kinds of grants, things that will help the country do exactly what they need in order to have sustainable, long-term economic growth.

Fourth, the Congress has given the program the flexibility to meet the needs of the MCC countries as presented by the countries themselves.

□ 1530

In other words, it offers countries the prospect of local ownership and accountability for their own development, and that is why I believe this is critically important. The MCC promises to be one of America's best tools to help us address poverty, and I hope we can defeat this amendment. I urge my colleagues to defeat the amendment.

Mr. Chairman, I submit for the RECORD a copy of the letter sent to me by the Board of Directors of the MCC:

MILLENNIUM CHALLENGE CORPORATION,  
Arlington, VA.

Hon. JIM KOLBE,  
Chairman, Subcommittee on Foreign Operations, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: As the members of the Board of Directors of the Millennium Challenge Corporation, we greatly appreciate your leadership and support for the Millennium Challenge Account (MCA), a key Presidential priority. The President's request will accelerate growth and opportunity