

from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress (15 U.S.C. 714k), I transmit herewith the report of the Commodity Credit Corporation for the fiscal year ending September 30, 1997.

WILLIAM J. CLINTON,

THE WHITE HOUSE, June 15, 1999.

ESF FINANCING FOR BRAZIL—
MESSAGE FROM THE PRESIDENT
OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking and Financial Services:

To the Congress of the United States:

On November 9, 1998, I approved the use of the Exchange Stabilization Fund (ESF) to provide up to \$5 billion for the U.S. part of a multilateral guarantee of a credit facility for up to \$13.28 billion from the Bank for International Settlements (BIS) to the Banco Central do Brasil (Banco Central). Eighteen other central banks and monetary authorities are guaranteeing portions of the BIS credit facility. In addition, through the Bank of Japan, the Government of Japan is providing a swap facility of up to \$1.25 billion to Brazil under terms consistent with the terms of the BIS credit facility. Pursuant to the requirements of 31 U.S.C. 5302(b), I am hereby notifying the Congress that I have determined that unique or emergency circumstances require the ESF financing to be available for more than 6 months.

The BIS credit facility is part of a multilateral effort to support an International Monetary Fund (IMF) standby arrangement with Brazil that itself totals approximately \$18.1 billion, which is designed to help restore financial market confidence in Brazil and its currency, and to reestablish conditions for long-term sustainable growth. The IMF is providing this package through normal credit tranches and the Supplemental Reserve Facility (SRF), which provides short-term financing at significantly higher interest rates than those for credit tranche financing. Also, the World Bank and the Inter-American Development Bank are providing up to \$9 billion in support of the international financial package for Brazil.

Since December 1998, international assistance from the IMF, the BIS credit facility, and the Bank of Japan's swap facility has provided key support for Brazil's efforts to reform its economy and resolve its financial crisis. From the IMF arrangement, Brazil has purchased approximately \$4.6 billion in

December 1998 and approximately \$4.9 billion in April 1999. On December 18, 1998, the Banco Central made a first drawing of \$4.15 billion from the BIS credit facility and also drew \$390 million from the Bank of Japan's swap facility. The Banco Central made a second drawing of \$4.5 billion from the BIS credit facility and \$423.5 million from the Bank of Japan's swap facility on April 9, 1999. The ESF's "guarantee" share of each of these BIS credit facility drawings is approximately 38 percent.

Each drawing from the BIS credit facility or the Bank of Japan's swap facility matures in 6 months, with an option for additional 6-month renewals. The Banco Central must therefore repay its first drawing from the BIS and Bank of Japan facilities by June 18, 1999, unless the parties agree to a roll-over. The Banco Central has informed the BIS and the Bank of Japan that it plans to request, in early June, a roll-over of 70 percent of the first drawing from each facility, and will repay 30 percent of the first drawing from each facility.

The BIS's agreement with the Banco Central contains conditions that minimize risks to the ESF. For example, the participating central banks or the BIS may accelerate repayment if the Banco Central has failed to meet any condition of the agreement or Brazil has failed to meet any material obligation to the IMF. The Banco Central must repay the BIS no slower than, and at least in proportion to, Brazil's repayments to the IMF's SRF and to the Bank of Japan's swap facility. The Government of Brazil is guaranteeing the performance of the Banco Central's obligations under its agreement with the BIS, and, pursuant to the agreement, Brazil must maintain its gross international reserves at a level no less than the sum of the principal amount outstanding under the BIS facility, the principal amount outstanding under Japan's swap facility, and a suitable margin. Also, the participating central banks and the BIS must approve any Banco Central request for a drawing or roll-over from the BIS credit facility.

Before the financial crisis that hit Brazil last fall, Brazil had made remarkable progress toward reforming its economy, including reducing inflation from more than 2000 percent 5 years ago to less than 3 percent in 1998, and successfully implementing an extensive privatization program. Nonetheless, its large fiscal deficit left it vulnerable during the recent period of global financial turbulence. Fiscal adjustment to address that deficit therefore formed the core of the stand-by arrangement that Brazil reached with the IMF last December.

Despite Brazil's initial success in implementing the fiscal reforms required by this stand-by arrangement, there were some setbacks in passing key legislation, and doubts emerged about the willingness of some key Brazilian states to adjust their finances. Ulti-

mately, the government secured passage of virtually all the fiscal measures, or else took offsetting actions. However, the initial setbacks and delays eroded market confidence in December 1998 and January 1999, and pressure on Brazil's foreign exchange reserves intensified. Rather than further deplete its reserves, Brazil in mid-January first devalued and then floated its currency, the real, causing a steep decline of the real's value against the dollar. As a consequence, Brazil needed to prevent a spiral of depreciation and inflation that could have led to deep financial instability.

After the decision to float the real, and in close consultation with the IMF, Brazil developed a revised economic program for 1999–2001, which included deeper fiscal adjustments and a transparent and prudent monetary policy designed to contain inflationary pressures. These adjustments will take some time to restore confidence fully. In the meantime, the strong support of the international community has been and will continue to be helpful in reassuring the markets that Brazil can restore sustainable financial stability.

Brazil's experience to date under its revised program with the IMF has been very encouraging. The exchange rate has strengthened from its lows of early March and has been relatively stable in recent weeks; inflation is significantly lower than expected and declining; inflows of private capital are resuming; and most analysts now believe that the economic downturn will be less severe than initially feared.

Brazil's success to date will make it possible for it to repay a 30 percent portion of its first (December) drawing from the BIS credit facility and the Bank of Japan swap facility. With continued economic improvement, Brazil is likely to be in a position to repay the remainder of its BIS and Bank of Japan obligations relatively soon. However, Brazil has indicated that it would be inadvisable to repay 100 percent of the first BIS and Bank of Japan disbursements at this point, given the persistence of risks and uncertainties in the global economy. The timing of this repayment must take into account the risk that using Brazilian reserves to repay both first drawings in their entirety could harm market confidence in Brazil's financial condition. This could undermine the purpose of our support: protecting financial stability in Brazil and in other emerging markets, which ultimately benefits U.S. exports and jobs. Given that the BIS and Bank of Japan facilities charge a substantial premium over the 6-month Eurodollar interest rate, the Banco Central has an incentive to repay them as soon as is prudent.

The IMF stand-by arrangement and the BIS and Bank of Japan facilities constitute a vital international response to Brazil's financial crisis, which threatens the economic welfare of Brazil's 160 million people and of other countries in the region and elsewhere in the world. Brazil's size and

importance as the largest economy in Latin America mean that its financial and economic stability are matters of national interest to the United States. Brazil's industrial output is the largest in Latin America; it accounts for 45 percent of the region's gross domestic product, and its work force numbers approximately 85 million people. A failure to help Brazil deal with its financial crisis would increase the risk of financial instability in other Latin American countries and other emerging market economies. Such instability could damage U.S. exports, with serious repercussions for our workforce and our economy as a whole.

Therefore, the BIS credit facility is providing a crucial supplement to Brazil's IMF-supported program of economic and financial reform. I believe that strong and continued support from the United States, other governments, and multilateral institutions are crucial to enable Brazil to carry out its economic reform program. In these unique and emergency circumstances, it is both appropriate and necessary to continue to make ESF financing available as needed for more than 6 months to guarantee this BIS credit facility, including any other rollover or drawing that might be necessary in the future.

WILLIAM J. CLINTON.

THE WHITE HOUSE, June 15, 1999.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has concluded on all motions to suspend the rules.

Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order:

House Resolution 62, by the yeas and nays;

House Concurrent Resolution 75, by the yeas and nays.

The Chair will reduce to 5 minutes the time for the electronic vote after the first such vote in this series.

EXPRESSING CONCERN OVER ESCALATING VIOLENCE, GROSS VIOLATIONS OF HUMAN RIGHTS, AND ONGOING ATTEMPTS TO OVERTHROW A DEMOCRATICALLY ELECTED GOVERNMENT IN SIERRA LEONE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 62, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ROYCE) that the House suspend the rules and agree to the resolution, H.

Res. 62, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 414, nays 1, answered "present" 1, not voting 18, as follows:

[Roll No. 205]

YEAS—414

Abercrombie	Delahunt	Hutchinson
Ackerman	DeLauro	Hyde
Aderholt	DeLay	Inslee
Allen	DeMint	Isakson
Andrews	Deutsch	Istook
Archer	Diaz-Balart	Jackson (IL)
Armey	Dickey	Jackson-Lee
Bachus	Dicks	(TX)
Baird	Dingell	Jefferson
Baker	Dixon	Jenkins
Baldacci	Doggett	John
Baldwin	Doolittle	Johnson (CT)
Ballenger	Doyle	Johnson, E. B.
Barcia	Dreier	Johnson, Sam
Barrett (NE)	Duncan	Jones (NC)
Barrett (WI)	Dunn	Jones (OH)
Bartlett	Edwards	Kanjorski
Barton	Ehlers	Kaptur
Bass	Ehrlich	Kasich
Bateman	Emerson	Kelly
Becerra	Engel	Kennedy
Bentsen	English	Kildee
Bereuter	Eshoo	Kilpatrick
Berkley	Etherton	Kind (WI)
Berman	Evans	King (NY)
Berry	Everett	Kingston
Biggert	Ewing	Klink
Bilbray	Farr	Knollenberg
Billrakis	Fattah	Kolbe
Bishop	Filner	Kucinich
Blagojevich	Fletcher	Kuykendall
Bliley	Foley	LaFalce
Blumenauer	Forbes	LaHood
Blunt	Ford	Lampson
Boehlert	Fossella	Lantos
Boehner	Fowler	Largent
Bonilla	Frank (MA)	Larson
Bonior	Franks (NJ)	Latham
Bono	Frelinghuysen	LaTourette
Borski	Frost	Lazio
Boswell	Gallegly	Leach
Boucher	Ganske	Lee
Boyd	Gejdenson	Levin
Brady (PA)	Gekas	Lewis (CA)
Brown (FL)	Gephardt	Lewis (KY)
Brown (OH)	Gibbons	Linder
Bryant	Gilchrest	Lipinski
Burr	Gillmor	LoBiondo
Burton	Gilman	Lofgren
Callahan	Gonzalez	Lowey
Calvert	Goode	Lucas (KY)
Camp	Goodlatte	Lucas (OK)
Campbell	Goodling	Luther
Canady	Gordon	Maloney (CT)
Cannon	Goss	Maloney (NY)
Capps	Graham	Manzullo
Capuano	Granger	Markey
Carson	Green (TX)	Martinez
Castle	Green (WI)	Mascara
Chabot	Greenwood	Matsui
Chambliss	Gutierrez	McCarthy (MO)
Chenoweth	Gutknecht	McCollum
Clay	Hall (OH)	McCrery
Clayton	Hall (TX)	McDermott
Clement	Hansen	McGovern
Clyburn	Hastings (FL)	McHugh
Coble	Hastings (WA)	McInnis
Coburn	Hayes	McIntosh
Collins	Hayworth	McIntyre
Combest	Hefley	McKeon
Condit	Herger	McKinney
Conyers	Hill (IN)	McNulty
Cook	Hill (MT)	Meehan
Cooksey	Hilleary	Meek (FL)
Costello	Hilliard	Meeks (NY)
Cox	Hinchee	Menendez
Cramer	Hinojosa	Mica
Crane	Hobson	Millender-
Crowley	Hoeffel	McDonald
Cubin	Hoekstra	Miller (FL)
Cummings	Holden	Miller, Gary
Cunningham	Holt	Miller, George
Davis (FL)	Hooley	Minge
Davis (IL)	Horn	Mink
Davis (VA)	Hostettler	Moakley
Deal	Hoyer	Mollohan
DeFazio	Hulshof	Moore
DeGette	Hunter	Moran (KS)

Moran (VA)	Ros-Lehtinen	Talent
Morella	Rothman	Tancredo
Murtha	Roukema	Tanner
Myrick	Roybal-Allard	Tauscher
Nadler	Royce	Tauzin
Neal	Ryan (WI)	Taylor (MS)
Nethercutt	Sabo	Taylor (NC)
Ney	Salmon	Terry
Northup	Sanchez	Thomas
Norwood	Sanders	Thompson (CA)
Nussle	Sandlin	Thompson (MS)
Oberstar	Sanford	Thornberry
Obey	Sawyer	Thune
Olver	Saxton	Thurman
Ortiz	Scarborough	Tiahrt
Ose	Schaffer	Tierney
Owens	Schakowsky	Toomey
Oxley	Scott	Towns
Packard	Sensenbrenner	Traficant
Pallone	Serrano	Turner
Pascrell	Sessions	Udall (CO)
Pastor	Shadegg	Udall (NM)
Payne	Shaw	Upton
Pease	Shays	Velazquez
Pelosi	Sherman	Vento
Peterson (MN)	Sherwood	Visclosky
Peterson (PA)	Shimkus	Vitter
Petri	Shows	Walden
Phelps	Shuster	Walsh
Pickett	Simpson	Wamp
Pitts	Sisisky	Waters
Pombo	Skeen	Watkins
Pomeroy	Skelton	Watt (NC)
Porter	Slaughter	Watts (OK)
Portman	Smith (MI)	Waxman
Price (NC)	Smith (NJ)	Weiner
Quinn	Smith (TX)	Weldon (FL)
Radanovich	Smith (WA)	Weller
Rahall	Snyder	Wexler
Ramstad	Souder	Weygand
Rangel	Spence	Whitfield
Regula	Spratt	Wicker
Reyes	Stabenow	Wilson
Reynolds	Stark	Wise
Riley	Stearns	Wolf
Rivers	Stenholm	Woolsey
Rodriguez	Strickland	Wu
Roemer	Stump	Wynn
Rogan	Stupak	Young (AK)
Rogers	Sununu	Young (FL)
Rohrabacher	Sweeney	

NAYS—1

Paul

ANSWERED "PRESENT"—1

Barr

NOT VOTING—18

Brady (TX)	Dooley	Napolitano
Brown (CA)	Houghton	Pickering
Buyer	Klecza	Pryce (OH)
Cardin	Lewis (GA)	Rush
Coyne	McCarthy (NY)	Ryun (KS)
Danner	Metcalfe	Weldon (PA)

□ 1228

So (two-thirds having voted in favor thereof), the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to the provisions of clause 8 of rule XX, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.