

EXTENSIONS OF REMARKS

RECOGNIZING THE HMONG YOUTH FOUNDATION

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize the Hmong Youth Foundation's Third Annual Summer Festival. This Festival provides Hmong youth, many of whom are challenged with language barriers, with opportunities to engage in fun and educational activities.

The Foundation was organized to give Hmong students a place to congregate as colleagues, who share common fears, hopes and goals. The primary objective is to give students opportunities to excel in academic pursuits and to award scholarships. Many of the students come from economically disadvantaged families due, in part, to the fact that a majority of Hmong adults are unable to speak English. The result is that many Hmong adults are unable to hold higher paying jobs.

Hmong youth are constantly challenged with difficulties of social assimilation, lost opportunities, and juvenile crime temptations. The Hmong Youth Foundation seeks to give every Hmong child the opportunity to succeed and overcome obstacles. The Foundation pursue these goals through every avenue available including collaborations with other Hmong and Southeast Asian refugee self-help organizations, as well as non-Asian agencies. Response to the Foundation has been very positive, as it is providing a service to the Hmong community that no other agency offers.

Hmong students in Fresno County have excelled in academic excellence and have received many accolades. Among them are annual Hmong valedictorians in the Fresno and Clovis Unified School Districts. The Hmong Youth Foundation's intent is to help as many students as possible so that even greater success will follow.

Mr. Speaker, I rise to recognize the Hmong Youth Foundation for its service to the community. I urge my colleagues to join me in wishing the Foundation many more years of continued success.

IMF GOLD SALE PROPOSAL

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. THOMPSON of Mississippi. Mr. Speaker, on Saturday, there will be an historic march in Pretoria, South Africa. For the first time ever, gold miners will march shoulder to shoulder with the management of the gold mining companies which employ more than

250,000 union miners. They will march from the National Union of Mineworkers Building to the British Embassy and to the Swiss Embassy to protest gold sales from those countries' central banks. Just the threat of central bank gold sales has caused the price of gold on the world market to plunge to 20-year lows over the past two months, endangering more than 80,000 jobs and the means of support of almost a million sub-Saharan Africans.

James Motlatsi, president of the NUM, and Bobby Godsell, head of the Chamber of Mines, will return from London—where they are petitioning the Bank of England to stop further sales—to lead the march.

Mr. Speaker, Mr. Motlatsi and Godsell came to Washington two weeks ago to warn of the dreadful consequences for their miners and their continent of central bank gold sales. They came here to tell us that the well-meaning efforts of many of the world's greatest powers, including the US, would cause some of the world's poorest countries to suffer needlessly.

The proposal, endorsed by the G-7 last month, to sell some of the gold reserves of the International Monetary Fund to provide a token contribution to debt relief for the poorest countries, is totally misguided and must be stopped. Because of the weighted voting structure of the IMF, it cannot sell any of its gold without the support of the US representative to the IMF. And, under US law, our IMF representative cannot support any gold sale without first obtaining approval of Congress.

Mr. Speaker, we here in Congress do not have the ability to stop the sale of gold from other central banks, although we can make our disapproval manifest. However, we can stop the sale of IMF gold, and we need to do it now. Our disapproval of the gold sale is not an obstacle to debt relief—there are many ways to deal with debt relief without IMF gold sales.

Mr. Speaker, Members of the House on both sides of the aisle have written to the Treasury Department and to President Clinton stating our unequivocal opposition to gold sales by the IMF, and without objection, I would like to enter into the record copies of those letters.

Before the South Africans begin their march on Saturday, I urge the President to respond to this crisis by withdrawing his support for IMF gold sales, and withdrawing Treasury's request for authorization to support it. The countries we are pledging to help should not be cursed by our misguided generosity.

Stop the gold sales now.

CONGRESS OF THE UNITED STATES

Washington, DC, June 30, 1999.

Hon. WILLIAM JEFFERSON CLINTON,
President, U.S. Of America, Washington, D.C.

DEAR PRESIDENT CLINTON: South Africa has just inaugurated its second democratically elected President, Thabo Mbeki. Among the many challenges he faces is an immediate crisis—the terrible shock to his country's

economy caused by the dramatic drop in the price of gold over the past three months. The many other gold-producing countries in sub-Saharan Africa are struggling with the same blow to their emerging economies.

Ironically, tragically, the \$30 decline in the price of gold can be traced in part to announcements of support for the sale of some of the IMF's gold reserves to fund debt relief for some of these very countries. The IMF announcement, coupled with the proposal by the British government to sell some 14 million ounces of their gold reserves, saw the price of gold plummet in just a few days from nearly \$290 an ounce to below \$260. This drop has already reduced the export earnings of the gold-producing Heavily Indebted Poor Countries (HIPCs) by more than \$150 million per year.

While we cannot change the decision of the British government to sell its gold reserves, we can prevent the IMF from further damaging the economies of the very countries it seeks to help. The IMF cannot sell any portion of its gold reserves without approval of the US representative to the IMF. And the Treasury Department must obtain Congressional authorization before the US representative can approve such a sale. When this proposal comes before Congress for consideration, we will oppose it vigorously. Make no mistake, we believe strongly in debt relief, and we intend to pursue every avenue to provide as much real relief as quickly as possible. However, selling gold reserves is the worst possible method of financing debt relief.

Gold mineral reserves are a large part of the natural wealth of many poor countries, and is therefore one of the few avenues for economic development. More than three-fourths of the HIPC nations targeted for the IMF debt relief plan are gold producers, and gold plays a crucial role in the economies of 10 of those countries. Since the mining industry draws much of its workforce from the poorest and most rural communities in the subcontinent, often 10 people or more are dependent on the earnings of each miner. If the price of gold remains at the current 20-year low price of about \$258, 40% of South Africa's gold production will become unprofitable, more than 80,000 miners will lose their jobs, and upwards of 800,000 Africans will be plunged into absolute poverty.

Debt relief does not require IMF gold sales in order to be effective. In fact, the proceeds from the gold sales which are actually targeted to debt relief are virtually nil. According to one calculation, there would be less than \$60 million per year available to retire the estimated \$220 Billion HIPC debt. There are alternatives to gold sales which would provide more debt relief in a shorter period of time.

We will not support central bank gold sales; we will oppose them in whatever form they are presented to the Congress. We intend to examine more realistic, more productive, and less harmful alternatives. We hope you will join us.

Sincerely,

James Clyburn, Sanford Bishop, Eva M. Clayton, Robert Scott, Bennie G. Thompson, Albert R. Wynn, Eddie Bernice Johnson, Melvin Watt, Edolphus

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