

this process to divert U.S. technology to China. The Task Force Chairman raised this as an area of concern with Hong Kong officials during his visit in January, 1999, and U.S. Government officials have raised it as well.

MACAU

Preparations continue for the reversion of Macau to Chinese sovereignty on December 20, 1999, after 442 years as a colony of Portugal. Like the much larger Hong Kong, Macau with its 414,000 residents, will become a Special Administrative Region under the "one country, two systems" formula for the next 50 years. As we noted in our previous quarterly report, the pace of preparation for the transition has been uneven and a number of key elements have yet to be resolved. One factor impeding progress appears to be Portugal's unhappiness with China's unilateral announcement in September 1998 that it planned to station PLA troops in Macau following the reversion. The Portuguese maintain that there is no room for such a garrison in cramped Macau, and that in previous negotiations on the joint declaration concerning Macau the Chinese had agreed no PLA presence was necessary.

On March 19, Portuguese President Jorge Sampaio met in Macau with Chinese Vice Premier Qian Qichen, but indicated that the troop question would be addressed in bilateral talks later in the year. Sampaio indicated it was possible negotiations could be prolonged up until the moment of the hand-over, and warned he might not attend the ceremony itself if a satisfactory agreement was not reached. Among other important matters still to be settled are the structure of Macau's court of final appeal; the eligibility of certain ethnically Chinese Macau residents to retain Portuguese nationality; legislation implementing Macau's accession to the International Covenant on Civil and Political Rights and the International Convention on Economic, Social, and Cultural Rights; and whether Portuguese will enjoy equal status with Chinese as Macau's official languages. In March, the initial steps were taken toward the nomination of the 200 person selection committee empowered to select Macau's first post-reversion Chief Executive before the end of May. (Subsequent to the date of this report, the selection committee was named during the April meeting of the Preparatory Committee of the Macau Special Administrative Region. On May 15, Edmund Ho, a 44 year-old banker and son of a well-known Macau community leader was selected to be the Chief Executive. He will take office on the date of Macau's reversion to Chinese sovereignty on December 20, 1999.)

While U.S. trade volume with Macau is relatively small, 40 percent of Macau's exports go to the United States. Eighty percent of Macau's total exports consist of textiles, and the U.S. Government has long been concerned about the potential that textiles produced elsewhere are being transhipped through Macau. U.S. Customs officials have visited Macau on a number of occasions to verify local production capacity, and continue to work with the Government of Macau to prevent such transhipment. Intellectual Property Right (IPR) piracy is another key concern, and Macau has been on USTR's Priority Watch List for IPR since April 1998. In response to U.S. suggestions that it intensify and raise the profile of its IPR enforcement actions, the Government of Macau conducted a public destruction of seized pirated goods in March 1999. Other inadequacies in Macau's laws related to trade include a lack of effective legislation and enforcement mecha-

nisms in the areas of money laundering and export controls. These are particularly troubling in view of widespread reports that North Korean operatives currently use Macau as a transit point for shipments of counterfeit U.S. currency.

Finally, problems remain with the overall climate of law and order. Gangland killings and drive-by shootings continue to negatively affect Macau's image and its tourism industry. Responsibility for the high levels of criminal activity have at times been a point of contention between China and Portugal. A failure to bring about improvements in this area could tempt more overt action by Beijing following Macau's reversion, with potentially harmful consequences to the autonomy of the Government of Macau.

CONCLUSION—STILL SO FAR, SO GOOD, WITH SOME NEW CONCERNS

In the months prior to Hong Kong's reversion to Chinese sovereignty in July 1997 many voiced concern that Beijing would rapidly move to undermine the relatively open political system and the free market economy of Hong Kong. There was great suspicion that the Chinese-appointed Provisional Legislature would undermine all of the democratic principles that Hong Kong had embraced. It was argued that, among other things, press freedom and freedom of assembly would be radically curtailed, and that the People's Liberation Army garrison would rapidly interject itself into Hong Kong affairs. Critics also warned that mainland financial interests would rapidly move to manipulate and control the then vibrant Hong Kong economy.

More than twenty months after the reversion, these fears have proven to be unfounded, up to this point. Hong Kong residents have retained the basic freedoms that they enjoyed under British rule. Although buffeted by the Asian Financial Crisis, the business community and the Government, appear united in their desire to keep Hong Kong's market as free as possible. The PLA troops have kept to their barracks, and Beijing has repeatedly displayed a disinclination to involve itself in Hong Kong's internal affairs. Although sharp differences have arisen within Hong Kong, particularly between the Government and opposition legislators to date informed observers see no evidence of any intent by China to violate the tenets of the Basic Law and the "one country, two systems" concept.

This is not to say that there is no cause for further concern. As we have noted in this report, the current crisis over the Court of Final Appeals's decision on the right of abode has the potential to undermine confidence in Hong Kong's future judicial autonomy and the rule of law. Cautious consideration of the long range implications of any action aimed at addressing the practical implications of the ruling is clearly appropriate. It would appear that improved communication between the Government and the Legislative Council could make a significant contribution to the achievement of a solution, as well as facilitating public consensus on Hong Kong's future political development. Trade related issues, including IPR piracy and money laundering, also deserve continued attention. Hong Kong's excellent export control system is intact, but attention to the potential loophole afforded by cross-border PLA vehicle movements is also needed. Congress should continue its practice of monitoring developments in these and other areas.

THE EXPORT ENHANCEMENT ACT

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1999

Mr. MANZULLO. Mr. Speaker, I was pleased to introduce on May 27th, along with Representatives BOB MENENDEZ, BEN GILMAN, SAM GEJDENSON, and 44 other Republican and Democrat Members of Congress the Export Enhancement Act of 1999.

We are all concerned about the recent anemic export performance of the United States and the ballooning U.S. trade deficit. While this legislation is not a cure-all for this problem, it provides one tool in the effort to promote U.S. exports abroad.

This legislation would reauthorize most commercial export promotion programs of the U.S. government, including the Overseas Private Investment Corporation (OPIC), the Trade and Development Agency (TDA), and the export promotion functions of the International Trade Administration (ITA) at the Department of Commerce.

First, the legislation re-authorizes OPIC for four years and does not raise OPIC's liability ceiling. For 27 years, OPIC has been the U.S. government agency providing political risk insurance and financing for projects that help America compete abroad and promote stability and development in strategic countries and economies around the world.

OPIC's political risk insurance covers three main areas where the government has a proper role to influence—expropriation (loss of an investment due to nationalization or confiscation by a foreign government), currency convertibility (inability to remit profits from local currency to U.S. dollars); and political violence (loss of assets or income due to war, revolution or politically-motivated civil strife, terrorism or sabotage).

Since 1971, OPIC supported projects have generated \$58 billion in U.S. exports and created more than 237,000 American jobs. Over the last five years, OPIC supported projects will buy about \$1 billion worth of goods and services from Illinois suppliers, half of which are small firms, which will create over 3,100 jobs. Companies in the 16th District of Illinois like Coilcraft Inc. of Cary; Oak Industries of Crystal Lake; ESI Limited, the Nylint Corporation, the Barber-Coleman Company, and the Clinton Electronics Corporation of Rockford have all used and benefited from OPIC services in the past. And, unlike most government programs, OPIC operates totally on a user-fee self-sustaining basis at no cost to the taxpayer. OPIC is estimated to bring in \$204 million in revenue to the U.S. Treasury next year.

In response to Congressional input, OPIC has undertaken a series of initiatives since its last reauthorization. These include new initiatives in Africa, Central America, the Caribbean, and the Caspian Basin. In addition, OPIC has stepped up efforts to help more small businesses enter the global economy.

As Chairman of the Small Business Exports Subcommittee, I held a hearing last month examining the new small business outreach efforts by OPIC. OPIC is particularly important for small business exporters because unlike

large companies, small business exporters cannot pack up their bags and relocate operations overseas to take advantage of foreign equivalents to OPIC. There are 36 nations that have export credit insurance programs like OPIC. Just like OPIC, most of these nations have local content requirements. If forced to, larger U.S. multinational corporations can pick and choose from one of these other foreign export credit insurance programs. But the work and the jobs, then, are transferred overseas. Small business exporters do not have this luxury. OPIC is needed to maintain the competitive edge of these small business exporters in the United States.

Mr. Speaker, let me give you one concrete example from the hearing last month. Jane Dauffenbach, President of Aquarius Systems, located in North Prairie, Wisconsin, testified how foreign governments constantly try to undermine her small company's export prospects, even to the point of competing against free donations of similar equipment. Aquarius Systems manufactures aquatic weed harvesters. In Asia, Aquarius Systems lost a large equipment sale when the Canadian government gave a "free" aquatic weed harvester to the monarch of the country. In Kenya, Ms. Dauffenbach also testified about how the Japanese and the Israeli governments almost snatched another huge export sale from her company to clear water hyacinths clogging Lake Victoria. It was only because she had a World Bank contract, backed by OPIC political risk insurance, that she was able to win and complete the sale. She said, "(s)imply put, Aquarius Systems is not competing with foreign companies. We are competing with foreign governments. . . . It is imperative that the financing and insurance programs from OPIC exist so that we have the necessary tools available to accomplish our goals."

Second, the legislation reaffirms the importance of Trade Development Agency (TDA). This small 43 person agency, which develops feasibility studies designing in American specifications so that U.S. exporters can win major infrastructure projects in developing countries and emerging economies later down the road, has generated \$12.3 billion in exports since its inception in 1981. Every \$1 in spending for TDA projects has led to the export of \$32 in U.S. goods and services overseas. The Export Enhancement Act requires, to the maximum extent possible, the imposition of "success fees" on companies who win export deals thanks to the groundwork laid by a feasibility study conducted by the TDA.

Third, the bill examines the three export promotion arms of International Trade Administration (ITA) at the Commerce Department—the U.S. & Foreign Commercial Service, which as 100 U.S. export assistance centers located throughout the United States and 141 posts located in 76 countries around the world; Trade Development, which monitors trade developments in key industries and supports the United States Trade Representative in key industrial sector trade negotiations; and Market Access and Compliance, which ensures that U.S. companies obtain full market compliance with existing trade agreements with various countries of the world. The Export Enhancement Act makes a few changes to these programs to make sure that the ITA keeps its

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focus on helping more small businesses export, particularly to underrepresented regions of the world, like Africa, in the most efficient way possible.

Finally, the Export Enhancement Act proposes to make a few changes to the Trade Promotion Coordinating Committee (TPCC) to insure that the 19 federal agencies that are involved in trade promotion operate more in tandem together.

In conclusion, Mr. Speaker, I encourage my colleagues to support the Export Enhancement Act of 1999.

NATIONAL WEATHER SERVICE

HON. J.C. WATTS, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1999

Mr. WATTS of Oklahoma. Mr. Speaker, I stand before you today to honor the work of the National Weather Service of the National Oceanic and Atmospheric Administration (NOAA). The National Weather Service is essential to the safety of the American people by providing weather, water and climate forecasts and warnings for protection of life and property. We saw that service first-hand in Oklahoma just a short two weeks ago.

Without the warnings by the National Weather Service, the number of personal injury and deaths would undoubtedly have been higher. Warnings by the National Weather Service prompted the closure of roads and highways that lead into the path of the slow-moving tornado, saving an untold number of lives. I have heard countless stories of people who, at the prompting of the National Weather Service warnings, took shelter in the center of their homes or fled their homes for the safety of a storm shelter and survived, while their homes were destroyed. I and numerous other Oklahomans are indebted to the service of the National Weather Service.

Yet the ability the Service demonstrated was not an accident; they have been preparing for times such as this for many years, through planning, training, and research and development. New technologies pioneered by NOAA research allowed warnings to be issued up to 30 minutes before the tornadoes struck in Oklahoma. Contrast this with the 6 minute average lead time before the technology was available. Partnerships forged between the National Weather Service, media, law enforcement officials, and emergency managers, and their seamless response to this disaster was critical to the successful warning process that saved countless lives in Oklahoma.

I applaud the work of the National Weather Service, Mr. Speaker, and support the continued generous funding of the Service through this appropriations process.

A TRIBUTE TO THE BLACK CUBAN FOUNDATION

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1999

Ms. ROS-LEHTINEN. Mr. Speaker, I wish to take this opportunity to commend the Black Cuban Foundation for its decade of service to the Afro-Cuban community in exile. Over the past ten years, it has pursued a goal of improving relations between Afro-Cubans and our varied communities.

The Black Cuban Foundation was founded on July 30th, 1989 and promptly began to promote its important and unique role in Cuban and American culture through educational workshops, cultural events, and works of charity. Their success has been recognized by various groups, including the United Negro College Fund, Florida Memorial College, the Cuban Municipalities in Exile, the Human Rights Commission, and the City of Miami.

Currently the Black Cuban Foundation is working harder than ever to highlight Afro-Cuban contributions within our community, including fostering a sense of belonging as new American citizens. This group has also allied itself with the Universal Declaration of Human Rights of the United Nations.

In recognition of its lofty goals, I would like to applaud the fervent work of Lucia Rojas, president; Oscar Martinez, vice president; and Laddies Moraleza, treasurer and secretary. The work of Felipe Gonzalez, Juan A. Woods, and Regla Fernandez should receive equal praise in the Black Cuban Foundation.

HONORING RETIRING FENTON HIGH SCHOOL PRINCIPAL DR. KEN WENSEL

HON. DEBBIE STABENOW

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1999

Ms. STABENOW. Mr. Speaker, this week Principal Ken Wensel will retire after a 30-year career at Fenton High School. During those years, Dr. Wensel touched the lives of countless young people—encouraging, advising, inspiring and serving as a role model.

I would like to thank Dr. Wensel personally for his commitment to young people and education. Today I join Fenton Area Public Schools in declaring June 12, 1999 Ken Wensel Day. In addition, I would like to read the following resolution into the CONGRESSIONAL RECORD on behalf of the Fenton Area Public Schools:

Whereas Dr. Wensel served the Fenton Area Public Schools with distinction and honor for 30 years and;

Whereas Ken Wensel has served in the positions of community education director, athletic director, assistant principal and, for 12 years as principal of Fenton High School and;

Whereas Ken Wensel has been an unwavering advocate for young men and women throughout this tenure as an administrator and;