

thousand tons of wheat to Pakistan. H.R. 973 extends that waiver on agricultural sanctions to India and Pakistan for an additional year, permitting this important market to remain open. This Member would thank the distinguished gentleman from North Dakota [Mr. POMEROY] for his important work on this issue, and would thank the Chairman for incorporating this matter into his legislation.

Other issues in H.R. 973 are also significant. The legislation transfers certain forward-based but outdated defensive stockpiles to South Korea and Thailand. While these items were no longer of use to the United States, they are of great significance to the recipient countries. This is particularly true of South Korea, which faces a volatile neighbor to the North. Indeed, in an unfortunate coincidence just yesterday North and South Korea wages a dangerous naval gun-battle as the North attempted to seize control of what appear to be South Korean territorial waters. Certainly, South Korea rightly hopes that its "sunshine policy" towards the North will bring better relations. Until better relations are achieved, however, South Korea must be prepared to defend itself. House Resolution 973 assists in that effort.

Mr. Speaker, this Member urges strong support for H.R. 973.

Mr. FARR of California. Mr. Speaker, I am pleased that the House of Representatives finally passed an International Arms Sales Code of Conduct today as part of H.R. 973, the Security Assistance Act. During the 104th and 105th Congresses, I cosponsored legislation calling for an Arms Transfer Code of Conduct on international arms sales.

Many of my constituents share my concern with the escalating problem of conventional weapons proliferation and the role of the United States in foreign arms sales. If we are concerned about rogue nations acquiring conventional weapons, we must establish a multinational arms sales code of conduct. If we are concerned about human rights, we must establish a multinational arms sales code of conduct. If we are concerned about national security, we must establish a multinational arms sales code of conduct. If we learned only one lesson from the fall of the former Soviet Union, it would be that the Soviet leadership chose to fuel the international arms race at the expense of their citizens' domestic tranquility.

Specifically, the bill lays out four criteria for the Administration that would restrict or prohibit arms transfers to countries that: do not respect democratic processes and the rule of law; do not adhere to internationally recognized norms on human rights; engage in acts of armed aggression; or, are not fully participating in the United National Register of Conventional Weapons. The language in H.R. 973 also directs the president to attempt to achieve the foreign policy goal of an international arms sales code of conduct with all Wassenaar Arrangement (to control weapons of mass destruction) countries.

I urge my colleagues in the Senate to pass comparable legislation and close the loophole on international arms sales to countries that are undemocratic, abuse the civil rights of their citizens, are engaged in armed aggression, and fail to comply with the UN Registry of Arms.

Mr. LANTOS. Mr. Speaker, I join my colleagues in supporting H.R. 973—the Security Assistance Act of 1999—a bipartisan bill that contains many important initiatives that will enhance our national security and promote our national interests.

Mr. Speaker, I welcome the provisions in this legislation that require the President to seek to negotiate a multilateral Code of Conduct for arms sales, which would take into account when deciding whether to sell weapons such issues as human rights, the state of democracy and involvement of the government seeking to purchase arms in military aggression. Mr. Speaker, multilateral action is the only approach that will work. Unilateral American restrictions on arms sales deals only with a part of the problem, and non-American suppliers of arms will simply move in to fill the gap. I want to comment our distinguished colleague from Georgia, Ms. MCKINNEY, and our distinguished colleague from Connecticut, Mr. GEJDENSON, for their contribution to these provisions.

Another provision that I want to note, Mr. Speaker, is the authority this legislation includes for the President to waive the so-called "Glenn Amendment" sanctions against India and Pakistan for one additional year. The Administration—under the able and dedicated leadership of Deputy Secretary Strobe Talbot and Assistant Secretary Rick Inderfurth—has made significant progress with India and Pakistan, and I am delighted that we have seen important progress in coming to grips with the problems of nuclear non-proliferation. The nuclear threat in South Asia remains a serious problem, Mr. Speaker, and the Administration needs the flexibility and negotiating leverage which the waiver authority provides. I strongly support the inclusion of this provision.

Mr. Speaker, I also support the provisions of this legislation which increase the penalties for violation of the export control regulations under the Export Administration Act of 1979, and the provisions which strengthen the enforcement of the Arms Export Control Act. This will increase the penalties on American companies selling dual-use items to rogue nations such as Iran, Iraq, Libya and North Korea in violation of United States export controls. As my colleagues know, strengthening our export administration provisions through increasing penalties for violation of these regulations was strongly recommended in the report on "U.S. National Security and Military/Commercial Concerns with the People's Republic of China" issued by the Select Committee under the leadership of Congressman CHRIS COX of California and Congressman NORM DICKS of Washington.

I also support, Mr. Speaker, this bill's authorization of the sale and transfer of American naval vessels that are no longer required by our navy. These ships can support the security of countries in which we have a political and a national security interest. Furthermore, these sales will produce some \$90 million for the United States Treasury, whereas decommissioning these vessels will be a significant cost to the American taxpayers. The legislation also authorizes an increase in the War Reserve Stockpile for our allies, South Korea and Thailand, and authorizes the Secretary of Defense to transfer such items to these coun-

tries in return for certain concessions to be negotiated. This provision is in our national security interest.

Mr. Speaker, I urge my colleagues to support the adoption of this legislation.

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

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

The SPEAKER pro tempore (Mr. SHIMKUS). 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. 973, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

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#### ANNUAL REPORT OF COMMODITY CREDIT CORPORATION—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 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.

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#### 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