

me to do some things, to try to move beyond status quo.

I cannot, as an African-American coming from the background that I came from, believe that we cannot have a stake in American society, a stake brought about not just by programs. I am a firm believer in affirmative action, of course, but I also believe that we have to invest in ourselves.

So I leave the Members to go into the greater community of America. I speak at seminars. I have been asked to come to Harvard for 2 weeks next summer. I speak to these young men and women who will be coming to pastor in those communities. I am trying to use the model that we have to demonstrate that within the communities that look so deteriorated and devastated, there are fertile fields of opportunity.

I believe that I can move, as I have done in many of the Members' districts already, and many of the districts I will be coming to, they are already on my schedule. I have even been to some of my fellow Members' districts on this side, of the dear gentleman from New York [Mr. RICK LAZIO], a prayer breakfast, and the banquets of the other dear gentleman [Mr. JACK QUINN]; and I have been to various districts, because I think it is important that if we are going to solve the problems of America, we cannot do it balkanized in our own little areas, but we have to learn how to reach out and touch each other, work with each other.

When that is done, I think we will have not only the kind of America that our foreparents intended for it to be, but we will have the kind of world that God would have us live in.

I go, believing that the Lord has called me to a greater ministry and to a greater work. I seek your prayers, and I ask that you might, as you lift your prayers, just ask the Lord to give me strength to do what I feel called to do.

I hate leaving this body, I will confess it. But I will not miss having to take that shuttle in the morning and in the evening. I have tried to go home every night. I never set up a residence here. At 52 years of age, looking relatively good, I want to maintain my health and continue to do the things that I think the Lord has called me to do.

I thank the gentleman from New York [Mr. JACK QUINN] for calling for this special time. I appreciate it.

MOTION TO ADJOURN

Mr. BECERRA. Madam Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion to adjourn offered by the gentleman from California [Mr. BECERRA].

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. BECERRA. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 61, noes 348, not voting 24, as follows:

[Roll No. 613]

AYES—61

Andrews	Hastings (FL)	Pallone
Barrett (WI)	Hefner	Payne
Becerra	Hinchey	Pelosi
Berry	Jefferson	Peterson (MN)
Bonior	Kennedy (RI)	Rangel
Brown (FL)	Kennelly	Roybal-Allard
Clayton	LaFalce	Sanchez
Clyburn	Lantos	Serrano
Conyers	Lewis (GA)	Smith, Adam
Coyne	McDermott	Spratt
DeFazio	McNulty	Stark
DeLauro	Meehan	Stupak
Deutsch	MEEK	Thurman
Dingell	Menendez	Torres
Evans	Millender-	Towns
Farr	McDonald	Velazquez
Fazio	Miller (CA)	Waters
Filner	Mink	Watt (NC)
Frank (MA)	Obey	Wise
Gejdenson	Olver	Woolsey
Gephardt	Owens	

NOES—348

Abercrombie	Cunningham	Hayworth
Ackerman	Danner	Hefley
Aderholt	Davis (FL)	Heger
Allen	Davis (IL)	Hill
Archer	Davis (VA)	Hilleary
Armey	Deal	Hilliard
Bachus	DeGette	Hinojosa
Baesler	Delahunt	Hobson
Baker	DeLay	Holden
Baldacci	Diaz-Balart	Hooley
Barcia	Dickey	Horn
Barr	Dicks	Hostettler
Barrett (NE)	Dixon	Houghton
Bartlett	Dooley	Hoyer
Bass	Doollittle	Hulshof
Bateman	Doyle	Hunter
Bentsen	Dreier	Hutchinson
Bereuter	Duncan	Hyde
Berman	Dunn	Inglis
Bilbray	Edwards	Istook
Bilirakis	Ehlers	Jackson (IL)
Bishop	Ehrlich	Jackson-Lee
Blagojevich	Emerson	(TX)
Bliley	Engel	Jenkins
Blumenauer	English	John
Blunt	Ensign	Johnson (CT)
Boehlert	Eshoo	Johnson (WI)
Boehner	Etheridge	Johnson, E. B.
Bonilla	Everett	Johnson, Sam
Bono	Ewing	Kanjorski
Borski	Fattah	Kaptur
Boswell	Fawell	Kasich
Boyd	Flake	Kelly
Brady	Foley	Kennedy (MA)
Brown (CA)	Forbes	Kildee
Brown (OH)	Ford	Kilpatrick
Bryant	Fossella	Kim
Bunning	Fowler	Kind (WI)
Burr	Fox	King (NY)
Burton	Franks (NJ)	Kingston
Buyer	Frelinghuysen	Klecza
Calvert	Frost	Klug
Camp	Furse	Knollenberg
Campbell	Galleghy	Kolbe
Canady	Ganske	Kucinich
Cannon	Gekas	LaHood
Cardin	Gibbons	Lampson
Carson	Gilchrest	Largent
Castle	Gillmor	Latham
Chabot	Gilman	LaTourette
Chambliss	Goode	Lazio
Chenoweth	Goodlatte	Leach
Christensen	Goodling	Levin
Clay	Gordon	Lewis (CA)
Clement	Goss	Lewis (KY)
Coble	Graham	Lipinski
Coburn	Granger	Livingston
Collins	Green	LoBiondo
Combust	Greenwood	Lofgren
Condit	Gutierrez	Lowey
Cook	Gutknecht	Lucas
Cooksey	Hall (OH)	Luther
Costello	Hall (TX)	Maloney (CT)
Cox	Hamilton	Maloney (NY)
Cramer	Hansen	Manton
Crane	Harman	Manzullo
Crapo	Hastert	Martinez
Cummings	Hastings (WA)	Mascara

Matsui	Portman	Smith (TX)
McCarthy (MO)	Poshard	Smith, Linda
McCarthy (NY)	Price (NC)	Snowbarger
McCrery	Pryce (OH)	Snyder
McDade	Quinn	Solomon
McGovern	Radanovich	Souder
McHale	Rahall	Spence
McHugh	Ramstad	Stabenow
McInnis	Regula	Stearns
McIntosh	Reyes	Stenholm
McKeon	Riggs	Strickland
McKinney	Rivers	Stump
Metcalf	Rodriguez	Sununu
Mica	Roemer	Talent
Miller (FL)	Rogan	Tanner
Minge	Rogers	Tauscher
Moakley	Rohrabacher	Tauzin
Mollohan	Ros-Lehtinen	Taylor (MS)
Moran (KS)	Rothman	Taylor (NC)
Moran (VA)	Roukema	Thomas
Murtha	Royce	Thompson
Myrick	Rush	Thornberry
Nadler	Ryun	Thune
Neal	Sabo	Tiahrt
Nethercutt	Salmon	Tierney
Neumann	Sandlin	Traficant
Ney	Sanford	Turner
Northup	Sawyer	Upton
Norwood	Saxton	Vento
Nussle	Scarborough	Visclosky
Oberstar	Schaefer, Dan	Walsh
Ortiz	Schaffer, Bob	Wamp
Oxley	Schumer	Watkins
Packard	Scott	Watts (OK)
Pappas	Sensenbrenner	Waxman
Parker	Sessions	Weldon (FL)
Pascrell	Shadegg	Weldon (PA)
Pastor	Shaw	Weller
Paul	Shays	Wexler
Paxon	Sherman	Weygand
Pease	Shimkus	White
Peterson (PA)	Shuster	Whitfield
Petri	Sisisky	Wicker
Pickering	Skaggs	Wolf
Pickett	Skeen	Wynn
Pitts	Skelton	Young (AK)
Pombo	Smith (MI)	Young (FL)
Pomeroy	Smith (NJ)	
Porter	Smith (OR)	

NOT VOTING—24

Ballenger	Gonzalez	Morella
Barton	Hoekstra	Redmond
Boucher	Jones	Riley
Callahan	Klink	Sanders
Cubin	Linder	Schiff
Dellums	Markey	Slaughter
Doggett	McCollum	Stokes
Foglietta	McIntyre	Yates

□ 1545

Mr. PORTMAN and Mr. HILLIARD changed their vote from "aye" to "no."

Ms. MILLENDER-McDONALD and Mr. PALLONE changed their vote from "no" to "aye."

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

ENSURING THAT COMMERCIAL ACTIVITIES OF PEOPLE'S LIBERATION ARMY OF CHINA ARE MONITORED

Mrs. FOWLER. Madam Speaker, as the designee of the chairman of the Committee on International Relations, pursuant to House Resolution 302, I call up the bill (H.R. 2647) to ensure that commercial activities of the People's Liberation Army of China or any Communist Chinese military company in the United States are monitored and are subject to the authorities under the International Emergency Economic Powers Act.

The Clerk read the title of the bill.

The text of H.R. 2647 is as follows:

H.R. 2647

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONGRESSIONAL FINDINGS.

The Congress makes the following findings:

(1) The People's Liberation Army is the principal instrument of repression within the People's Republic of China, responsible for occupying Tibet since 1950, massacring hundreds of students and demonstrators for democracy in Tiananmen Square on June 4, 1989, and running the Laogai ("reform through labor") slave labor camps.

(2) The People's Liberation Army is engaged in a massive military buildup, which has involved a doubling since 1992 of announced official figures for military spending by the People's Republic of China.

(3) The People's Liberation Army is engaging in a major ballistic missile modernization program which could undermine peace and stability in East Asia, including 2 new intercontinental missile programs, 1 submarine-launched missile program, a new class of compact but long-range cruise missiles, and an upgrading of medium-and short-range ballistic missiles.

(4) The People's Liberation Army is working to coproduce the SU-27 fighter with Russia, and is in the process of purchasing several substantial weapons systems from Russia, including the 633 model of the Kilo-class submarine and the SS-N-22 Sunburn missile system specifically designed to incapacitate United States aircraft carriers and Aegis cruisers.

(5) The People's Liberation Army has carried out acts of aggression in the South China Sea, including the February 1995 seizure of the Mischief Reef in the Spratley Islands, which is claimed by the Philippines.

(6) On July 1995 and in March 1996, the People's Liberation Army conducted missile tests to intimidate Taiwan when Taiwan held historic free elections, and those tests effectively blockaded Taiwan's 2 principal ports of Keelung and Kaohsiung.

(7) The People's Liberation Army has contributed to the proliferation of technologies relevant to the refinement of weapons-grade nuclear material, including transferring ring magnets to Pakistan.

(8) The People's Liberation Army and associated defense companies have provided ballistic missile components, cruise missiles, and chemical weapons ingredients to Iran, a country that the executive branch has repeatedly reported to Congress is the greatest sponsor of terrorism in the world.

(9) In May 1996, United States authorities caught the People's Liberation Army enterprise Poly Technologies and the civilian defense industrial company Norinco attempting to smuggle 2,000 AK-47s into Oakland, California, and offering to sell urban gangs shoulder-held missile launchers capable of "taking out a 747" (which the affidavit of the United States Customs Service of May 21, 1996, indicated that the representative of Poly Technologies and Norinco claimed), and Communist Chinese authorities punished only 4 low-level arms merchants by sentencing them on May 17, 1997, to brief prison terms.

(10) The People's Liberation Army contributes to the People's Republic of China's failure to meet the standards the 1995 Memorandum of Understanding with the United States on intellectual property rights by running factories which pirate videos, compact discs, and computer software that are products of the United States.

(11) The People's Liberation Army contributes to the People's Republic of China's failing to meet the standards of the February 1997 Memorandum of Understanding with the

United States on textiles by operating enterprises engaged in the transshipment of textile products to the United States through third countries.

(12) The estimated \$2 billion to \$3 billion in annual earnings of People's Liberation Army enterprises subsidize the expansion and activities of the People's Liberation Army described in this subsection.

(13) The commercial activities of the People's Liberation Army are frequently conducted on noncommercial terms, or for noncommercial purposes such as military or foreign policy considerations.

SEC. 2. APPLICATION OF AUTHORITIES UNDER THE INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT TO CHINESE MILITARY COMPANIES.

(a) DETERMINATION OF COMMUNIST CHINESE MILITARY COMPANIES.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), not later than 90 days after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Attorney General, the Director of Central Intelligence, and the Director of the Federal Bureau of Investigation, shall compile a list of persons who are Communist Chinese military companies and who are operating directly or indirectly the United States or any of its territories and possessions, and shall publish the list of such persons in the Federal Register. On an ongoing basis, the Secretary of Defense, in consultation with the Attorney General, the Director of Central Intelligence, and the Director of the Federal Bureau of Investigation, shall make additions or deletions to the list based on the latest information available.

(2) COMMUNIST CHINESE MILITARY COMPANY.—For purposes of making the determination required by paragraph (1), the term "Communist Chinese military company"—

(A) means a person that is—

(i) engaged in providing commercial services, manufacturing, producing, or exporting, and

(ii) owned or controlled by the People's Liberation Army, and

(B) includes, but is not limited to, any person identified in the United States Defense Intelligence Agency publication numbered VP-1920-271-90, dated September 1990, or PC-1921-57-95, dated October 1995, and any update of such reports for the purposes of this Act.

(b) PRESIDENTIAL AUTHORITY.—

(1) AUTHORITY.—The President may exercise the authorities set forth in section 203(a) of the International Emergency Economic Powers Act (50 U.S.C. 1702(a)) with respect to any commercial activity in the United States by a Communist Chinese military company (except with respect to authorities relating to importation), without regard to section 202 of that Act.

(2) PENALTIES.—The penalties set forth in section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to violations of any license, order, or regulation issued under paragraph (1).

SEC. 3. DEFINITION.

For purposes of this Act, the term "People's Liberation Army" means the land, naval, and air military services, the police, and the intelligence services of the Communist Government of the People's Republic of China, and any member of any such service or of such police.

The SPEAKER pro tempore. Pursuant to House Resolution 302, the gentlewoman from Florida [Mrs. FOWLER] and the gentleman from Indiana [Mr. HAMILTON] each will control 30 minutes.

The Chair recognizes the gentlewoman from Florida [Mrs. FOWLER].

GENERAL LEAVE

Mrs. FOWLER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

Mrs. FOWLER. Madam Speaker, I yield myself such time as I may consume.

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Madam Speaker, today the House is considering H.R. 2647, legislation I have introduced to call attention to U.S. commercial activities of the People's Liberation Army, better known as the PLA, of China and give the President expanded authority to take action against PLA-owned enterprises doing business in the United States.

It has been well-documented that China's military-owned enterprises have been directly involved in the international proliferation of nuclear and chemical weapons technologies and of missiles and missile technologies. Recent revelations include information about the sale of ring magnets and specialized high temperature industrial furnaces, used in constructing nuclear weapons, to Pakistan; technical support for Iran's nuclear program; and missile technology sales to Iran, Syria, and Pakistan. The profits from these sales are piled back into the modernization of the PLA and fund such aggressive activities as the missile tests conducted off Taiwan in advance of the 1996 elections there and the PLA's seizure of contested islands in the South China Sea.

What many Americans do not know is that the Chinese military also operates many enterprises that deal in non-military commodities, and that they profit handsomely from their activities in the United States. A report released earlier this year indicated that vast quantities of goods as varied as rattan products, toys, ski gloves, garlic, iron weight sets, men's pants, car radiators, glassware, pollock fillets, swimsuits, and much more are being sold to U.S. consumers by PLA-owned firms.

This chart that I have here will give Members an example. All those that are in the peach color are companies that have been documented by our Defense Intelligence Agency as being directly owned by the People's Liberation Army. Those in the peach color are the ones that would be affected by this legislation. The ones to the other side, in the other color, are their defense industrial base. Some of them have indirect connections also, but any Members who are interested today might want to come up and look at this chart. They would be amazed at the companies listed here.

H.R. 2647 would do two things. First, it would require the Secretary of Defense, in consultation with the Attorney General, the Director of Central Intelligence, and the Director of the FBI, to maintain a current list of Chinese military firms operating directly or indirectly in the United States. This list, consisting strictly of PLA-owned companies, would be updated regularly in the Federal register.

Second, it would give the President enhanced authority under the International Emergency Economic Powers Act, better known as IEEPA, to take action against Chinese military-owned firms if circumstances warrant, including freezing their assets or otherwise regulating these firms' activities.

Thus, if a PLA-owned firm is found to be shipping missile guidance components to a rogue state like Iran, the President would have the authority to take immediate action against a United States subsidiary of that firm which might, for example, be selling sporting goods here in the United States.

I should note that this bill would not require the President to take action under IEEPA; it would only enhance his ability to do so.

I believe that American consumers ought to know whether the products they are buying, including things like toys, sweaters, and porcelain they might purchase for the upcoming holidays, are supporting the People's Liberation Army and the kind of activities I have identified.

This legislation will help do that. It is needed both to shed light on the PLA's activities in the United States and to ensure that the President has the latitude he needs to take appropriate actions when evidence of wrongdoing arises. I hope my colleagues will support this legislation.

Madam Speaker, I reserve the balance of my time.

Mr. HAMILTON. Madam Speaker, I yield myself such time as I may consume. I rise in opposition to the bill.

Madam Speaker, the purpose of the bill is to increase, I think, the likelihood that United States sanctions against companies owned by the Chinese military will be applied. The bill's findings make a number of assertions about objectionable conduct by the People's Liberation Army. I think there is broad agreement with regard to the accuracy of those assertions.

The findings also describe a number of Chinese military commercial activities that are contrary to United States interests, or at least said to be contrary to United States interests, or in violation of Chinese Government commitments. The bill requires the Secretary of Defense to maintain a list of Chinese military companies operating in the United States, and it authorizes but it does not require the President to impose the sanctions provided for under the International Emergency Economic Powers Act, the act we generally refer to by the name IEEPA,

even if that statute's threat standard has not been met.

I really oppose the bill for two reasons. First of all, the bill hands the President of the United States an extraordinary amount of authority. Currently the International Emergency Economic Powers Act, or IEEPA, authorizes the President to impose a wide array of sanctions in response to a foreign threat to the United States national security, foreign policy or economic interests. Presidents have used that authority frequently in the past. Under this bill, the President would be free to impose IEEPA sanctions on a Chinese military company without declaring a national emergency, or even determining that the company in question posed any threat to United States public safety or national security.

In other words, the bill provides no clear standards for invoking IEEPA sanctions. The bill establishes no threat standard for triggering the sanctions. The bill offers no congressional guidance to the President concerning the conduct that would justify sanctions. So far as I am aware, no existing sanctions law, and we have a number of them on the books today, offers the President anywhere near this kind of open-ended authority to impose sanctions. And so the bill has important implications beyond United States-China relations. It sets a precedent, and some view perhaps an alarming precedent, with respect to the separation of powers; it represents an extraordinary giveaway by the Congress of congressional authority to the executive to set the parameters of U.S. foreign and trade policy. I am aware, of course, that my colleagues will not be much persuaded by this argument, but I do find myself increasingly concerned about this propensity on the part of Members of the Congress and this institution to transfer authority to the President of the United States, and in this case not to give him any guidelines, not to give him any guidance, not to put any restraint or restrictions on the manner in which he uses that power. I can almost assure that sometime in the future, we in this body will be objecting very strongly to the manner in which some President, a future President, will have exercised authority under this bill, and we will complain that he has abused authority when in fact he will not have abused authority because there are not any guidelines here. That is one objection that I have to the bill.

A second objection is that I think the bill involves the danger that it poses to sensitive intelligence information. The requirement to publish a list of Chinese military companies operating directly or indirectly in the United States I am told can easily jeopardize sensitive sources. This requirement of disclosure could release classified information that should be protected, and that information could relate to sources and methods in the intelligence community. I do not think it is wise for us to

take action that will only make it more difficult to collect vital intelligence on Chinese commercial interests in this country. I understand that the Chinese do a lot of things that we do not like, and I agree with much of what has been said with regard to their conduct, but I do not think we have looked at this legislation carefully enough, we have not explained why the President needs any new authority to protect public safety or national security from the Chinese military. He already has very extensive authority to do that. I do not think the sponsors of the bill have adequately explained why we should take a step that has fairly serious implications for the balance of constitutional powers, and I do not believe the sponsors of the bill have told us how they would reconcile the need to protect sensitive intelligence sources with the requirement for publishing a list of companies associated with the Chinese military.

Madam Speaker, I do not see any overriding reason to pass this bill, although I certainly understand the concerns that the sponsors of the bill have about Chinese military enterprises operating in this country and in other areas of the world.

□ 1600

But because of the two reasons that I have stated, I do urge Members to oppose the bill. I might say that the administration likewise opposes the bill.

Madam Speaker, I reserve the balance of my time.

Mrs. FOWLER. Madam Speaker, I yield myself such time as I may consume.

I just want to stress again that this bill does not require the President to do anything, it just gives him the flexibility to do so.

Madam Speaker, I yield 4 minutes to the gentleman from New York [Mr. GILMAN], the distinguished chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Madam Speaker, I thank the gentlewoman from Florida for yielding this time to me.

Madam Speaker, I am pleased to rise in strong support of this measure, a bill introduced by the gentlewoman from Florida [Mrs. FOWLER] that would deny normal commercial status to the Chinese People's Liberation Army, whose enterprises subsidize China's military spending, and who promote arms proliferation activities from Iran to the streets of San Francisco.

This critically important legislation is needed to monitor and restrict the long arm of those commercial enterprises in Asia and in the United States whose activities have been directly implicated in the proliferation of weapons of mass destruction, in arms smuggling, economic espionage, use of forced labor, piracy of intellectual property and misappropriation of military-sensitive technology.

Its provisions would require the U.S. Secretary of Defense, the Attorney General and our Directors of the Central Intelligence Agency and the Federal Bureau of Investigation to publish a list of Chinese military companies that are operating in the United States, and would authorize the President to monitor, to restrict, and seize the assets of those companies.

As an original cosponsor of this measure, along with a number of my colleagues, including the distinguished chairman of the Committee on National Security, the gentleman from South Carolina [Mr. SPENCE], I would remind my colleagues that the Chinese People's Liberation Army is the main instrument of repression within China responsible for occupying Tibet since 1950, massacring hundreds of student demonstrators in Tiananmen Square in June of 1989, and running the Laogai slave labor camps.

The PLA, assisted by its money-making commercial enterprises, is engaged in a massive military buildup with most of the increase in off-budget items. Our arms control agency has estimated that its actual military spending in 1994 was more than nine times its announced budget.

We can and must ensure that the commercial enterprises supporting this massive military buildup be subjected to close scrutiny by our intelligence and law enforcement agencies, and we urge the President to use his existing authorities to restrict or ban their activities in the United States to the extent they represent a national security threat to our interests.

This measure provides the authority for the President to seize the assets of Chinese companies listed in section 2(a) of this bill. It does not mandate, does not require any such Presidential action, but it does serve to put teeth in this measure denying commercial status to these Chinese companies. If the President were to abuse his authorities under the IEEPA, we can always restrict or eliminate the authorities provided in section 2(b) of this act.

We know that we have a problem with the Chinese military as a whole, but perhaps for foreign policy reasons the President will not want to declare an emergency. This measure will allow the President to act accordingly. If this is any giveaway of authority, it is strictly limited though to PLA companies.

Accordingly, I urge our colleagues to support this measure.

Mr. HAMILTON. Madam Speaker, I yield myself an additional minute.

I just wanted to point out the process involved in this bill. I think there were no hearings in the committee with respect to it. I am not aware that there was any consultation between the committee and the administration and no effort to talk with the administration about how they viewed this bill or to adapt the language of the bill so that it would be satisfactory to the administration.

I am not aware that the bill had any consideration in the committee, the House Committee on International Relations. This bill was not reported out by the committee, I do not believe. I think the bill came out under a waiver, if I am not mistaken.

Now, I understand that there are times when steps have to be taken in a committee to bypass normal procedures, but I must say I do not understand why that had to occur here. This is an important matter. The administration does have something to say on it, but I am not aware of any process that involved them to any degree.

Madam Speaker, I reserve the balance of my time.

Mrs. FOWLER. Madam Speaker, I yield 4 minutes to the gentleman from South Carolina [Mr. SPENCE], the chairman of the Committee on National Security.

(Mr. SPENCE asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Madam Speaker, I thank the gentlewoman from Florida for sponsoring this initiative.

Madam Speaker, the Communist Chinese People's Liberation Army directly controls a vast empire of commercial enterprises throughout the world. In addition, there is a parallel network of state-run defense industries under the supervision of the Commission of Science, Technology and Industry for National Defense. Such enterprises have been involved in the proliferation of weapons of mass destruction, arms smuggling, economic espionage, use of forced labor, piracy of intellectual property and misappropriation of military-sensitive technology.

As state-owned enterprises, PLA enterprises frequently operate on non-commercial terms, conducting their affairs for such nonmarket reasons as military and prestige considerations and for advancing foreign policy concerns, and even when operating for commercial motives, PLA profits subsidize the military establishment with off-budget financing. According to Karl Schoenberger, writing in *Fortune* magazine, off-budget military spending in 1997, including both profits from PLA enterprises and PLA arms sales, is conservatively estimated at \$2 to \$3 billion. Based on purchasing power parity, the Arms Control and Disarmament Agency, not known for exaggerating threats, estimated that 1994 Chinese military spending was nine times its announced budget.

To Chinese military spending is added the problems of weapons acquisition; for instance, fire sales from cash-strapped Russia. The Chinese arms proliferation problem involves what China buys as well as what it sells; is captured by its efforts to acquire the *Sovremenny*-class destroyers from Russia, which are equipped with SS-N-22 supersonic antiship missiles. These Sunburn missiles were designed to evade defenses by hugging the surface of the ocean and then popping up to

come straight down on the surface of ships. They are designed for destroying American aircraft carriers and *Aegis* cruisers, especially disturbing given our Navy's presence in the Taiwan Strait.

Instead of representing a stabilizing force in a generational leadership transition in China, as some allege, that military establishment is China's chief enemy of freedom at home and abroad. The PLA is responsible for internal repression from Tibet's occupation to the Tiananmen Square massacre. It is responsible for external aggression from the seizure of Mischief Reef in the Spratley Islands to the firing of missiles to intimidate Taiwan.

The Communist Chinese military does not deserve to be treated like the world's private companies. I urge my colleagues to support this very fine piece of legislation.

Mr. HAMILTON. Madam Speaker, I reserve the balance of my time.

Mrs. FOWLER. Madam Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLOMON], the chairman of the Committee on Rules.

Mr. SOLOMON. Madam Speaker, I thank the gentlewoman from Florida for yielding this time to me, and first I want to commend her for her sponsorship of this very, very important legislation and her contribution on all of this legislation that has been before us for the last 2 days.

Madam Speaker, again we have a bill before us that brings to light a very serious problem with Communist China that has often been lost in our previous debates on China. It is especially lost when listening to the rhetoric of those who argue for the status quo called engagement with China. As my colleagues know, that word, "engagement," always gets this country of ours in trouble and always ends up with American soldiers in combat somewhere.

The problem is that we do not have true engagement or free trade with this Communist government. There is a barrier between us and them, and the barrier is the massive omnipresent Communist Chinese Government's apparatus dominated by the People's Liberation Army.

This is no ordinary army, Madam Speaker. No, it is also a vast commercial empire raking in profits of well over \$2 billion a year, mostly financed by either low-interest or no-interest U.S. taxpayer dollars, 35 years in length, and sometimes with a 10-year waiver, a 10-year grace period, that may never even get paid back, and yet they keep doing this, Madam Speaker. They have got their fingers in everything, let me assure my colleagues.

Madam Speaker, half of the things people are wearing around here are probably made by firms either owned by or affiliated with the People's Liberation Army. See this shirt I am wearing here? Used to be made up in Troy, NY. Do my colleagues know where it is made now? It is made by the People's

Liberation Army in China, and all the people that I represent are now out of work. We used to have several thousand seamstresses and workers up in the Hudson Valley. Today we are lucky if we have 300 left.

And what does the PLA do with these huge profits? Well, for starters it dutifully carries out the totalitarian repression of the Chinese people as ordered by the Communist Party. The PLA is the instrument of terror in China. It was the PLA that rolled the tanks in Tiananmen Square, killing a thousand people. It is the PLA that occupies Tibet.

What else does it do, Madam Speaker? Well, for starters, they fired some missiles at Taiwan last year, and they are using their annual double-digit budget increases in their military to gobble up weapons at a breathtaking pace, SU-27 fighter jets, Kilo submarines like this destroyer right here purchased from the Russian Government, armed with a deadly anti-American SS-N-22 missile that is pictured here, that is someday going to be used against U.S. soldiers and sailors stationed over in the Taiwan Straits. Just name it, the PLA is buying it.

And lastly, it is, of course, the PLA that is proliferating the endless list of deadly weapons and technology.

I urge all of my colleagues to support this legislation. I commend the gentlewoman from Florida. It is a great piece of legislation.

Mr. HAMILTON. Madam Speaker, I yield 3 minutes to the distinguished gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Madam Speaker, there is an excellent new book on the market. It is called *Derelection of Duty*, and it talks about what went on in the Lyndon Johnson administration, starting about January of 1964 when he was telling the people of America that he was not going to get our Nation involved in any war in Vietnam, and yet behind the scenes was taking every step to do so.

□ 1615

That is what happens when you mislead the American people. That is what happens when you tell the American people you are doing one thing and yet another is going on.

That is what these six bills are about. I voted for them. They sound good; they feel good; they do absolutely nothing. This bill, I would say to the gentlewoman from Florida [Mrs. FOWLER], and you are my friend, does absolutely nothing.

We have had two opportunities now on this floor to do something. My friend, and I still call him my friend, although we quarrel on occasion, Mr. SOLOMON, points out that the People's Army got \$2 billion in profits from goods they sold in America last year. The people of China, the nation of China, got \$40 billion because of their incredible trade surplus with our Nation. On two occasions, I have tried to

address that. On two occasions, you people chose not to.

It is a dereliction of duty of this Congress to mislead the American people that we are somehow getting tough with the Chinese Communists when we are not. There is a dereliction of duty of this Congress to pass six bills, put out press releases, go up there, talk to the television, go out on the quad and talk to the reporters, say we are finally getting tough with the Communists, when we are not.

The only way we are ever going to get the Chinese Communists' attention, to get them to quit forcing abortions, to get them to quit selling missiles to our enemies, to get them to quit putting American businesses out of business with slave-labor-made goods, is when we hit them in the pocketbook, and we will never hit them in the pocketbook as long as we give them most-favored-nation status, when they get 2 percent tariffs on their products coming into America and yet we allow them to charge us anything they want when we sell our products there. And those tariffs can be from 30 to 40 percent, and those tariffs are the main reason why our Nation is at a \$40 billion annual trade disadvantage with the Chinese.

I say to the gentlewoman from Florida [Mrs. FOWLER], I am going to vote for her bill. It sounds nice. But if you are really serious, if the gentleman from New York [Mr. SOLOMON] is really serious about this, then let us address the trade inequity. Let us forget about the silly rules of the House. Let us forget about jurisdictions. For once, let us do what is right for America.

Mrs. FOWLER. Madam Speaker, I yield 3 minutes to the gentleman from California [Mr. ROHRBACHER].

[Mr. ROHRBACHER. Madam Speaker, I find it unfortunate that my friend, the gentleman from Mississippi [Mr. TAYLOR], would speak to us in such a condescending manner.

And I will just say this right off the bat. There have been people that have put a lot of time and effort into this issue of human rights and China. This Member in particular has spent years engaged in the issue of human rights in China. And for you to stand up here and act condescending to people who have worked so hard, like the gentlewoman from Florida [Mrs. FOWLER] and the gentleman from California [Mr. COX], who have worked and sweated and done their homework for months and even years to try to get legislation to this floor, when you, as a Member yourself, have not gone through the procedures necessary to work a piece of legislation, is a little bit too much.

I would like to commend the gentlewoman from Florida [Mrs. FOWLER] and commend the gentleman from California [Mr. COX] in particular for the hard work they have put into this legislation. And it is not just a 1-day thing with these people, it is not a 1-day thing with this Congressman. We have worked for years trying to come to

grips with a challenge to the United States of America, and that challenge is something that the public has not been able to recognize because there are American businessmen over making profit of Communist dictatorship, a dictatorship run by a group of thugs that threatens our national security and threatens the well-being of the people of this country.

We have got a package of bills before us today, and we have had to work to get them to the floor and work to perfect them, that will make a difference.

For example, we are not just talking about the People's Liberation Army, we are insisting that all companies that are associated with the People's Liberation Army, that are fronts for the People's Liberation Army, that a list be made and that it be made public, and that the President be given the discretion, which, of course, our distinguished ranking member on the Committee on International Relations opposes, that the President be given the discretion to act against these companies.

I am not afraid that the civil rights of these People's Liberation Army companies might get stepped upon. We are talking about the biggest abusers of human rights in the world, people who torture Christians, who put believers in God in prison, put them in forced labor camps, use them as slave labor to produce goods that will be sold, some of those goods, sold right here in the United States of America.

We are trying to come to grips with this problem, we are trying to alert the American people to it, and I, for one, deeply appreciate the gentlewoman from Florida [Mrs. FOWLER] and especially the gentleman from California ([Mr. COX] and all the other people who put time and effort into this package.

The People's Liberation Army is providing billions of dollars, billions of dollars, of revenue, by selling products to us, to do what? As the gentleman from New York [Mr. SOLOMON] stated, to build up their armed forces in a way by selling products to us.

What will they do with these weapons? This massive buildup that we see of the Chinese military, what will they do? Some day they may use those weapons to kill Americans.

Well, we are taking steps today to see that we come to grips with this incredible challenge. I, for one, am proud of the gentleman from New York [Mr. SOLOMON], I am proud of the people involved in the effort.

One last thing about this particular bill, H.R. 2647. No, it does not do everything, but it takes a long step forward. It will alert the American people to what companies are nothing more than fronts for the military arm of the Chinese Communist regime, and it gives the President authority to act if we find them stealing our technology or acting in a way that is totally inconsistent with the security needs of our country.

So I rise in strong support of this legislation and commend my fellow colleagues who put so much time and effort into trying to do something about it. Lyndon Johnson certainly didn't do anything about it.

[Mr. HAMILTON. Madam Speaker, I yield 7 minutes to the distinguished gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Madam Speaker, I thank the distinguished ranking member for yielding me this time, and I commend the gentlewoman from Florida [Mrs. FOWLER] for her leadership on this important issue.

I just want to return to the dialog where the gentleman from California [Mr. ROHRBACHER] started his remarks. I wanted to commend the gentleman from Mississippi [Mr. TAYLOR] though, too, for his comments, because it is true, we should be doing more. But this is the very least we should do, where we can come together and hopefully get some action on the Senate side and put these bills on the President's desk. This gives us a chance to demonstrate the need for this legislation and to make a statement of our national values and concerns in our relationship with China.

As I have said over and over, I believe we will have a brilliant relationship with China, economically, diplomatically, culturally, politically, and every way, but that can only happen when the Chinese Government respects its own people, stops proliferating weapons of mass destruction to rogue states, and plays by the rule in our trade relationship.

I believe we should have engagement with China, but it must be effective engagement, that makes the trade fairer, the world safer, and people freer, and not the destructive engagement that we have now that not only coddles dictators but extends unwarranted hospitality to them.

For example, when President Clinton toasted President Jiang Zemin, he was toasting the leader of the Chinese military that at that very moment was brutally occupying Tibet, continuing its proliferation of weapons of mass destruction to rogue and unsafeguarded states, repressing dissent in China, and a military that had in the past year and a half threatened with missiles the election in Taiwan, a military that had exported illegally AK-47 type rifles into the United States, selling them at a very cheap price on the streets here, making them the weapons of choice for gangs, all of this in violation of our law, but we again looked the other way or pulled the plug on the investigation too soon.

I want to call to my colleagues' attention a photograph that we have not had on the floor in a long time, because, frankly, I think it is too sacred to bring before this body, which has over and over again rejected our appeals for a change in U.S.-China policy because of repression in China and Tibet.

But, Mr. TAYLOR, respecting and admiring your dissatisfaction with what is going on here too, because, frankly, I am dissatisfied too, it is a cluster of fig leaves that we are dealing with, but they have more to them than that. As one who has been critical of fig leaf approaches here, I do commend our colleagues for the thoughtful attention they have paid and the reasonable solutions they have come up with so they can get almost unanimous support in this body for these initiatives.

But the gentleman is right. I had the bill on this floor that would limit MFN, revoke MFN for products made by the People's Liberation Army. That is what we should be doing here today. We do not have the votes for it, the President will not sign it, it would not pass in the Senate probably, and that, I think, is the least we can do.

But I bring this photograph back today in hope that the gentleman from California [Mr. COX] and the gentlewoman from Florida [Mrs. FOWLER] and the gentleman from New York [Mr. SOLOMON] and so many others who have worked on this package, that we can be serious about what we are doing and this is not perfunctory.

This is the photograph of the lone man before the tank. We all identified with him and admired him, and we immediately forgot the cause that he was standing there for. But I bring it here today in discussion of the People's Liberation Army, because this is the People's Liberation Army. They rolled out the tanks against their own people in the streets of Beijing on June 3 and 4 of 1989.

Fast forwarding to the present, this is the same People's Liberation Army that, according to the Office of Naval Intelligence in a March 1997 report, an unclassified report, stated that discoveries after the Gulf War clearly indicate that Iraq maintained an aggressive weapons of mass destruction procurement program. A similar situation exists today in Iran with a steady flow of materials and technologies from China to Iran. This exchange is one of the most active weapons of mass destruction programs in the Third World and is taking place in a region of great strategic interest to the United States. It is in our strategic interest to stop the proliferation by the Chinese military, the People's Liberation Army, of these weapons of mass destruction to Iran.

Between June of 1989, and we can go back further than that, but just taking from then to the present, and now, the Chinese military has been engaged in the activities that many of us have described relating to Taiwan, Tibet, China itself, proliferation, et cetera.

They are the guardians of China's repressive dictatorial regime. They and the People's Armed Police, which are part of the military, stand guard atop the watch towers of the laogai, the Chinese gulag, and are executioners of prisoners, some of them for harvest of their organs for profit.

The People's Liberation Army acts with swift brutality, as evidenced in Tiananmen Square as we see here, to crush any attempt to introduce democracy or promote basic human rights in China.

Indeed, when President Jiang, the leader of that military, who got a 21-gun salute from our administration by the military of this repressive regime, when he was here, he rejected the notion of economic reform leading to political reform and stated that political conformity and economic reform are complementary to each other. I was trying to get his exact words. He rejected the notion of people's evolution, and yet this administration and many in this body continue to say that that is what is happening in China.

Recently, huge worker demonstrations in Sichuan Province were brutally repressed by the People's Armed Police. Workers, believers, intellectuals, and students are rounded up and confined to reeducation camps in a continuing attempt by the Chinese authorities to break their spirit and prevent the establishment of independent organizations.

But this is why the legislation of the gentlewoman from Florida [Mrs. FOWLER] is so necessary. Chinese military-owned companies are selling huge amounts of goods in the United States, including toys, exercise weights, camping tents, and fish for fast food restaurants. Among American companies that buy products from wholesalers or distributors who get goods from them, I will invite my colleagues to read the People's Liberation Army, where to find PLA companies in the United States, what products they sell, and who are the PLA's customers.

I think my colleagues would find this very informational and a compelling reason to support the legislation of the gentlewoman from Florida [Mrs. FOWLER]. I thank the gentlewoman for presenting it.

□ 1630

Mrs. FOWLER. Madam Speaker, I thank the gentlewoman from California [Ms. PELOSI] for her support and her diligent work in this effort.

I yield 5 minutes to the gentleman from California [Mr. COX], the chairman of the Republican Policy Committee.

Mr. COX of California. Madam Speaker, I thank the author of this bill, the gentlewoman from Florida [Mrs. FOWLER], for her courage in bringing it to the floor, and for her hard work and making sure that 90 days from its passage, the Department of Defense, the CIA, the FBI and the Department of Justice will combine their resources to produce a list of People's Liberation Army fronts doing business in the United States.

The reason we are here is because we love the peoples of China, and we know the difference between the Communist government in Beijing and the people. We know that the people are not the

regime. We also know that free enterprise is not communism and communism is not free enterprise, and we know that the People's Liberation Army, the largest standing military on Earth, is not a commercial enterprise. And those of us who are for free trade understand that free trade must take place between commercial actors, market forces, driven by a profit motive, and competition is what makes markets work.

The People's Liberation Army is not interested in that. The People's Liberation Army has very different aims, and we understand what armies are all about.

The money that is generated from the subsidized industries in which the People's Liberation Army is engaged as so-called profits provide off-budget financing for the People's Liberation Army to expand even more than it already has. In nominal terms, that is what they report, the People's Liberation Army has doubled its spending since the collapse of the Soviet empire. They have literally moved to fill the void created by the collapse of the Soviet Union militarily. But the Arms Control and Disarmament Agency tells us that that is understated by a factor of probably 8 times. The People's Liberation Army is enormous, but it is also growing, and it is growing because of these rather unique and creative financial arrangements.

A good example of these financial arrangements is Poly Technologies, about which we have heard some in the course of this debate. Poly Technologies, Inc., which is engaged in everything from the sale of small arms to the latest weapons of mass destruction in the People's Liberation Army arsenal has as its chairman a PLA officer. Bao Ping is none other than Deng Xiaoping's son-in-law.

This People's Liberation Army organization, using, for example, \$2.5 billion that it earned in a single Middle East arms transaction, those were its net profits in that one deal, occupies almost one full city block near Beijing's Forbidden City. Poly Plaza comprises two large gleaming white marble towers connected by a 4-story high exhibition hall and theater. Across the face of the building in gold letters in English and Chinese characters, it says, Poly Plaza. They own property all over the People's Republic of China. Luxury villas in Beijing and a large piece of the Shanghai Securities Exchange building.

They also have commercial interests in California, where they were arrested for trying to smuggle into our country 300,000 machine guns for sale to street gangs. This is the indictment. They happen to be caught because there was an FBI sting operation, and in fact, a PLA agent offered to sell the FBI officers engaged in the sting operation Red Parakeet missiles, like Stinger missiles, the Chinese call theirs Red Parakeets, which he boasted, and it is written out here in the indictment, could

take a 747 out of the sky. That is the kind of enterprise that the People's Liberation Army conducts.

Fortune Magazine, as has been alluded to earlier in the debate, reports that profits from People's Liberation Army's so-called commercial enterprise, the PLA fronts, yield about \$2 billion to \$3 billion in hard currency off-budget financing for the People's Liberation Army. The People's Liberation Army, more than anything, is the instrument of internal repression in the People's Republic of China. We ought not to pretend that when they are using their commercial fronts to do business in the United States that it looks anything like free trade. It is not.

What this bill does is very modest. It will produce a list and it will produce it in relatively short order so that we can then know who we are dealing with. That kind of information the American people need; that kind of information this bill will provide, and I congratulate the gentlewoman from Florida.

Mrs. FOWLER. Madam Speaker, I yield 30 seconds to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Madam Speaker, I thank the gentlewoman for yielding once again and commend her for her leadership.

I wanted to join the gentleman from California [Mr. COX], and I did not have enough time to finish when I was enumerating all the kinds of products that the Chinese People's Liberation Army sells in the United States.

The point is that the point that the gentleman from California [Mr. COX] made, and that is that this subsidizes the Chinese military apparatus, the same one that brutally occupies Tibet, sells weapons of mass destruction into the Third World. The toys you buy in the United States from Poly Technologies and the rest subsidize the Chinese military.

Mr. HAMILTON. Madam Speaker, I yield 3 minutes to the distinguished gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Madam Speaker, let me begin by agreeing with everything the gentleman from California [Mr. COX] just said. All of those things really did happen. The company that shipped that container-load of AK-47's into our country is the Chinese Ocean Shipping Co. We on the Committee on National Security this year passed an amendment which would ban that company, or any state-owned shipping company, from leasing or operating an American port that used to be a military installation that has reverted back to a local community. Unfortunately, the Senators chose not to do so, and it was dropped out of the conference committee report.

I want to go back to some things that were said earlier, that this bill is great because we authorize the President to do some things. One of the things we are as Members of Congress expected to

do is read the Constitution of the United States, and any Member who reads the Constitution of the United States knows that in section 1 it talks about the powers of the Members of Congress. One of those powers will be debated twice today, because it involves Article I, section 8, clause 3 of the Constitution, which clearly gives Congress, and I am quoting, "the power to regulate commerce with foreign nations."

What the gentlewoman from Florida [Mrs. FOWLER] is trying to do here is to regulate commerce with foreign nations, and I have no problem with that because she is trying to slap the Chinese for their wrongful deeds. The problem with it is we should be doing it and we should not be delegating our constitutionally mandated authority to the President.

We know they have done bad things. We know that they have tried to smuggle a container, a 40-foot container load of AK-47's into this country to sell to street gangs in this country and cause harm in this country. Let us not pretend that that is not going on. And let us not pretend that these measures that have absolutely no force at all are going to do anything about it.

I am going to say for the last time, if this Congress is serious about getting the Chinese' attention for their wrongful deeds, we have to hit them in the pocketbook. They have unlimited access to the American market in most favored nation status which a majority of Members in this body, but not me, voted for, which allows them to have market access for 2 percent. They charge American goods anywhere up to 40 percent.

We have had two separate options, two separate opportunities to level the playing field. The sponsor of this bill did not vote to do so. I hope this Congress in the next session will address that. Because if we really think that the Chinese are doing wrong things and we really want to address it, there is a means to do so. It is called trade fairness. It is called basic fairness for the American working people.

I hope just once the Committee on Ways and Means will allow the Members of this body to vote on something that will call for fairness in trade between ourselves and the People's Republic of China.

CONFERENCE REPORT ON H.R. 2264,
DEPARTMENTS OF LABOR,
HEALTH AND HUMAN SERVICES,
AND EDUCATION, AND RELATED
AGENCIES APPROPRIATIONS
ACT, 1998

Mr. LIVINGSTON submitted the following conference report and statement on the bill (H.R. 2264) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes:

CONFERENCE REPORT (H. REPT. 105-390)

The committee of conference on the disagreeing votes of the two Houses on the amendment