

labor market and to ensure that states are able to provide the services necessary for employment and re-employment services aimed at matching employers and qualified job-seekers.

Mr. Speaker, a major focus of reform should be to improve the efficiency of the current administrative financing mechanism and to reduce the tax burden imposed on employers. Administration of the employment security system is financed by employers through the Federal Unemployment Tax Act (FUTA) payroll tax. Currently collected by the IRS, FUTA revenue is returned to the states through an annual appropriation allocated by the Department of Labor. Unfortunately, states aren't receiving a proportionate return on the FUTA dollars contributed by their employers. Since 1990, less than 59 cents of every FUTA dollar has been sent back to the states for the purpose of administering their unemployment system, and the percentage is shrinking. Now less than 52 cents is returned. As a result, states are being forced to either make up for the shortfall from their own general funds, impose new payroll taxes, or cut back on services provided to workers.

Mr. Speaker, the Employment Security Administrative Financing Act is designed to address the problems that the current system continues to impose on the states and the FUTA taxpayers, while preserving and strengthening protections for workers. Specifically, the bill would: reduce the tax burden on large and small businesses by repealing the unnecessary, "temporary" 0.2% FUTA surtax imposed in the 1970's; eliminate inefficiencies experienced by employers by transferring responsibility for collection of the FUTA tax to the states; strengthen administration of the system by ensuring that states get a greater

return on their employers' FUTA tax dollars and ensure greater accountability for the use of these funds; improve employment services with an emphasis on re-employing dislocated workers; combat fraud and abuse in the present system; and, increase state flexibility to administer their unemployment insurance and employment services programs to serve local needs.

Mr. Speaker, without these reforms, the current system will continue to overtax and overburden employers, shortchange states, and, most importantly, underserve those who need it most—the involuntarily unemployed and those striving to move up the career ladder.

Mr. Speaker, this is an important issue that Congress should consider. I look forward to working with others to bring about these much-needed, common sense reforms to the current system that will bring our employment security system into the 21st Century.

AMERICA NEEDS A PERMANENT
AGRICULTURE TRADE REP-
RESENTATIVE

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 28, 1999

Mr. WATKINS. Mr. Speaker, today I am proudly introducing legislation to establish a permanent position of Chief Agricultural Negotiator within the Office of the United States Trade Representative (USTR). I do so with my colleagues, the gentleman from Missouri, Mr. HULSHOF, and the gentleman from Idaho, Mr. SIMPSON.

Since 1997, this position has been designated as "Special Trade Ambassador for Agriculture." Our legislation will create a permanent office at USTR to negotiate on behalf of America's farmers, ranchers and other agricultural interests. Unfortunately, the news from rural America is not good. Farm families are tired and frustrated with the level of attention that has been paid to their livelihood by our government. Additionally, global economic recessions have led to decreased exports by our producers, thus leaving them with a negative impression of what international trade has done for them.

American agriculture is at a crossroads and if we continue to ignore it, farm life as we know it will become extinct. The best way for America to sustain our agricultural backbone is by opening and accessing a new global marketplace. That marketplace can best be reached if we have someone in a permanent role, who has an agricultural background, working on behalf of our farmers and ranchers.

Finally, in one month representatives from all of the world's trading partners will attend the World Trade Organization Ministerial in Seattle to designate the parameters for the upcoming round of global trade talks and negotiations. Many people, including a large portion of the Congress, believe agriculture should be the number one priority for our negotiating team. However, as we host the trade world here in the United States, we do not have a permanent, designated negotiator for agricultural interests.

I urge all of my colleagues to lend their support to this legislation by cosponsoring this important and timely legislation.