diamonds. Two years ago—before American human rights activists began their campaign against conflict diamonds, and even before the diamond industry moved to protect its self-interest—Mr. Royce and Mr. Payne began taking a hard look at this problem.

Then, six months ago, this House passed compromise legislation designed to begin severing the link between diamonds and war. During negotiation of that bill, H.R. 2722, the President's trade and diplomatic representatives assured us that, if Congress would use the Kimberley Process's definition of conflict diamonds, which are those sanctioned by the United Nations, the Administration would press the UN Security Council to extend its embargo to diamonds mined in other conflict zones, like the Congo.

Today, I urge our colleagues to call that commitment due. Please join me in pressing our government to continue to lead this work—by insisting that the United Nations act against a blood trade that is helping to fuel the world's most deadly war. Please support H. Con. Res. 410.

MICHAEL HENRY DEVLIN MAKES HIS MARK ON THE WORLD

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 2002

Mr. ETHERIDGE. Mr. Speaker, I rise today to congratulate Mr. Patrick J. Devlin, Sr. of my staff and his wife Helen on the birth of their second child, Master Michael Henry Devlin. Michael was born early in the morning on Monday, May 20, 2002. He weighed 7 pounds and 6 ounces. Faye joins me in wishing Pat, Helen and their first son Patrick great happiness upon this new addition to their family. I know that the gentleman from Kentucky Mr. LEWIS joins me in celebrating Michael's birth as Helen serves on his staff.

As the father of three, I know the joy and pride that Pat and Helen feel at this special time. And I know that Patrick is excited to have a brother with whom he can play. Children remind us of the incredible miracle of life and they keep us young-at-heart. Everyday, they show us a new way to view the world. Indeed, they are one of the most important reasons why we serve in this body, Mr. Speaker.

I welcome Michael into the world, and wish Pat, Helen, and Patrick all the best as they bring Michael into their family.

SOVIET-STYLE ACTIONS IMPERIL FREE TRADE AND RUSSIA

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 2002

Mr. ROGERS of Michigan. Mr. Speaker, since the fall of communism and the Soviet Union, the Russian government has made significant strides in promoting free enterprise and free trade. Sometimes, however, old habits die hard.

Bureaucrats at the Russian Ministry of Agriculture seem to be living in the past. In a move reminiscent of the Soviet-era, they have ordered the nationalization of a private company with American trademarks, Stolichnaya Vodka.

These actions run counter to the efforts of Russian President Putin who has repeatedly demanded more property rights and freedom for the Russian people. Unfortunately, bureaucrats in the government have not gotten the message.

The actions against the rightful owner, SPI International, are not isolated incidents. As SPI's counsel, Richard Edlin stated in testimony before the House Committee on Ways and Means there is a "troubling pattern of regression by the Russian government to the tactics and policies of the Soviet era."

These abuses must stop if Russia is going to be considered a reliable trading partner of the United States. It is incumbent upon the Russian government and its trading partners to demand a correction of these abuses. These problems should not be swept under the rug. These actions threaten trade, reform and prosperity for the Russian people.

Mr. Speaker, I ask that the following editorial from the May 16, 2002 Investor's Business Daily be included in the CONGRESSIONAL RECORD.

[From the Investor's Business Daily, May 16, 2002]

MOSCOW'S STICKY FINGERS RISK ECONOMIC FUTURE OF RUSSIA

(By Doug Bandow)

After years of economic chaos and declines, Russia is advancing. Despite serious challenges to civil liberties, press freedom and the democratic process, the Russian people are finally enjoying a growing economy.

And Moscow's success, including a surprising budget surplus, re-dounds to the benefit of America. A more prosperous Russia is less likely to slide back into its communist past. A more prosperous Russia will offer a better market for U.S. investment and trade.

Yet continued progress requires that Russia move more inefficient state enterprises into private hands. Moscow must also improve its international commercial reputation.

However, Russia unfortunately is moving in the opposite direction, at attempting to reverse previous privatizations.

For instance, vodka is big business, the nation's second largest. (The Russians do love to drink.) One of vodka's most celebrated brand name is Stolichnaya.

SPI International acquired the Stolichnaya name in 1992, and now sells 1.3 million cases in the U.S. alone. But Moscow is trying to strip away SPI's trademark. To enforce its claim, the Russian Ministry of Agriculture has impounded 180,000 cases of SPI's vodka, currently sitting on the dock in the post of Kaliningrad.

USSR CRUMBLES

SPI's state-owned predecessor first registered its vodka trademark in the U.S. in 1967. PepsiCo bought the right to import Stolichnaya into the U.S. and spent more than $100 million over the years to encourage demand (PepsiCo has since left the alcohol business.)

When the USSR disintegrated at the end of 1991, the successor states, led by Russia, began selling off many state enterprises, SPI became a private company. In October 1992 the Russian government confirmed its right to export vodka under several trademarks.

Two years ago Allied Domecq acquired U.S. distributions rights. In reliance on SPI's property rights, Allied has undertaken a new advertising campaign and launched a new product to compete with Smirnoff. SPI has been shipping Stolichnaya for a decade without complaint from the Russian government, SPI has invested about $20 million to promote the brand and another $50 million to settle the debts of its state-run predecessor.

Yet the government recently decided that it wants to renationalize Stolichnaya. It went to court to claim ownership earlier this year, and a Moscow court sided with the government.

MOSCOW SHORT-SIGHTED

Despite the vulnerability of Russian courts to state manipulation, SPI won two subsequent decisions. These judges barred the agriculture ministry from trying to exercise the trademark and from seizing SPI's vodka.

Yet the government has ignored the courts. It has established a federal enterprise to monopolize vodka sales. Officials have even threatened SPI's employees with criminal prosecution.

Moscow's campaign is curiously short-sighted. Even if the government succeeds in stripping SPI's rights in Russia, it will have no right to export to the U.S. Allied is the registered trademark holder, and SPI is Allied' exclusive supplier.

Unfortunately, Stolichnaya is not the only target of Moscow's commercial aggression. Greenberg Traurig attorney Richard Edlin complained of "a troubling pattern of regression by the Russian government to the tactics and policies of the Soviet era" at a House Ways and Means Committee hearing.

For instance, the U.S. firm Films by Jove purchased Russian copy-rights. It's spend $4 million in making animated films. Now the Russian government has set up its own company by the same name as the firm that licenses films to Films by Jove and claims it's the true owner. A U.S. District Court upheld the U.S. company's copyright, opining that the Russian court's contrary decision, perhaps made under government pressure, was "incoherent," "irrelevant" and "shocking."

No wonder Russian Duma member Boris Nemtsov, head of the Union of Right forces, called on President Vladimir Putin to reverse the "dangerous" threat to property rights, one of the "pillars of true progress for Russia." Nemtsov worries that other reforms—Putin has flatten the income tax and legalized the sale of nonagricultural land—"will be for naught if the fundamental weaknesses of the Russian state that undermine property and minority shareholder rights are not addressed."

RULE OF LAW

Individual companies, which have invested in reliance upon property rights granted by Moscow obviously have much to fear from the surreptitious rollback of privatization.

If Russia is to continue to show economic growth, it must establish a stable investment climate to encourage demands and foreign investment. Commercial certainty is particularly important if the nation is to enter the World Trade Organization.

Putin deserves credit for having halted Russian's slide toward chaos. But real property requires establishment of the rule of law and respect for property rights.

PERSONAL EXPLANATION

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 2002

Mr. RILEY. Mr. Speaker, I was unavoidably detained for rollcall No. 186, H. Res. 427, Waiving Points of Order Against the Conference Report on H.R. 3448, Public Health