

Mr. PALLONE. Mr. Speaker, the recent disputes between the United States and India over nuclear and missile testing issues have not only resulted in political and diplomatic setbacks in our bilateral relationship. One of the major casualties of this year of antagonism has been the economic relationship between our two countries.

The historic free-market economic reforms that India initiated at the beginning of this decade have created vast opportunities for American participation in India's economic future. India's huge middle class represents a significant market, while India's infrastructure development needs offer opportunities for cooperation that will benefit both countries.

Unfortunately, Mr. Speaker, this past year has seen us lose some of the momentum of the previous 6 or 7 years. I am hoping to contribute to putting the U.S.-India economic relationship back on track, and I would like to offer some ideas on how we can do that.

Today I am introducing legislation to suspend all of the unilateral sanctions that the United States has imposed on India. Last year, Members of Congress, working on a bipartisan basis, approved a provision in the fiscal year 1999 Omnibus Appropriations bill that gave President Clinton authority to waive the sanctions during the fiscal year. But I think that a more permanent and less discretionary approach is now necessary.

There are some other legislative initiatives being proposed in this body and in the other body, the Senate; and this progress is encouraging, although some of the proposals may not go far enough.

My bill is drafted in such a way as to remove the current discretionary approach for waiving sanctions on a selective basis or an exchange for certain concessions by India. In a response to a letter I sent him earlier this year, President Clinton indicated that his administration will pursue an incremental approach to lifting sanctions in exchange for nonproliferation steps by India. But I do not think that this is the way to go.

I have been calling for months for a U.S. policy that turns away from the current stance of confrontation with India and towards recognition of India's legitimate security needs and the prospects for greater Indo-U.S. cooperation in both strategic and economic areas. Negotiations over our disagreements concerning nuclear issues should not destroy the burgeoning economic relations between America and India.

I am not only pushing for this legislation because of my concerns for how the sanctions impact on the people of India, although that is extremely important to me. As a U.S. Congressman, I am concerned that the remaining sanctions are causing American compa-

nies to lose opportunities to do business in India, while our economic competitors in Europe and Japan gain a major foothold in this great, emerging market.

Mr. Speaker, India is the fifth largest economy in the world. The private sector accounts for 75 percent of GDP. The country has 22 stock exchanges, over 9,000 listed companies, as well as the commercial banking network of over 63,000 branches. It has had stable democratic government since 1947. It has an independent judicial system and positive foreign investment policies. There is a skilled work force, including professional and managerial personnel. English is, of course, the preferred language for business and is spoken widely and fluently.

During a recent congressional delegation visit to India, the leadership of the Confederation of Indian Industry, considered to be India's major business organization, presented a wish list to radically improve our economic ties. Foremost on the list was, of course, the lifting of the sanctions.

CII's newly installed president has called on India's government to speedily approve economic reform legislation.

Prime Minister Atal Behari Vajpayee currently leads a caretaker government, and new parliamentary elections are not scheduled until September. But the caretaker government is empowered to push through 11 key pieces of economic legislation that have been introduced in Parliament and vetted by the relevant committees. They include bills governing insurance regulatory authority, money laundering and foreign exchange management, securities contract and export/import. CII is also calling for reform in 19 key sectors of the economy, ranging from the financial sector and capital markets, to infrastructure and agriculture, to continued privatization.

It is clear that the leaders of India's private sector are intent on promoting an improved climate for trade and investment and are encouraging their government to do everything possible to achieve this.

I have spoken with many American business leaders, and it is clear that the U.S. business community is concerned about improving relations, and that lifting the sanctions is also on the top of their list.

Mr. Speaker, we must finally get beyond the unproductive approach of confrontation and work towards policies that will promote improved opportunities for cooperation between the world's two largest democracies. I hope that the legislation I am introducing today will contribute to that process.

#### FRAMEWORK FOR NEGOTIATED SETTLEMENT WITH KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 5 minutes.

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to describe a plan

that we have been working on for the past 5 weeks in cooperation with the various parts of the administration to provide a framework for a negotiated settlement of the Kosovo crisis.

Today, for approximately 1 hour, 11 members of this body who traveled with me to Vienna, Austria, 2 weeks ago to meet with our Russian counterparts in the Duma met with the Secretary of State Madeleine Albright in her office. She was accompanied by the Under Secretary of State, Tom Pickering.

It was a very constructive discussion with Members on both sides of the aisle engaged in a constructive way to let the Secretary know that our ultimate objectives and purpose are identical to what the President and what she wants to achieve, and that is an honorable settlement that is done in line with the five principles that the NATO countries have agreed to.

We spent a great deal of time outlining the process that we have used, and we cited the fact that we were asked to get involved by our Russian Duma counterparts approximately 5 weeks ago.

We explained to the Secretary that tomorrow, in the Committee on International Relations, there will be a public hearing where all 11 Members of Congress from the far right to the far left will present an overview of why this particular framework should move forward and why this Congress and this House should go on record in sync with the work of the Russian Duma to provide a process whereby the U.S. and Russia can assist in getting the objectives that NATO wants, and that is to bring Milosovic to understand that the world community is coming together in an effort to solve this crisis quickly.

Timing is of the essence, Mr. Speaker. Russia is going through turmoil right now. I just got off the phone with my second conversation with the Duma leadership today. As you know, they have sacked Primakov. On Saturday of this week, the Duma will vote on whether or not to impeach Yeltsin as the President of Russia.

We need to understand that we have a significant opportunity here, an opportunity to work constructively with the Russians, using their leverage to bring Milosovic to terms that our government, that our President, that our Secretary of State want to see achieve.

I encourage all of our colleagues on both sides of the aisle to support the bipartisan work of the 11 Members of Congress who are reaching out to provide a framework that will allow this conflict to be ended.

I am more optimistic than ever. The Russians are faxing us a letter at this very hour expressing their desire to pass the same document in the Russian Duma. Let us not lose this opportunity to show Milosovic that Russian leaders across the spectrum, American leaders