

NORTHERN MARIANA ISLANDS COVENANT IMPLEMENTATION ACT

Mr. AKAKA. Mr. President, last night, the Senator from Alaska and I introduced the Commonwealth of the Northern Mariana Islands Covenant Implementation Act, legislation to end immigration abuses in a U.S. territory known as the CNMI. This is a bipartisan reform bill, and the changes we propose were supported by the Clinton Administration during the 105th Congress.

I commend my colleague from Alaska, Senator MURKOWSKI, for his leadership on CNMI reform. He traveled more than 10,000 miles to get a first-hand understanding of this issue. Our bill responds to the profound problems that we witnessed while visiting the CNMI.

The Commonwealth of the Northern Mariana Islands is a group of islands located in the far western Pacific. Following World War II, the United States administered the islands under a U.N. Trusteeship.

In 1975, the people of the CNMI voted for political union with the United States. Today, the CNMI is a U.S. territory.

A 1976 covenant enacted by Congress gave U.S. citizenship to CNMI residents. The covenant also exempted the Commonwealth from U.S. immigration law. This exemption led to the immigration abuses that our bill will correct.

I don't represent the CNMI, but the Commonwealth is in Hawaii's backyard. I speak as a friend and neighbor when I say that conditions in the CNMI must change. The CNMI system of indentured immigrant labor is morally wrong, and violates basic democratic principles.

The CNMI shares the American flag, but it does not share our immigration system. When the Commonwealth became a territory of the United States, we allowed them to write their own immigration laws. After twenty years of experience, we know that the CNMI immigration experiment has failed.

Conditions in the CNMI prompt the question whether the United States should operate a unified system of immigration, or whether a U.S. territory should be allowed to establish laws in conflict with national immigration policy.

Common sense tells us that a unified system is the only answer. If Puerto Rico, or Hawaii, or Arizona, or Oklahoma could write their own immigration laws—and give work visas to foreigners—our national immigration system would be in chaos.

America is one country. We need a uniform immigration system, rather than one system for the 50 states and another system for one of our territories.

There is a mountain of evidence proving just how bad the CNMI situation has become. Let me cite a few examples:

Twenty years ago, the CNMI had a population of 15,000 citizens and 2,000 alien workers. Today, the citizen population has increased to 28,000. Yet the alien worker population has mushroomed to 42,000—a 2000 percent increase. Three to four thousand of these alien workers are illegal aliens.

The Immigration and Naturalization Service reports that the CNMI has no reliable records of aliens who have entered the Commonwealth, how long they remain, and when, if ever, they depart. A CNMI official testified that they have “no effective control” over immigration in their island.

The bipartisan Commission on Immigration studied immigration and indentured labor in the CNMI. The Commission called it “antithetical to American values,” and announced that no democratic society has an immigration policy like the CNMI. “The closest equivalent is Kuwait,” the Commission found.

The Department of Commerce found that the territory has become “a Chinese province” for garment production. The CNMI garment industry employs 15,000 Chinese workers, some of whom sign contracts that forbid participation in religious or political activities while on U.S. soil. China is exporting their workers, and their human rights policies, to the CNMI.

The CNMI is becoming an international embarrassment to the United States. We have received complaints from the Philippines, Nepal, Sri Lanka, and Bangladesh about immigration abuses and the treatment of workers.

Despite efforts by the Reagan, Bush and Clinton Administrations to persuade the CNMI to correct these problems, the situation has only deteriorated.

My colleagues, the Senator from Alaska and I have been patient. After years of waiting, the time for patience has ended. Conditions in the CNMI are a looming political embarrassment to our country. I urge the Senate to respond by enacting the reform legislation we have introduced.

AGRICULTURAL BOND ENHANCEMENT ACT

Mr. GRASSLEY. Mr. President, yesterday, Senator CONRAD, and Representatives NUSSLE and BOSWELL helped me stand up for American agriculture.

Agriculture is capital intensive. As a family farmer myself, I know you can't put your love of the land to work if you don't have the resources to get started.

My colleagues and I introduced a bipartisan bicameral bill that will expand opportunities for beginning farmers who are in need of low interest loans for capital purchases of farmland and equipment. This legislation is called the “Agricultural Bond Enhancement Act.”

Back in the early 1980s, I realize the federal government needed to do more to provide young farmers an opportunity to start farming. In 1981, I pushed for pilot projects to establish the Aggie Bond program. After temporarily reauthorizing the program many times I succeeded in making the Beginning Farmer Loan Program permanent in the 103rd Congress.

Current law permits state authorities to issue tax exempt bonds and to loan the proceeds from the sale of the bonds to beginning farmers and ranchers to finance the cost of acquiring land, buildings and equipment used in a farm or ranch operation. The tax-exempt nature of the Aggie Bonds provides a below-market interest rate on the loan made to the farmer or rancher.

The program has been very successful, especially in my home state of Iowa. Since the beginning of the program in 1981, more than 2,600 Iowans have taken advantage of this opportunity. Iowa's program has provided over \$260 million in qualified beginning loans and the default rate has only been 1.5% of the total number of loans. I believe most ag lenders would agree those are very good numbers.

We have an opportunity to make the Beginning Farmer Loan Program even better. Currently, Aggie Bonds are subjected to a volume cap. That puts them in competition with industrial projects for bond allocation. This is the problem we would like to remedy.

Aggie Bonds share few similarities to Industrial Revenue Bonds and should not be subjected to the same volume cap. Insufficient funding due to the volume cap limits the effectiveness of this program.

The solution: amend the Internal Revenue Code of 1986 to exempt small issue bonds for agriculture from the State volume cap.

During the past three years the Iowa Agricultural Development Authority has consistently used all of the \$24 million bond allocation it was allowed. Some beginning farmers had to sit idle until the next year to close their loan, or pay a higher interest rate if they closed their loan without the bond.

We cannot afford to stand by and allow the next generation of family farmers to lose out on an opportunity to start farming. The average age of America's family farmers continues to climb.

Deserving young farmers should not be forced to compete against industry for reduced interest loans.

The “Agricultural Bond Enhancement Act” will open the door to more young farmers and help cultivate the next crop of family farmers in the 21st century.

KOSOVO REFUGEE REGISTRATION

Mr. GRAMS. Mr. President, we are all horrified by the human suffering