On the economic side, it shortens export licensing deadlines, makes the licensing system more transparent, and gives exporters better access to administrative and judicial review of licensing decisions.

I am also pleased that the bill includes language protecting U.S. farmers from economic embargoes. These protections will reassure both farmers and our trading partners about our commitment to expanding export markets.

Nobody considers this a perfect bill. In his effort to gain the support of the National Security Committee, Mr. ROTH agreed to make changes in H.R. 361 that some American exporters opposed. I share the concerns of these exporters, and I am hopeful that several of the reforms they favor can be reinstated at a later stage in the legislative process, to better serve all U.S. national interests.

WHY WE NEED A BILL

Mr. Speaker, this bill needs to move forward today if we are to have a chance of enacting it this year.

Our dual-use export control system has operated under Executive order since the old Export Administration Act expired in August 1994.

We need an export administration statute for several reasons.

First, a regulatory system does not provide as sound a basis for business or policy decisions as would a statute. U.S. exporters and the U.S. Government will both benefit from the increased predictability and transparency of a statute.

Second, without a statute we cannot adequately enforce our antiboycott policies, which help protect Israel from economic pressure.

Third, our current export control system reflects the East-West security focus of the expired Export Administration Act. H.R. 361 will give us a system that more closely corresponds to the economic and security circumstances of the post-cold-war era.

CONCLUSION

Mr. Speaker, export controls impact a wide range of U.S. national interests. That makes if difficult to draft an Export Administration Act that fully satisfies all interested parties.

But the bill before us today strikes a good compromise, and after 2 years under Executive order, it is time to put our export control system on a statutory foundation.

I urge Members to vote to suspend the rules and pass H.R. 361.

Mr. SPENCE. Mr. Speaker, I rise in support of H.R. 361, the Omnibus Export Administration Act of 1996.

This act would supersede the original Export Administration Act, which expired in 1994, and is the result of many months of negotiation and hard work between the International Relations and National Security Committees. I believe it strikes a responsible balance between the desire to promote U.S. exports and the need to prevent sensitive technologies for falling into the wrong hands. I commend my colleagues, Mr. GILMAN, the chairman of the International Relations Committee, and Mr. ROTH, the chairman of the International Economic Policy and Trade Subcommittee, for their commitment to work cooperatively on this issue.

Since the fall of 1994, the Clinton administration has been operating under emergency authorities contained in the International Emergency Economic Powers Act. This piecemeal approach to export control is neither satisfactory nor prudent and has resulted in poor decisions with detrimental impact on U.S. national security.

The Export Administration Act accomplishes several important objectives. For example:

It removes the ad hoc nature of current export control policy decisionmaking by codifying in statute procedures for determining whether exports of sensitive dual-use technologies are consistent with U.S. national security interests. While directing continued efforts to work with our allies to harmonize their export control policies with our own, it allows us to control unilaterally the export of critical items for important national security or foreign policy reasons.

It grants the Secretary of Defense statutory authority to participate in the formulation and review of multilateral, unilateral, missile technology, chemical, and biological export control lists. This is a significant and important increase in the authority of the Secretary of Defense.

It allows the Department of Defense to specify limitations on how, to what countries, and to what end-uses controlled items may be exported. This grants DOD new statutory authority to help ensure that sensitive technologies do not end up in the wrong hands.

It ensures that the Department of Defense will have the opportunity to review all export license applications submitted to the Department of Commerce. This will prevent situations, as has happened in the past, where the Commerce Department approves the export of a sensitive dual-use technology with military application without the knowledge of the Department of Defense.

It establishes a procedural mechanism whereby the Secretary of Defense can escalate disputes regarding the approval of license applications to the President for resolution.

It prohibits any item whose export is strictly controlled as a munition from being placed simultaneously on the less-restrictive list of dual-use commodities for export.

It properly focuses our export control efforts on stemming the proliferation of dangerous technologies to potentially hostile regimes by prohibiting any export that would materially contribute to a weapons of mass destruction program in a country that is not a member or adherent to a multilateral export control regimes. And it prohibits the export of any controlled items to terrorist countries.

Mr. Speaker, the Export Administration Act of 1996 is a balanced compromise that goes a long way toward updating this country's export control process in a way that conforms to the new national security challenges we face today.

I urge my colleagues to join me in support of H.R. 361.

Mr. GEJDENSON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin [Mr. ROTH] that the House suspend the rules and pass the bill, H.R. 361, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

☐ 1500

EXTENDING MOST-FAVORED-NATION STATUS TO ROMANIA

Mr. CRANE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3161) to authorize the extension of nondiscriminatory treatment—most-favored-nation treatement—to the products of Romania.

The Clerk read as follows:

H.R. 3161

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

SECTION 1. FINDINGS.

The Congress finds that—

(1) Romania emerged from years of brutal Communist dictatorship in 1989 and approved a new Constitution and elected a Parliament by 1991, laying the foundation for a modern parliamentary democracy charged with guaranteeing fundamental human rights, freedom of expression, and respect for private property;

(2) local elections, parliamentary elections, and presidential elections have been held in Romania, and 1996 will mark the second nationwide presidential elections under the new Constitution;

(3) Romania has undertaken significant economic reforms, including the establishment of a two-tier banking system, the introduction of a modern tax system, the freeing of most prices and elimination of most subsidies, the adoption of a tariff-based trade regime, and the rapid privatization of industry and nearly all agriculture;

(4) Romania concluded a bilateral investment treaty with the United States in 1993, and both United States investment in Romania and bilateral trade are increasing rapidly;

(5) Romania has received most-favored-nation treatment since 1993, and has been found by the President to be in full compliance with the freedom of emigration requirements under title IV of the Trade Act of 1974;

(6) Romania is a member of the World Trade Organization and extension of unconditional most-favored-nation treatment to the products of Romania would enable the United States to avail itself of all rights under the World Trade Organization with respect to Romania; and

(7) Romania has demonstrated a strong desire to build friendly relationships and to cooperate fully with the United States on trade matters.

SEC. 2. TERMINATION OF APPLICATION OF TITLE IV OF THE TRADE ACT OF 1974 TO ROMANIA

(a) PRESIDENTIAL DETERMINATIONS AND EXTENSION OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(1) determine that such title should no longer apply to Romania; and

(2) after making a determination under paragraph (1), proclaim the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of that country.

(b) TERMINATION OF APPLICATION OF TITLE IV.—On and after the effective date of the extension under subsection (a)(2) of nondiscriminatory treatment to the products of Romania, title IV of the Trade Act of 1974 shall cease to apply to that country.

The SPEAKER pro tempore. (Mr. GUTKNECHT). Pursuant to the rule, the gentleman from Illinois [Mr. CRANE] and the gentleman from Florida [Mr. GIBBONS] each will control 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. CRANE].

Mr. FUNDERBURK. Point of order. Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. FUNDERBURK. Mr. Speaker, is either gentleman opposed to the bill?

The SPEAKER pro tempore. Is the gentleman from Florida [Mr. GIBBONS] opposed to the motion?

Mr. GIBBONS. No, I am not.

Mr. FUNDERBURK. Is the gentleman from Illinois opposed to the motion?

Mr. CRANE. No, I am not.

Mr. FUNDERBURK. Then I request 20 minutes to speak in opposition, Mr. Speaker.

The SPEAKER pro tempore. Under the rule, an opponent is entitled to control 20 minutes.

The Chair will recognize the gentleman from Illinois [Mr. CRANE] for 20 minutes in favor of the motion to suspend the rules and the gentleman from North Carolina [Mr. FUNDERBURK] for 20 minutes in opposition.

The Chair recognizes the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Speaker, I ask unanimous consent to yield half of my time to my distinguished colleague, the gentleman from Florida [Mr. GIBBONS], the ranking member of our full Committee on Ways and Means, who introduced this legislation with me.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 3161, legislation which authorizes the President to extend permanent most-favored-nation [MFN] tariff treatment to the products of Romania. This legislation, which was introduced by myself and the ranking minority member of the Ways and Means Committee, Mr. GIBBONS, is supported by the administration and was favorably reported out of the Ways and Means Committee by a voice vote on June 13, 1996.

At present, Romania's MFN status is subject to the freedom-of-emigration conditions contained in title IV of the Trade Act of 1974, the provision of U.S. law which contains the so-called Jackson-Vanik amendment. As enacted, the Jackson-Vanik conditions apply to nonmarket economy countries not eligible for MFN treatment on January 3, 1975. Since the passage of Jackson-Vanik more than 20 years ago, however, we have witnessed the end of the cold war and the rebirth of Central and Eastern Europe after the collapse of communism in the region.

Like many of its neighbors, Romania has undergone wholescale change in its political and economic systems, as the country has undertaken the difficult transition away from centralization toward democracy and open markets. After the overthrow of its Communist dictatorship in 1989, Romania approved a new Constitution to lay the foundation for human rights, freedom of expression, and respect for private property under the new democratic government. Since then, Romania has held local, parliamentary, and Presidential elections. Later this year, Romania will hold its second Presidential election under the new Constitution.

In addition to democratic reform, Romania has undertaken significant market-oriented economic reforms, including privatization. Since 1990, more than 500,000 small- and medium-size companies have been created by the private sector and more than 2,000 state owned enterprises have been privatized. At present, the private sector accounts for about 50 percent of the country's gross domestic product and employs more than half of its work force. To continue the transition to a market-based economy, the government has targeted 2,900 state enterprises for privatization this year. At the end of this process, it is estimated that the private sector will account for more than 70 percent of Romania's gross domestic product.

Given Romania's progress toward pluralistic democracy and a market economy, I believe it is appropriate for the United States to respond by passing H.R. 3161 to normalize our bilateral trade relations. Extending permanent MFN to Romania, as has been done for other East European countries, will enhance our bilateral relations by providing the business community with greater certainty with respect to Romania's status under U.S. law. In addition, Romania is a member of the World Trade Organization and an extension of permanent MFN is necessary in order for the United States to benefit from our rights under the WTO in our relations with Romania. Moreover, solidifying our bilateral commercial relations will help to ensure that Romania continues on the steady course of reform that it has laid out for its future.

The Congressional Budget Office has indicated that its baseline revenue projections assume that Romania's conditional MFN status will be renewed by the President in the future. Therefore, enactment of H.R. 3161 will not affect projected Federal Government receipts. I urge my colleagues to support the passage of this legislation.

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

Mr. FUNDERBURK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am speaking today because I care deeply about the Romanian people and the fate of the country where I spent almost 6 years of my life as a Fulbright Scholar, university professor doing research, USIA officer and U.S. Ambassador.

It would have been easier for me to follow the stampede, business and trade interest. When I was the U.S. Ambassador under Ceausescu's harsh regime, conventional wisdom in the media, the Congress, like today, and the State Department was that Ceausescu was a great guy who was a maverick in foreign policy and his friendship should be cultivated and rewarded. Many here were anxious to curry his favor and reward his tyranny. So it is no surprise that former ambassadors and many congressmen have fallen again for the slick PR, money, pressure, propaganda job of the current Romanian Ambassador, favored son of the old Communist elite trained for just this purpose. As usual it works and money, trade, and businesses talk louder than values, principles, human rights, and freedom. Many were on the wrong side during Ceausescu's day, and now they are again on the wrong side in Iliescu's day, against the democrats, against the growth of economic freedom and privatization, against press freedom, against human rights.

But I was proven right before when the Wall Street Journal described me as America's Cassandra Ambassador and when earlier this year the University of Bucharest granted me an honorary doctor's degree for work fighting for human rights and democratization in Romania.

Since the current regime in Bucharest remains the only Government in Eastern Europe which has not elected a democratic government separated from the harsh Communist past, and since serious problems of human rights violations, press infringements, private property and privatization reverses continue, it is important that I speak for the little person seeking democracy, the small businessmen seeking economic freedom and minorities with human rights concerns.

Romania has MFN on an annual basis, and it is trying to ram through permanent MFN so that the crypto-Communist Government of Ion Iliescu can get an extra advantage in the upcoming elections. A 3-months' delay in bringing up permanent MFN will not hurt Bucharest at all, but it will give the democratic forces a chance to have a more level playing field in this election. Following the election in November, no matter who wins, then permanent MFN can be brought up and voted on and signed into law.

Listen to the plea of the ad hoc committee for the Organization of Romanian Democracy in a letter to me last week: ''Unlike the other Eastern European countries * * * Romania has continued to be ruled by the same type of autocratic and police regime. Rewarding the Romanian authoritarian regime with the unconditional MFN status will be equivalent to the unqualified endorsement of President Iliescu and will provide the regime with unfair respectability credentials before elections. They pointed out that in recent local elections democratic groups barely won out. Under the present frame of mind of the Romanian people, we feel that the granting hastily of the permanent MFN status before the Presidential/parliamentary elections would discourage the Romanian electors and

would destroy all chances for the popular vote turning to a truly democratic system. Therefore, the fairest, optimal solution would be the postponement of the dabate on the MFN status in Congress until after the elections. Trusting in your fair evaluation of the real political climate in Romania, we thank you * * * for your consideration.'' Chairmjan Stefan Issarescu and Co-Chairman Dr. Simone Vrabiescu-Kleckner, A.C.O.R.D.

In addition to the election factor, the 3 months gives us a last opportunity to gain real progress in areas of concern heretofore ignored by the Bucharest regime. Without annual MFN, the United States will surely lose what little leverage it has in encouraging improvement in the areas of human rights, privatization, economic freedom, press and media freedom and political democratization. Why are the Romanian Embassy and its recruited supporters and many in Congress so anxious to rush permanent MFN through without waiting less then 4 months until after the election? We know the new ambassador's job and fate many be on the line if he doesn't get this big plum for his boss Iliescu now, immediately, after all, look what happened to Geoana's predecessor. But ponder, why has the same establishment here in Washington and New York not put Romania on the top list to gain entry into NATO? Just perhaps it has something to do with less than favorable progress made by the Government in most areas since 1989. If Bucharest has nothing to hide, why not wait only a few short months before voting on permanent MFN?

Of course, there is a parade of congressman, former ambassadors, religious group leaders and Romanian officials and parliamentarians expressing their approval of immediate permanent MNF for Romania. We know why: An old Communist trick, it has become a question of nationalism and patriotism because of Bucharest's propaganda. If someone prominent in Romania did not support this he would be branded anti-Romanian, that is how it is framed. Do we ever learn anything from history?

Just a few points on the problems in present-day Romania: One, privatization and economic freedom are proceeding slower than almost anywhere else. In fact the Heritage Foundation's index of economic freedom of 1996 ranks Romania 112th after such countries as Russia, Moldova, Albania and Bulgaria and the lowest in Eastern Europe, dropping dramatically from last year.

Two, there are still many problems with state dominated TV and newsprint for opposition newspapers not being readily available as well as journalist freedom. In Sunday's Washington Times it was reported that Romanian journalist Radu Mazare was sentenced to prison charged with libel for exposing corruption of local officials of the government. Western broadcasts, including BBC, are often selectively banned; Senator JESSE HELMS sent a letter to find out why journalist Doina Boghean was sentenced by a court for the offense of slander; Senator STROM THURMOND wrote to find out why two religious radio broadcasts by Voice of the Gospel were shut down; CSCE Chairs Senator ALPHONSE D'AMATO and Congressman CHRIS SMITH wrote expressing concern about government limitation on religious programming including for Baptists, Seventh Day Adventists and others. Does all this sound democratic?

Three, human rights violations and discrimination against minorities continues. The new Ambassador in Washington taking a page from his Communist training tried to discredit my position by saying I am now a Hungarian advocate. Sorry, Mircea, but it will not work. I am for human rights for all people but everyone knows and outside government will admit that I am and have been a Romanianophile.

Four, why is it that the number of orphans in Romania has grown since the fall of Ceausescu, and they exist in the most horrible conditions? Is this not an indictment of the Iliescu government which has been in power since 1989?

Fifth, in most cases private property is not returned to its original owners.

We should be helping the democratic, not the authoritarian, forces in Romania.

Therefore I urge postponement at least until after the November elections of consideration and approval of permanent MFN for Romania so that the Romanian people can have a better chance at fair elections and so that more progress can be made in the areas aforementioned.

We have a moral obligation to the people seeking greater democratization and privatization in Romania to take this position. And furthermore the United States is still, often despite the Congress, looked to as defender of the truth, freedom and democracy throughout the world and we have an opportunity to be that defender. The United States has to stand for something and take the lead, and show that commerce and money greed are not everything to us. Let us do the right thing for a change.

Oppose H.R. 3161 until after Romania's elections.

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

Mr. GIBBONS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the issue here is shall we grant to the people of Romania ordinary business, like trade agreements that we address to almost everybody else on Earth with very few exceptions. I am not here to defend Romania. No one could possibly do that. Romania is not a perfect country, but there are not many perfect countries at all on this globe, and I think that they are trying to do the best they can to get back into what is the normal westernized way of doing business and of treating their people. I know of no country in Europe that has possibly been more abused by its leaders in the last 50 or 60 years than Romania, but it is making progress.

Mr. Speaker, our trade with Romania is pitifully small. It is not much of an economic impact one way or another. But we ought to get on with it, and we ought to normalize our relationships with Romania, and I support this piece of legislation.

□ 1515

Mr. CRANE. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from New York [Mr. GILMAN].

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

Mr. GILMAN. Mr. Speaker, I join my colleagues on the Ways and Means Committee and the International Relations Committee who support the passage of H.R. 3161, making Romania permanently eligible for United States most-favored-nation trade benefits.

I want to commend Chairman CRANE and the sponsors of this measure for working to bring it to the floor today.

Romania currently enjoys MFN status, since it has been deemed to be in compliance with the underlying provisions of United States trade law.

This measure simply allows Romania to receive such trade benefits on a permanent basis—which should help promote American investment in that important country.

Passage of this measure would also recognize the improvements that have been made through political and economic reforms in Romania.

However, there needs to be further progress in such reforms.

With regard to its foreign policy, Romania must resolve its outstanding bilateral differences with neighbors like Ukraine and Hungary.

With regard to Hungary, in particular, we need to see further progress toward the historic reconciliation Romanian President Iliescu says he seeks.

Yes, there is still much that needs to be done, and I say to the Government of Romania—and to those who believe that passage of this measure is premature—that we will be looking for progress.

When the time comes that Romania seeks full membership in the European union and the NATO military alliance, we here in the United States and our allies in Europe will be looking closely to see what Romania has accomplished.

Mr. GIBBONS. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. LANTOS].

Mr. LANTOS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this is a historic moment. We are witnessing the rite of passage of a formerly totally totalitarian and dictatorial country into the ranks of law-abiding international citizens, fully respecting human rights, and making significant progress toward democracy and free market systems.

For those of my colleagues who are new to this body, allow me to state that 4 years ago I led the successful fight to prevent Romania from getting MFN treatment. I did so against an incumbent administration and the leadership of both of our political parties, because 4 years ago conditions in Romania did not warrant such legislation.

Today they do. I recently visited Romania, which is one of many visits begun initially in the 1930s, and I was delighted to see the degree to which the Country has become normalized, both economically and politically.

I find it rather amusing that the gentleman from North Carolina who, as ambassador to Romania under the despicable dictatorship of Ceaucescu, year after year, in writing, certified that Romania should get most-favored-nation treatment, is now opposing the granting of permanent MFN status, which merely means normal trading relationships, for the people of Romania.

I think it is important to underscore, Mr. Speaker, that recently elections were held in Romania with a fairly good turnout, much better than ours, and two-thirds of the voters voted against the incumbent government. What better proof that there is at least a modicum of political democracy vibrant in that country?

Granting permanent MFN status to Romania will be a stepping stone to that country's entering the European Union and, eventually, NATO. As the founding Democratic chairman of the congressional Human Rights Caucus, I strongly urge all of my colleagues on both sides of the aisle to take this significant step.

The cold war is over. The Soviet Union no longer exists. The countries of Central and Eastern Europe gradually, haltingly, painfully are moving in the direction of democratic market economies.

Romania has now reached the stage that they need encouragement and support. Across the political spectrum, Romanian political parties are urging us to approve this legislation. Every religious minority in Romania does so, as well. We should not let down the people of Romania.

Mr. FUNDERBURK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when I was U.S. ambassador under the harsh days of Nicolai Ceausescu, I watched the gentleman from California [Mr. LANTOS], the great defender of human rights, come to Bucharest and personally praise and thank Ceausescu for the great job he was doing.

Mr. LANTOS. Mr. Speaker, what was the gentleman smoking?

Mr. FUNDERBURK. I did not interrupt you, but that is what you said, and it was written in the book.

In the CONGRESSIONAL RECORD, this same gentleman said ''To a very large extent, the basic power structure is unchanged in Romania today,'' He said this in 1992. This is the man to whom we now want to give the favor, so next Sunday in the elections he can tell his people, the Congress of the United States is supporting this regime. So he is talking about all this dramatic progress that has been made since 1992, but he was saying that this was a terrible regime in 1992.

And there has not been very much progress. In fact, when we use most indices, they have actually gone backwards since 1992. My argument is that this bill supports the old Communist bureaucracy nomenclature and elite. It does not support those people striving and seeking freedom and democratization in Romania.

I stay in touch with them every day, they come by my office every day.

People from here who go over there and invest small amounts of money, middle-size amounts of money, lose it because of the noninviolability of contracts. They find that bribery, corruption, black marketeering, lying, cheating, and stealing is a way of life that has been inherent from the Communist regime. This has been perpetuated.

It would be nice if, as the chairman of the Committee on International Relations said, we can go home and pray and wish that this regime in Romania will improve and will be nice to us, I mean, be nice to its people in the future. But the fact of the matter is that when we give up this last piece of leverage that we have, they will be able to do anything they want to their people at will, and I am sure that they will continue to regress in the areas of privatization and economic freedom, and press freedom.

If we want to stand on the side of those people truly seeking it, they call me every day. I do not think these hundreds of people are making this stuff up. It is not like we are dreaming it. It is coming into my office every day, because they know that no matter what, I will have the guts and courage enough to come out here and defend them and tell Members what is really happening over there, because I do not care what I lose from saying the truth here on this House floor.

But I could tell Members that people who want more democratization in Romania are being repressed, they are being hurt, put down by this regime, which laughs at democracy and does not have a democratic bone in their whole bodies.

We need to apply a little bit of pressure, get a little bit of leverage, try to get a quid pro quo somewhere before granting this. Certainly we do not need to hand this crown to the royalty, Ion Iliescu, at this point and say OK, you have done well with your dictatorship in Romania since Ceausescu's days, and now what we want to do is give you permanent MFN and reward you for this, so you will forever be able to do whatever you want to do.

If Romania is so great, if it has improved so much, why are Members not on the front line fighting for inclusion of Romania in NATO and the WTO and the EC and everything else? But the fact of the matter is, it is one of the worst regimes in Eastern Europe.

I am not fighting for the Government of Romania here today, I am speaking for the poor democrats in Romania who seek freedom. It is a shame that everybody else cannot go over there and see that reality. I have spent 6 years of my life in many different capacities living over there in the shoes of those people with families, and this is what they have shared with me. They expect me to be here to defend them and promote democracy and freedom, and that is what I am trying to do.

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

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to my distinguished colleague, the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time.

Mr. Speaker, I know there are strong arguments on both sides of this issue. I am in favor of this legislation. I think it is time for permanent most-favored-nation status to Romania, because basically they have embraced democracy.

When we talk about a most-favored-nation status, I think we again have to reiterate that it is really a misnomer. When we talk about most-favored-nation status, all we are talking about, we are not talking about any special privilege, we are just talking about normal trade relations. We give MFN status to most countries around the globe except for a small number. I quite frankly do not think that Romania belongs in that category.

Third, granting permanent MFN status will help Romania, I think, stay on the path to market economics, democracy, and freedom; and basically that is why I am for this legislation, because I think they are going down the right path, and I think we want to encourage them to keep going down that path.

Our two-way trade is very small, it is barely $500 million a year with Romania, so it is not much. But the potential is there to expand our trade with Romania. Expanding trade will strengthen the Romanian economy, allowing it to grow. As Romanian people prosper and reap the fruits of open markets, the future of democracy, I feel, in Romania will be stronger, because free markets and democracy go hand in hand.

Therefore, granting MFN status for Romania is really in our interests as much as it is in their interests. If we want free markets to take hold in Eastern and Central Europe, then we think this is good legislation, and I thank the gentleman from Illinois for yielding me the time.

Mr. FUNDERBURK. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey [Mr. SMITH].

(Mr. SMITH of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, I think it is very unfortunate

the House is voting today to extend permanently MFN for Romania. Just as a preface, let me remind Members that throughout the 1980's when the gentleman from Florida and others continually pushed for most-favored-nation status for Romania, the gentleman from Ohio [Mr. HALL] the gentleman from Virginia [Mr. WOLF], and myself were in the vanguard and fought to withdraw MFN status.

I led three human rights missions to Romania. Under the Ceausescu regime, we fought to take MFN from Romania because of the brutal dictatorship that existed there. Therefore, I think I have some standing before this body on this issue.

I care deeply about the Romanian people. I think the question before us is a matter of when. This is the wrong time. There is an important national election that will be held in November. There have been very serious allegations of media abuse, especially access to the media, by members of the opposition parties who find it increasingly difficult to get their message out. We all know as politicians, and as candidates, that if the media is biased and if it is somewhat government-controlled, particularly the television outlets, you do not get your message out to the voters.

I respectfully submit that Members should be mindful that MFN is in place right now. Iliescu, the Romanian Government, the people of Romania have most-favored-nation status. The question is whether or not we make it permanent. I think that question should be settled after this very, very important national election that is scheduled for November.

There were recent local elections held. We heard from objective observers that there were problems, problems with the accuracy of the voter lists in particular, problems with inconsistent interpretation of the election law, and those kinds of irregularities raise the stakes for the upcoming elections.

If we now say, you have MFN, we are not going to review this anymore, I think we take away that pressure, that vigilance which that review, connected with most-favored-nation status will give us.

Finally, Mr. Speaker, there are laws on the books in Romania, and I think this is a very disturbing trend, that will put journalists into prison if they criticize or speak out against the government.

If we had these laws in this country, that would be a gross violation of First Amendment rights, of freedom of speech and freedom of the press. Yet, we see this disturbing trend occurring in Bucharest which will bring to bear the full weight of the law, with terms from 3-months to 3-years in prison for those tenacious, objective, and unbiased reporters who are willing to take on the government.

□ 1530

All of us get bad editorials. We all get frustrated at times with the way that our own media handles what we consider to be the truth or the accuracy of our opinions, but we do not criminalize their actions. But, in Romania there is this disturbing trend which we need to speak out against. Again, the annual review gives us that ability to say, Wait a minute, let's look at the record and then let's look whether or not we want to confer for another year most-favored-nation status on Romania.

Let us not remove that little bit of pressure which we have at this stage. I sincerely hope that Members will vote this down with the clear understanding when the 105th Congress meets, we will look again at this issue in light of the national elections that will have taken place in November 1996.

Also, we are hoping that there will be domestic observers on the ground observing the upcoming elections. Little notice has been given to the fact that in 1992 there were domestic observers, but that provision will not be made this November unless there is a change.

All of us know that, even in our own elections, if we do not have poll watchers standing by, checking those voter lists, fraud is a real potential. Provision for domestic observers is not available for this upcoming election. We know there will not be enough international observers to go around and the possibilities are ripe for election fraud.

Mr. Chairman, I urge that the issue before the House be deferred. Let us look at the full record of the 1996 national elections and then make an informed and hopefully prudent decision on Romania's permanent MFN status.

Mr. CRANE. Mr. Speaker, I yield 30 seconds to the gentleman from New York [Mr. HOUGHTON], my distinguished colleague on the Committee on Ways and Means.

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

Mr. HOUGHTON. Mr. Speaker, I have only asked for 30 seconds because I think this is a very straightforward message. We can wring our hands, analyze, reanalyze, and re-reanalyze why Romania should not get annual MFN status. But the facts are that this is a 23-million person nation. They are the only member of the World Trade Organization who is not afforded this status. They are supportive of the United States. They have gone through a wrenching 50 years. They are struggling to become a responsible nation. We should encourage this. I urge Members to support H.R. 3161.

Mr. GIBBONS. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

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

Mr. RICHARDSON. Mr. Speaker, I will include for the RECORD two letters from two distinguished United States ambassadors to Romania who served under Republican administrations strongly supporting this MFN issue.

Mr. Speaker, I would hope that at the end of the debate our good friend and now colleague answers the question of the gentleman from California [Mr. LANTOS]. That is, while he was ambassador to Romania, is it not correct that he signed and supported the MFN to Romania under Ceausescu?

I think that the gentleman deserves an answer. We should not personalize these issues nonetheless because what we have here is bipartisan leaders from the Committee on International Relations, the Subcommittee on International Economic Policy and Trade, and the minority members all supporting what we need to do.

I think we have to ask ourselves two questions: The first is, why is this in the interest of the United States? And, second, what happens if this MFN does not take place? Well, we cannot say we are going to postpone it or do it after the elections. That would be a terrible signal. For all practical purposes, this MFN issue would not happen unless we voted today, and we should.

First, Romania has met permanent MFN tests under United States law. It has been certified numerous times as meeting the Jackson-Vanik requirements on immigration. The administration is going to certify it again this June. Second, there is progress on human rights and democracy. Ilie Nastase, the tennis player, ran for mayor of Bucharest. He did not make it. It is not a perfect democracy, as many have said, but there is progress. Also, in the treatment of Gypsies and many other minorities, the progress has been continuing.

Romania in 1992 signed and complied with the requisite trade and commercial agreements. It is a founding member of the World Trade Organization. It is a member of GATT. Romania has voted with us close to 80 percent of the time at the U.N. It has sent troops to Bosnia. It has helped us in Angola. They have been there when we need it.

What kind of a signal are we going to send Poland, Romania, and Czechoslovakia, all of whom could and should enter NATO if we say all of a sudden: Well, we're not going to let you in? What are the consequences of not acting today? First of all, we will lose leverage. How can we go to Romania and say: Look, you guys have done what you've done. Progress in human rights, progress on elections, market economy. And then all of a sudden the United States is asked to reciprocate and suddenly we say no. That would lose us leverage. That would be unfortunate. It would be a terrible signal.

This also would annul America's commercial opportunities in Romania. We have got businesses there. They are starting to trade. I think, admittedly, as the gentleman from Florida [Mr. GIBBONS] said, there is not much trade, but it is growing. Let us not send that signal. Radical elements in Romania will say, See the United States doesn't deliver.

Mr. Speaker, we should do this. It is bipartisan. It makes sense. Romania

deserves it. And it is in the best interests of the United States.

Mr. Speaker, I include the following material for the RECORD.

PORTLAND, OR, *April 26, 1996.*

Re H.R. 3161.

Hon. PHILIP CRANE,
U.S. House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: I had the honor of being the United States Ambassador to Romania. My wife and I arrived at post December 1, 1989, and we formally returned to Oregon January 31, 1992. As you can readily see, I was privileged to participate and watch a wonderful people return to freedom.

This writer was one of the very last Ambassadors to present this official credentials to the dictator Nicolae Ceausescu. I think it fair to say we did not like one another. On May 25, 1995, my wife and I visited Romania with a Stanford Travel party. Our group met with President Ion Iliescu for approximately two hours. It is difficult for me to put in writing the total contrast between the two individuals. The hospitality, friendship, and good will I witnessed from President Iliescu to our private group was outstanding.

It is my understanding you will be receiving other correspondence advocating the granting of permanent Most Favored Nation status to Romania. Believe me, Sir, my wife, Joan, and I have lived through the start and gradual maturing of these people towards democracy and a free market economy. I am very proud of any small role I had in helping the United States gain a friend in this tough world.

As a retired business man, I would like to point out that our annual trade is growing, and our side has a surplus. It is difficult to do business in this world and the need for permanent M.F.N. status is the guarantee of stability for all parties. This improvement of reliability will work to the benefit of the U.S.A. and Romania.

If there is anything reasonable I can do to help Romania obtain permanent Most Favored Nation status, please let me know. I rely on your good judgment.

Very Sincerely,

ALAN GREEN, JR.,
Ambassador—United States, Retired.

STATEMENT IN SUPPORT OF PERMANENT MFN FOR ROMANIA

I wish to support the granting of permanent MFN for Romania at the earliest possible date. As Ambassador to Romania from November 1985 until July 1989, I am very familiar with the sufferings of the Romanian people under the abominable regime of then-dictator Nicolae Ceausescu. Denial of permanent MFN to Romania was, during those years, a valuable means of exerting some pressure on that regime.

Romania has made significant progress since the revolution of 1989 toward democracy, respect for human rights, the rule of law and a free market. Its cooperation with United States foreign policy initiatives has been noteworthy. It seems to me, therefore, no longer justifiable for Romania to be one of the few countries denied permanent MFN. I thus urge that Romania be granted such status.

I make these comments on my own behalf, not on behalf of any other person or organization.

ROGER KIRK,
U.S. Ambassador to Romania, 1985–1989.

THE CASE FOR PERMANENT MFN FOR ROMANIA

1. ROMANIA HAS EARNED PERMANENT MFN

Romania has met the permanent MFN tests under U.S. law. It has been certified numerous times as meeting the Jackson-Vanik criteria. The Administration will certify it again this June.

Romania is on a course of political and economic reform that is in full accord with U.S. goals—a pluralistic democracy, a free market economy, a respect for human rights and a free and fully functioning press. Its progress has been continual.

It signed in 1992 the requisite bilateral trade and commercial agreements. It is a founding member of the WTO and a member of GATT before that.

Romania has been a steadfast ally of the U.S. in seeking solutions to the war in Bosnia and on other issues, contributing troops as part of its international peacekeeping duties, some of which serve alongside U.S. forces. It is committed to full political and military integration with the West and its military to military program has been hailed by the U.S. as one of the best.

2. ROMANIA HAS EARNED PERMANENT MFN NOW

As a founding member of the WTO, and as a nation that has been certified as meeting the Jackson-Vanik requirements, Romania should have been graduated months ago, perhaps as early as January, 1995.

Delaying consideration of MFN sends a wrong signal to Romania, especially in light of expected congressional approval of permanent MFN for Bulgaria and possibly Cambodia—who have not progressed as much as Romania and are not members of the WTO.

The U.S. has an opportunity to help Romania solidify its economic and political gains. Granting MFN now puts the U.S. in a position to best work in Romania to shape its future progress.

Both houses of the Romanian parliament have passed resolutions endorsing the policy of extending permanent MFN to Romania now, indicating a broad national consensus in Romania about both the issue and timing of its consideration.

3. THE CONSEQUENCES OF NOT ACTING HARMS THE UNITED STATES

Granting MFN is a recognition of past progress and the expectation of future development. Romania's elections are not expected to reverse its progress. However, by not acting, or more correctly, halting a process which has been on-going, the U.S. injects itself into the Romanian domestic political debate—something it has tried hard not to do. This hurts U.S. and lessens its future leverage over Romania.

Not acting now undercuts U.S. commercial opportunities since U.S. firms cannot take full advantage of WTO protections. U.S. firms broadly support permanent MFN and with it, are poised to play an increasingly important role in Romania's economic development.

Radical elements in Romania will be able to argue that the U.S. demands a lot, but gives nothing in return.

On a practical basis, delaying action now minimally means no consideration for at least one year given the U.S. political schedule.

CONGRESS OF THE UNITED STATES,
Washington, DC, July 12, 1996.

SUPPORT ROMANIA MFN

DEAR COLLEAGUE: On Tuesday, the House is expected to consider H.R. 3161, a bill to grant permanent Most Favored Nation (MFN) status to Romania under suspension of the rules. It is a bill that is long overdue. Romania has made tremendous strides over the past several years in adopting and implementing political and economic reforms. Romania has met all of the U.S. legal criteria for MFN, namely the free emigration of its citizens, as called for in the Jackson-Vanik provision. It has clearly taken strong measures to institute a democratic form of government.

While the bill enjoys broad support, we respect the concerns expressed by several Members who would like to postpone the vote until after Romania's December elections. To address these concerns, we would like to highlight the views of two former U.S. Ambassadors to Romania who have written in support of granting MFN to Romania.

''I have lived through the start and gradual maturing of these [Romanians] people towards democracy and a free market economy. I am proud of any small role I had in helping the United States gain a friend in this tough world.

''As a retired business man, I would like to point out that our annual trade is growing, and our side has a surplus. It is difficult to do business in this world and the need for permanent M.F.N. status is the guarantee of stability for all parties. This improvement of reliability will work to the benefit of the U.S.A. and Romania.''

ALAN GREEN, JR.,
U.S. AMBASSADOR TO ROMANIA,
December 1989 to January 1992.

''I wish to support the granting of permanent MFN for Romania at the earliest possible date. As Ambassador to Romania from November 1985 until July 1989, I am familiar with the sufferings of the Romanian people under the abominable regime of then-dictator Nicolae Ceausescu. Denial of permanent MFN to Romania was, during those years, a valuable means of exerting some pressure on that regime.

''Romania has made significant progress since the revolution of 1989 toward democracy, respect for human rights, the rule of law, and a free market. Its cooperation with the United States foreign policy initiatives has been noteworthy. It seems to me, therefore, no longer justifiable for Romania to be one of the few countries denied permanent MFN. I thus urge that Romania be granted such status.''

ROGER KIRK,
U.S. AMBASSADOR TO ROMANIA,
1985–89.

We would like to note that a third former U.S. Ambassador to Romania, Mr. John Davis, has also communicated to the Ways and Means Trade Subcommittee his strong support for granting MFN to Romania.

We believe it is in the interest of the United States to encourage Romania's development and to help it secure a place in the community of democracies. Passage of this legislation is a tangible recognition of our approval for all of the efforts Romania has made. Support Romania MFN.

DOUG BEREUTER,
Member of Congress.
BILL RICHARDSON,
Member of Congress.

Mr. FUNDERBURK. Mr. Speaker, I yield myself such time as I may consume.

When I was a United States ambassador, I did what I could in letters and in personal meetings with President Reagan and the State Department in opposition to what was going on inside of Romania. Then I resigned and I protested against U.S. policy and I gave up the position. I do not know of anybody else here who would have or who did give up any such position because of their beliefs or because of their positions. If it is time for permanent MFN

for the butchers of Beijing, mainland China, North Korea, Vietnam and Cuba, sure it is time for Bucharest and everybody in the world. But the best way to effect long-term democratization in Romania is to oppose H.R. 3161 at this time. Otherwise we are rewarding Iliescu and his old Communist buddies and we are hurting the Democrats and one day we will all be held accountable for that.

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

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to our distinguished colleague, the gentleman from Nebraska [Mr. BEREUTER].

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

Mr. BEREUTER. Mr. Speaker, this Member speaks today in favor of H.R. 3161, which would extend permanent MFN, or normal trade status, to Romania.

In order to save time, I certainly associate myself with the rationale offered by the gentlemen from California, New Mexico, and New York. I have been a skeptic and a critic of Romania for quite some time since I first visited in 1984 to see what Ceausescu was doing. No apologist, always a severe critic. In fact I voted against MFN in the past. When I went to Romania again last year, I was the critic asking tough questions to our ambassador to Romania. The reasons for doing so are compelling. First and foremost, Romania has made substantial and important progress on a variety of fronts since the fall of communism in 1989. This Member had the pleasure of personally observing this transformation in progress when this Member traveled to the country 2 years ago.

Today the Romanian Government has made important efforts to resist extremism by expelling political players with radical views from its ruling coalition. Romania now boasts an extensive free press, with more than 1,000 newspapers and periodicals and several hundred television and radio stations, many of which routinely criticize the Government without fear of persecution.

Romania's economic progress has been propelled by its considerable privatization efforts. Nearly 50 percent of the country's GDP now comes from the private sector, which employs about half of the country's workforce. This figure represents more than 500,000 small and medium-sized companies created since 1990 and more than 2,000 former state companies that are now private. When this privatization program is complete, about 70 percent of Romania's GDP will derive from this area, a figure comparable to other Central European nations. Other economic reforms have included the elimination of price setting and of most subsidies.

Extension of permanent MFN status to Romania undoubtedly would provide a significant boost to United States business interests there. United States investment in Romania totaled $151 million in 1995. This figure represents over 2,000 United States investors, including such diverse names as Amoco, Coca Cola, Colgate Palmolive, IBM, and the numerous smaller companies that comprise the bulk of Romania's joint venture partners. The United States is the sixth largest exporter of products and services to Romania selling to $392 million in 1995. Our two-way trade can be expected to rise substantially if we grant permanent MFN to Romania's exports to this country.

Perhaps most important of all, permanent MFN treatment of Romania will solidify a blossoming bilateral relationship and serve as a powerful inducement for continuing Romanian cooperation on a range of political, economic, and security-related issues. Mr. Speaker, it is now time to normalize trade relations with Romania for the benefit of the United States as much as for Romania. Romania's request for NATO membership will provide the United States, Canada, and European NATO members strong leverage to encourage even greater democracy and reforms by Romania. Similar leverage exists for the current members of the European Union as Romania seeks membership in that union. This Member strongly urges his colleagues to support H.R. 3161.

Mr. FUNDERBURK. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I urge opposition to H.R. 3161 and to reiterate that it is simply asking for a 4-month deferral. They already have annual MFN. What we are saying is do not disadvantage the Democrats in the upcoming election any more than they already are disadvantaged. That is the one country that has not proven that they can elect a Democrat yet. We want to give them one more chance to try for that in this fall's election. What would it hurt for the next 4 months for all the good that it could do if the Democrats are successful in November?

I urge voting against H.R. 3161 to delay consideration of permanent MFN for Romania at this time.

Mr. Speaker, I yield back the balance of my time.

Mr. GIBBONS. Mr. Speaker, I yield the balance of my time to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, for the last 5 years I have stood on this floor at various times sponsoring legislation with several of my colleagues, with the gentleman from Illinois [Mr. CRANE], the chairman of the subcommittee, and the gentleman from Florida [Mr. GIBBONS], the ranking member and at one time chairman of the subcommittee. Each time we have had this debate about MFN for Romania, it has been a rocky road. We have had discussions, we have had delays, we have had changes in what was going to happen. But each year we have given temporary MFN to Romania.

The reason why that is is that, from the time of revolution and struggle in 1989, this nation and its people have moved at a concerted pace to bring about change. Reform has been slow, but it has been steady. In that 5 years, we have seen a new constitution in Romania. We have seen a parliament elected. We have seen elections.

What are we talking about here today? We are talking about past elections. We are talking about future elections. Democracy is in action in Romania. We have seen some improvement in human rights, slow but sure. We have seen some improvement in free speech if we just follow Romanian history or what is happening there. We can see there is a great deal of free speech in Romania. And there has been increased respect for private property.

As we look at Romania, we see that Romania is not just asking for something. Romania has tried to help itself. Romania has taken steps to join the world democracies and other democratic institutions. We have seen Romania become an associate member of the European Union, a member of the World Trade Organization, and Romania has also formally applied to join NATO just like the other Eastern European countries want to very much belong to this organization.

Extending MFN can be seen as part of a nation's commitment to strengthening trading relationships. That is what it has come to be. It used to be Jackson-Vanik. Now it is a Good Housekeeping stamp of approval. I am pleased to say today that there has been progress. But I listened to the gentleman from New York [Mr. HOUGHTON]. He had only 30 seconds but he said it so succinctly. The gentleman from New York has had incredible success in business. He understands that a country like Romania cannot do better unless it is in the world trading market.

So, I look at Romania today and I listened to the debate. As usual it is a difficult debate. Is Romania a model of democracy? No. But when one remembers what Romania was like before 1989, and this is now only 1996, Romania has done very well when one thinks of the way the people had to live.

In this body just a few weeks ago or last week, we passed MFN for China. We know this nation has huge human rights problems, but we gave it to China. The situation is different today. This is a small country, full of good people. They want MFN, they want to trade, they want to be among nations that can be proud. Let them have MFN. Let them do better.

Mr. CRANE. Mr. Speaker, I yield 2½ minutes to the gentleman from New York [Mr. FORBES].

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

Mr. FORBES. Mr. Speaker, I rise today to align myself with the comments of those who believe in unconditional, or permanent, most-favored-nation status for Romania.

Mr. Speaker, Romania, which now does enjoy the conditional MFN status, has a trade agreement with the United States and has been certified twice in the past year as meeting the tenets of freedom, of immigration, human rights, and democratization required under this legislation.

For a nation to gain that permanent MFN status, however, Congress needs to enact this kind of a legislation, and I rise in strong support of enactment of H.R. 3161.

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Mr. Speaker, it is clear that there have been dramatic changes in Central and Eastern Europe in the last 7 years, and as my distinguished colleague, the gentlewoman from Connecticut [Mrs. KENNELLY], just referenced, Romania has moved in a marked way toward a greater democracy and away from communism.

There is proof of that progress. The privatization efforts of the industrial and agricultural sectors are already showing great results. Recent figures show that the gross domestic product in Romania has moved in the private sector to 45 percent, a significant increase over where it was just a year ago.

Obviously we are seeing examples of democracy building all across Romania, and they hold their second nationwide Presidential election later this fall. Under the World Trade Organization and GATT, the United States is obligated to extend unconditional or permanent MFN status to our trading partners who are parties to that agreement and we should do no less with Romania, Romania being the only member of WTO with whom the United States has a trading relationship but who is still subject to the conditional MFN relationship.

Mr. Speaker, almost every State of the United States has a trading relationship with Romania. My own State of New York, for example, is the fifth largest exporter in 1995, and I believe as we work clearly to build democracy in Central and Eastern Europe, we must extend this permanent status to our friends in Romania.

Is the situation perfect? No, it is not perfect, but it is moving in a very dramatic and correct direction. Romania is a nation of more than 23 million people, the second largest market in Eastern Europe representing rich opportunities to creating American jobs for United States companies and, more than that, Romania's 23 million people deserve the opportunity to succeed economically, and for the prospering of and ensuring a stable democracy in the region, I ask that this legislation be enacted.

Mr. PALLONE. Mr. Speaker, I rise today in opposition to granting permanent most-favored-nation status to Romanio. H.R. 3161 would allow Romania to reap the benefits of MFN while its regime continues to ignore its dire human rights situation.

Romania's large Hungarian minority needs to be recognized when debating MFN trade status. As a congressman representing a sizable Hungarian constituency, and as a member of the Human Rights Caucus, I know the importance of ensuring that national minorities have the right to speak and do commerce in their native language. This is a fundamental human right that cannot be ignored. However, if we vote in favor of H.R. 3161, we would strip the Hungarians living within Romanian borders of their right to education in their native tongue.

Although Romania and Hungary are both former Warsaw Pact nations, their differences in politics are overwhelming. While Romania represses its freedom of speech and does not guarantee free and fair elections, Hungary was the leader among Central European nations in establishing a democratic system, even before the fall of the Berlin Wall. In the last 7 years, Hungary has steadily transformed itself into an independent, democratic, market-oriented society, integrated into Europe and the international trading network. Hungary, in particular among its neighbors, has shown an impressive degree of stability. Even during the cold war, Hungary worked hard against tough odds to establish itself as a society independent of Soviet domination in certain key political and economic spheres, and was granted most-favored-nation status by the United States in 1978.

If we are to grant Romania permanent MFN trading status, we must first insist that it follows the democratic paths of its European neighbors such as Hungary. The United States must grant preferential trading agreements only to those nations willing to uphold basic human and political rights.

Before granting most-favored-nation trading status to Romania, we must ensure that its government: improves its freedom of the press, freedom of speech and public assembly, a faster rate of privatization and restoration of private property, protects its human rights, and guarantees free and fair elections.

We need to wait for the results of the upcoming national elections before we should even consider granting permanent MFN status to Romania. If we vote in favor of H.R. 3161 today, we would only help propel neo-Communist President Ion Iliescu to victory and a continuation of policies that have been contrary to American values. Let us, instead, use MFN as a form of leverage to move Romania in the direction of true democracy.

Mr. HAMILTON. Mr. Speaker, I rise in strong support of H.R. 3161 to authorize the President to extend permanent most-favored-nation trading status to Romania.

Romania has made strong progress in the direction of democracy and free market reforms. It is in full compliance with the criteria of Jackson-Vanik on free emigration.

Romania has also made progress on rule of law, and on human rights. However, I do share the views of my colleagues on both sides of the aisle—and on both sides of this bill—when they state that we want to see Romania make more progress in both these areas.

The critical question before us is how to maximize U.S. influence on behalf of those values that we all support.

At this time, I believe that the best way to foster United States influence in Romania is to authorize the President to extend permanent MFN status for Romania.

Through actions to enhance the climate for United States-Romanian trade and investment, we enhance the voice of the United States in support of Romania's reform process.

I urge my colleagues to support permanent MFN status for Romania.

Mr. MANZULLO. Mr. Speaker, this debate is about normal trade status with Romania. We are not providing any favorable benefits to Romania from this action. It simply authorizes the President to determine when the United States should treat Romania on equal trade terms with all other nations.

The most-favored-nation law was written to deal with freedom of emigration from East bloc Communist nations. These governments do not even exist anymore. It's time to update our trade legislation to reflect the realities of the times. In fact, I wish we were here today granting permanent MFN or normal trade status with all other former East bloc countries still on the list. Times have changed. While the rest of the world trades normally with these countries, including Romania, we're still wrestling with these issues.

All political parties in Romania support permanent MFN or normal trade status with the United States. Holding this bill up will only embolden the hard-line nationalistic elements in Romania who do not want foreign influences inside their country. And, there will be no time later this session to vote on this issue if permanent normal trade status in held up for Romania's fall elections. We'll be back at this issue during the next Congress, and there will probably some other excuse devised so that normal trade status is held up another 2 years.

It's in America's interest to provide permanent normal trade status because without this designation, the United States cannot take trade disputes with Romania to the World Trade Organization. It will also solidify our bilateral economic relationship to ensure that Romania continues on the path of free market reform.

Mr. Speaker, I urge my colleagues to focus on the issue at hand—support normal trade relations for Romania.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise in support of H.R. 3161, which authorizes the President to extend permanent most-favored-nation treatment to Romania. The bill recognizes that Romania is making progress toward democracy and a free market economy, and the extension of MFN will encourage that process to continue.

Additionally, Mr. Speaker, Romania is an important trading partner for my home State of Texas. Texas ranks No. 2 among the 50 States in exports to Romania, and in the period from 1992 to 1994, Texas exported more than $110 million worth of products to Romania. The products Texas exports to Romania are many, and they range from energy development products to transportation equipment and paper products.

After the recent debate over extending MFN to China, it is easy to see the benefits of permanently extending MFN to an emerging democracy like Romania.

Romania has adopted a new constitution since overthrowing its Communist dictatorship in 1989, and is improving in the areas of human rights, freedom of expression, and economic reforms.

Romania is also a member of the World Trade Organization, and extending MFN allows the United States to have our full rights under the terms of the GATT with respect to Romania.

The extension of MFN to other Eastern European nations has already occurred, and it is time for us to extend MFN to Romania as well.

I yield back the balance of my time.

Mr. LAUGHLIN. Mr. Speaker, following 3 years generations of Communist regime, Romania for the last 5 years has struggled to implement a deliberate program of converting to a free market system. Its new democratic government realizes that critical to reaching that goal is the privatization of its industry through passage of new laws, broadened investment policies, and proliferation of international economic partnerships. U.S. businesses can and should be significant in this economic transformation now in progress.

The result of Romania privatization is the systematic updating and upgrading of all its productive means, from the farm yards to the steel mills; and each industrial change presents opportunity for American engineering, technology, and management to become ingrained in that new system. Most-favored-nation status for Romania flashes to American business that final unmistakable signal of governmental encouragement for participation in and development of this burgeoning new market for United States products.

Additionally, Romania realizes that its new found industrial emphasis will require significant infrastructural modernization and a number of new facilities. These projects will demand large infusions of outside professional and technical services, materials, equipment, and technology, as well as realistic financing innovations. Until now, American efforts in these areas have been overshadowed by European and Asian companies; however, that is beginning to change. Most-favored-nation status is the final step in demonstrating deep American interest in Romania.

Today, a consortium of United States firms named Motorways U.S.A., which includes several Texas enterprises, is in direct negotiations with the Government of Romania for design, construction, operation and maintenance of its first toll road facility. Romania has enthusiastically welcomed this initially attempt by United States companies to provide by partnership dramatically different approaches for solving its most pressing needs.

This willingness to venture out and to rely on what, by Romanian standards, are novel and innovative free market techniques as impetus for its new market economy, exemplifies that certain willingness and dedication which will make Romania a long-term trading partner with the United States. This has been key in convincing me that now is the time to give Romania permanent most-favored-nation status and urge you to join me in doing so. A vote for this resolution is a vote for American jobs, favorable balance of trade, and increased American economic presence in Central and Eastern Europe.

Mr. TORRICELLI. Mr. Speaker, I rise today in strong opposition to H.R. 3161 which would confer permanent most favored-nation [MFN] status on the country of Romania. A vote on this critical piece of legislation now would seriously hamper any efforts by the prodemocratic forces in Romania to continue to reform the Government and improve Romania's human rights record.

Among all of the former Communist bloc countries in Eastern Europe, Romania has made the fewest advances toward greater liberty and openness since the transition period began. The Hungarian minority, for example, suffers immensely from limited freedoms and constant discrimination. Today, a new education law has been implemented which prohibits the teaching of most subjects in minority languages. In addition, an ethnic Hungarian citizen, Paul Cseresznyes, has been in prison for 6 consecutive years on political grounds with no hope of release in the near future.

The preservation of basic human rights, which we take for granted here in the United States, has not received due respect in Romania. Freedom of speech is constrained as journalists work under the ever-present shadow of harassment by the Romanian intelligence service. And, during the recent local elections, objective observers expressed some concern about the administrative competence of election officials.

Much of the blame for this delay can be laid at the feet of the regime currently in power. In voting for permanent MFN status today, we, as a leader of the Western World, are also ratifying the Romanian Government's actions to date. We cannot allow ourselves to be oblivious to the broader message that approval of H.R. 3161 sends. A decision is best made only after Romania's presidential and parliamentary elections in December, when it reaffirms its commitment to democratic reform. Romania should be given credit for beginning the transformation to an open society in the wake of its Communist past, but permanent MFN status from this country is not the best means of doing so.

The SPEAKER pro tempore (Mr. GUTKNECHT). The question is on the motion offered by the gentleman from Illinois [Mr. CRANE] that the House suspend the rules and pass the bill, H.R. 3161.

The question was taken.

Mr. FUNDERBURK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. FUNDERBURK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3161.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FEDERAL OIL AND GAS ROYALTY SIMPLIFICATION AND FAIRNESS ACT OF 1996

Mr. CALVERT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1975) to improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1975

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Oil and Gas Royalty Simplification and Fairness Act of 1996''.

SEC. 2. DEFINITIONS.

Section 3 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) is amended—

(1) by amending paragraph (7) to read as follows:

''(7) 'lessee' means any person to whom the United States issues an oil and gas lease or any person to whom operating rights in a lease have been assigned;''; and

(2) by striking ''and'' at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting a semicolon, and by adding at the end the following:

''(17) 'adjustment' means an amendment to a previously filed report on an obligation, and any additional payment or credit, if any, applicable thereto, to rectify an underpayment or overpayment on an obligation;

''(18) 'administrative proceeding' means any Department of the Interior agency process in which a demand, decision or order issued by the Secretary or a delegated State is subject to appeal or has been appealed;

''(19) 'assessment' means any fee or charge levied or imposed by the Secretary or a delegated State other than—

''(A) the principal amount of any royalty, minimum royalty, rental bonus, net profit share or proceed of sale;

''(B) any interest; or

''(C) any civil or criminal penalty;

''(20) 'commence' means—

''(A) with respect to a judicial proceeding, the service of a complaint, petition, counterclaim, cross claim, or other pleading seeking affirmative relief or seeking credit or recoupment: *Provided*, That if the Secretary commences a judicial proceeding against a designee, the Secretary shall give notice of that commencement to the lessee who designated the designee, but the Secretary is not required to give notice to other lessees who may be liable pursuant to section 102(a) of this Act, for the obligation that is the subject of the judicial proceeding; or

''(B) with respect to a demand, the receipt by the Secretary or a delegated State or a lessee or its designee (with written notice to the lessee who designated the designee) of the demand;

''(21) 'credit' means the application of an overpayment (in whole or in part) against an obligation which has become due to discharge, cancel or reduce the obligation;

''(22) 'delegated State' means a State which, pursuant to an agreement or agreements under section 205 of this Act, performs authorities, duties, responsibilities, or activities of the Secretary;

''(23) 'demand' means—

''(A) an order to pay issued by the Secretary or the applicable delegated State to a lessee or its designee (with written notice to the lessee who designated the designee) that has a reasonable basis to conclude that the obligation in the amount of the demand is due and owing; or

''(B) a separate written request by a lessee or its designee which asserts an obligation due the lessee or its designee that provides a reasonable basis to conclude that the obligation in the amount of the demand is due and owing, but does not mean any royalty or production report, or any information contained therein, required by the Secretary or a delegated State;

''(24) 'designee' means the person designated by a lessee pursuant to section 102(a) of this Act, with such written designation effective on the date such designation is received by the Secretary and remaining in effect until the Secretary receives notice in writing that the designation is modified or terminated;

''(25) 'obligation' means—

''(A) any duty of the Secretary or, if applicable, a delegated State—