

can all agree that this would be a blow to the U.S. economy.

Please consider the following facts:

China's consumption of crude oil is expected to double within the next two decades.

World production of oil exceeds capacity by the smallest margin in decades.

China's need for energy is so great that electricity has been rationed to some factories, and the Chinese are reported to be investing in technology to "cook" low-quality coal into gasoline. This is costly, inefficient and has environmental problems.

China is the world's largest economy without a meaningful strategic petroleum reserve.

The U.S.-China Commission's 2004 Report to Congress indicated that China's strategy for securing oil supplies "is still focused on owning the import oil at the production point . . . The Chinese policy is to own the barrel that they import . . . to gain control of the oil at the source. Geopolitically, this could soon bring the United States and Chinese energy interests into conflict." The United States, in contrast, has a free market strategy "based on global market supply and pricing."

The same report indicates that China "plans to expand its strategic reserve to fifty to fifty-five days worth of oil imports by 2005 and sixty-eight to seventy days by 2010."

So, as today's Washington Post points out, it makes perfect sense that a majority-owned Chinese oil company seeks to acquire control of oil and gas production and reserves.

Make no mistake about it, Mr. Speaker, this offer comes from the Chinese government. CNOOC is 70 percent owned by the Chinese government. One quarter of the funding for its cash offer comes at no or minimal interest rates. If that is not a subsidy, Mr. Chairman, I do not know what a subsidy is. News reports indicate that more than \$5 billion of the Unocal offer is available at no interest—more than \$2 billion of the bid—or at 3.5 percent interest. These are not market rates.

I absolutely agree with a spokesman for China's Foreign Ministry, who is quoted in the Post article as saying: "We think that these commercial activities should not be interfered in or disturbed by political elements." By that I mean: without a Chinese government subsidy.

Mr. Speaker, I would like to add that I doubt whether the CNOOC proposal will result in a deal which would trigger CFIUS review. The Chevron offer will go to Unocal shareholders August 10. The Chevron offer now has all of the appropriate regulatory approval. The CNOOC offer comes late in the process and has not received any regulatory approvals to date. It is far from clear, even with the Chinese government subsidies, that the CNOOC bid would be competitive with the Chevron bid . . . but that is a decision for Unocal shareholders to make, not us.

Mr. Speaker, I urge immediate approval of this resolution and immediate review of any accepted CNOOC offer for Unocal.

As well, Mr. Speaker, I urge swift convening of a conference committee on a comprehensive energy bill for the United States, an adoption of the President's comprehensive energy program for the U.S. and swift adoption of the conference report.

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

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the mo-

tion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and agree to the resolution, H. Res. 344.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 344.

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

There was no objection.

#### EXPRESSING THE GRAVE DISAPPROVAL OF THE HOUSE REGARDING MAJORITY OPINION OF SUPREME COURT IN KELO V. CITY OF NEW LONDON

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 340) expressing the grave disapproval of the House of Representatives regarding the majority opinion of the Supreme Court in the case of Kelo et al. v. City of New London et al. that nullifies the protections afforded private property owners in the Takings Clause of the Fifth Amendment.

The Clerk read as follows:

#### H. RES. 340

Whereas the takings clause of the fifth amendment states "nor shall private property be taken for public use, without just compensation";

Whereas upon adoption, the 14th amendment extended the application of the fifth amendment to each and every State and local government;

Whereas the takings clause of the 5th amendment has historically been interpreted and applied by the Supreme Court to be conditioned upon the necessity that Government assumption of private property through eminent domain must be for the public use and requires just compensation;

Whereas the opinion of the majority in Kelo et al. v. City of New London et al. renders the public use provision in the Takings Clause of the fifth amendment without meaning;

Whereas the opinion of the majority in Kelo et al. v. City of New London et al. justifies the forfeiture of a person's private property through eminent domain for the sole benefit of another private person;

Whereas the dissenting opinion upholds the historical interpretation of the takings clause and affirms that "the public use requirement imposes a more basic limitation upon government, circumscribing the very scope of the eminent domain power: Govern-

ment may compel an individual to forfeit her property for the public's use, but not for the benefit of another private person";

Whereas the dissenting opinion in Kelo et al. v. City of New London et al. holds that the "standard this Court has adopted for the Public Use Clause is therefore deeply perverse" and the beneficiaries of this decision are "likely to be those citizens with disproportionate influence and power in the political process, including large corporations and development firms" and "the government now has license to transfer property from those with fewer resources to those with more"; and

Whereas all levels of government have a Constitutional responsibility and a moral obligation to always defend the property rights of individuals and to only execute its power of eminent domain for the good of public use and contingent upon the just compensation to the individual property owner: Now, therefore, be it

*Resolved, That—*

(1) the House of Representatives—

(A) disagrees with the majority opinion in Kelo et al. v. City of New London et al. and its holdings that effectively negate the public use requirement of the takings clause; and

(B) agrees with the dissenting opinion in Kelo et al. v. City of New London et al. in its upholding of the historical interpretation of the takings clause and its deference to the rights of individuals and their property; and

(2) it is the sense of the House of Representatives that—

(A) State and local governments should only execute the power of eminent domain for those purposes that serve the public good in accordance with the fifth amendment;

(B) State and local governments must always justly compensate those individuals whose property is assumed through eminent domain in accordance with the fifth amendment;

(C) any execution of eminent domain by State and local government that does not comply with subparagraphs (A) and (B) constitutes an abuse of government power and an usurpation of the individual property rights as defined in the fifth amendment;

(D) eminent domain should never be used to advantage one private party over another;

(E) no State nor local government should construe the holdings of Kelo et al. v. City of New London et al. as justification to abuse the power of eminent domain; and

(F) Congress maintains the prerogative and reserves the right to address through legislation any abuses of eminent domain by State and local government in light of the ruling in Kelo et al. v. City of New London et al.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Michigan (Mr. CONYERS) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

#### GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 340.

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

There was no objection.

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