

I thank very much, Mr. Speaker, those who have made it possible to get back on our feet as quickly as we can, whether from Governor Caperton directing immediate response, to the West Virginia National Guard, which has just been a godsend to so many of our communities over the last few days, to the county office of emergency services personnel, and the countless volunteers. Thank you very much. We all thank you in our communities.

**CONGRATULATIONS TO BRENDA
AND JIM TALENT**

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Arkansas [Mr. HUTCHINSON] is recognized during morning business for 5 minutes.

Mr. HUTCHINSON. Mr. Speaker, it is my great pleasure to rise on behalf of all of my colleagues of the U.S. House of Representatives to congratulate my very good friend, Congressman JIM TALENT of Missouri, who last Thursday was responsible for bringing another young Missourian into the world.

Jim and Brenda Talent are the proud parents of newborn Christine Lyons Talent, who was born at 1:53 p.m., last Thursday, and weighed in at 8 pounds and 7 ounces.

Young Christine is fortunate indeed to enter this world into a loving home with very loving parents.

Mr. Speaker, I yield to Mr. CANADY of Florida.

Mr. CANADY of Florida. Mr. Speaker, I appreciate the gentleman yielding this time to me, and I want to join in expressing my congratulations to the gentleman from Missouri, my good friend, JIM TALENT.

I have always admired Representative TALENT'S dedication to his family. He is a person among the Members here who puts his family first, and this child is very fortunate to have a father such as JIM TALENT and a mother such as Brenda, who is a dedicated mother and the spouse of our colleague, and we are very grateful for their family, and I appreciate what their friendship means to me.

Mr. HUTCHINSON. Reclaiming my time, I appreciate the gentleman's comments and agree entirely that JIM TALENT has been one of the strongest advocates for the family in the U.S. Congress. I know now, with the birth of Christine Lyons, that he will be an even stronger proponent of the \$500 per child tax credit and a more fervent than ever advocate for the family in the U.S. Congress.

So, our best wishes to JIM and Brenda.

**WAGE-BASED TAX CREDIT NEEDED
TO STIMULATE JOB CREATION
IN PUERTO RICO**

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Puerto Rico [Mr. ROMERO-BARCELÓ] is recog-

nized during morning business for 5 minutes.

Mr. ROMERO-BARCELÓ. Mr. Speaker, last week the House Ways and Means Committee favorably reported the Small Business Job Protection Act of 1996. This act is designed to provide businesses with new tax breaks and is using the repeal of section 936 of the Internal Revenue Code as the primary revenue-raising offset for these tax breaks. And yet, while substantially increasing the taxes on Puerto Rican source income, the act provides no increase in the Federal benefits provided to the U.S. citizens of Puerto Rico.

I fully agree that the income-based tax credit provided in section 936 is to a significant extent excessive corporate welfare. In fact, I was perhaps the first voice to call for repealing the income-based tax credit and substituting it by a wage-based tax credit. Numerous reasonable proposals have been put forth which would eliminate the wasteful income-based credit while preserving a narrower, well-targeted wage-based credit. The wage-based credit is a cost effective way to make sure that tax breaks for Puerto Rican source income do indeed produce jobs in Puerto Rico.

While the 3,800,000 people of Puerto Rico are U.S. citizens, we have, nonetheless, been partially or wholly excluded from participation in many important Federal programs. According to the Congressional Budget Office, if Puerto Rico were treated as a State, in Medicaid alone we would get more than \$1 billion per year. And now, even though taxes on Puerto Rican source income are to be drastically increased, by \$4.9 billion in 8 years, we are being provided no additional funds for Medicaid. Are the health and lives of the 3,800,000 U.S. citizens in Puerto Rico worth less than the health and lives of our fellow citizens in the 50 States?

Fairness dictates that increased taxes on Puerto Rican source income be used for the benefit of the people of Puerto Rico. It is preposterous, indeed outrageous, and unfair that tax revenues collected on income earned in the Nation's poorest jurisdiction, Puerto Rico, be used to subsidize tax-credits for small businesses in the 50 States of the Union, the poorest of which has more than double the per capital personal income of Puerto Rico.

Puerto Rico has more than twice the unemployment of any State and needs and deserves a new wage-based tax credit to stimulate creation of new jobs. Puerto Rico also needs increased participation in Medicaid. Please join with the President, the Governor, and me in supporting these changes for the benefit of the disenfranchised U.S. citizens of Puerto Rico.

Mr. Speaker, we are not aliens, we are not illegal residents, we are U.S. citizens. Fairness dictates that increased taxes on Puerto Rican-source income be also used for the benefit of the people of Puerto Rico. It is preposterous, indeed outrageous and unfair,

that tax revenues collected on income earned in the Nation's poorest jurisdiction, Puerto Rico, be used to subsidize tax credits for small businesses in the 50 States of the Union, the poorest of which has more than doubled the per capita personal income of Puerto Rico.

Puerto Rico has more than twice the unemployment of any State and needs and deserves a new wage-based tax credit to stimulate the creation of new jobs. Puerto Rico needs increased participation in Medicaid.

Please join with the President, the Governor, and myself in supporting these changes for the benefit of the disenfranchised U.S. citizens of Puerto Rico. Do not allow the poorest jurisdiction in the Nation to be used for subsidizing the tax cuts for small businesses for the 50 States. That is indeed unfair. This is indeed unjust.

Mr. Speaker, I formally submit that sufficient thought has not been given to this proposal. The tax cuts for the small businesses, I repeat, very good, we support them, but why does the poorest jurisdiction in the Nation have to be the principal subsidy used for supporting the tax cuts for all the States?

**LACK OF NATIONAL DRUG POLICY
CAUSING CRISES IN U.S. WAR ON
DRUGS**

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. MICA] is recognized during morning business for 5 minutes.

Mr. MICA. Mr. Speaker, today the State of Florida and the Nation are really reeling over the effects of President Clinton's lack of a national drug policy, and even more so his lack of a record on drug prosecution. The Clinton record is a disaster followed by disaster and deserves the attention of this Congress and the American people.

I serve on the subcommittee that oversees our national drug policy and we have recently detailed this disaster in this report.

Several months ago a Clinton Federal judge let cocaine dealers off the hook when they ran away from their drug-laden car. Only after a national outrage that ensued did the Clinton appointee finally relent. Federal prosecution of drug cases, again detailed in this report, have dropped 12 percent since President Clinton took office. Drug use among teenagers, cocaine, crack, heroin, and designer drugs among our youth, has grown to epidemic proportions, again detailed in this report all this occurring in the last 3 years. All this while President Clinton parades around the country talking about Federal regulations on teen smoking.

Let me tell my colleagues what is happening. Marijuana use among our teenagers has increased by 50 percent per year each year of the 3 years since President Clinton has been elected. This is the legacy of his "just say maybe" policy.

Joycelyn Elders, who the President appointed, led our Nation as our Nation's top drug official, and now we have seen the results from her tenure. "What ye sew ye shall reap." Teens now smoke marijuana that is up to 30 to 40 times more potent than that marijuana of the 1960's.

While President Clinton is out talking about teens smoking cigarettes, they are, in fact, frying their brains, destroying their lives, and dying in incredible numbers while he ignores setting a national drug policy. President Clinton does not need to travel to New Jersey or other States to talk about the effects of teen smoking. President Clinton can stay right here in Washington, DC, where drugs have killed nearly 1,000 black males in drug violence since he took office.

We thought the President was going to get serious about a national drug policy when he came to my State of Florida several weeks ago. We were grossly disappointed. His visit was a fiasco. They were to go to a public school and have a public student, in this case a young black student was supposed to make a presentation to the President. The White House staging people had a white private school student selected for the presentation. It caused a furor.

Now, listen to this. The President's top Federal prosecutor in south Florida, an appointee who was trying a drug case, lost the drug case. First, we heard we had decreased prosecutions under his reign; then, when they prosecuted, he lost the case. And what did he do when he lost? He went to a strip bar and bit a stripper and last week resigned in disgrace.

So we have a south Florida U.S. attorney forced to resign for biting a stripper, not to mention in central Florida the U.S. attorney had to resign a little over a year ago on charges of having a disorganized office and attempting to choke a reporter. Our two top Federal prosecutors.

Mr. Speaker, we have a crisis in the drug war and we have a crisis in Federal prosecution. We have a crisis that I fear is really rooted in the White House and in the lack of leadership; the lack of providing a national drug policy for this Nation. So I ask my colleagues to read this report that details this disaster, and to suggest that we need some leadership on this issue or our teens are going to suffer a fate far worse, a fate far worse than smoking. They are dying in our streets and in our homes and across this country in larger numbers because of the failure of not having a national drug policy.

FACTS REGARDING UNITED STATES-CHINA TRADE RELATIONSHIP

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from California [Ms. PELOSI] is recognized during morning business for 5 minutes.

Ms. PELOSI. Mr. Speaker, yesterday President Clinton announced that he was going to request a special waiver from Congress to grant unconditional most-favored-nation status to China. As Members know, Mr. Speaker, in the Congress of the United States there is concern about the United States-China relationship in regard to human rights, proliferation of weapons of mass destruction, and trade. The President said yesterday that renewing MFN was about our economic future. On the basis of trade alone, I would like to address some conclusions that the President drew.

I think, Mr. Speaker, that if for a moment we can put aside, which is difficult to do, our concerns about human rights and proliferation and Taiwan and Hong Kong and Tibet, major issues of concern to this Congress, and just talk about trade, I do not believe that the renewal of unconditional MFN status is justified. So while people say to us that we are sacrificing U.S. jobs to promote human rights, that is simply not the case.

First, I would like to present some of the basic facts of the United States-China trade relationship. The emphasis of supporters of unconditional renewal of MFN status for China is not unexpectedly focused on our exports to China, it is important also to focus on China's exports to the United States. While overall United States exports to China have tripled in the last 10 years, United States imports from China have grown by 11 times, resulting in a trade deficit with China that has grown from \$10 million in 1985 to \$35 billion in 1995. \$35 billion.

Another alarming feature of this trade pattern is the 4-to-1 ratio of what we buy from China to what they buy from us. The United States is China's largest export market, with over a third of their exports coming into our market with preferential trade treatment. Our products, by and large, are not allowed into the Chinese market. These barriers to market access contribute to the trade deficit.

And lest we think that the nearly \$12 billion of exports that we send to China is a big number, consider this China, with 1.28 billion people, buys just under \$12 billion. Taiwan, with 23 million people, buys nearly \$20 billion from the United States. So the access to the Chinese markets is a major obstacle in our trade relationship.

I know we also hear people who propose unconditional MFN status and talk about the 180,000 to 200,000 jobs that are connected with exports to China. These are important jobs and we must respect that fact, but let me just briefly go into why we cannot allow that couple hundred thousand jobs, however significant, to be a barrier to many more jobs that should spring from our trade relationship.

We should all be concerned about the harm to our economy of the ongoing practice of the Chinese of violating our intellectual property rights. The trade

deficit I referred to before of \$35 billion does not include the billions of dollars that the Chinese have pirated in our intellectual property.

We are told regularly by economists and we, in turn, tell our labor force that while manufacturing jobs go offshore, our intellectual property is our international comparative advantage. It is the genius of America that arises from the great democratic tradition of freedom of expression and freedom of thought. In a very real way, with the Chinese continuing practices and patterns of theft of our intellectual property, the Chinese are stealing our economic future.

I disagree with the President that China is our economic future. The Chinese regime is under the present practices, stealing our economic future. In China it is possible to buy \$12,000 worth of pirated United States software on a CD-ROM for \$10. Pirated versions of Windows 95 were available in China before the real thing was released in the United States.

More importantly, the production of stolen intellectual property in China is not only for domestic consumption; it is used for export. The domestic capacity is about 7 million units and the production capacity is about 150 million units per year. So the Chinese are in the business of stealing our intellectual property not only for domestic consumption but for export.

And the piracy does not stop at software. There are reports of pirated raw materials, like integrated circuits from China, showing up in Paraguay for distribution throughout the Americas.

I do not have time to go into more detail on that. I want to commend the administration for issuing a list of sanctions and, hopefully, they will follow through with that.

The last point I have time to make is the issue of technology and production transfer. Many people know that production is going offshore. What we must recognize is that the Chinese insist on the technological transfer as well. So we will have, for example, Boeing closing a factory in Wichita, KS, for the manufacture of the tail section of a 737, and that production going to Chinese workers making \$50 a month. And the Chinese have the technology transfer.

So it is the barriers to our products, the ripping off of our intellectual property, and the transfer of our technology that rob our economy of jobs. Our economic future is at risk in this relationship. I urge our colleagues to focus on these numbers. More to come.

BALANCING THE BUDGET WILL STRENGTHEN AMERICA'S FUTURE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized during morning business for 5 minutes.

Mr. STEARNS. Mr. Speaker, my colleagues, behind me on the wall, behind