

EXTENSIONS OF REMARKS

REFORM IMMIGRATION LAWS

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. STUMP. Mr. Speaker, today, this first day of the 104th Congress, I am introducing a package of three immigration reform bills that deserve top priority as the new Congress works to make America a better place to live.

As I am sure many of my colleagues in this body experienced on the campaign trail last year, Americans are deeply concerned about immigration and its impact on their lives. They are anxious about the changing face of this country and the problems associated with our system of immigration. I don't blame them. On any given day, there are countless news reports about the destructive consequences of our dysfunctional immigration policies. But one need not rely on the media for an understanding of this issue, as more and more Americans are getting firsthand knowledge of the ill-effects of out-of-control immigration.

At the forefront of the immigration debate is illegal immigration. After all, many States, including my State of Arizona, have been hard-pressed to find the resources required to deal with this growing problem. They have had to resort to filing suit against the Federal Government for reimbursement. And, let us not forget what took place in California last November. Through the passage of proposition 187, Californians overwhelmingly conveyed a message that they will no longer be the victims in the illegal immigration crisis. It is just a matter of time before other States follow California's lead.

These actions prove that the Congress has been negligent in its duty to put forth an immigration policy that is fair and responsible and in the best interests of the States and the American people. Through congressional inaction we have sent a message to other countries that our borders are insecure, that we don't have an interest in enforcing our laws, and that we have a never ending supply of public assistance benefits.

We must act now to correct this perception. That is why I am introducing the Immigration Accountability Act of 1995. This bill goes to the heart of the illegal immigration crisis by prohibiting the payment of Federal benefits to illegals and ending the practice of conferring citizenship on the children of illegal aliens. In addition, the bill would strengthen our often-abused asylum system by providing for the expeditious processing of meritorious claims and the prompt exclusion of those who attempt to defraud the system. Finally, the bill calls for a significant increase in the border patrol. By increasing our border security and eliminating these compelling illegal immigration incentives, I believe we can turn the tide of illegal immigration.

Illegal immigration is a serious problem and I am delighted that many Members of the new Congress have expressed their willingness to

confront it. However, there is another problem that is more complex, and just as pressing. I am referring to legal immigration. We are currently experiencing unprecedented levels of legal immigrants, perhaps 15 million in the 1990's. Through ill-conceived immigration laws, we are accommodating people in other countries who wish to live here with little regard for those already here, citizens and immigrants alike.

Mr. Speaker, it is time to take a break, a temporary pause, from the uncontrolled immigration that has resulted in overcrowded schools and hospitals, scarce employment, inadequate housing, and a deteriorating standard of living. I am proposing, through the Immigration Moratorium Act of 1995, that we limit immigration to the spouses and minor children of U.S. citizens, legitimate refugees, and those immigrants who have been waiting in the immigration backlog for more than 10 years. This would bring our immigration numbers in line with the traditional U.S. average of about 297,000 per year.

I am convinced that my moratorium bill would yield highly positive results. A moratorium would allow us to begin absorbing and assimilating the millions of newcomers who have settled here in recent years and also give us an opportunity to revamp our misguided and outdated policies to suit the realities of today's America. Furthermore, an additional benefit of a moratorium is that it would free up manpower and resources to deal with illegal immigration.

I realize that some of my colleagues believe it to be politically unpopular to advocate a reduction in legal immigration. However, I would like to point out that as immigration levels have risen, so has public opinion turned against increased immigration. A CNN/USA Today poll found that 76 percent of Americans feel immigration should be stopped or reduced until the economy improves. And, all opinion surveys show that the sentiment to restore a more modest immigration flow is about as strong among noncitizens as among citizens, and among nonwhite Americans as among white Americans. I encourage the Members of this body to give these statistics serious consideration before abandoning the idea of reducing legal immigration.

The last bill of my immigration reform package, the Immigrant Financial Responsibility and Sponsorship Act of 1995, is directed at rapidly growing immigrant welfare use. The percentage of immigrants below the poverty line is 50 percent higher than that of natives. Even more astonishing is that the estimated 1993 public assistance and services costs for immigrants was \$10.42 billion. At a time when we are searching for ways to reform the welfare system in this country it would be foolish to let this costly trend continue.

Under my bill, aliens would be required to demonstrate that they are unlikely to become a public charge. If they cannot do so, they will not be admitted to the United States unless a suitable sponsor gives a proper bond and guarantees financial responsibility for the

alien. This is a reliable and fair way to ensure that those immigrants who wish to come to this country will not wind up on our already-overburdened welfare rolls.

Mr. Speaker, as Members of the U.S. Congress, we have an obligation to the American people to restore a sense of fairness and responsibility to our immigration laws. I believe that my bills take a significant step toward fulfilling that obligation. I urge my colleagues to join me.

REPEAL OF SECTION 903

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. TRAFICANT. Mr. Speaker, the United States taxes the income of its citizens and corporations whether it is earned at home or abroad. The U.S. foreign tax credit provides relief to U.S. taxpayers from the double-taxation so they will not determine where a company invests. Nevertheless, when Congress adopted the section 903 of the Internal Revenue Code, an unfair tax advantage was given to companies that invest abroad. For that reason, I have introduced legislation to repeal section 903.

Mr. Speaker, section 903 extends credibility to those foreign taxes imposed in lieu of foreign income taxes. This means that all foreign taxes such as foreign sales, excise, and value added taxes are creditable as business costs towards their foreign taxes paid. There is no constraint on the type of foreign tax that can be credited. This leaves domestic U.S. companies at a distinct disadvantage. They are only able to deduct taxes that are in lieu of income taxes.

Mr. Speaker, section 903 was enacted in 1942 when certain countries taxed companies on a different basis from our concept of net income. These countries were less sophisticated and imposed taxes on a gross income basis, while the United States concept of net income had become quite refined. In order to make up for the difference, Congress extended credit to all foreign taxes. Since 1942, however, foreign tax systems have become quite sophisticated. Thus, the scope of section 903 has been expanded to include a credit for taxes paid to foreign countries in lieu of foreign income tax.

Mr. Speaker, creditable foreign taxes must be limited to income taxes and taxes of similar nature. This is because under present law indirect taxes and other taxes in lieu of taxes can be shifted onto either consumers or labor. A tax is shifted when a corporation is able to maintain its profits at their pre-tax level despite paying an income tax by raising prices. Therefore, these companies are receiving relief from a tax burden in the form of tax credits that they do not bear. The consumers and workers incur part of the burden of the tax.

Mr. Speaker, the foreign tax credit should be designed to provide relief from double-taxation and to make sure that tax incentives do

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not exist. Taxes in lieu of should instead be deductible to relieve only the portion of the tax borne by the taxpayer. Until section 903 is repealed, more countries may adjust their tax laws in order to take advantage of section 903. In my district, thousands of jobs have been lost when companies moved their operations overseas. It is appalling to think that our tax system gave them incentives to do so.

Mr. Speaker, I urge all Members to cosponsor this important piece of legislation.

GATT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, December 14, 1994 into the CONGRESSIONAL RECORD.

GATT

Congress recently approved one of the most important—and controversial—measures of 1994: the latest expansion of the 47-year old General Agreement on Tariffs and Trade [GATT]. It is the most ambitious trade agreement in history.

The agreement among 124 nations, negotiated over seven years, will lower tariffs (import taxes) by one third, reduce international subsidies for farm exports, strengthen protections for patents and inventions, and take steps toward regulating trade in services and investment. Congress held dozens of hearings on the negotiations and passed numerous measures to guide the Reagan, Bush, and Clinton administrations in their pursuit of U.S. trade interests. Last week both the House and the Senate passed GATT by overwhelming margins. Dozens of Indiana manufacturers and farm groups urged passage of GATT, while many other Hoosiers expressed concern about protecting U.S. interests. The intense debate on GATT focused on three main issues: the impact of GATT on American jobs, on the budget deficit, and on U.S. sovereignty.

JOBS AND ECONOMIC GROWTH

Many people have expressed concern about the impact of GATT on U.S. jobs, yet the case for job growth under GATT is strong. GATT commits 124 countries to reduce tariff taxes for agriculture, services, and manufactured goods, with the global savings totaling \$744 billion over ten years. Since the U.S. economy is already one of the fairest and most open in the world, other countries will be reducing their tariffs and restrictions much more than we will. The U.S. should be the biggest winner under the expanded GATT, and the agreement should give our economy a boost.

Lower trade barriers and tariffs will save U.S. consumers money and also create jobs through more exports and new investment. The Council of Economic Advisors estimates that within a decade GATT will boost U.S. economic output by \$100–200 billion a year. GATT should directly benefit many Hoosier workers. Indiana manufacturers will see a 33% reduction in tariffs on their products. Distillers will benefit from lower tariffs on U.S. spirits, and copyright protections will outlaw counterfeit foreign products. According to the Indiana Farm Bureau, Hoosier farmers can expect an additional \$1.05 billion in income from GATT over ten years. Overall, GATT could add \$1,700 to the annual income of the average U.S. family within a decade.

BUDGET CONCERNS

Because the U.S. has agreed to reduce its tariffs by an average of 1.6%, certain federal revenues will decrease. The Congressional Budget Office estimates this loss will be \$11.9 billion over the next five years. To offset it, the package approved by Congress cuts spending in a number of programs, charges fees for certain customs services and broadcast licenses, and closes some tax loopholes.

More importantly, GATT's impact on the economy—new jobs and more exports—should create new federal income tax revenue that greatly exceeds any reduction in tariff revenue. GATT-related economic activity is estimated to reduce the federal deficit by some \$60 billion over the next ten years. GATT is fiscally responsible.

WORLD TRADE ORGANIZATION

At the direction of Congress in 1988, U.S. negotiators sought a stronger enforcement mechanism against unfair trade practices. Under the new agreement, the World Trade Organization [WTO] would replace the informal negotiating group that has existed for almost fifty years. In the past, a country with unfair trade practices could refuse to obey a ruling and not lose benefits. Now, unfair traders have to obey the rulings or face still consequences.

The WTO would issue rulings on trade disputes concerning goods, services, and intellectual property. For example, Canada could file a complaint against Japan for unfairly restricting Canadian wheat imports. If the WTO agreed with Canada, and Japan refused to change its practices, Japan would have to pay compensation or be subject to Canadian trade penalties.

SOVEREIGNTY

Many Hoosiers believe that any international trade council should not infringe on U.S. sovereignty. I strongly agree, and I worked hard to include strict safeguards in the package to protect our sovereignty.

First, GATT will continue to make nearly all decisions by consensus—there has not been a vote in more than thirty years. Second, the WTO cannot change any U.S. laws or policies. Only Congress and the President can do that, and no WTO ruling has any standing in U.S. courts. Third, we can withdraw from the WTO at any time or pass legislation overriding any part of GATT. With my support, Congress and the President also agreed to create a special U.S. panel to review WTO decisions. If this panel identifies three unfavorable WTO rulings, any Member of Congress can demand an immediate vote on withdrawing from the WTO. Finally, the United States has the world's largest market and most powerful economy. Other countries are not likely to impose trade sanctions in WTO disputes for fear of getting into a trade war with the U.S.

CONSEQUENCES OF REJECTION

Failure by the U.S. to ratify the agreement would have meant an enormous missed opportunity and an abdication of our international leadership. The U.S. dominated the negotiations: how could other countries have confidence in us if we failed to approve an agreement so beneficial to our interests? Without this agreement, countries would erect new trade barriers, and protectionism would rise. All of our economies would suffer. Democratic reforms would slow, shaky financial markets could boost interest rates, and world stability—so closely tied to economic cooperation—could be undermined.

Of course, GATT is not perfect. As a trade agreement it does not directly address important concerns such as child labor or political freedom, but GATT does increase the incentives for other countries to cooperate with us on these issues. Overall compliance

of other countries with GATT will have to be closely monitored.

CONCLUSION

GATT should mean more secure, high-paying jobs for Hoosiers and a better standard of living. The U.S. cannot afford to pass up the economic benefits of GATT. The WTO should be a strong advocate for U.S. interests while protecting our sovereignty, and free and fair trade will continue to promote peace and prosperity around the globe.

INTRODUCTION OF LEGISLATION TO AMEND THE ALASKA NATIVE CLAIMS SETTLEMENT ACT OF 1971

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. YOUNG of Alaska. Mr. Speaker, I am pleased to introduce a bill to amend the Alaska Native Claims Settlement Act of 1971 at the request of Cook Inlet Region, Inc. [CIRI].

Congress enacted the Alaska Native Claims Settlement Act [ANCSA] in 1971 to address claims to lands in Alaska by its Eskimo, Indian, and Aleut native people. Lands and other benefits transferred to Alaska Natives under the act were conveyed to corporations formed under the act. Alaska Natives enrolled to these corporations were issued shares in the corporation. CIRI is one of the corporations formed under ANCSA and has approximately 6,262 Alaska Natives enrolled, each of whom were issued 100 shares of stock in CIRI, as required under ANCSA.

ANCSA stock, unlike most corporate stock, cannot be sold, transferred, or pledged by the owners of the shares. Rather, transfers can only happen through inheritance, or in limited case, by court decree. The ANCSA provisions restricting the sale of stock were put in place to protect Native shareholders from knowledgeable or unscrupulous transactions, and to allow the corporation to grow and mature in order to provide long-lasting benefits to its shareholder.

The drafters of ANCSA initially believed that a period of 20 years would be a sufficient amount of time for the restrictions on sale to remain in place. Therefore, the restrictions were to expire 20 years after passage of ANCSA on December 31, 1991.

As 1991 approached, bringing with it the impending change in the alienability of Native stock, the Alaska Native community grew concerned about the effect of the potential sale of Native stock. The Alaska Federation of Natives, a statewide organization representing the State's 90,000 natives, spearheaded a legislative initiative to address the 1991 stock sale issue. Many of the Native corporations, including CIRI, actively solicited their shareholders' view on this critical matter, through meetings, questionnaires, polling, and formal votes. In 1987, 3 years prior to the 1991 restriction-lifting date, Congress enacted legislation which reformed the mechanism governing stock sale restrictions in a fundamental way under the 1987 amendments, instead of expiring automatically in 1991, the restrictions on alienability continue automatically unless and until the shareholders of a Native corporation vote to remove them. The 1987 amendments provide several procedural mechanisms to