

CHINA AND INTELLECTUAL
PROPERTY RIGHTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentlewoman from California [Ms. PELOSI] is recognized during morning business for 5 minutes.

Ms. PELOSI. Mr. Speaker, this weekend U.S. Trade Representative Mickey Kantor announced that the United States and China reached an agreement that will provide protection of intellectual property rights for the United States companies and provide market access for intellectual property-based products. Good for him, and I commend the Clinton administration for their tough negotiating stand that they took on reaching this agreement.

The agreement between China and the United States contains the following commitments from China: to take immediate steps to address rampant piracy throughout China; to make long-term changes to ensure effective enforcement of intellectual property rights; to provide United States rights holders enhanced access to Chinese markets. This includes a commitment for no quota on United States audiovisual products among other provisions.

Mr. Speaker, this agreement—and it was necessary for the administration to be so very tough—this was necessary because about 3 years ago, the Bush administration, in addressing this intellectual property problem, engaged in a memorandum of understanding with the Chinese. Operating in good faith, the United States entered into this agreement which, unfortunately, the Chinese did not enter into in good faith. Because China did not live up to its obligation of the agreement to enforce its laws and regulations, intellectual property rights have been virtually absent in China. Respect for them have been absent and piracy rates are soaring in all the major centers along China's increasingly prosperous east coast. In the past 2 years Chinese companies have been exporting pirated products in large volume. Not only are they pirating intellectual property for domestic consumption, they have become exporters to Asia and Latin America, Canada and the United States of our intellectual property.

For example, Mr. Speaker, China—in China they have a capacity to produce 75 million CD's for a domestic market that can only absorb 5 million CD's annually. So they produce 15 times more than they can possibly consume domestically under the present circumstances.

So it was, as I say, I thought that the memorandum of understanding was weak when it was entered into, but the Bush administration gave the Chinese the benefit of the doubt.

Since that time, as you know, Mr. Speaker, there has been a boom in the Chinese economy, the rates of growth have been record highs—have reached record highs. And with that increase in the boom have increased the piracy and

violations of our intellectual property agreement.

The agreement is one thing, however, and enforcement is another. Today's action was necessary because of the failure of the MOU, as I mentioned.

Why am I suspicious and why do we have to be very vigilant as far as the Chinese on the enforcement of the intellectual property? Because of several factors.

In the past 5½ years, since Tiananmen Square, the trade deficit with China, largely because of unfair trade practices of the Chinese, has increased from \$6 billion to \$30 billion—\$30 billion trade deficit. I told you about the CD's, 75 million—for domestic consumption, 5 million. At that, pirated, even the 5 million would be pirated.

You may recall, Mr. Speaker, that the paramount leader, Deng Xiaping visited south China to support the market reforms going on there and with great pride he visited the Shen Fei factory in 1992, the very factory that was producing pirated illegal U.S. intellectual property.

Many of us, people even in the administration, are suspicious of the Chinese willingness to crack down on that particular factory because relatives of the highest leaders in China benefit from the profits. They are the owners. Indeed, it might surprise you, Mr. Speaker, to know that even the trade ministry of China uses pirated Microsoft software. So when I say that they do not operate in good faith in the memorandum of understanding, you know why I am suspicious.

But one other thing happened over the weekend in relationship to China. I wanted to call it to the attention of our colleagues.

Twelve intellectuals petitioned China on corruption. The dozen prominent intellectuals formally petitioned the parliamentary bodies to conduct an independent investigation into corruption of the Chinese leadership. The presentation of the 2,000-word petition marks the first time in a year that an organized group of scholars, writers, and former Communist Party members—indeed, two of these people were former editors of the People's Daily; they had been fired because their prodemocratic sympathies, proreform sympathies.

In any event, my point is: If the administration pays at least 1 percent of the time to the rights of the intellectuals, the workers, the people of China as it is done to intellectual property rights, we might be able to have some success in that arena as well.

I wanted to make sure our colleagues were aware of the petition of the intellectuals.

THE SCHOOL LUNCH PROGRAM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Ohio [Mr. HOKE] is recognized during morning business for 5 minutes.

Mr. HOKE. Mr. Speaker, I have been troubled over the past 10 days and particularly this weekend over the rhetoric that has been coming from the other side of the aisle with respect to the school lunches and WIC, which means the program that is for women, infants and children. We have been attacked on this side of the aisle with all of the old canards: callousness, lack of compassion, not caring at all, being the touts of big business, et cetera, et cetera, et cetera.

I have been extremely curious about why the Democrats have been attacking us with such viciousness. We heard another attack just this morning on the same subject, not a vicious attack, but an attack nonetheless. And because it is clear to me that when you analyze the Republican approach to this, it certainly does not do what the Democrats claim it would do. In other words, it is not on the facts that people are confused.

If you listen to the numbers, Mr. Speaker, you get a very different picture. First of all, the amount that we are spending on school lunches in 1995 is \$4,509,000,000. Under the base line, what the proposal from the President, it would have been \$4,703,000,000 in 1996. Our Republican proposal actually increases that to \$4,712,000,000. So in other words, there is more money going to school lunches, certainly \$200 million more than in 1995. Actually, \$9 million more than, I am sorry, not \$9 million, \$90 million more than had been proposed in the President's budget. And so that does not square with the attacks you have heard.

Look at the WIC spending. WIC is money that goes to women, infants and children, \$3,470,000,000 in 1995. Under our proposal, \$3,684,000,000 in 1996, an increase of more than \$200 million. That is also an increase of \$100 million over the CBO baseline estimate.

Now, I started to think about this. I thought, if we are in fact increasing the amount of money that is going to school lunch spending, why is it that we have been attacked by the President, by the administration, by Cabinet members and by leadership on the other side of the aisle? It seems to me that what you have to look at is who is being cut. And who is being cut by this program are bureaucrats in Washington. The people in Washington that have been making these decisions, they are cut through the Ag budget. They are cut substantially. It is real pain for a person that is losing their job in the Federal bureaucracy. I do not doubt that for a moment. But the fact is, that when we are making the cuts, as a result of that, you have to say to yourself, who is it that the Democrats are representing in this process? Are they representing the children or are they representing the bureaucrats?

So I decided to myself, well, maybe what I want to do is what I used to do in the private sector, and that is follow the money.

So I did a little analysis, the details of which I am going to disclose later on today, but it compared the number of dollars that have been contributed to Democrat candidates over the past 10 years, the past five cycles, by Federal employee PAC's, political action committees. Those are special interests that give money to candidates.

I compared those dollars given the Democrats to dollars by those same Federal employee PAC's given to Republicans. Guess what I found out? I found out that Democrats get more than 10 times the amount of those dollars in terms of contributions. So I started to say to myself, of course, there is something very natural going on here. The Democrats understand who their constituents are. Their constituents are not the children. Their constituents are not the children who, in this case, here is a doll that was given to me by Jamie. It was brought to me by Billy Osborn Fears, who is probably one of the most wonderful, responsible, intelligent, creative, energetic, committed social workers I have ever met working in Cleveland, OH. And what the Democrats are saying is that Billy Osborn Fears, who actually goes in and out of these centers on a daily basis, she is there, she knows what is needed, she knows how to administer these things, she knows how to get the biggest bang for the buck, that she does not have as much intelligence or commitment as the Federal bureaucrats in Washington do.

I am not going to impugn the reputation of people working in Washington, but I will tell you one thing, and that is, that if you are in Washington, how can you possibly know what is needed on the west side of Cleveland? How can you possibly have the same sensitivity to what is needed in the borough of the Bronx of New York, if you are not there, if you are not there every day? And that is what this program is all about.

It is a very different way of spending your Federal tax dollars.

Mr. Speaker, it is very important. So I started to think about this. My only conclusion is that you have to determine who the constituents are. We represent the children.

RECESS

The SPEAKER pro tempore. There being no further Members listed for morning hour, pursuant to clause 12, rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 1 o'clock and 5 minutes p.m.) the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. BEREUTER].

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We know, O gracious God, that when the resources of our minds and spirits grow fragile and the burdens are great, we can seek Your will and Your way in our prayers. We recognize that our intellect and our commitment are not enough for all the pressures and anxieties of daily life and we are often too slow to seek Your guidance and assurance. We pray, O God, that Your grace that is greater than we could ask or imagine, will be with us in all the moments of life and give us that strength and that peace that the world cannot give. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio [Mr. TRAFICANT] come forward and lead the House in the Pledge of Allegiance.

Mr. TRAFICANT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

REPUBLICAN CONTRACT WITH AMERICA

(Mr. WELLER asked and was given permission to address the House for 1 minute.)

Mr. WELLER. Mr. Speaker, our Contract With America states the following:

On the first day of Congress, a Republican House will require Congress to live under the same laws as everyone else; cut committee staffs by one-third, and cut the congressional budget. We kept our promise.

It continues that in the first 100 days, we will vote on the following items: A balanced budget amendment—we kept our promise; unfunded mandates legislation—we kept our promise; line-item veto—we kept our promise; a new crime package to stop violent criminals—we kept our promise; national security restoration to protect our freedoms—we kept our promise; Government regulatory reform—we are doing this now; welfare reform to encourage work, not dependence; family reinforcement to crack down on deadbeat dads and protect our children; tax cuts for middle income families; Senior Citizens' Equity Act to allow our seniors to work without Government penalty; commonsense legal reform to end frivolous lawsuits, and congressional

term limits to make Congress a citizen legislature.

This is our Contract With America.

SCHOOL LUNCH PROGRAM

(Mr. UNDERWOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. UNDERWOOD. Mr. Speaker, every day on Guam 18,000 hot lunches and 6,000 breakfasts are served to schoolchildren.

As a former classroom teacher, I know the value of a nutritious meal to the learning process. And I can spot when someone has not done their homework and is faking it.

The other side would argue that they cut this program, but it is included in the new block grants better entitled block head grants. This rationale is baloney. The new block grants are by every admission, a way that will eventually cut programs and reduce funding. The savings are supposed to be in less bureaucracy. But school lunches are not made by bureaucrats. These programs work quite well because they are administered by the elementary school principals for the benefit of our children whom we place in their trust.

We need to send some Members of Congress back to first grade to relearn their ABC's—

A. Elementary schools are not bureaucracies.

B. Schoolchildren are not freeloaders; and,

C. Hot lunches are not pork.

MEAN SPIRITED

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, as we have just heard, some overmodulated liberals in the new minority have taken to calling our new Republican majority mean spirited. By their curious standards, our attempt to cut Federal bureaucrats is mean spirited. Our efforts to reform welfare are mean spirited.

But, Mr. Speaker, it is fair to ask, what is the real definition of mean spirited? Is defending a system that wastes the taxpayers' money not mean spirited? Is fighting an effort to instill some fiscal responsibility not mean spirited? Is continuing a welfare mentality that kills opportunity and creates hopelessness not mean spirited? Is taking money from future generations to pay interest on our debt today not mean spirited? That is why we need the balanced budget amendment.

Mr. Speaker, defenders of the old order have always accused those of us who want to bring change of being mean spirited. I urge those so quick to judge us to look in the mirror to see if they can find the true culprits.