rights community and the labor groups within the countries where they produce goods and with their international counterparts.''

Action: NIKE has already begun this process. Starting in major source countries, we are seeking to establish regular sessions with groups who can foster productive dialog on contract labor issues. The Apparel Industry Partnership and a quarterly conference call with concerned investor groups are two of several forums in which we will continue to address these issues with affiliated and interested international parties.

6. Recommendation: ''NIKE should consider some type of 'external monitoring' on an ongoing basis as a way to demonstrate its commitment to the Code of Conduct and to insure its effective application.''

Action: Specifically, Ambassador Young recommends two steps: (a) establish an ombudsman function, and (b) establish a small panel of distinguished international citizens to provide a continuing oversight role similar to that undertaken by the Ambassador. We're already doing the first, as noted above. We're working now to appoint an international oversight panel to fulfill the second.

Because NIKE is a leader, we have decided to take further steps beyond Ambassador Young's recommendations, but speaking to issues he raised.

1. NIKE will strengthen the penalty system for contract factories found in violation of the NIKE Code of Conduct. This includes escalating monetary penalties, whose proceeds will fund: (a) remedial action to correct the violation or (b) investment in worker education, recreation or habitability enhancement programs.

2. We are determined that the 500,000 jobs created by NIKE's contract relationships around the world continue to be the best jobs in the business. if any contractor consistently fails to adhere to our Code of Conduct, we will terminate their relationship with NIKE.

3. With our partner factories, NIKE will establish an ongoing training system for managers and supervisors that includes (a) basic people management skills; (b) education in local culture for expatriate managers and (c) learning the local language.

4. Ambassador Young has identified the need for a higher level of host country management in factories owned and operated by foreign investors. NIKE will assess current levels of indigenous management, and establish action plans with each contractor to assure that local management is integrated at the highest levels.

5. NIKE will continue to test pilot projects to measure the effectiveness of independent monitoring by third parties. To date two such projects have been undertaken in two countries. A third is underway.

NIKE will implement each of the actions noted above by January 31, 1998, and then reassess further steps or the enhancement of those already taken.

In addition, NIKE will continue to implement a comprehensive factory inspection program, called SHAPE (Safety, Health, Attitude of Management, People Investment, Environment) in all contract factories worldwide. Our aim is to ensure that every aspect of the factory work experience meets NIKE standards, from fire drills and sanitation to worker training and recreation programs.

Since 1994 NIKE has had independent auditors test factory compliance with our Code of Conduct. We are encouraged that Ambassador Young has found these audits to be ''professionally done, (and) rigorous,'' We will redouble our efforts to assure they are an effective tool. By August 1, 1997 NIKE will have in place a single, unified set of instructions to make sure that every independent audit, anywhere in the world, by any auditor, is done to the same standard.

NIKE management appreciates not only the independence and objectivity that Ambassador Young has brought to these issues, but the many other voices in government, the human rights, labor, religious, consumer and business communities, that have also contributed valuable insight.

Ambassador Young has demonstrated—on assignment for NIKE, but also over 40 years of public and private service in human rights arenas—that these issues are always best served by reasoned, honest and respectful discussion. We are committed to that course.

THE CRACK COCAINE EQUITABLE SENTENCING ACT OF 1997

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 24, 1997

Mr. RANGEL. Mr. Speaker, I rise in support of the Crack Cocaine Equitable Sentencing Act of 1997. The bill, if enacted, would remove the arbitrary and unfair distinction between powder and crack cocaine sentencing. As predicted, earlier this month, the U.S. Sentencing Commission again concluded that Federal drug laws that treat crack cocaine defendants 100 times more severely than powder cocaine defendants cannot be justified. I am proud to be joined in sponsorship of this important bill by a majority of the Congressional Black Caucus.

In 1995, the U.S. Sentencing Commission released a study of Federal sentencing policy as it relates to possession and distribution of all forms of cocaine. Specifically directed by the Omnibus Violent Crime Control and Law Enforcement Act of 1994, the Sentencing Commission reported on the current structure of differing penalties for powder cocaine and crack cocaine offenses and to provide recommendations for modification of these differences. Again, following a congressional mandated study, the Sentencing Commission has restated their stance against the current 100 to 1 ratio. This time, the Commission voted unanimously to lower the sentencing disparity and asked Congress and President Clinton to address the issue within 60 days. Your support of the Crack Cocaine Equitable Sentencing Act of 1997 as an original cosponsor will facilitate timely consideration of the Commission's request.

Included in the mandatory minimum penalties enacted by Congress in 1986 and 1988 was an arbitrary distinction between crack and powder cocaine that singled out crack cocaine for much harsher treatment. The laws had the effect of creating a 100 to 1 quantity ratio for triggering equal treatment for the two pharmacologically identical drugs. For example, under current law, if a person, tried in Federal court, is found in possession of 5 grams of crack cocaine, he would be subject to a mandatory 5-year penalty. If that same person is found with 5, 50, or 400 grams of powder cocaine, he would face a maximum penalty of 1 year in prison. It would take 500 grams of powder cocaine to bring the same punishment for possessing 5 grams of crack cocaine.

One of the effects of this legislation is to punish small-scale crack cocaine users and dealers more severely than we punish their wholesale suppliers. Continuing this unfair treatment threatens to undermine the authority of the 14th amendment to the Constitution that guarantees equal protection under the law from disproportionate punishment. In addition, current policy threatens the 14th amendment's equal protection guarantees for those who live in areas where crack cocaine is more readily available and cheaper than powder cocaine, namely African-Americans and Latinos. These positions are outlined in the accompanying Letter to the Editor from a May 13, 1997, letter to the Wall Street Journal.

The Crack Cocaine Equitable Sentencing Act of 1997, brings back a sense of fairness to the Federal sentencing process. I challenge this Congress to adopt this legislation to promote that ideal.

LETTER TO THE EDITOR FROM THE HONORABLE CHARLES B. RANGEL

I write regarding Mr. Wayne J. Rocques' opinion-editorial that appeared in yesterday's Wall Street Journal. In the article, Mr. Rocques' condemns Reverend Jesse Jackson and me for our views regarding the mandatory Federal Crack Cocaine sentencing law, which we regard as unjust due to its disproportionate application to African American defendants, who represent almost 90% of the defendants in these cases. Current law mandates that persons convicted of possessing 5 grams of crack cocaine receive the same sentence (five years) as persons convicted of possessing 500 grams of powder cocaine. Since enactment of this law, the 100–1 quantity ratio has had a devastating and disproportionate impact on the African American community. The evidence is indisputable.

First, almost 97% of all crack cocaine defendants are Black or Latino despite the fact that these groups represent less than 50% of all crack users and less than 25% of the general population. In Los Angeles, from 1988 to 1991 the U.S. Attorney's Office prosecuted no white suspects on Federal crack cocaine charges while hundreds of white suspects moved through the state court system. In 1992, this two track system was repeated in 17 states.

Second, although Mr. Rocques notes the difficulty of attacking the wholesale marketing of crack cocaine, he neglects to explain the reasoning behind this statement. Crack cocaine and powder cocaine are virtually identical from a pharmacological standpoint, and crack is derived directly from powder cocaine. Consequently, wholesale powder cocaine dealers also serve as wholesale crack cocaine dealers. The consensus among drug control advocates, including Mr. Rocques, is that this is the group that must be targeted for severe sentencing. Meanwhile, small time street-level crack dealers, who often produce the crack themselves can fill our jails and face kingpin sentences with possession of as little as $50 worth of crack.

Third, to answer Mr. Rocques' question regarding why advocates for fair sentencing would concern ourselves with drug criminals, I would remind him that the Fourteenth Amendment of the Constitution requires equal treatment under the law. This sentencing disparity breaks that promise and undermines the foundation of fairness that our country is built upon.

Finally, though Mr. Rocques would have your readers believe that only Rev. Jackson and I have spoken out regarding polarizing effects of the Crack Cocaine Sentencing Law, in truth, we have been joined by others in-

cluding the entire Congressional Black Caucus, Supreme Court Associate Justice Anthony Kennedy, former Drug Czar Lee Brown and Senator Robert Dole.

Even more significant are the Congressionally requested studies produced by the bipartisan United States Sentencing Commission, which in 1995 and yesterday, unanimously, released studies that found such a disparity insupportable. Furthermore, the Sentencing Commission explained that, ''the current (100–1 sentencing) policy must be changed to ensure that severe penalties are targeted at the most serious traffickers.'' The rejection of the current biased system should guide Congress to act on these recommendations in an expeditious and responsible manner.

The Sentencing Commission's report should also spur immediate action in President Clinton, Attorney General Janet Reno, and Drug Czar Barry McCaffrey. The challenge of overcoming the zealous rhetoric of detractors demands that they fight for the commission's responsible proposal rather than issuing pensive and avoiding promises to give the report, ''very serious consideration.''

In addition, although Mr. Rocques' diatribe would label me as a supporter of drug legalization, nothing could be further from the truth. I have spent my entire professional career—first as a Federal prosecutor, then as a New York State Assemblyman and finally as a United States Congressman—advocating for increased awareness of drug abuse and control.

Despite the fact that I originally supported the Crack Sentencing legislation, I now recognize that it's application has revealed a strongly biased and flawed statute. My strong advocacy against drug trafficking and abuse does not blind me from my responsibility to correct failed policy, no matter the author.

AMENDMENT TO THE TAXPAYER RELIEF ACT OF 1997

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 24, 1997

Mr. ARCHER. Mr. Speaker, for the information of the House, today I have submitted for printing in the RECORD a copy of a proposed amendment to H.R. 2014, the ''Taxpayer Relief Act of 1997,'' as reported. I have requested that this amendment be incorporated into the base bill upon adoption of the rule. The following is an explanation of the amendment:

DESCRIPTION OF PROPOSED ARCHER AMENDMENT TO H.R. 2014

1. MODIFICATIONS TO THE CHILD TAX CREDIT

The amendment would provide that in the case of lower- and middle-income taxpayers, the otherwise allowable child tax credit is not reduced by one-half of the otherwise allowable dependent care credit. Under the amendment, the reduction only applies to taxpayers above certain thresholds of modified adjusted gross income (''modified AGI''). For married taxpayers filing joint returns, the thresholds is $60,000. For taxpayers filing single or head of household returns, the threshold is $33,000. For married taxpayers filing separate returns, the threshold is $30,000. The reduction is phased in over the first $10,000 ($5,000, in the case of single individuals and $5,000, in the case of married individuals filing separate returns) of modified AGI above the threshold. The rules for determining a taxpayer's modified AGI and marital status under the bill remained unchanged. The effective date would be years of beginning on or after January 1, 2000.

The amendment would provide that the Secretary of the Treasury shall submit notice to all taxpayers of the passage of the child tax credit. In addition, the amendment would direct the Secretary of the Treasury to modify withholding tables for single taxpayers claiming more than one exemption and for married taxpayers claiming more than two exemptions to take account of the effects of the child tax credit. The adjustments to the withholding tables would apply to employees whose annualized wages from an employer are expected to be at least $30,000, but not more than $100,000.

2. ESTIMATED TAX SAFE HARBOR

The amendment would change the 110-percent-of-last-year's-liability estimated tax safe harbor to a 105-percent-of-last-year's-liability safe harbor for 1998.

3. REPEAL ALTERNATIVE MINIMUM TAX DEPRECIATION ADJUSTMENT

The amendment would direct the Secretary of the Treasury to conduct a study of whether the repeal of the depreciation adjustment for minimum tax purposes would have the result of permitting any corporation with taxable income from current year operations to pay no Federal income tax and, if so, the policy implications of that result. The study would be due no later than January 1, 2001, to the House Committee on Ways and Means and the Senate Committee on Finance.

4. AIRPORT AND AIRWAY TRUST FUND EXCISE TAXES

The amendment would provide that the deposit rules with respect to the commercial air passenger excise taxes are modified to permit payment of these taxes that otherwise would have been required to be deposited during the period July 1, 1998, through September 30, 1998, to be deposited on October 13, 1998.

5. MODIFICATION TO TAX BENEFITS FOR ETHANOL AND RENEWABLE SOURCE METHANOL

The amendment would delete those provisions in the bill relating to a reduction in tax benefits for ethanol and renewable source methanol.

6. NAME OF THE ACT

The amendment would change the name of the Act from the ''Revenue Reconciliation Act of 1997'' to the ''Taxpayer Relief Act of 1997''.

7. CHANGE IN BUDGETARY TREATMENT OF CERTAIN EXPIRING PROVISIONS

The amendment would amend the Balanced Budget and Emergency Deficit Control Act of 1985 to provide that any preferential rate (or any credit or refund) that is scheduled to expire and that, under current scorekeeping conventions, is presumed to be extended for purposes of determining the present-law revenue baseline shall, for budget scorekeeping purposes, be assumed to expire on the scheduled expiration date.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

SPEECH OF

HON. RICHARD W. POMBO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1119) to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes.

Mr. POMBO. Mr. Chairman, I rise in support of the Brady-Pombo amendment to H.R. 1119, the fiscal year 1998 Defense Authorization Act. Congressman BRADY and I are offering this amendment in response to statements made by Under Secretary of State for Global Affairs Timothy E. Wirth regarding the use of U.S. soldiers in foreign countries to guard rain forests and endangered species. On June 3, 1997, at the Western Hemisphere Defense Environmental Conference, Mr. Wirth stated that using troops as glorified park rangers was ''a legitimate military issue.''

Mr. Chairman, President George Washington once said, ''To be prepared for war is one of the most effectual means of preserving peace.'' I believe this unprecedented notion of sending American military forces for purposes of ''environmental crusades'' is misguided and fundamentally flawed. America's ability to maintain its military readiness and leadership should not be compromised at the expense of sending our troops to foreign lands to defend rain forests and endangered species. At a time of significant military downsizing, we must ensure that our military remains in a position to protect and defend our own national security threats, not environmental quests in foreign countries.

While it is true that America is a global power with vital interests in key regions of the world, this new role for the military is inappropriate and unwise. The Quadrennial Defense Review's [QDR] recommendations, stated that ''military readiness must first and foremost remain a measure of our Nation's ability to deter, and when necessary, to wage war in defense of our national interests.'' I believe sending American troops jeopardizes the ability of U.S. military forces to maintain military readiness as the top priority as indicated in the QDR. I believe it is important that Congress express its strong support for maintaining military readiness and not allow our well-trained troops to be sent on missions that detract from their primary mission: To preserve and protect our Nation's freedom.

I urge my colleagues to support the Brady-Pombo amendment. Our brave men and women in the Armed Forces deserve nothing less.