had no information about his whereabouts or the charges being brought against him. In a trial which leading human rights groups called a mockery of justice, Wei Jingsheng was charged with activities aimed at toppling the Chinese Government, and he was sentenced to 14 years in prison on December 12, 1995.

Today, Mr. Speaker, we are marking the publication of Wei Jingsheng's remarkable book ''The Courage To Stand Alone: Letters From Prison and Other Writings.'' It is the determination, the tenacity, and the courage of men and women such as Wei Jingsheng that will change China, that will bring a new day of respect for human rights in China. Clearly we have not yet reached a time when freedom and democracy flourish in the People's Republic of China, but the brave pioneers of a better and more human future for China, such as Wei Jingsheng, will bring about that day. We in the United States Congress must continue our support for their struggle, for respect by the Chinese Government for human rights.

A TRIBUTE TO FORMER CONGRESSMAN ANTONIO B. WON PAT ON THE 10TH ANNIVERSARY OF HIS DEATH

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1997

Mr. UNDERWOOD. Mr. Speaker, I rise today to pay tribute to a leading figure in Guam's history. Last week on May 1, the people of Guam marked the 10th anniversary of the passing of an elder statesmen and beloved leader, former Congressman Antonio B. Won Pat.

Antonio B. Won Pat was born in Sumay on December 10, 1908. His father Ignacio, was originally from China and his mother was native to the village of Sumay. He began his professional life by becoming a teacher and later a school principal. In 1936, Mr. Won Pat was elected to serve in the Guam Congress, the forerunner of the Guam Legislature. Although the Guam Congress was not a law making body and instead advised the Naval governor on matters concerning the island, he served his constituency with pride and was an outspoken critic of Naval policies which he believed were unfair and oppressive.

After the Japanese occupation of Guam during World War II ended, the first post-war elections were held and Antonio Won Pat was overwhelming elected to the lower house of assembly of the Guam Congress. There, he obtained the confidence of his colleagues and was elected president of the assembly. Along with his colleagues, Assembly President Won Pat co-led a protest demonstration known as the walkout of the Guam Congress. The assembly protested their lack of authority as elected officials by refusing to convene for session. This bold move continues to be a turning point in Guam's history and is a great source of inspiration for Guam's current leadership and their pursuit of commonwealth status.

In an effort to secure civil liberties for the people of Guam and to clarify Guam's political status with the United States of America, Antonio Won Pat became a leader of the movement which advocated U.S. citizenship and self-government for the people of Guam. The movement secured the passage of the Organic Act of Guam, which granted the Chamorro people with U.S. citizenship, created civilian government for Guam that ended over 52 years of Naval government, and established Guam as an unincorporated territory of the United States.

As time progressed, Antonio Won Pat and other Guam leaders continued to press for more governmental reform and more self-government. In the 20 years that followed, Congressman Won Pat participated in the call for elective governorship for the people of Guam and in 1968, Congress passed the Guam Elective Governorship Act.

Participation in the national government also became an issue of concern to the people of Guam. In 1965, the Eighth Guam Legislature passed a law to create a Washington Representative from Guam and in that election, Antonio Won Pat resigned from his seat in the Guam Legislature and was elected to become the first Washington Representative to Washington. Through much of his own efforts and with those of other Guam leaders, the U.S. Congress passed legislation giving Guam and the U.S. Virgin Islands nonvoting delegates to the U.S. House of Representatives and in 1972, Antonio B. Won Pat became a Member of Congress.

Here in the U.S. House of Representatives, Congressman Won Pat fought hard for Guam to be included in a myriad of Federal programs. He worked on issues concerning education, health, welfare, civil defense, social security, agriculture, airport development, and highways. He closely monitored military activities on Guam by his membership on the Armed Services Committee. He safeguarded the interests of Guam's large veteran population by his membership on the Veterans Affairs Committee.

In 1979, Congressman Won Pat gained the confidence and trust of the other members of this body when he was selected to be the chairman of the Subcommittee on Insular and International Affairs of the House Committee on Interior and Insular Affairs. Having attained the chairmanship of this committee, Congressman Won Pat laid the groundwork in which the leadership of Guam continued to pursue a new political status. He did this by coordinating a series of meetings between the leadership of Guam and a bipartisan congressional delegation in Guam and in Albuquerque. At those meetings, an agreement was made to submit a draft commonwealth act to Congress.

Reflecting on Congressman Won Pat's life and work in Washington, former Senator J. Bennet Johnston of Louisiana entered the following statement in the CONGRESSIONAL RECORD in 1987:

Won Pat was an exceptional advocate and negotiator who understood the true value of face-to-face negotiations. When he added his personal touch to a request, I found it very difficult to say no and when you look at the record of what Tony accomplished in his twelve years in Congress, I'd say my experience was the norm, not the exception. Like all good teachers, Tony always had his facts together and had carefully thought through his presentation. He was patient, as good teachers are, but he also had the other quality good teachers have—persistence and diligence. It was this unique combination which made him so successful.

I had the personal pleasure of knowing the Won Pat family when they were my neighbors in the village of Sinajana. He and Mrs. Ana Won Pat were close friends of my own parents and they shared many of the same experiences.

When I was in high school, Mr. Won Pat was running for the seat of Washington Representative. He was my personal hero and a role model for many young people on Guam. He was the major elected official on Guam for the generation that grew to adulthood in pre-World War II Guam. His character, forged in the humiliating circumstances of Naval colonial rule and tested by a cruel foreign occupation, stands as testimony to the strength of the people of Guam.

Si Yu'os ma'ase' Tun Antonio.

FAIRNESS FOR JONATHAN POLLARD

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1997

Mr. ENGEL. Mr. Speaker, I am entering two articles into the CONGRESSIONAL RECORD which deal with the case of Jonathan Pollard. It is important to have these articles printed because the American people deserve to understand all aspects of Jonathan Pollard's case.

I do not believe that what Jonathan Pollard did was right. It was wrong; it broke the law and Jonathan Pollard deserved to be punished. Jonathan Pollard is the first to admit that. In fact, at a recent meeting I had with him at the Federal prison in Butner, NC, where he is incarcerated, he told me that he was wrong and deserved to be punished.

My problem with the entire Jonathan Pollard case is that while I don't expect him to be treated any better than anyone else committing similar acts, I certainly don't expect him to be treated any worse. The fact of the matter is that Jonathan Pollard has now served more than 11 years of a life sentence, far greater than anyone else convicted of similar crimes. In fact, a number of people convicted of spying for enemy countries, such as the former Soviet Union, have been given lighter sentences than Mr. Pollard—who was convicted of spying for a friendly country.

It is my understanding that Mr. Pollard pled guilty and avoided going to trial in exchange for a promise that the Justice Department would not ask for a life sentence for him. Although the Justice Department did not per se request a life sentence, others, including Caspar Weinberger, did. Thus, Mr. Pollard was given a life sentence, even though he had been led to believe he would face lesser punishment.

The two articles I am submitting into the CONGRESSIONAL RECORD tell of the disparity of the Pollard case when contrasted with another person who passed classified information to Saudi Arabia. As one can tell from the articles, the indictment of the person accused of spying for the Saudis was subsequently dropped in exchange for a last minute plea bargain agreement offered by the Navy in which the alleged perpetrator spent not 1 day in jail and received only an other-than-honorable discharge.

I believe that questions of fairness and equity need to be addressed in the Jonathan Pollard case. It is my contention that Jonathan Pollard has not been treated justly when one contrasts his length of incarceration with others who have been convicted of similar crimes. People should be punished when they break the law. No one, however, should be singled out for harsher treatment than others convicted of similar crimes. I believe this happened in the case of Jonathan Pollard.

I ask that articles by Alex Rose, entitled ''A Tale of Two Spies,'' and Morton Klein, entitled ''Double-Standard Spying,'' be printed at this point in the RECORD.

A TALE OF TWO SPIES

(By Alex Rose)

From November, 1992 to September 1994, Lt. Cmdr. Michael Schwartz delivered secret national defense information to Saudi Arabia. A 15-year Navy veteran, Schwartz was subsequently arrested and indicted for violating both the Uniform Code of Military Justice and various federal statutes.

The indictment stated that while he was assigned to the U.S. Military Training Mission in Riyadh, Schwartz had willfully compromised sensitive information ''with intent or reason to believe it would be used to the injury of the United States, or to the advantage of the Kingdom of Saudi Arabia.'' According to press reports, the documents in question included classified digests, intelligence advisories and tactical intelligence summaries. These documents were classified up to the secret level and specified ''no foreign disclosure.''

Although Schwartz was scheduled to be court-martialled for his action, he accepted a last-minute plea agreement offered by the Navy. While such arrangements are not unusual, particularly in espionage cases involving American allies, Schwartz' so-called ''punishment'' was unprecedented: ''other-than-honorable'' discharge from the Navy. In other words, Lt. Cmdr. Michael Schwartz was not obliged to spend a minute in jail.

For a remarkably similar offense—giving classified information to an ally—Jonathan Pollard received a life sentence with a recommendation that he never be paroled.

What are the differences between the two cases?

The obvious ones have anti-Semitic overtones: Schwartz is not Jewish, and Pollard was spying on behalf of Israel. Not nearly as apparent is that the U.S. Government—which had expressed official outrage at Israel's ''arrogance'' in the Pollard case and proclaimed loudly (without offering any evidence) that his espionage was the worst in American history—has handled the Schwartz case with kid gloves and virtual silence.

Even the Jewish War Veterans, whose lack of sympathy for Pollard is a matter of record, was nevertheless moved to revulsion by the Schwartz affair. The JWV said that it believes ''that when compared to other crimes of espionage by Navy personnel, both to enemy and friendly governments, the punishment is a farce. In each of the other cases, harsh prison sentences, including life-time sentences, were meted out.'' The Jewish veterans also questioned what information was passed to the Saudis, and who in the Saudi royal family knew of the Schwartz espionage.

Other questions, as well, beg answers:

Have the Saudis been asked for a formal apology?

Have they promised not to recruit any more American intelligence officers or to close the intelligence unit responsible for the affair? Have the Saudis agreed to allow participants in the operation to be questioned by American counter-espionage authorities? Have they returned all the stolen documents? What other countries may have seen the information Schwartz gave to the Saudis? (This item loomed large in the Government's assessment of Pollard. Why did it lose its relevance for Schwartz?)

Granted, the Navy's unwillingness to address any of these issues may be understandable; but it's also important to recognize the fact that a mindset like theirs, which subordinates American interests to protecting Saudi sensitivities at all costs, can have deadly consequences. Anyone doubting this need only recall the bombing of our Khobar Towers facility in Dhahran two years ago. Reacting to the inadequate security precautions that allowed this outrage to occur, a Washington Post editorial of July 12, 1995 observed that ''The suggestions of American reluctance to offend the culturally delicate Saudis by demanding more attention to the security of Saudi Arabia's American protectors amount to an intelligence failure of a profound sort.'' No doubt this same type of craven fear of ruffling Saudi Arabia's feathers was the principal reason why Schwartz did not have to stand trial nor suffer a jail sentence, and was not referred to by the Secretary of Defense as a ''traitor''—something which Pollard, by the way, was falsely accused of being by Caspar Weinberger.

Although the Government subsequently apologized for Weinberger's groundless charge, this episode should remove any doubt as to what the Department of Defense's actual attitude towards Israel was at the time of Pollard's arrest. It also tends to confirm what many in the Jewish community have believed all along; namely that the Pollard affair was used by certain elements within our national security establishment as a means of tarnishing the popular perception of Israel as both a valuable and reliable ally. After all, if Pollard was a ''traitor'' as Weinberger had stated who, then, was the ''enemy''? That Schwartz was never used to smear the country he served, further highlights the politically-driven distinction our government drew between these two cases of ''friendly'' espionage.

There are, of course, other aspects of the Schwartz case which President Clinton obviously never even considered before he turned down Pollard's last clemency appeal. For example, the Government's decision not to prosecute Schwartz calls into question CIA arguments that Pollard cannot be released because he knows too much. This is an absurdity. Schwartz was spying until recently, whereas Pollard has been in prison for more than 11 years! How is it that Schwartz is not a threat to national security but Pollard is?

The President also seems to have been heavily influenced by the views of Joseph DiGenova, the U.S. attorney who prosecuted Pollard. Briefly put, DiGenova feels that individuals caught spying for close allies like Israel should actually be punished more harshly than those caught spying for enemies, since there is a greater ''danger'' that individuals would feel more predisposed to help friends. If there is any merit to this logic, it has been totally lost in the government's refusal to prosecute Schwartz vigorously, rather than to have set him free. But nobody, apparently, brought this to the President's attention.

Lastly, our government sought to justify its decision not to prosecute Schwartz by claiming that the information he provided Saudi Arabia was ''less sensitive'' than what Pollard gave to Israel. One needs to recall, though, that Schwartz was indicted and confessed to a serious crime. Clearly, some punishment was therefore warranted beyond his mere ''less-than-honorable'' discharge from the Navy. The fact that this did not occur demonstrates that extra-legal considerations came into play in the disparate treatment. In other words, politics was allowed to corrupt the U.S. judicial system. Anything, then, the national security establishment might have to say about the relative sensitivity of Schwartz' information is simply too tainted to be believed. Yet, the same intelligence and defense agencies who rescued Schwartz from prosecution are the very ones who have counselled President Clinton to adhere to a policy of ''selective prosecution'' towards Pollard. So how objective could their advice have been?

It seems, though, that nobody has seen fit to point this out to the President; and unless somebody does, Clinton will never know why his refusal to commute Pollard's sentence threatens to undermine one of our most important legal traditions: namely, the assurance that when a person is convicted of breaking the law, he or she will receive approximately the same punishment that any other person would receive for a similar violation that was committed under comparable circumstances. However, given the way Schwartz was preferentially handled, this principle of equal justice has been grossly violated in the case of Jonathan Pollard. But Clinton not only declined to correct this situation by granting Pollard clemency, he did so in a way that placed his own imprimatur on Pollard's clearly-aberrant life sentence.

What a growing number of people are slowly recognizing, though, is that if our legal system does not work for Pollard because of who and what he is, it could fail each and every one of us, as well, both as Jews and as Americans.

In our society, justice cannot simply be a theoretical concept—it must be seen to be done. Only in this way will our much-touted system of checks and balances have meaning. It is critical, therefore, that Congress investigate how a Saudi spy (Schwartz) was permitted to act with impunity while an Israeli spy (Pollard) was treated as an enemy agent. Two spies, two countries and two vastly different punishments cannot help but leave one with the distinct feeling that there is a double standard in need of challenging.

[From the Jewish Press, Apr. 11, 1997]

DOUBLE-STANDARD SPYING

(By Morton Klein)

We all know what happens to an American who illegally passes classified U.S. intelligence data to Israel: life imprisonment, repeated refusals by the President to grant clemency, leaks to the media of false allegations against the defendant and against Israel. That's what happened in the Jonathan Pollard case. He broke the law and he was, understandably, punished for doing so.

In the case of Pollard, he helped a country that is America's closest ally in the Mideast. The information Pollard illegally gave Israel helped protect it from Arab aggression.

What happens, on the other hand, when an American illegally passes classified U.S. intelligence data to an Arab dictatorship that can hardly be described as a reliable ally of the United States? Lieutenant-Commander Michael Schwartz was last year arrested for providing such data to Saudi Arabia. A U.S. Navy grand jury indicted him on the charge of espionage, which carries a sentence of life imprisonment. His punishment? An ''other than honorable discharge.''

Not a day in jail. Not a penny in fines. And not a word of concern from any Clinton Administration official about the fact that Saudi Arabia, which is supposed to be an ally of the United States, was using a spy to steal American intelligence secrets, just months after American soldiers were dying in defense of Saudi Arabia during the Gulf War.

U.S. officials would not even publicly admit that the Saudis had recruited Schwartz; they told The Washington Post that Schwartz had not been hired by Saudi Arabia, but rather ''was only trying to be friendly and cooperative to a U.S. ally.''

The government's handling of the Schwartz case is particularly troubling in view of the many recent Saudi actions that fell far short of what one would expect from an ally:

Saudi Arabia refused to let the U.S. use its territory to launch the recent missile strikes against Iraq.

The Saudis rejected America's request to let the FBI interrogate four terrorists who were involved in last year's attack against U.S. Army personnel in Saudi Arabia.

The Saudi authorities prevented the U.S. from capturing one of the world's most wanted terrorists, Imad Mughniyah of the Syrian-supported Islamic Holy War group, who was responsible for the 1983 bombing that killed 241 American Marines in Lebanon. Mughniyah was on an airplane that was scheduled to land in Saudi Arabia, and the U.S. informed the Saudis that they intended to arrest him during the stopover. The Saudis responded by preventing the plane from landing, so that Mughniyah could escape.

I recently had the opportunity to speak with Jonathan Pollard by telephone, from his prison cell in Buttner, North Carolina. He is now in his 12th year of incarceration, although no other individual convicted of a similar type of spying for an ally of the U.S. has ever served more than five years in prison. Jonathan asked me: ''Why am I still in jail, while Michael Schwartz is walking free?'' Good question—one that Jewish leaders should be asking Clinton Administration officials at every opportunity.

THE INTRODUCTION OF ''THE ESOP PROMOTION ACT OF 1997''

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1997

Mr. BALLENGER. Mr. Speaker, I come before the House today to introduce legislation to promote more employee ownership in America. I believe this is a modest proposal which can be deemed technical and clarifying in many respects. Entitled ''The ESOP Promotion Act of 1997,'' this bill is virtually the same, except for one new provision, as legislation I introduced in the 102d, 103d and 104th Congresses with bipartisan support. Nearly 100 sitting members of this House have cosponsored this legislation over the years and, if former members are included, the number is over 200.

Mr. Speaker, let me make the point that the last Congress repealed a modest tax law incentive that aided the creation of Employee ownership through Employee Stock Ownership Plans [ESOP's]. Since this provision affected the creation of about 25 to 40 new ESOP's a year, I believe it was a step backward by the last Congress. This action was taken in the Small Business Job Protection Act of 1996, Public Law 104–188, or the minimum wage bill, a legislative battle in which I was very involved.

So, I now encourage my colleagues in the 105th Congress to stand up for employee ownership and to create a positive record for one of the most positive economic trends in America today—ownership by employees of stock in the companies where they work through an ESOP. Allow me to explain each section of my bill:

Section 1: Names the bill ''The ESOP Promotion Act of 1997.''

Section 2: Corrects and clarifies the provision in last year's Small Business Job Protection Act that permits a subchapter S corporation to sponsor an ESOP. Last year's provision was added by Senator JOHN BREAUX in the Senate Finance Committee, and has been part of my ESOP bills since 1990. The effort to have these small businesses offer employee ownership to their employees started in 1987. Many private sector groups, representing both professionals and businesses, support permitting subchapter S corporations to sponsor ESOP's.

Unfortunately, the provision adopted last year was not perfected and literally is not workable. In addition, it does not permit the subchapter S corporation to sponsor an ESOP under the same ESOP promotion rules the C corporations do.

Section 2 extends the ESOP rules to subS ESOP's, and makes the technical changes necessary to have ESOP's operation in the context of a subchapter S company.

Section 3: From 1984 until 1989 there was a provision of the tax code, former Internal Revenue Code section 2210, that cost the Federal Treasury no more than $5 million per year, that was an effective way to create more employee ownership. The former law permitted certain small estates that had closely held stock owned by the descendent at time of death to transfer that stock, or some of it, to an ESOP of the closely held company, and the company would pay the estate tax on the value of the stock. No estate tax is being avoided here; it is just shifted from the estate to an American, closely held corporation that has employee ownership through an ESOP.

Section 4: This section actually is a simplification of how the current law provision permitting deductions on dividends paid on ESOP stock operates. Under current law, an ESOP sponsor may deduct the value of dividends paid on ESOP stock if the dividends are passed through to the employees in cash, or if the dividends are used to pay the loan used to acquire the stock for the ESOP, and if the employees get more stock equal in value to the dividends.

My proposal would permit the deduction if the employee in the ESOP has the option to get the dividends in cash, or if he or she directs that the dividends are reinvested in more stock of the company.

Why is this simplication? Because, under a very complex chain of events, that the IRS has approved in a series of letter rulings, the employee can have ''constructive receipt'' of the cash dividend, and then ''constructively'' take the dividend money back to the payroll office and reinvest it. Since the employee has received the dividend in cash, the deduction is allowed, although in reality it was reinvested.

My proposal says cut the chase. Where the employee has made clear a desire for the dividends to be reinvested, why have an expensive, confusing system that the IRS has to review after the ESOP sponsor spends dollars on designing the scheme? There is no reason.

Section 5: This section would correct what I feel is an anomaly in the current law. Under current law, Internal Revenue Code section 1042 permits certain sellers to an ESOP to defer the capital gains tax on the proceeds of the sale if he or she reinvests the proceeds in the securities of an operating U.S. corporation, and the ESOP holds at least 30 percent of the corporation at the conclusion of the transaction.

This provision plays a major role in the creation of over 50 percent of the ESOP companies in America. Currently it benefits owner-founders, and outside investors of closely held companies, but is not available for employees who own stock in the company due to their working for the company.

The anomaly arises due to some IRS letter rulings in the mid-1980's, and an out of date provision in section 1042 from 1984. The current law states that if an employee has stock because of exercising a stock option grant from the employer, that stock is not eligible for a 1042 treatment. The IRS has expanded this provision to prohibit all stock, even if bought for full market value by the employee to be ineligible for 1042.

My bill erases this prohibition; and for stock that was obtained with an exercise of a tax qualified stock option, if sold to the ESOP, the corporation is not permitted a tax deduction for the value of the option. This makes the provision fair, and prevents a double tax advantage—either the employee takes the 1042 treatment, or the corporation takes a deduction, not both.

This provision also corrects another technical anomaly in current law. As presently written, Code section 1042 provides that any holder of 25 percent of any class of stock in a company cannot participate in the ESOP with 1042 stock. My bill would change the measure so that the 25 percent would be measured by the voting power of the stock, or the value of the stock in terms of total corporate value. This kind of measure is used in other sections of the Code.

Section 6: My final section is another modest estate tax provision, that in prior years the Joint Committee on Taxation has estimated would cost the Treasury less than $1 million per year. This provision would help create employee ownership in those limited situations where an owner of a closely held business wants to ensure his or her spouse has income from the business during their remaining years, and then after his or her death the stock passes to the ESOP, as if it were eligible as a charity. With plenty of restrictions to ensure that there are no family beneficiaries of the ESOP created with the stock, this does not affect revenue because the decedent can create one of these trusts, called a charitable remainder trust for his or her spouse, and have its corpus go to charity in any event.

Mr. Speaker this explains my bill. This bill, except for the two estate tax provisions, was introduced by Senator JOHN BREAUX and Senator ORRIN HATCH on April 30 this year as S. 673.

I urge those of my colleagues who want to encourage employee ownership in America to join me, and to work hard to include these provisions in the tax bill that will soon be considered by the House Ways and Means Committee.