funds shall be maintained in the committee office, where it shall be available to each member of the committee. Such report shall show the amount and purpose of each expenditure, and the budget to which such expenditure is attributed.

RULE 22. APPOINTMENT OF CONFEREES AND NOTICE OF CONFERENCE AND MEETINGS

(a) Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee which handled the legislation in the order of their seniority upon such subcommittee and such other committee members as the Chairman may designate with the approval of the majority party members. Recommendations of the Chairman to the Speaker shall provide a ratio of majority party members to minority party members no less favorable to the majority party than the ratio of majority members to minority party members on the full committee. In making assignments of minority party members as conferees, the Chairman shall consult with the ranking minority party member of the committee.

(b) After the appointment of conferees pursuant to clause 11 of *Rule I* of the *Rules of the House of Representatives* for matters within the jurisdiction of the committee, the Chairman shall notify all members appointed to the conference of meetings at least 48 hours before the commencement of the meeting. If such notice is not possible, then notice shall be given as soon as possible.

RULE 23. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

(a) Whenever a hearing or meeting conducted by the Committee or any subcommittee is open to the public, those proceedings shall be open to coverage by electronic media and still photography subject to the requirements of *Rule XI*, clause 4 of the *Rules of the House of Representatives* and except when the hearing or meeting is closed pursuant to the *Rules of the House of Representatives* and of the Committee. The coverage of any hearing or meeting of the Committee or any subcommittee thereof by electronic media or still photography shall be under the direct supervision of the Chairman of the Committee, the subcommittee chairman, or other member of the Committee presiding at such hearing or meeting and may be terminated by such member in accordance with the Rules of the House.

(b) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(c) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

RULE 24. INTERROGATORIES AND DEPOSITIONS

(a) Pursuant to an appropriate House Resolution, the Chairman, after consultation with the ranking minority member, may order the taking of interrogatories or depositions. Notices for the taking of depositions shall specify the date, time, and place of examination. Answers to interrogatories shall be answered fully in writing under oath, and depositions shall be taken under oath administered by a member or a person otherwise authorized by law to administer oaths. Consultation with the ranking minority member shall include three business days written notice before any deposition is taken. All members shall also receive three business days written notice that a deposition has been scheduled.

(b) The committee shall not initiate contempt proceedings based on the failure of a witness to appear at a deposition unless the deposition notice was accompanied by a committee subpoena issued by the chairman.

(c) Witnesses may be accompanied at a deposition by counsel to advise them of their rights. No one may be present at depositions except members, committee staff, or committee contractors designated by the chairman or the ranking minority member, an official reporter, the witness, and the witness's counsel. Observers or counsel for other persons or for agencies under investigation may not attend.

(d) A deposition shall be conducted by any member, committee staff or committee contractor designated by the chairman or ranking minority member. When depositions are conducted by committee staff or committee contractors there shall be no more than two committee staff or committee contractors permitted to question a witness per round. One of the committee staff or committee contractors shall be designated by the chairman and the other shall be designated by the ranking minority member. Other committee staff designated by the chairman or the ranking minority member may attend, but are not permitted to pose questions to the witness.

(e) Questions in the deposition will be propounded in rounds. A round shall include as much time as is necessary to ask all pending questions. In each round, a member, or committee staff or committee contractor designated by the chairman shall ask questions first, and the member, committee staff or committee contractor designated by the ranking minority member shall ask questions second.

(f) An objection by the witness as to the form of a question shall be noted for the record. If a witness objects to a question and refuses to answer, the member, committee staff or committee contractor may proceed with the deposition, or may obtain, at that time or a subsequent time, a ruling on the objection by telephone or otherwise from the chairman or a member designated chairman. The committee shall not initiate procedures leading to contempt proceedings based on a refusal to answer a question at a deposition unless the witness refuses to testify after an objection of the witness has been overruled and after the witness has been ordered by the chairman or a member designated by the chairman to answer the question. Overruled objections shall be preserved for committee consideration within the meaning of clause 2(k)(8) of *Rule XI* of the *Rules of the House of Representatives.*

(g) Committee staff shall insure that the testimony is either transcribed or electronically recorded, or both. If a witness's testimony is transcribed, the witness or the witness's counsel shall be afforded an opportunity to review a copy. No later than five calendar days thereafter, the witness may submit suggested changes to the chairman. Committee staff may make any typographical and technical changes requested by the witness. Substantive changes, modifications, clarifications, or amendments to the deposition transcript submitted by the witness must be accompanied by a letter requesting the changes and a statement of the witness's reasons for each proposed change. A letter requesting any substantive changes, modifications, clarifications, or amendments must be signed by the witness. Any substantive changes, modifications, clarifications, or amendments shall be included as an appendix to the transcript conditioned upon the witness signing the transcript.

(h) The individual administering the oath, if other than a member, shall certify on the transcript that the witness was duly sworn. Transcription and recording services shall be provided through the House Office of the Official Reporters.

(i) A witness shall not be required to testify unless the witness has been provided with a copy of the committee's rules.

(j) This rule is applicable to the committee's investigation into the administration of labor laws by government agencies, including the Departments of Labor and Justice concerning the International Brotherhood of the Teamsters and other related matters.

RULE 25. CHANGES IN COMMITTEE RULES

The committee shall not consider a proposed change in these rules unless the text of such change has been delivered or electronically sent to all members and notice of its prior transmission has been in the hands of all members at least 48 hours prior to such consideration; a member of the Committee shall receive, upon his or her request, a paper copy of the such proposed change.

PERTINENT RULE OF THE U.S. HOUSE OF REPRESENTATIVES—106TH CONGRESS

RULE XI, CLAUSE 2(K)

Investigative hearing procedures

(k)(1) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and of this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person—

(A) notwithstanding paragraph (g)(2), such testimony or evidence shall be presented in executive session if, in the presence of the number of members required under the rules of the committee for the purpose of taking testimony, the committee determines by vote of a majority of those present that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the Committee shall proceed to receive such testimony in open session only if the committee, a majority being present, determines that such evidence or testimony will not tend to defame, degrade, or incriminate any person. In either case the committee shall afford such person an opportunity voluntarily to appear as a witness, and receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) Evidence or testimony taken in executive session, and proceedings conducted in executive session, may be released or used in public sessions only when authorized by the committee, a majority being present.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinence of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

TOPICS AFFECTING AMERICA TODAY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. SHERMAN) is recognized for

60 minutes as the designee of the minority leader.

Mr. SHERMAN. Madam Speaker, it is my intention to speak for the full 60 minutes if my colleague, the gentleman from New Jersey (Mr. PALLONE) does not arrive, but if he does, I would hope that could be brought to my attention so I could yield the second half of the hour to him.

Madam Speaker, this is my first speech of the 106th Congress. I would like to welcome back my old colleagues and welcome our new colleagues. My new colleagues, I have not had a chance to introduce myself to all of them. Let me take this opportunity to do so. I am BRAD SHERMAN. I hail from America's best-named city, Sherman Oaks, California.

Periodically I seek an opportunity to give a rather long speech detailing a number of different topics. This saves the House from having to listen to a number of short speeches, each on a separate topic. Madam Speaker, I often give these speeches at the beginning or the end of a session. I have a number of topics I would like to address today. The first of these is the current unpleasantness occurring in the Senate, the problems involving Monica Lewinsky, the President, et cetera.

First, I would like to point out that it is unprecedented in our lifetimes that an impeachment would be sent by this House over to the other body on a 99 percent partisan vote, with 99 percent of the one party voting against the impeachment resolution. I think it is a shame, a shame on this House, that we would send an impeachment resolution to the Senate under those circumstances.

I came to the floor last month, actually in December, to voice my opinion that in not allowing Members to vote on censure and then sending over articles of impeachment on a partisan basis, that this House had gone astray. I said at that time that I would call this House a kangaroo court, but that would be an insult to marsupials everywhere.

That shame has hung in this Chamber until yesterday, because I think we owe a debt of gratitude to prosecutor Ken Starr for doing something so outrageous that it has distracted America from the mistake we made here in December.

Ken Starr knows, we all know, that the President is not going to be removed from office. Yet a leak emerges from Ken Starr's office that he thinks that he will criminally indict and perhaps prosecute a sitting president. This is not only a constitutional outrage, it represents perhaps the worst prosecutorial judgment ever displayed.

Ken Starr has, in the words of George Stephanopolous, pursued the President with the hateful tenacity of Captain Ahab, and it is time for this misjudgment to stop. It is bizarre that Ken Starr, seeing that the President will not be removed from office, has begun to fantasize that he will barge into the Oval Office and place handcuffs on the President of the United States, perhaps during some meeting with a foreign head of State. We must take actions to show that this pipsqueak cannot barge into the oval office, and cannot seek to undermine the executive branch of government.

I recognize, and we all recognize, that President Clinton remains subject to the rule of law. While he is president he can be impeached, and has been by this House, and could be removed by the Senate. As soon as he leaves the White House he is subject to all manner of criminal action, and of course, is subject to civil action as well.

We need to look long-term at what this means for the presidency. I ask those on the Republican side of the aisle to remember that some day it may be one of theirs who is sitting as president. Imagine some future president, and imagine his enemies, or should I say, her enemies, begin immediately upon inauguration day to conspire, and they gather a few million dollars to carry it out.

I used the word ''conspire.'' ''Conspiracy'' is not the right word, they simply gather together to begin a plan to undermine some new president. They gather a few million dollars together, and the first thing they do is announce that they will pay a $1 million book advance to any Secret Service agent willing to write a book titled ''Embarrassing Things I Learned While Guarding the President.''

Imagine that they place an ad in the Star tabloid, or should I call it the Ken Starr tabloid. The ad goes something like this: ''Have you been abducted by a UFO? Was the President working with the aliens? If so, contact us. We will give you $1 million, and we will help you sue the President for everything that went on on the spaceship. And by the way, if that UFO abduction happened, if the spacecraft happened to land in any one of these three or four counties where we have, in some obscure county somewhere in America, a friendly prosecutor, then we will also be able to urge that obscure prosecutor to bring criminal action against the President.''

I am not sure that a lawsuit or criminal prosecution for participation in an UFO abduction against a president of the United States would last all that long. It might be thrown out of court. But I give this as an illustration of the road we are going down.

That road is that the enemies of every president, those who are most blinded by their hatred of that president, will begin to try to destroy a president by finding out secrets and embarrassing tidbits from the Secret Service, by convincing people to begin civil suits that will distract the President and embarrass him or her, and by trying to convince local prosecutors around the country, even in the most obscure counties, to bring criminal actions against the President.

For these reasons I think it is important that this House adopt, and I look forward to beginning to draft, a Presidential Protection Act. The basic tenets of this act would be three in number. The first is that those who work for the Secret Service would be required to keep what they learn confidential. Even if they want to write a book, they should not be allowed to do so, based on secrets they learned on the job.

Second, of course, they should enjoy a privilege from being compelled to testify about those secrets. There might be a few exceptions, but imagine a situation where a Secret Service agent could testify about how long this meeting took place, or how many times the President contacted this or that adviser. Imagine the chilling effect it would have if a president felt he could not reach out or she could not reach out to advisers around the country because the names of those advisers or even the nature of what they discuss could be a matter of public discovery.

Second, a Presidential Protection Act, or rather, a Presidency Protection Act, should provide that as to all criminal actions, or attempts at criminal prosecution, that we toll the statute of limitations. So if there is a 5-year statute of limitations on a particular crime, that any day that occurs while an individual is serving in the White House as president would not count toward that 5-year period.

Then we provide that there will be no criminal indictments or trials of anyone while they are president of the United States. We could provide that under certain circumstances testimony could be taken, in case some witness might die or become unavailable in the years that someone served in the White House. But clearly, no president of the United States should have to worry for a minute about the criminal law system being visited upon him or her by a politically-motivated prosecutor.

Finally, we need to have a very similar proceedings dealing with civil suits, that the statute of limitations is tolled; that is to say, in nonlegal jargon, the suit is put in the freezer, and it can be tried after a presidency is completed.

I know that the Supreme Court ruled, in the Jones vs. Clinton case, that you could sue a sitting president. The Supreme Court noted that the Congress could change that result. The Supreme Court argued that a civil suit against the President would not be an undue distraction. Clearly, later events have proven otherwise.

I am, frankly, surprised, given the number and the power of certain individuals who hate this president, that there have not been a dozen or a hundred other civil lawsuits, trumped-up, real, or imagined, for this or that reason brought against the President. I make these comments not to invite such highly destructive behavior, but rather, to illustrate why the House and the Senate must act to make it clear that any civil lawsuit against the President is put in the freezer, that the

statute is tolled until the presidency is over.

As I pointed out, such a statute would be just as protective of a Republican president as a Democratic president, and given the heightened level of partisanship that has occurred as a result of those who are scheming to try to destroy President Clinton, given the fact that that higher level of partisanship, unfortunately, is beginning to afflict both parties, I think it is critical that we act now to make sure that small groups of well-financed individuals cannot destroy a presidency.

I will be circulating a letter to my colleagues urging that they sign onto a bill, but even before that, urging that they give me their comments or meet with me in the drafting of a bill so that I can have bipartisan input into how it is drafted.

I am considering and would like my colleagues to comment on whether, on an emergency basis, we need to adopt a bill just dealing with criminal prosecutions, and making it very clear to Ken Starr that he is not empowered, and no prosecutor is empowered, to go barging into the Oval Office with a pair of handcuffs. The very possibility, the very argument that that could legally occur, undermines our system of government and makes us a laughingstock around the world.

I would now like to shift to international relations. As many of my colleagues know, I served on the Committee on International Relations. I do want to comment about our friendship with Greece and the Republic of Cyprus. We all know that the very essence of democracy and so many of the values that are at the core of Americanism developed in Greece.

□ 1700

Greece and Cyprus want nothing more at this point than to defend themselves from the possibility of air attack and have sought air defense missiles. I regret very much that the administration pressured the government of Cyprus not to deploy air defense missiles that had been acquired.

I agree with the administration. Cyprus should not have acquired missiles from Russia. Cyprus should have acquired missiles built in the 24th Congressional District in California. When the United States is willing to sell Greece and Cyprus the air defense mechanisms that it needs, there will be no need for Greece and Cyprus to try to buy these from other places and potentially have Russian technicians on Greek or Cyprian soil.

These are defensive weapons. They add to the stability of the Aegean. We ought to change our policy and make it very clear to Cyprus and Greece that we are willing to sell defensive weapons to those two countries on the one proviso that the manufacturers be located in the 24th Congressional District.

I had the honor to accompany the President of the United States on his trip to the Middle East in December. I want to applaud the President for making that visit. I also want to point out that the President was warmly welcomed by all the various legislators and officials of the Palestinian Authority and the Palestinian National Council.

But after the President left, Yasser Arafat made statements in support of Iraq and calling for an Arab meeting to condemn American policy with regard to Iraq. Just a few days after the President departed and we all departed, he was once again talking about a unilateral declaration of statehood. There is nothing worse for the peace process than a unilateral declaration of statehood by the Palestinian Authority.

Here, this year in Congress, we need to make it clear that immediately, without further action, upon any declaration of statehood made on a unilateral basis by the Palestinian Authority, all American aid to that Authority stops. And all American representatives at all international organizations, especially the World Bank and similar organizations must vote against any aid to the Palestinian Authority after such a destabilizing effort.

I want to applaud the administration for remaining involved and dedicated to peace in the Middle East but point out that pressuring Israel is not the way to achieve that peace. Israel has been pro America whether we had a Republican administration or a Democratic administration, a Republican House or a Democratic House. We should remain dedicated allies of Israel whether the government in Jerusalem is Likud or Labour, the new party being organized and headed by Isaac Mordecai and others.

In looking at the situation in the Middle East, we need to focus on both the short-term and long-term needs for security. All too much of the focus has quite naturally been on the short-term needs as if land for peace meant a peace consisting nothing more than a month without a terrorist incident or a year without a bomb. Any such shallow definition of peace will not generate the kind of treaty that is eventually necessary for a final agreement with the Palestinians.

Can we ask the Israelis to make the kinds of concessions, even in part, that the Palestinians are asking for if peace means only peace with the Palestinians? Instead, as part of any peace agreement, Yasser Arafat personally and the entire Palestinian Authority must be willing to become apostles for peace, must be willing to go to every Arab capital, every Islamic capital, and urge the recognition of Israel, trade relations with Israel, and most important of all, a general recognition that Israel is a permanent, inherent part of the Middle East.

There are those in the Arab world who describe Israel as just the second of the crusader states, non-Islamic states created in the holy land that lasted less than two centuries. That cannot continue. We cannot have Arab children educated for war or taught that Israel is eventually to be driven in the ocean.

For that reason, we need to change Arab education just as much as we need to make any changes in any of the borders between zone A, zone B and zone C of the West Bank; A, B, and C being different levels of Palestinian Authority and Israeli military control.

Land for peace must involve sowing the seeds of peace, knowing that it will take a generation or two or three for them to bear fruit, but sowing the seeds of peace in an organized and systemic matter throughout the Middle East.

This is critical to Israel's long-term security. Because any student of history will tell us, and any student of current military affairs will tell us that, if Israel ever faces the possibility of losing another war or some war in the future, it will not be to an Army based in Ramallah. If Israel must fear for its security in the sense of potentially losing a war, it must fear armies based in Baghdad, Teheran, Cairo or Damascus.

Not only is this a reflection of current military realities or potential future military realities. And when I say current military realities, clearly Israel will not lose a war in the next decade or two. No combination of its enemies or potential enemies could beat it.

But we must look, not one or two decades, but one or two centuries in the future and recognize that, at various times in the past, Egypt, Syria, Babylon now Iraq, and Persia now Iran, have all conquered the Holy Land. We must create a situation where it is as unthinkable in Cairo to erase Israel from the map as it would be unthinkable in Paris to think of erasing the Netherlands or Belgium from the map.

I should also focus on the importance in the peace process to improving the Palestinian economy. A recent report by the Israeli government shows Israel's dedication on this subject. But the fact remains that there are close to 200,000 guest workers in Israel, workers occupying jobs that could be held by Palestinians without displacing a single Israeli.

These guest workers hail from such countries as the Philippines and Thailand. Of course we in this body are interested in the future success of the Thai economy and the Philippine economy. Yet, when it comes to policy in the Middle East, Israel's contribution to the economic recovery of Thailand is not as important for the Middle East as is economic development of the Palestinian Authority and of Palestinians in general.

I had a chance to talk to Palestinian legislators. I feared that, as a matter of being politically correct or proud, that they would reject or pooh-pooh or minimize the concept of Palestinians working almost exclusively in nonprestigious jobs in the Israeli economy.

What I found among Palestinian leaders to the very highest levels was practicality and an understanding of how important it is that especially young Palestinian men have a future for themselves and their families and not bitterness and the time on their hands to plot to join Hamas and other terrorist groups.

With that in mind, I would suggest that, as part of an overall peace process and only in return for Palestinian concessions, that Israel endeavor to provide to the Palestinians rather than to guest workers those jobs within its economy for which Israelis will not be hired.

This could be done through a flat prohibition on guest workers other than those arriving from the Palestinian Authority or some sort of tax on employers who employ guest workers from outside the Palestinian areas.

But whatever steps are taken, the need for Palestinian jobs is as important as it may seem as just a practical aspect, not on the same level as issues of war and peace. Yet it is, I believe, critical toward forming the kind of peaceful relationship that will last into the future.

A second part of this came up when I visited the industrial estate at Gaza. This is the proudest economic achievement of the Palestinian Authority and is a site where American aid has been successful in creating a desalinization plant to provide industrial quality water and some drinking quality water for industry at a site which, if everything works out well, should employ 20,000 Palestinians.

There is, however, one thing that keeps this site from being as effective as it could be, attracting the kind of investment that it would want, and of course I hope this site goes further, but there should be a second avenue toward Palestinian employment in the industrial sectors; and that would be an industrial site on the Israeli side of the border designed to provide investors with Israeli levels of security, Israeli government, Israeli levels of assurance that there will never be an expropriation, Israeli levels of assurance that the currency will always be convertible, all of the reasons that investors prefer to invest in developed countries and at the same time be accessible by Palestinian workers who would come to work there without necessarily having access to the rest of Israel.

Imagine the opportunity to invest in an area where you have a developed country's government, and of course corruption exists in all governments, but much less in developed countries than in most developing countries, Israeli level security, Israeli level absence of corruption and the risk of corruption or the belief that there might be corruption.

Even if the Palestinian Authority is able to create a corruption-free government, it will always suffer from the general belief of investors that a Third World country is more difficult to do business in than a developed country.

Imagine all of the benefits of investing in a developed country and at the same time having access to the American markets through the U.S. Israel Free Trade Agreement and at the same time having access to Israeli technology and engineers and business acumen and at the same time having access to low cost industrial labor provided by the Palestinians.

I should point out that we will see future developments; that the Palestinians may be eager to have industrial jobs today with Israel providing some of the more technological expertise. I am confident that if we are able to achieve peace in the Middle East, the Palestinians will develop their own industrial and engineering expertise. It is written nowhere in any sacred text that the Palestinians will always live in a Third World country or Third World economy.

☐ 1715

We now want to shift our attention to our relationships with China. In focusing on China, we see three abominations. The first is Chinese policy toward proliferation. Wherever we see the risk of proliferation, whether it be in Iran or Pakistan or North Korea, there is evidence that China has provided either nuclear weapons or the technology to build them, or missiles or the technology to build missiles.

Certainly, China cannot enjoy the friendly relations with the United States which it seeks if it is going to be the source of such dangerous proliferation.

The second abomination is China's work on human rights, where human rights activists were arrested so very recently in another step backward for China.

Finally, but I think most importantly, is China's adverse impact on human rights in the United States through its decision to avoid importing from America. China sends us $66 billion of exports. One cannot go into any store and not find goods made in China. Yet, China accepts only $11 billion of American exports. $66 billion to $11 billion is arguably the most lopsided trading relationship in the history of mankind and womankind; 66-to-11.

Sometimes that means U.S. workers lose their jobs because Chinese imports come in and take those jobs away. Sometimes, though, the goods being imported from China could not be profitably manufactured here in the United States, but I would argue that if we bought our tennis shoes from India, if we bought our garments from Bangladesh, that if 100 toy companies could be formed in the Caribbean, that these Caribbean countries, that Bangladesh, that India, would be recycling those dollars into the United States; that they would be buying billions of dollars of our goods if we would be buying additional billions of dollars of their goods; not even necessarily on a barter or quid pro quo basis, but any economic development in a free country means that the citizens and businesses are free to buy American.

The trade deficit we have with China is not the product of free economic decisions. It is not necessarily the product of any law that the Chinese Government has published. It is a result of oral instructions, unprovable, to major Chinese enterprises to buy American last.

Those who would say the solution is to admit China into the World Trade Organization must ask themselves: What Chinese enterprise would buy American goods if a local communist party commissar said orally in a telephone conversation, we know we have changed the law, we know that it is legal to buy these American goods without tariffs, we had to change the law, but Mr. Chinese businessman, the commissar could easily say, if you decide to buy American goods you will be sent to the reeducation camp.

What could we do? Bring a charge before the WTO? This would be a situation, and it happens now and would happen in the future until the Chinese government agrees that a country that they sell $66 billion of goods to must be a country they are willing to buy $66 billion of goods from.

The problem we have in this House is what lever do we use to try to force a strong bargaining position? I would point out that we are in an amazingly strong bargaining position. If we could just go without tennis shoes for a month, if we could just satisfy our need for toys elsewhere for a month, the Chinese economy would be brought to its knees and we would have the kind of negotiations that we need.

Instead, we cannot even threaten China with the possibility that we would play fairly and expose them to anything like the trade barriers that our products are subject to.

The administration, unfortunately, will not bargain hard, and the only device available to us here is to deny Most Favored Nation status to China and that is too Draconian a penalty. What we need to do is make it clear that if we deny Most Favored Nation status to China, that at least the first year or two or three of that denial that we will not adopt all and to the full extent the taxes and tariffs on Chinese goods that such an action would call for. Clearly we do not need to treat Chinese goods the way we treat goods from Cuba or North Korea or Libya or other countries that do not enjoy Most Favored Nation status. We will never have the votes on this floor to impose that level of tariff on Chinese goods.

So what we must do, and I had an opportunity to talk to our colleague, the gentleman from New Jersey (Mr. SMITH) about this, and it will be an unusual combination if I and the gentleman from New Jersey (Mr. SMITH) ever do anything together, is provide by statute, and even if it is vetoed its meaning would be clear, that if and when we deny Most Favored Nation status to China that we would expose

its goods to only 20 percent of the tariffs otherwise applicable by that decision.

So, for example, if China can import into the United States a pair of tennis shoes with only a one dollar tariff, given the fact that China enjoys MFN status and in the absence of MFN status the tax would be $11, which would cripple China's ability to send those tennis shoes to the United States, that we would provide that in the first year of MFN denial, the tariff would be only the tariff applicable to MFN countries plus ten percent of the additional tariff imposed on nonMFN countries.

In this example, we would add one dollar of tariff to the dollar we place now on Chinese tennis shoes and then a year later we would add another dollar, and after that perhaps another dollar so that the immediate effect on U.S. Chinese trade is substantial but not so enormous that members of this Congress are unwilling to vote for it.

I look forward to working with as many of my colleagues as are interested to craft some mechanism to deprive China of some of the benefits that it enjoys under MFN.

The gentleman from New Jersey (Mr. SMITH) had an interesting bill to at least deny MFN to those products made in enterprises owned by the People's Liberation Army and while that is, I think, a good thing for us to do I would point out that we cannot count on China to properly identify for us which enterprises are so owned and which enterprise manufactured which goods.

I would now turn our attention to the budget and comment on the current debate as to who deserves credit for our booming economy today. Is it the Federal Reserve Board and its chairman Alan Greenspan, or the political system, chiefly President Clinton?

I would argue that it is the latter. Mr. Greenspan has done an outstanding job and shown tremendous capacity, but what he has done is pretty much the same as his predecessors would have done, the same as most, I would say all, mainstream economists would have called upon him to do.

There is no particular genius in knowing that interest rates can be low and inflation rates will be kept low if we run a declining Federal deficit or, better yet, a surplus at the Federal level. For many years, those of us concerned with the U.S. economy, for many years mainstream economists have said, that it would not take a genius to give us low interest rates and low inflation rates if we had fiscally responsible management of the Federal Government, and then they would go on to say but, of course, that is politically impossible.

Under President Clinton's leadership, we have done the impossible. We have shown that democracy can be fiscally responsible. Keep in mind the new Euro that was adopted in Europe, in order to join this new currency, the rule was that European countries, and they all had a very hard time meeting this standard, would have to have a national deficit of only 3 percent of their gross national product. Not a single European country even thought of running a surplus in its national government.

For any democracy to not cut taxes, all the way to running a huge deficit, to not increase spending at least until the outer limits of a possible deficit are reached, for any democracy to say no to those who want to spend money and no or not very much to those who want to cut taxes, requires a level of political genius seen in only one place in the world in recent decades, and that is here in Washington.

Now I would point out that at the beginning of 1998, our Republican colleagues suggested an $800 billion, let me stress this, an $800 billion tax cut over, I believe, a 5-year period; a tax cut of almost a trillion dollars. Had we adopted that provision we might have been popular for a day or a week or a month, but in fact we would have crippled this outstanding economic recovery.

Now, I am for tax cuts. When we were able to say no to a trillion dollars worth of tax cuts and instead what was before this House was $80 billion, less than one-tenth of what had been proposed before, I voted for it, and I hope that we have some genuine tax cuts that we can actually afford. Keep in mind, a decision to vote for $80 billion in tax cuts instead of $800 billion in tax cuts is $720 billion of saying no to our own constituents, and that is something we need to have the courage to do.

I hope in a minute to talk about the nature of the kind of tax cut that we would adopt, but I want to point out that there has been agreement that we should save 62 percent of the upcoming surplus for Social Security. Reaching agreement on that is not enough. We need our colleagues on the Republican side of the aisle to agree that we reserve 15 percent of the surplus for Medicare because it does our seniors little good to tell them that Social Security is safe until the year 2055 and, of course, we should reach a way to say 2075, but even saying that Social Security is safe until 2055 rings hollow unless we can make sure that Medicare is there, too.

Another element of the budget that I think is very important, and for which I praise the President, is dealing with the Land and Water Conservation Fund. We have a number of special funds that are part of the Federal Government. We have a transportation fund. It is funded with tax dollars paid by motorists when they buy gasoline. We assured those taxpayers we would spend the money for road improvements and repair and for many years, until last year, we cheated them out of that promise by spending less out of the transportation fund and using that to hide the deficit we were running in the general fund.

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We finally are treating the transportation fund as a separate, sacrosanct fund. We have a Social Security fund. It is funded by employer and employee contributions that are to be used exclusively for Social Security. That fund needs to be sacrosanct and used for those purposes.

And least known of the three special funds I will mention is the Land and Water Conservation Fund. It is funded out of Federal royalties from offshore oil drilling and takes in roughly $900 million a year. For many years we spent only a tiny fraction of the Land and Water Conservation Fund on its intended purpose. Keep in mind when that fund was created in 1965 it was a grand compromise and an outstanding deal. It said that if our environment is going to be impaired by offshore oil drilling as it is in various places, and should not be but it is, then the funds that result from that should be used to preserve our environment in other places and should be set aside to buy land to conserve our heritage.

Well, when I first got to Congress, only 14 percent of the funds being taken in by the Land and Water Conservation Fund were used to buy our precious lands to protect them from development and to give something to our children. I am very proud of the fact that in 1998 this House spent virtually all of the Land and Water Conservation Fund to acquire critically needed lands.

And now as we look to the first budget of the new millennium, we must keep faith with the law that established the Land and Water Conservation Fund, and we should applaud the President for presenting us with a budget that provides for enormous surpluses, that safeguards Social Security and Medicare and at the same time allows us to spend nearly a billion dollars in preserving our land for posterity.

I especially want to complement the President for including within that $5 million to preserve the Santa Monica Mountains by buying critically necessary tracts within those mountains. For my colleagues' edification, I will point out that one out of every 17 Americans, not one out of every 17 southern Californians, not one out of 17 Californians, one-seventeenth of all Americans live within an hour's drive of the Santa Monica Mountains National Recreation Area.

There is no better investment in not just recreational opportunities but the chance to get out into nature and unwind for one-seventeenth of the country than to preserve the Santa Monica Mountains. We need to do that one parcel at a time, one fiscal year at a time, until the land acquisition plan is fully implemented. To do less would be to turn to southern Californians and say, if you want to unwind, fine, drive to Yellowstone, and after a thousand miles of hectic travel you can unwind in America's most premier national

park. We need to have national parks close to where people live. We have one in the Santa Monica Mountains.

While I am focusing on local issues, I should also point out the most important transportation need of the southern California area, and that is dealing with the intersection of the San Diego Freeway and the Ventura Freeway, the 405 and the 101. I want to applaud our State government for beginning a $10 to $15 million plan to provide some immediate quick fixes and one additional lane in order to deal with the huge snarl of traffic at that interchange. But these quick fixes and moderate amounts of expenditures will not be enough to solve the problem. I want to thank Secretary Rodney Slater for providing for a half-million-dollar study of what can be done to deal with this intersection and the transition roads that have to accommodate almost half a million cars every day.

Madam Speaker, I would like to use the last 10 minutes of my presentation, and I thank the House for giving me this much time, to focus on one particular type of tax cut that I hope will have bipartisan support, and that is the need to reform our estate tax laws to dramatically reduce the amount of estate planning, the length of documents and the literal legal torture that we put our elderly and our near-elderly through as a result of an estate planning process that yields virtually no revenue from the middle-class and upper middle-class individuals who need to go through the process.

Let me describe that process briefly. We have an estate tax that reaps, I believe, $17 billion in revenue for this country. It is designed to get revenue from the wealthy as great wealth passes from one generation to another. We designed the law so that a married couple could leave $1.2 million to their children with no tax at all. That is the tax policy that we have established, $1.2 million tax-free.

But we adopted that tax policy in a bizarre way. And when I say, by the way, $1.2 million, that number is going to be ratcheted up over the next decade to a total of $2 million, depending upon, of course, when people die and that estate tax becomes applicable. In my presentation here I will use the old figures, the $600,000 figures and the $1.2 million figures.

That is to say, how is it that current law provides for that $1.2 million exemption? It provides a $600,000 exclusion to each of the two spouses. So what do they have to do to take advantage of this $1.2 million exemption? They have to write a long, complicated estate planning document and bypass trust so that when the first spouse dies, that first spouse does not just leave all the family assets to the surviving spouse. Oh, no. That would trigger an estate tax of major proportion when the second spouse dies. Instead, the first spouse to die must leave $600,000 in a trust for the benefit of the surviving spouse. The effect is virtually the same, but the legal complexities are enormous.

First, just drawing the instrument is a $1,000 to $3,000 legal fee tax imposed on any couple that believes that when the second of them to dies it is possible that their assets will exceed $600,000. And given the possibility that homes in southern California would go up in value with the same rapidity next decade as they did last decade, every middle-class married couple sees that as at least a possibility.

Keep in mind, those who fail to go through this excruciating estate planning process, and I will describe why I think it is excruciating because I have lived it, are told, well, if the second spouse dies, there will be a quarter of a million dollars of extra Federal tax that you could have avoided, a quarter-million-dollar penalty on the family for failing to go through this complicated estate planning process.

But the estate planning process is not over. It seems to be over but it is not over when the trust is documented and the couple leaves the lawyer's office with a 50-page document. Because there will come a time when the first spouse dies, and at that point complicated legal steps need to be taken so that assets are put into the trust and other assets are assigned to the widow or widower, and then every year thereafter that trust has got to fill out a separate income tax return. Assets have to be kept separate.

Imagine trying to explain for the 20th time to a 95-year-old widow or widower how some assets they have control over and are in trust, which they are only allowed to touch under certain circumstances but get the income under other circumstances, and other assets are in a different trust. Why do we afflict America's elderly, especially our widows and widowers, with the need to be in these bypass trusts?

Now, I am not talking here, by the way, of the living trusts that are established to avoid probate in many of our States. Those are genuinely simple. But built within so many of them are these bypass trusts, created not to avoid probate but created to deal with very complicated tax laws.

What we should do instead is provide that when the first spouse dies, they can leave all the assets, or some portion of them, to the surviving spouse, and any unused portion of the unified credit, the in effect $600,000 exemption, goes to the surviving spouse. In the simplest plan this would mean when the first spouse died, all of the assets could go to the widow or widower. When the widow or widower passes on later, $1.2 million would be exempt from tax and the rest would be subject to tax.

This is the same tax effect that most couples will be faced with. I just think they should be able to reach it without living with these trusts throughout the widowhood or widowerhood of the surviving spouse.

Now, the Joint Tax Committee has informed me that they believe that this kind of change would deprive the Federal Government of a billion dollars a year in revenue. For those who want to see a significant estate tax reduction, that is a strong reason to join me in this proposed estate tax change.

But I would argue that that billion-dollar reduction in revenue is almost entirely illusory, because the bill as I would propose it would provide tax benefits no greater than any married couple could get simply by visiting a lawyer and paying a $1,500 legal fee. The vast majority of couples with assets of over $600,000 will do just that, and as a result they will obtain through complication the tax savings that I would like to provide through simplicity.

I look forward to working with the staff of the Joint Tax Committee to get a more reasonable revenue estimate of this estate tax simplification, and I look forward to working with as many of my colleagues who are interested in crafting legislation to try to simplify the life of every middle-class and upper middle-class widow and widower in this country.

I want to thank the Chair for extending so much time. I want to thank my colleagues for their patience in allowing me to get so many matters off my chest.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON TOMORROW

Mr. WELLER. Madam Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with tomorrow.

The SPEAKER pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from Illinois?

There was no objection.

TIME FOR A TAX CUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. WELLER) is recognized for 5 minutes.

Mr. WELLER. Madam Speaker, I have the privilege of representing one of the most diverse districts in America. I represent the south side of Chicago and the south suburbs in Cook and Will Counties, industrial communities like Joliet, bedroom communities like Morris and New Lennox, farm towns like Tonica and Mazon.

I hear one common message as I travel throughout this very diverse district and listen to the concerns of the people I have the privilege of representing. That message is fairly simple. That is, the American people want us to work together, they want us to come up with solutions to the challenges that we face.

When I was elected in 1994, I was elected with that message of finding solutions and finding ways to change how Washington works, to make Washington more responsive to the folks back home.