

THE PRESIDING OFFICER. Does the Senator yield back time?

MR. CONRAD. Mr. President, I ask for the yeas and nays.

THE PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to Conrad amendment No. 781.

The clerk will call the roll.

The legislative clerk called the roll.

MR. REID. I announce that the Senator from Wisconsin (Mr. KOHL) is necessarily absent.

The result was announced—yeas 42, nays 57, as follows:

[Rollcall Vote No. 158 Leg.]

YEAS—42

Akaka	Daschle	Kerry
Baucus	Dayton	Landrieu
Biden	Dodd	Leahy
Bingaman	Dorgan	Levin
Boxer	Durbin	Lieberman
Breaux	Edwards	Mikulski
Byrd	Feingold	Reed
Cantwell	Graham	Reid
Carnahan	Harkin	Rockefeller
Carper	Hollings	Sarbanes
Chafee	Inouye	Schumer
Clinton	Jeffords	Stabenow
Conrad	Johnson	Torricelli
Corzine	Kennedy	Wellstone

NAYS—57

Allard	Fitzgerald	Murray
Allen	Frist	Nelson (FL)
Bayh	Gramm	Nelson (NE)
Bennett	Grassley	Nickles
Bond	Gregg	Roberts
Brownback	Hagel	Santorum
Bunning	Hatch	Sessions
Burns	Helms	Shelby
Campbell	Hutchinson	Smith (NH)
Cleland	Hutchison	Smith (OR)
Cochran	Inhofe	Snowe
Collins	Kyl	Specter
Craig	Lincoln	Stevens
Crapo	Lott	Thomas
DeWine	Lugar	Thompson
Domenici	McCain	Thurmond
Ensign	McConnell	Voinovich
Enzi	Miller	Warner
Feinstein	Murkowski	Wyden

NOT VOTING—1

Kohl

The amendment (No. 781) was rejected.

MR. KYL. Mr. President, I move to reconsider the vote.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BALANCE OF POWER

MR. BYRD. Mr. President, during the course of this week's debate, several amendments have been offered that would direct the Treasury Secretary to adjust marginal tax rates in a way that would provide the necessary savings to fund particular tax benefits.

I opposed these amendments because the U.S. Constitution explicitly vests that power in the legislative branch. It is the responsibility of the Congress—the people's representatives—to determine the appropriate level of taxation and, consequently, the proper marginal rates. By delegating such duties to the Treasury Secretary, the Congress would continue a dangerous pattern of recent years of ceding congressional responsibilities to the executive branch. Placing these powers in the legislative

branch was part of the Framers' carefully crafted constitutional design, comprised of an intricate system of checks and balances and separation of powers.

I hope that the Senate will continue to protect the balance of powers by rejecting any amendment that would attempt to transfer its Constitutional responsibilities to the executive.

AMENDMENT NO. 695

MR. NELSON of Florida. Mr. President, I rise to speak of my opposition to the amendment offered yesterday by Senator DODD, which would replace the estate tax repeal in order to partially pay for nontransportation infrastructure programs and save for debt reduction. I strongly support responsible tax cuts and a full repeal of the estate tax.

Even though paying down the national debt is one of my top priorities, I could not support an amendment that does not reflect my position of support for total repeal of the estate tax. I opposed this amendment because the revenue offset did not meet this criterion.

VOTE ON AMENDMENT NO. 747

MR. LEAHY. Mr. President, I was absent for rollcall vote No. 143. If I had been present, I would have voted in favor of the motion to waive the Budget Act on amendment No. 747 offered by Senator CARPER.

THE PRESIDING OFFICER. The Senator from Iowa is recognized.

MORNING BUSINESS

MR. GRASSLEY. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak therein for up to 10 minutes each.

THE PRESIDING OFFICER. Without objection, it is so ordered.

U.S. RELATIONS WITH TAIWAN

MR. BAUCUS. Mr. President, last night, I spoke by phone to Taiwan President Chen Shui-bian shortly after he arrived in New York on a so-called "transit stop" on his way to Latin America. I told him how pleased I was that he was able to make this visit and that I regretted that I could not travel to New York to meet with him personally because of the tax bill now on the Senate floor.

I strongly opposed the restrictions placed on President Chen when he passed through Los Angeles last summer and was not permitted to meet with members of Congress. That is no way to treat the democratically elected President of Taiwan.

We are in a different era than in the 1970s when Richard Nixon opened up China, the three Communiques were produced, and the Taiwan Relations Act was passed.

On the one hand, we still honor the one China policy. The American message to Beijing and Taipei continues to be that they must negotiate together to resolve their differences by peaceful

means. We are determined that neither side should be able to take unilateral steps that would fundamentally change the situation.

But, on the other hand, we need to understand that Taiwan now has a government that is as accountable to its people as is our own government. Although Taiwan had an authoritarian system until the late 1980s, today it is an active democracy based on a market economy. With U.S. support, Taiwan made this transformation into a free market democracy. We should be looking at Taiwan as one of the great success stories of America's foreign policy.

And that means we need to treat Taiwan differently than in the past. It is the 12th largest economy in the world. Taiwan is our 7th largest export market. In fact, we sold more goods and services to Taiwan last year than we did to China.

Once Taiwan joins the World Trade Organization, and I hope it is soon, I believe that we should begin work on a free trade agreement with Taiwan. I will shortly introduce legislation to provide fast track negotiating authority for such a negotiation.

Taiwan has taken many measures to liberalize its economy in recent years, especially in response to negotiations with the United States. While they await formally accession to the WTO, they are working hard to bring their laws and regulations into compliance with WTO requirements. They still have a lot of work to do to complete their liberalization efforts. Sectors such as telecommunications, financial services, and electronic commerce need to be freed up significantly. Protection of intellectual property needs to be improved. But a free trade agreement would help lock in the important economic changes already made, and it would also encourage continuing liberalization.

A free trade agreement with Taiwan would provide an even better market for American goods, services, and agricultural exports. It would reward Taiwan for the dramatic political and economic progress it has made. And it would benefit our economy, enhance our security, and promote global growth.

China would probably object to a U.S.-Taiwan free trade agreement. But there would be no legal or diplomatic basis for such a protest. Taiwan is joining the WTO as a "separate customs territory" and will have all the rights and obligations of every other WTO member, including Beijing. We have been negotiating with Taiwan for years on market access, trade, and regulatory issues. Taiwan is a member of APEC, the Asia-Pacific Economic Cooperation forum. We must determine what will be U.S. policy toward Taiwan.

I recognize that this is an unusual proposal. I don't expect negotiations on a free trade agreement to start right away. But it is a vision toward which we should all work.

To conclude, I hope that President Chen has a useful stay in New York. I also hope that we will see a meeting between President Chen and Chinese President Jiang Zemin at the APEC summit in Shanghai in October. The dialogue that should emerge from such a meeting could help ensure peace across the Taiwan Strait.

ECONOMIC ASSISTANCE FOR EAST TIMOR

Mr. LEAHY. Mr. President, last week, the Standard Times of New Bedford, MA, published an op-ed piece by Senator KENNEDY on the situation in East Timor, in which he discussed the legislation on East Timor that he introduced with Senator CHAFEE, which is also cosponsored by myself and Senators FEINGOLD, HARKIN, KERRY, JEFFORDS, and REED. This legislation recently passed the House of Representatives as part of the Foreign Relations Authorization Act.

Senator KENNEDY's legislation would provide additional economic assistance for East Timor, which is struggling to overcome the violence and destruction perpetrated by Indonesian militias, with the support of the Indonesian military, after the vote for independence in August 1999. It would also provide for scholarships for East Timorese students, funding for the Peace Corps to start a program there, and other initiatives.

This legislation outlines a comprehensive approach to a new, positive relationship between the United States and East Timor, including the establishment of full diplomatic relations as soon as independence takes place.

As one who, like Senator KENNEDY, has admired the courage and determination of the East Timorese people and their capable leaders, Xanana Gusmao and Jose Ramos-Horta, I commend him for this legislation and ask unanimous consent that his op-ed piece be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New Bedford, MA Standard Times, May 16, 2001]

PREPARE NOW FOR THE NEW EAST TIMOR

Two leaders of the East Timor independence movement are in Washington, D.C., this week for the first time since the people of East Timor voted overwhelmingly for independence in August 1999. Nobel Prize winner Jose Ramos-Horta spent 24 years in exile rallying support for East Timor's independence and will be foreign minister in the new government. Xanana Gusmao led the domestic opposition and will be a prominent figure in an independent East Timor. The goal of their visit is to obtain the support of the Bush Administration and Congress for their new country, and they deserve to receive it.

East Timor's road to independence has been long and violent. Portugal ruled East Timor for 550 years before pulling out in August 1975. East Timor was independent for four months before it was invaded by Indonesia in December of that year. The U.N. General Assembly and Security Council strongly condemned the invasion, and never recog-

nized Indonesian sovereignty over East Timor.

After two decades of unrest, former Indonesian President B. J. Habibie finally agreed to a referendum in January 1999. In August of that year, the people of East Timor voted overwhelmingly in favor of independence from Indonesia, and they did so at great personal risk. Before, during and after the vote, the Indonesian military and anti-independence militia groups killed more than a thousand people and displaced thousands more, hoping to intimidate the independence movement.

Although the militias succeeded in destroying 70 percent of East Timor's infrastructure, they failed to derail East Timor's desire for freedom.

On August 30 this year, looking to America as an example, East Timor will elect a constituent assembly to decide which form of democratic government to adopt.

It is a process that reminds us of our own Constitutional Convention and would make our founders proud. A few months after that, East Timor, which is currently governed by the United Nations, will formally declare its independence. After years of hardship, violence and death, a new democracy will take its rightful place in the world. The new nation is a great success story, but it is far from complete.

East Timor is rebuilding itself from ashes following 24 years of Indonesian rule, and it needs international assistance. It remains one of the poorest countries in Asia. The annual per capita gross national product is \$340. As many as 100,000 East Timorese refugees languish in militia-controlled refugee camps in West Timor, which is still part of Indonesia and where there has been a sharply reduced international presence since militias murdered three U.N. workers last September.

In the aftermath of the violence in East Timor, the United States has provided important humanitarian aid and assistance for nation-building. But our assistance has been provided on an ad hoc basis. We have made no commitment to a longterm political investment in a newly independent East Timor, and we should do so.

We should leave no doubt in the minds of any government officials in Indonesia that the United States will recognize and support the new nation of East Timor.

To advance this objective, I, along with Sen. Chafee, have introduced legislation in the Senate to facilitate East Timor's transition to independence.

Reps. Tom Lantos and Chris Smith have introduced similar legislation in the House of Representatives. Its purpose is to lay the groundwork for establishing a strong relationship with East Timor, including a bilateral and multilateral assistance program. Our legislation encourages President Bush, the Overseas Private Investment Corporation, the Trade and Development Agency and other U.S. agencies to put in place now the tools and programs necessary to create a reliable trade and investment relationship with East Timor.

It provides a three-year commitment of \$30 million in U.S. assistance, including \$2 million for a Peace Corps presence and \$1 million for a scholarship fund for East Timorese students to study in the United States, and supports economic assistance through international financial institutions.

To help professionalize the army, it authorizes the president to provide excess defense materials and international military education and training, if the president certifies that doing so is in the interest of the United States and will help promote human rights in East Timor and the professionalization of East Timor's armed

forces. Our bill also supports efforts to ensure justice and accountability for past atrocities in East Timor.

The bill specifically calls on the State Department to establish diplomatic relations with East Timor as soon as independence takes place. It took President Truman 10 minutes to establish diplomatic relations with Israel in 1948. President Bush should be able to do the same with East Timor in 2001.

The people of East Timor have chosen democracy, and the United States has a golden opportunity to help them create their new democracy. We must prepare for that day now. The great faith in the democratic process they showed by voting for independence under the barrel of a gun must not go unrewarded.

We should put U.S. governmental programs and resources in place now to prepare for the reality of an independent East Timor. If we wait until East Timor declares its independence before we do the preliminary work, we will lose vital time and do a disservice to both the United States and East Timor. We must not miss this unique opportunity to help.

MIDDLE EAST VIOLENCE

Mr. SMITH of New Hampshire. Mr. President, on May 18th, yet another grave terrorist attack occurred in Netanya, the fifth such attack this year. Six Israelis were killed and over one hundred wounded in the bombing.

The target of the attack was innocent civilians, targeted solely because they were Israelis. The recent bludgeoning to death of 14-year old Jewish boys in a cave demonstrates a new level of barbarism and inhumanity.

The Palestinian Authority is obligated, according to agreements it concluded with the State of Israel, to prevent terrorism and to cease incitement in the areas under its jurisdiction.

Regrettably, the Palestinian Authority has abandoned its obligations and is committing acts of terrorism and inciting violence against Israelis, both in Palestinian controlled media and in the curriculum taught to its school-age children. With such hatred and venom spewed by Palestinian Government organs, it is hard to imagine there is any true desire for peace, rather, there appears to be a deliberate attempt to destroy any foundation for peace that is necessary among the Palestinian people.

The Israeli Government has made a renewal of peace negotiations with the Palestinians its foremost goal. But negotiations cannot take place until there is a cessation of the violence.

The Government of Israel has repeated its desire to move forward in accordance with the four phases detailed in the recent report of the Mitchell Fact Finding Committee:

- A. A complete cessation of violence;
- B. A substantial cooling-off period, accompanied by confidence building measures—together with proof on the part of the PA that it intends to maintain the calm (arresting terrorists, ending incitement, etc.);
- C. The implementation of signed agreements;
- D. The conduct of negotiations on all outstanding issues.