

place as planned. The first incident involved the two individuals each of whom had a flask of flammable liquid tied to his leg. In the second incident, the discovery of a knife at a checkpoint resulted in the boarding of only one of four persons who planned to hijack the aircraft to Cuba.

At the same time that these types of incidents were taking place in the United States, a different kind of aircraft hijacking was occurring in other parts of the world. These incidents, some of which involved U.S. registered carriers, were noteworthy because of their complexity, duration, and deadliness. They include the hijackings of Trans World Airways Flight 847 and Kuwaiti Air Flight 422, which involved multiple and often zealous, well-armed, well-trained, and disciplined hijackers. Unlike their contemporary U.S. counterparts, these individuals often demonstrated a willingness to die rather than fail and to kill others if their demands, which were frequently politically-motivated, were not met. In many instances, passengers were killed as a result of the actions of such hijackers.

Why such incidents did not occur in the United States during the past nine years is a matter of conjecture. Many theories have been advanced, including logistical and operational problems for international terrorists, non-interest by U.S. domestic terrorist groups, and difficulties (or perceived difficulties) in accessing targets. It should not be presupposed from this, however, that such hijackings will never occur in the U.S. Politically motivated hijackings by multiple hijackers have, in fact, taken place in the U.S., but not within the past 9 years.

During the past nine years, hijackers in the United States have acted in striking contrast to some of their more noteworthy international counterparts. They usually have not been motivated by the same political forces, such as the freeing of political prisoners or providing publicity for a cause, and they have not exhibited the lame propensity to die and kill others rather than fail.

The fact that handguns were seldom used and actual explosive devices never used in domestic hijackings during the past nine years is interesting, but it should not be assumed that future hijackers will act similarly. It is not known why this occurred; it may be a reflection of either better screening procedures or a perception that it is too difficult to pass a gun on board an aircraft. Since several small knives and other items, such as a pair of scissors and a starter pistol, were successfully passed through screening checkpoints in a carry-on bag, however, the system is not infallible.

Although most U.S. hijackings during the past nine years were committed by persons acting alone, it should not be assumed that future incidents will follow this format. If there are accomplices, however, they will likely identify themselves in the beginning of the incident rather than remain hidden. Based on past experiences, the hijacker(s) may possess one or more weapons or a flammable liquid, a fact which they likely will make known, or they may claim to possess an explosive device.

Hijackings should be taken seriously unless it is obvious that there is no threat or danger. It is often difficult to determine if a claimed weapon, explosive device, or incendiary device is real. The hijacker(s) should be given the benefit of the doubt until circumstances prove otherwise.

NATIONAL PURPLE HEART RECOGNITION DAY

Mr. DURBIN. Mr. President, I am in support of S. Con. Res. 112 which sup-

ports the goals and ideals of National Purple Heart Recognition Day. This award was created by General George Washington, who established the Honorary Badge of Distinction in the figure of a heart in purple cloth or silk on August 7, 1782. Since that time, more than 1,535,000 Americans have received Purple Hearts, and their numbers are growing daily as the war in Iraq continues to take its toll.

Over 5,000 Americans have been wounded in Iraq, many of them suffering horrific injuries. One such American is SP Gabe Garriga, one of my constituents. Specialist Garriga volunteered for the Illinois National Guard right after September 11, when he was just 17 years old, because he felt obligated to go and make a difference.

In the summer of 2003, his unit was deployed to Iraq. On July 14, 2003, Specialist Garriga was rushing to help defend a checkpoint in Baghdad. The checkpoint had been breached by an Iraqi car that sped through without stopping, and U.S. soldiers feared that this was yet another suicide bomber. In the rush to defend the checkpoint, Garriga's Humvee slammed into another Humvee and he was thrown from his gun turret directly into burning fuel canisters.

The wounds this young man suffered were absolutely horrendous. He had second and third degree burns over almost half his body and severe abdominal injuries. Doctors gave him a 1 percent chance for survival, but he beat those daunting odds.

Specialist Garriga deserves everything this Nation can give him in return for his service and sacrifice and that includes a Purple Heart.

This award was reinstated in 1932, a century and a half after General Washington created his Badge of Military Merit. At that time, Army regulations defined the conditions for the award as "a wound which necessitates treatment by a medical officer and which is received in action with an enemy."

There is no doubt that Specialist Garriga's wound necessitated medical treatment—27 operations are blunt testimony to that terrible fact. And there is no doubt in my mind that Gabe was involved in action with an enemy when he and his comrades were rushing to defend that breached checkpoint in a time of war. Nonetheless, over a year later, he has still not received a Purple Heart.

Current Army regulations reiterate the conditions spelled out in 1932 and add "It is not intended that such a strict interpretation of the requirement for the wound or injury to be caused by direct result of hostile action be taken that it would preclude the award being made to deserving personnel."

Seeking to prevent a suicide bombing against U.S. troops or officials or against innocent Iraqi civilians is the act of a soldier engaged in the fight against terrorism. President Reagan, in fact, explicitly expanded the terms

of the award to include those wounded or killed as the result "of an international terrorist attack."

So, this year, as the anniversary of the creation of this commendation approaches and as we vote to recognize this day, I also urge the Army to award Specialist Garriga the Purple Heart as a symbol of our recognition of his sacrifice in the war in Iraq. He has earned it.

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION REPORT

Mr. SARBANES. Mr. President, I rise to call to the attention of my colleagues the release on June 15 of the 2004 Report to Congress of the United States-China Economic and Security Review Commission.

The Commission was created by Congress on October 30, 2000, as part of the National Defense Authorization Act for 2001. Its principal sponsor in the Senate was Senator BYRD. The charter of the Commission provides that it be composed of 12 Commissioners, 3 of whom are appointed by each of the Congressional leaders in both the House and Senate. The Commission is thus bipartisan, and reflective of the leadership of both the House and the Senate.

The purpose of the Commission, according to its charter, is to "monitor, investigate and report to Congress on the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China." The Commission is required by its charter to submit an annual report to Congress, which must include a full analysis, along with conclusions and recommendations for legislative actions, if any, of the national security implications for the United States of trade and current account balances, financial transactions, and technology transfers with the People's Republic of China.

In preparation for its 2004 annual report, the Commission held 11 public hearings, including field hearings in Columbia, SC, and San Diego, CA. Through these hearings the Commission heard the perspectives of members of Congress, current and former senior government officials, representatives of industry, labor and finance, academics, journalists, and citizens. The Commission took testimony from more than 130 witnesses.

The Commission's fact-finding and examination process also included funding statistical analyses of China's role in world trade and investment, and its compliance record with its WTO commitments. Moreover the Commission contracted for the translation of articles from influential publications within China discussing Beijing's economic and security strategies and its perceptions of the United States.

During the course of its deliberations, the Commission developed a broad bipartisan agreement on the issues it was charged by Congress to

examine, and adopted its 2004 report by a unanimous vote.

Among the key findings of the report are that in 2003 the United States ran a global goods trade deficit of \$545.5 billion, of which \$124 billion was attributable to U.S. trade with China. The U.S. trade deficit with China constituted over 23 percent of the total U.S. goods deficit. Further, with U.S. exports to China of \$28 million and imports from China of \$152 billion, U.S. trade with China constitutes our most lopsided trading relationship. The report notes that over the past 10 years, the U.S. trade deficit with China has grown at an average rate of 18.5 percent, and if it continues growing at this rate, it will double to \$248 billion within 5 years. The report further notes that since 1998, the United States has moved from a global trade surplus in advanced technology products, ATP, of \$29.9 billion to a deficit of \$27 billion in 2003, of which \$21 billion is attributed to our trade with China.

The Commission report unanimously finds that, "The magnitude of the goods trade deficit threatens the nation's manufacturing sector, a sector that is vital for our national and economic security." It further notes that China has a "coordinated sustainable vision for science and technology development" and urges our country to develop a "comprehensive national policy to meet China's challenge to our scientific and technological leadership."

The report finds that China is systematically intervening in the foreign exchange market to keep its currency undervalued, and that this has contributed to the size of the U.S. trade deficit with China and has hurt U.S. manufacturers. The report further notes that China has policies in place to attract foreign direct investment (\$57 billion in 2003) and to develop its national productive capacity in "pillar industries". These policies include tariffs, limitations on access to domestic marketing channels, requirements for technology transfer, government selection of partners for joint ventures, preferential loans from state banks, privileged access to land, and direct support for research and development.

In order to begin to help correct our trading relationship with China, the Commission urges that the U.S. immediately seek to have the yuan revalued substantially upward against the dollar and then to be pegged against a trade weighted basket of currencies. After such an immediate revaluation, the Commission recommends that China, as it addresses problems in its banking system, move to a market-based currency. It further recommends that Congress should charge USTR and the Commerce Department to undertake a comprehensive examination of China's industrial policies, described in the report, to determine which may be illegal under provisions of the WTO, and to lay out specific steps the U.S. can take to address these practices through the

WTO or other means. It urges the U.S. to make more active use of WTO dispute settlement if we cannot persuade China by negotiation to carry out its WTO commitments.

The report discusses a number of other aspects of United States-China trade and political relations. It makes a number of recommendations to help manage the relationship to minimize security risks and to enhance prospects of moving China toward a more open, democratic and law-based society to the benefit of both countries.

In my view, this 2004 report of the Commission makes a very valuable contribution to our policy deliberations on China. I salute Senator BYRD for his wisdom in calling for the creation of the Commission, and thank all the Commissioners for their contribution to our knowledge of the United States-China economic and political relationship. The Baltimore Sun ran an editorial which strongly praised the report and found that "the case for 'urgent attention and course corrections' to U.S. policies on China is well made." I ask that the Baltimore Sun editorial be inserted in the RECORD after my statement.

I strongly commend the 2004 report of the United States-China Economic and Security Review Commission to my colleagues.

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

[From the Baltimore Sun, June 17, 2004]

THE CHINA TRADE-OFF

In the past year, some large foreign investors were for the first time allowed to enter China's domestic stock market to buy shares of Chinese firms. This includes shares of part of Norinco, China North Industries Group—a transnational conglomerate that was founded by the People's Liberation Army, that retains strong military ties, that makes everything from baby shoes to missiles, and that has drawn U.S. sanctions for arming Iran.

Given the lack of disclosure in China, foreign investors and technology traders with Norinco and other Chinese firms cannot know if their resources will end up serving China's long-term, well-coordinated strategic plan to compete with American economic, military and political power. That potential danger is the basis for the very strong alarms sounded this week by the U.S.-China Economic and Security Review Commission, a bipartisan congressional group monitoring U.S.-China relations.

In its wide-ranging annual report, the commission warns that rapidly increasing trade, investment and technology flows between the two nations are far too lopsided in China's favor—eroding U.S. economic strength, abetting China's military build-up and its development as a high-tech manufacturing platform, and potentially threatening U.S. security interests. Worse, the commission found that the U.S. government often is far too blind to these hazards in arguably its most important long-term relationship.

The report will be criticized by some for demonizing Beijing just as the West is penetrating Chinese markets and succeeding in dramatically drawing China into the community of nations. But in general, the case for "urgent attention and course corrections" to U.S. policies on China is well made.

For starters, the commission is urging the United States to use the World Trade Orga-

nization to more aggressively press China on its undervalued currency and on state subsidies for export manufacturers, both underlying factors in America's \$124 billion trade deficit with China last year. It also recommends comprehensive monitoring of: advanced technology transfers to China via U.S. investments, joint ventures and research and development projects; China's U.S. investments; and bilateral exchange and education programs.

The lengthy commission report paints a picture of China leveraging the short-term financial ambitions of diverse U.S. interests to capture money and technology vital to its highly focused, long-term goal of trumping the United States—and of the U.S. government at best adrift in monitoring and managing its side of this imbalanced and critically important relationship. It's a caution worth the highest attention.

CONTINUING FAILURE TO ADDRESS H-2B VISA CRISIS

Mr. LEAHY. Mr. President, I came to this floor more than 2 months ago to decry the Senate's failure to respond to a crisis, caused by Federal policy, that has disrupted the operations of small and large businesses throughout the United States. This crisis has continued unabated since then, but the requests for help from these businesses have continued to fall on deaf ears.

In March, the Department of Homeland Security announced that for the first time ever, the annual cap for H-2B visas had been met. These visas are used by a wide range of industries throughout the Nation to fill temporary labor needs. In my home State of Vermont, they are used primarily by the tourist industry.

The Department of Defense appropriations conference report, before us today, includes a very narrow solution to this problem, benefiting a single industry that uses H-2B visas. The conference report exempts aliens seeking jobs in the "fish roe" industry from counting against the H-2B cap. The provision does nothing to help the broad categories of employers who use H-2B visas.

Across the country, businesses in a wide range of industries have been scrambling this summer, having been forced to discard business plans that relied on the foreign employees who had always before been available to them. For years, these employers had applied in the spring for the employees they needed for the summer, filling positions for which they were unable to find American workers. The cap had never been reached, and they had no reason to believe this year would be different. I know that the March announcement came as a shock to many employers in my State, and dozens of them contacted my office to see what could be done. This setback fell equally hard on employers in other States.

In response to these requests, I joined with a substantial bipartisan coalition in introducing S. 2252, the Save Summer Act of 2004. Senator KENNEDY is the lead sponsor of the bill, which has 18 cosponsors, including 8 Republicans.