

rules and pass the bill, H.R. 3020, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Ms. VELÁZQUEZ. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

CALLING ON THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA TO REMOVE BARRIERS TO UNITED STATES FINANCIAL SERVICES FIRMS DOING BUSINESS IN CHINA

Mr. MARSHALL. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 552) calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 552

Whereas well-functioning financial markets in China capable of accurately pricing risk, valuing assets, allocating capital to its most efficient use, providing financial products that allow savers to obtain a market rate of return, and capable of intermediating efficiently between savers and borrowers are essential if China is to move successfully to a market-based economy;

Whereas the lack of diversification and innovation among Chinese financial firms, particularly state-owned banks, limits the financial assets in which the Chinese people can invest and limits their access to savings and investment vehicles that would allow them to save safely and adequately for retirement and insure themselves against risks to health and incomes;

Whereas the current lack of well-functioning financial markets in China has the effect of misallocating capital and distorting investment in ways that subsidize capital intensive industries in China's manufacturing sector and distort trade with the United States and other trading partners as a consequence;

Whereas an increased presence of United States and other foreign financial services firms in China would provide substantial benefit to China by aiding in the reform and development of the banking, insurance, asset management, and securities industries and providing new products to Chinese consumers that would contribute substantially to their financial security;

Whereas the United States trade deficit with China in 2006 was \$233,000,000,000, and this trade deficit has nearly tripled in size since China joined the World Trade Organization in 2001;

Whereas the United States financial services sector is a leading source of United States exports globally and has the potential to be a major exporter to China;

Whereas the United States maintains open and nondiscriminatory standards for trade in financial services, while China continues to protect large segments of its financial services markets from foreign trade;

Whereas China's World Trade Organization commitments fail to achieve an open and nondiscriminatory environment for foreign financial services firms seeking to trade with China;

Whereas China is one of the few remaining major emerging market countries that maintains limitations on foreign ownership of financial services firms;

Whereas foreign ownership restrictions severely limit United States firms' ability to operate in China across the financial services sector, such that United States and other foreign firms are not permitted to own more than a 49 percent stake in a Chinese asset management firm, a 20 percent stake in a Chinese bank, a 33 percent stake in a Chinese securities firm, a 24.9 percent stake in a Chinese insurance company, and a 50 percent stake in a life insurance joint venture;

Whereas foreign entities are not permitted to invest in Chinese A-share securities markets except through an onerous licensing and quota system for "qualified foreign institutional investors," and Chinese institutional investors are also restricted in investing in foreign securities markets except through a licensing and quota system for "qualified domestic institutional investors";

Whereas the government of China has failed to meet its World Trade Organization commitment on licensing of foreign broker-dealers and maintains discriminatory restrictions on the scope of business of foreign securities firms;

Whereas the government of China maintains discriminatory standards for foreign banks in terms of capital requirements, restrictions on corporate operational form, and restrictions on bank branches, and has been slow to act on foreign banks' applications;

Whereas the government of China has approved no new enterprise annuities licenses for United States or other foreign firms since 2005 and maintains a cumbersome multi-agency process for approval of licenses;

Whereas the government of China maintains discriminatory practices for branch applications from foreign-invested life insurers, granting branch approvals slowly and consecutively, while domestic insurers receive concurrent approvals to open multiple branches;

Whereas major Chinese financial institutions have sought licenses to operate in the United States on the grounds that Chinese financial regulators satisfy consolidated supervision standards, at the same time the Chinese government restricts access to United States and other foreign firms on grounds that suggest that Chinese regulators may not satisfy these standards; and

Whereas the Secretary of the Treasury has initiated the Strategic Economic Dialogue as a forum in which to engage Chinese officials on economic reform issues, including financial market issues: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the Government of the People's Republic of China should immediately implement all of its World Trade Organization commitments to date in financial services;

(2) the Government of the People's Republic of China should immediately implement all of its commitments to date made under the auspices of the Strategic Economic Dialogue initiated by the Secretary of the Treasury;

(3) the goals of the United States for the next meeting of the Strategic Economic Dialogue should be to achieve Chinese commitments toward—

(A) removal of all foreign investment ownership caps on banking, life insurance, asset management, and securities;

(B) nondiscriminatory treatment of United States financial services firms (including

banking, insurer, insurance intermediary, asset management, and securities firms) with regard to licensing, corporate form, and permitted products and services; and

(C) nondiscriminatory treatment of United States financial services firms with regard to regulation and supervision; and

(4) United States financial service regulators, in assessing whether applications from Chinese financial institutions meet comprehensive consolidated supervision standards, should consider whether the applications are for operations and activities in the United States that are currently prohibited for United States financial institutions in China, and the extent to which such prohibitions reflect problems with the quality of home country supervision.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. MARSHALL) and the gentleman from Illinois (Mr. ROSKAM) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia.

GENERAL LEAVE

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MARSHALL. Mr. Speaker, I would ask to insert into the RECORD three letters that we have received in support of this legislation.

One letter comes from Engage China dated September 4, 2007. Engage China is a consortium which includes these organizations: The American Banker's Association, the American Council of Life Insurers, American Insurance Association, The Council of Insurance Agents and Brokers, Bankers Association for Finance and Trade, Financial Services Forum, Financial Services Roundtable, Investment Company Institutes, Securities Industry and Financial Markets Association.

The second letter, also dated September 4, comes from The Financial Services Forum; and the third letter, dated August 31, comes from The Investment Company Institute.

SEPTEMBER 4, 2007.

Hon. BARNEY FRANK,
Rayburn House Office Building,
Washington, DC.

Hon. SPENCER BACHUS,
Rayburn House Office Building,
Washington, DC.

Hon. JIM MARSHALL,
Cannon House Office Building,
Washington, DC.

Hon. PETER ROSKAM,
Cannon House Office Building,
Washington, DC.

DEAR CHAIRMAN FRANK, RANKING MEMBER BACHUS, CONGRESSMAN MARSHALL, AND CONGRESSMAN ROSKAM: As Chairman of the Engage China coalition, I write to applaud the focus on the critical importance of expanded access to China's financial sector in H. Res. 552. As members of the House Financial Services Committee, your leadership on this crucial issue is greatly appreciated.

Engage China is a coalition of eight financial services trade associations united in our

view that active engagement with China remains the most constructive means of ensuring that our two nations mutually benefit from our growing economic relationship, and that common challenges are effectively addressed.

The coalition is strongly of the view that a more open, competitive, and effective financial sector in China is a prerequisite to successfully addressing issues that have complicated the U.S.-China economic relationship—particularly currency reform and the trade imbalance. For example, access to sophisticated derivative products and hedging techniques will help Chinese banks, securities firms, and other businesses avoid the risks of a more volatile, market-determined currency. Similarly, financial products and services such as mortgages, credit cards, personal loans, pensions, and retirement savings and insurance products—to which most Chinese currently do not have access—would dramatically reduce the need for excessive savings and facilitate greater consumption.

The fastest way for China to develop the modern financial system it needs is to import it—that is, by opening its financial sector to greater participation by foreign financial services firms. By providing the products and services that China's citizens and businesses need to save, invest, insure against risk, raise standards of living, and consume at higher levels, foreign financial institutions (including U.S. providers) would help create what every U.S. manufacturer and services provider wants—a China that is less dependent on exports, more consumption-driven and, therefore, an enormously important and expanding market for American products and services.

Thank you for your work on this important issue. We very much appreciate your interest in opening China's financial sector to greater participation by U.S. financial services firms. We look forward to working with the Committee and the rest of the Congress to ensure expanded financial market access in China and other emerging markets.

Sincerely,

ROB NICHOLS,
President and COO,
Financial Services
Forum, Chairman,
Engage China Coalition.

SEPTEMBER 4, 2007.

Hon. BARNEY FRANK,
Rayburn House Office Building,
Washington, DC.

Hon. JIM MARSHALL,
Cannon House Office Building,
Washington, DC.

Hon. SPENCER BACHUS,
Rayburn House Office Building,
Washington, DC.

Hon. PETER ROSKAM,
Cannon House Office Building,
Washington, DC.

DEAR CHAIRMAN FRANK, RANKING MEMBER BACHUS, CONGRESSMAN MARSHALL, AND CONGRESSMAN ROSKAM: We are writing to applaud the focus you have given to market access in House Resolution 552. We commend your bipartisan effort to introduce a resolution that recognizes the importance of further access for U.S. financial services firms to China's markets.

The Forum is encouraged by your interest in the U.S.-China Strategic Economic Dialogue and additional efforts to remove market access barriers for U.S. financial services firms.

A more open, modern, and effective financial sector in China is a prerequisite to successfully addressing issues that have complicated the U.S.-China economic relationship such as currency reform and the trade imbalance.

The fastest way for China to develop the modern financial system it needs to achieve more sustainable economic growth, allow for a more flexible currency, and increase consumer consumption—thereby opening new markets for U.S. products and services—is to import it by opening its financial sector to greater participation by foreign financial services firms.

We look forward to working with all of Congress in continuing to draw focus and attention to this key issue for economic reform and financial modernization in China and other emerging markets. We thank you again for your important focus on opening markets in China to foreign financial services participation.

Sincerely,

ROB NICHOLS,
President and COO,
The Financial Services Forum.

INVESTMENT COMPANY INSTITUTE,
Washington, DC, August 31, 2007.

Re H. Res. 552, "Calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China".

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.

Hon. JIM MARSHALL,
Member, Committee on Financial Services,
House of Representatives, Washington, DC.

Hon. SPENCER BACHUS,
Ranking Member, Committee on Financial Services,
House of Representatives, Washington, DC.

Hon. PETER ROSKAM,
Member, Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR CHAIRMAN FRANK, RANKING MEMBER BACHUS, CONGRESSMAN MARSHALL AND CONGRESSMAN ROSKAM: I am writing to express the support of the Investment Company Institute (ICI) for House Resolution 552 (H. Res. 552), "Calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China." The Institute supports your efforts to recognize the importance of access for U.S. financial services firms, including the U.S. mutual fund industry, to the Chinese market.

Reform of China's financial markets is important to our members for investment purposes as well as for the provision of asset management services. Specifically, we appreciate the inclusion of provisions in H. Res. 552 addressing measures that unnecessarily limit the manner in which U.S. asset managers can conduct their business in China. These provisions include language calling on the Chinese government to remove all foreign ownership caps on asset management firms and highlighting the limitations on foreign investment in Chinese A-share securities and on Chinese investments in foreign securities markets. We also appreciate inclusion of language in the Resolution calling on the Chinese government to fulfill its WTO and Strategic Economic Dialogue commitments relating to financial services.

The continued reform and opening of China's financial services sector is in the economic and political interest of both China and the United States. Fair and competitive access to China's markets, including financial services, has implications for U.S. economic growth and job creation. For China, a vibrant and competitive financial system is essential to a strong and productive economy and will be essential in helping China address its retirement challenges. We believe the U.S. mutual fund industry is uniquely positioned to assist in the development of a strong financial services market in China.

Thank you for considering the views of ICI on H. Res. 552. Please feel free to contact me directly or Don Auerbach of the ICI staff if you have any questions with regard to this or any other matter.

With very best regards.

Sincerely,

PAUL STEVENS,
President.

Mr. Speaker, I yield myself such time as I may consume.

This resolution, in essence, simply asks China to comply with agreements that it has already entered into. These agreements, its compliance with these agreements, would greatly benefit our financial services industry and we think, frankly, also benefit China.

That's for China to decide, where this resolution contemplates that China will immediately implement all of its world trade organization commitments, that it will implement all of its commitments made to date under the auspices of the strategic economic dialogue.

For the next strategic economic dialogue, our goals as a country should be the removal of all foreign investment ownership caps on banking, life insurance, asset management and securities, and the guarantee of nondiscriminatory treatment for the United States' financial services firms with regard to licensing, corporate forum, permitted products and services, as well as with regard to regulation and supervision.

Finally, this resolution contemplates that United States financial service regulators, in assessing whether or not applications from Chinese financial services institutions meets our requirements, do take into account whether or not the Chinese are living up to its end of our bargains.

□ 1500

Mr. Speaker, why do this?

Besides the natural inclination of Americans to insist that those that we do business with live up to their end of the deals, all Americans know that we have a very substantial trade deficit with China, and that China has eaten into our manufacturing sector in a very significant way.

At the same time that China is eating into our manufacturing strength, it is denying us access to its financial services market. If we have access to its financial services market, essentially that levels the playing field; and it will also reduce our trade deficit, because it is our belief that American financial services firms will be very successful in the Chinese business environment.

Part of the problem with our trade deficit is that the yuan is intentionally valued in a way to permit the Chinese Government, or the Chinese industries, to compete more effectively price-wise with our manufacturing sector. When challenged about this practice, the Chinese Government routinely explains that its banking industry lacks the expertise to appropriately hedge investments using derivatives swaps, other

structured instruments. And as a result, they have to be extraordinarily careful where they set the yuan.

Our financial services sector, if permitted to assist the Chinese Government and the Chinese economy, will eliminate that excuse.

In addition, Mr. Speaker, it's clear that giving access for our financial services sector into the Chinese market will be beneficial to Chinese consumers. They'll have more access to pensions, health insurance, retirement funds, those sorts of things. But it will also have the effect of freeing up capital.

At the moment, the Chinese Government is interested in migrating from manufacturing as its principal source of strength for its economy toward services. Given the nature of how that economy is set up, in order to do that, a very liquid, dynamic, adaptable capital investment system needs to be established which will enable individual Chinese and small groups of Chinese to form microbusinesses in the services sector.

If we are successful in assisting the Chinese in providing this capital, to enable it to move more toward services, that has the advantage to our manufacturing industries that's fairly obvious and to the world generally.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSKAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I'm pleased to rise today in strong support of House Resolution 552, a measure calling on the government of the People's Republic of China to remove barriers to the United States financial service firms doing business in China. And I'm pleased to partner with Chairman FRANK, Ranking Member BACHUS, and the gentleman from Georgia (Mr. MARSHALL) on what I think is a really important initiative.

Some of my prepared remarks, Mr. Speaker, would be cumulative in light of the gentleman's remarks, but let me just kind of fill in some other aspects and highlight a couple of the points that he made.

First of all, these are all commitments that the Chinese Government has made. This is not negotiating a new set of agreements. This is not contemplating something that hasn't literally been agreed to before. All we're doing in this resolution is putting the Chinese Government on notice, A, that we're watching; and, B, that we have expectation that they're going to do exactly what they committed themselves to do.

Secondly, you know, if you look at what the gentleman from Georgia described, that is, the Chinese economy, there are some that suggest that of 1.3 billion individuals, Mr. Speaker, only 1 million Chinese individuals currently have use of credit cards in China, compared to 480 million people who have access to cell phones.

Now, if you begin to think about where this can go, right now the Chi-

nese economy is somewhat held back in a way, because the Chinese consumers and the Chinese financial markets don't have these kinds of tools, and they have a savings rate that almost takes our breath away. About a third of the savings, you know, they're saving at about 33 percent, which, what does that mean? That means that those dollars or that currency is not available to purchase things, particularly from the United States, which, as the gentleman pointed out, creates a very difficult situation in terms of our trade deficit.

I view the Chinese economy almost like a potted plant, Mr. Speaker; a plant that, at first glance, may look to be flourishing, but over a period of time, as that plant matures, and as it develops, it reaches a point at which the roots need to go deeper. And I think that this is the point in the Chinese economic growth where China's roots need to go deeper. They need to go deeper into the ground. And our financial services sector, Mr. Speaker, is robust and dynamic, and offers something that I think is a great opportunity.

But the unnatural truncating, the unnatural prohibition of the Chinese Government of prohibiting American firms to come in, I think, ultimately has a negative impact on our economy, has a negative impact on our growth, and certainly has a negative impact on the 700 million people who are in China and who are still living in poverty.

And I just want to highlight an aspect of this that has an impact on my district, because I represent a district outside of Chicago that employs about 68,000 individuals, about 1,100 manufacturing firms, who are really suffering and struggling based on the currency manipulation issue that the gentleman outlined. This is a way out. This is a way to move forward. And I think it is incumbent upon us, and I very much appreciate the gentleman's work on this in a bipartisan way. It is incumbent upon us to move forward and to urge and cajole and push and give a sharp word to the Chinese Government that they need to make these reforms and do these things to which they've previously committed.

Mr. Speaker, I reserve the balance of my time.

Mr. MARSHALL. Mr. Chairman, to the remarks made by the gentleman from Illinois (Mr. ROSKAM), I would simply add that the Chinese economy at the moment is not very diverse. It's actually fairly fragile. It's quite large, but it's way too dependent upon manufacturing and the consumption of others, not its own consumers, but consumers throughout the world. If there's a downturn elsewhere in the world, it dramatically impacts the Chinese economy. And it is not in the interest of the globe, frankly, to have an economy that's as large as China's and as fragile as China's. So from our own economic perspective, it's good to cause the Chinese market to diversify.

In addition, as it stands now in China, there is a very thin middle class. The availability of American financial products can help expand the size of that middle class. And it is middle classes that head governments in good directions, that insist that governments be responsible and responsive to the people, that head governments more toward being democratic governments. So there's another reason that this is a very wise move, not only for the United States, but also for the Chinese Government.

I yield such time as he might consume to the chairman of the committee, who does a great job as our chairman, the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I appreciate the very important work the gentleman from Georgia (Mr. MARSHALL) is doing on this, and the bipartisan cooperation we have.

It is really disappointing that we have to bring this resolution forward. It does not speak well of the government of the People's Republic of China that this is necessary, because they are trying to have it both ways in an inappropriate manner.

On the one hand, China insists on being treated with the respect due a great world power. And they are proud of their economic strength, and they say to America, in fact, they try to have it both ways in two ways. Maybe they're trying to have it four ways, because what they tell us is, open up, economic competition is the way. If we are selling more goods in your country than you are selling in ours, that's because we're doing a better job of it. And so they want respect as a world power, and they want an openness in the economy, but only in one way, because when it comes to areas of economic activity where they don't have that overwhelming advantage, where, frankly, cheap labor doesn't buy you a lot, where our technology and our level of sophistication works to our advantage, all the arguments they've used go out the window. Now they're no longer this great world power. They're a poor country that has to shelter its banking activity from the United States and others. They don't single us out. They shut out much of the world.

The argument that you should open up your economy and let economic forces play out, without imposing political barriers, that apparently works with manufacturing of their goods, but that's exactly the argument they repudiate when we talk about our financial institutions.

I would add that there is, of course, another example of this with regard to the intellectual property failings in China, but we're here to focus on the financial services. And so what we are saying to the Government of China is, essentially, I guess I would say this, they may be credited with one of the great engineering feats in history, even more impressive than the Great Wall of China, is turning the Pacific Ocean

into a one-way street, because when it comes to allowing the forces of economic competition to determine outcomes, where they would have an advantage, they're all for it. But where we say, look, we have these very important financial institutions, as my two colleagues have mentioned, institutions which will benefit the Chinese, which will help with the savings rate.

The gentleman from Georgia has made it clear. This isn't an assault on China by the outsiders. This is something that would be of interest to the Chinese because the Chinese use the same argument to us. They say, look what we're doing for you. We're giving you these cheaper products. Don't turn them down.

Well, I don't understand why that doesn't translate into their doing the same thing.

And so you cannot, I think, in this world consistently, at the same time, be a complete free trader where you have an advantage, but a mercantilist and protectionist and restrictionist society where you think somebody else might have the advantage.

But this resolution is aimed only partly at China. It is also a directive from this House. And I hope, with a very large vote, and I hope our colleagues in the Senate will do it, to the United States regulators, to the Securities Exchange Commission, to the bank regulators, to the Federal Reserve, the Secretary of the Treasury: do unto others as they do unto us in the financial area. Do not allow the Chinese financial institutions a freedom to operate in the United States that they would deny to us. And I want to stress that.

There have been criticisms that have come from China and from some in the United States who say, yes, China sells a lot, but don't be restrictive. The answer is openness.

Well, this is the test. Is openness a two-way ocean?

And if the Chinese continue to resist living by the doctrine they preach to us, then the United States regulators, those in the United States who decide whether Chinese institutions can have access here, really, in their own interest, should take account of that because if you continue to have a situation in which Chinese financial institutions are allowed activity in the U.S. that the Chinese Government denies to American institutions in China, I believe this body will go beyond a resolution. And I can tell you that the committee that I chair will begin to consider, then, legislative changes. And we're often told that you can't legislate that because of the WTO. But here we're asking them to live up to their WTO responsibilities. And if this continues, I will consult with our colleagues in the Ways and Means Committee, and I think we will try to put some binding legislation here. I hope it doesn't come to that.

And I thank the gentleman from Georgia (Mr. MARSHALL) for taking the

initiative here and the gentleman from Illinois (Mr. ROSKAM) and others. This is, I hope, unanimous, but certainly overwhelming, it was unanimous in the Committee on Financial Services' request.

And the gentleman from Georgia read a very impressive list. Every important entity of financial institutions in the United States was on the letters that the gentleman from Georgia read.

So we hope that the Chinese Government will listen. And if they don't, we hope the United States regulators will listen, because we are only asking here that the Chinese live by the doctrines that they profess to believe in. And we believe that this is something that is in the mutual interest of both countries.

I submit the following exchange of correspondence regarding H. Res. 552.

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services,
Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you concerning the bill, H. Res. 552, calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China. I understand there are certain provisions of this legislation as it will be presented to the full House that fall within the Rule X jurisdiction of the Committee on Foreign Affairs.

In the interest of permitting your Committee to proceed expeditiously to floor consideration of this important legislation, I am willing to waive this Committee's right to sequential referral. I do so with the understanding that by waiving consideration of the bill, the Committee on Foreign Affairs does not waive any future jurisdictional claim over the subject matters contained in the legislation which fall within its Rule X jurisdiction.

I would ask that you place this letter into the Congressional Record when the House has H. Res. 552 under consideration.

Sincerely,

TOM LANTOS,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, September 4, 2007.

Hon. TOM LANTOS,
Chairman, Committee on Foreign Affairs,
Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter concerning House Resolution 552, calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China. This resolution was introduced on July 17, 2007, and was referred to the Committee on Financial Services. It is my expectation that this legislation will be scheduled for floor consideration shortly.

I recognize that certain provisions in the resolution fall within the jurisdiction of the Committee on Foreign Affairs under Rule X of the Rules of the House of Representatives. However, I appreciate your willingness to forego action on House Resolution 552 in order to allow the resolution to come to the floor expeditiously. I agree that your decision will not prejudice the Committee on Foreign Affairs with respect to its jurisdictional prerogatives on this or similar legislation.

I will include this exchange of correspondence in the Congressional Record when this resolution is considered by the House. Thank

you again for your cooperation in this important matter.

BARNEY FRANK,
Chairman.

Mr. ROSKAM. Mr. Speaker, I don't have any additional speakers. Let me just yield myself another minute or two just to say this in closing.

We have before us, really, two competing economic systems that are playing out essentially. We have our system, which has a very high view of the individual, free people making free decisions within a free market. That is the great strength of the American system. We show great deference and great respect to the free market on balance.

China, however, is in some sort of transition right now, where they've not had that high view of the individual. They've not had that high view of the free market, and they're beginning this process of more or less dabbling in it. This is the call for them to stop the dabbling, as it relates to the financial services sector, and to fully embrace those things, those concepts that they propound around the world.

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Mr. Speaker, I reserve the balance of my time.

Mr. MARSHALL. Mr. Speaker, I yield 30 seconds to Chairman FRANK of Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, I misspoke. I said that this has passed our committee unanimously. I was reminded by our very able staff that the committee sentiment was so overwhelming that we unanimously decided we didn't even have to take it up in committee. So this did not pass the committee unanimously; this bypassed the committee unanimously.

Mr. MARSHALL. Mr. Speaker, I yield myself such time as I may consume.

I want to just take this opportunity to make an observation. This is absolutely the right thing to do. A deal is a deal. It is not a one-way street. We give accommodations; they agree to accommodations in exchange. They have got to live up to the accommodations that they have, in fact, agreed upon. If they don't, we need to take some action.

But I do want to not associate myself enthusiastically with one aspect of the arguments in favor of this, and that is that somehow we have got to turn the Chinese into better consumers. No question improving consumption can lead to some of the benefits that we have already discussed. But also adding another billion heavy consumers here and another billion heavy consumers there may not necessarily be in our best interest from a global perspective, and somehow we have got to find a balance here.

It is clear there is a large swath of the Chinese populace that could use some of the financial tools that we could make readily available to them and, as a result, wind up moving into the middle class. It is certainly something we should support and encourage.

But, frankly, that the Chinese save a lot is not necessarily a terribly bad thing. I think we all agree that Americans don't save enough and too many Americans get into trouble as a result of the fact that they don't save enough. Credit is not so wonderful for all, and somehow there needs to be a balance that is reached in our effort to improve the globe.

Mr. PAUL. Mr. Speaker, I rise in opposition to H. Res. 552, "Calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China."

Attempting to force the hand of the Chinese government by requiring them to open their markets to United States financial services firms is akin to playing with fire. Politicians today fail to realize just how deeply our profligate fiscal and monetary policies of the past three decades have left us in debt to China. The Chinese government holds over one trillion dollars in reserves, leaving the future of the dollar highly vulnerable to the continued Chinese demand.

While I am in favor of unencumbered free trade, free trade cannot be enforced through threats or by resorting to international protectionist organizations such as the WTO. Even if the Chinese are recalcitrant in opening up their markets, it is not the role of the United States government to lecture the Chinese government on what it should or should not do in its own economy.

H. Res. 552 is a blatant encroachment on the sovereignty of the Chinese government. Were the Chinese government to pressure us into allowing greater access to the United States market for Chinese financial services firms, or to pressure us into allowing the sale of firms in strategic sectors of the market, we would justifiably resist this pressure.

Diplomatic efforts cannot work through blustering language and vague retaliatory threats. It requires an awareness both of the many benefits of trade with China and the fact that our current trade imbalances are largely the responsibility of our trade policies. We must understand that China is not a 98-pound weakling who can be bossed around. If we treat other countries with respect and as equal partners, we might be pleased to find that our requests receive a more attentive ear.

Mr. MARSHALL. Mr. Speaker, I yield back the balance of my time.

Mr. ROSKAM. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. MARSHALL) that the House suspend the rules and agree to the resolution, H. Res. 552.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. MARSHALL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

NATIVE AMERICAN \$1 COIN ACT

Mr. BOREN. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 2358) to require the Secretary of the Treasury to mint and issue coins in commemoration of Native Americans and the important contributions made by Indian tribes and individual Native Americans to the development of the United States and the history of the United States, and for other purposes.

The Clerk read the title of the bill.

The text of the Senate amendment is as follows:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Native American \$1 Coin Act".

SEC. 2. NATIVE AMERICAN \$1 COIN PROGRAM.

Section 5112 of title 31, United States Code, is amended by adding at the end the following:

"(r) REDESIGN AND ISSUANCE OF CIRCULATING \$1 COINS HONORING NATIVE AMERICANS AND THE IMPORTANT CONTRIBUTIONS MADE BY INDIAN TRIBES AND INDIVIDUAL NATIVE AMERICANS IN UNITED STATES HISTORY.—

"(1) REDESIGN BEGINNING IN 2008.—

"(A) IN GENERAL.—Effective beginning January 1, 2008, notwithstanding subsection (d), in addition to the coins to be issued pursuant to subsection (n), and in accordance with this subsection, the Secretary shall mint and issue \$1 coins that—

"(i) have as the designs on the obverse the so-called 'Sacagawea design'; and

"(ii) have a design on the reverse selected in accordance with paragraph (2)(A), subject to paragraph (3)(A).

"(B) DELAYED DATE.—If the date of the enactment of the Native American \$1 Coin Act is after August 25, 2007, subparagraph (A) shall be applied by substituting '2009' for '2008'.

"(2) DESIGN REQUIREMENTS.—The \$1 coins issued in accordance with paragraph (1) shall meet the following design requirements:

"(A) COIN REVERSE.—The design on the reverse shall bear—

"(i) images celebrating the important contributions made by Indian tribes and individual Native Americans to the development of the United States and the history of the United States;

"(ii) the inscription '\$1'; and

"(iii) the inscription 'United States of America'.

"(B) COIN OVERSE.—The design on the obverse shall—

"(i) be chosen by the Secretary, after consultation with the Commission of Fine Arts and review by the Citizens Coinage Advisory Committee; and

"(ii) contain the so-called 'Sacagawea design' and the inscription 'Liberty'.

"(C) EDGE-INCUSED INSCRIPTIONS.—

"(i) IN GENERAL.—The inscription of the year of minting and issuance of the coin and the inscriptions 'E Pluribus Unum' and 'In God We Trust' shall be edge-incused into the coin.

"(ii) PRESERVATION OF DISTINCTIVE EDGE.—The edge-incusing of the inscriptions under clause (i) on coins issued under this subsection shall be done in a manner that preserves the distinctive edge of the coin so that the denomination of the coin is readily discernible, including by individuals who are blind or visually impaired.

"(D) REVERSE DESIGN SELECTION.—The designs selected for the reverse of the coins described under this subsection—

"(i) shall be chosen by the Secretary after consultation with the Committee on Indian Affairs of the Senate, the Congressional Native American Caucus of the House of Representa-

tives, the Commission of Fine Arts, and the National Congress of American Indians;

"(ii) shall be reviewed by the Citizens Coinage Advisory Committee;

"(iii) may depict individuals and events such as—

"(I) the creation of Cherokee written language;

"(II) the Iroquois Confederacy;

"(III) Wampanoag Chief Massasoit;

"(IV) the 'Pueblo Revolt';

"(V) Olympian Jim Thorpe;

"(VI) Ely S. Parker, a general on the staff of General Ulysses S. Grant and later head of the Bureau of Indian Affairs; and

"(VII) code talkers who served the United States Armed Forces during World War I and World War II; and

"(iv) in the case of a design depicting the contribution of an individual Native American to the development of the United States and the history of the United States, shall not depict the individual in a size such that the coin could be considered to be a '2-headed' coin.

"(3) ISSUANCE OF COINS COMMEMORATING 1 NATIVE AMERICAN EVENT DURING EACH YEAR.—

"(A) IN GENERAL.—Each design for the reverse of the \$1 coins issued during each year shall be emblematic of 1 important Native American or Native American contribution each year.

"(B) ISSUANCE PERIOD.—Each \$1 coin minted with a design on the reverse in accordance with this subsection for any year shall be issued during the 1-year period beginning on January 1 of that year and shall be available throughout the entire 1-year period.

"(C) ORDER OF ISSUANCE OF DESIGNS.—Each coin issued under this subsection commemorating Native Americans and their contributions—

"(i) shall be issued, to the maximum extent practicable, in the chronological order in which the Native Americans lived or the events occurred, until the termination of the coin program described in subsection (n); and

"(ii) thereafter shall be issued in any order determined to be appropriate by the Secretary, after consultation with the Committee on Indian Affairs of the Senate, the Congressional Native American Caucus of the House of Representatives, and the National Congress of American Indians.

"(4) ISSUANCE OF NUMISMATIC COINS.—The Secretary may mint and issue such number of \$1 coins of each design selected under this subsection in uncirculated and proof qualities as the Secretary determines to be appropriate.

"(5) QUANTITY.—The number of \$1 coins minted and issued in a year with the Sacagawea-design on the obverse shall be not less than 20 percent of the total number of \$1 coins minted and issued in such year."

SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.

Section 5112(n)(1) of title 31, United States Code, is amended—

(1) by striking the paragraph designation and heading and all that follows through "Notwithstanding subsection (d)" and inserting the following:

"(1) REDESIGN BEGINNING IN 2007.—Notwithstanding subsection (d)";

(2) by striking subparagraph (B); and

(3) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and indenting the subparagraphs appropriately.

SEC. 4. REMOVAL OF BARRIERS TO CIRCULATION OF \$1 COIN.

(a) IN GENERAL.—In order to remove barriers to circulation, the Secretary of the Treasury shall carry out an aggressive, cost-effective, continuing campaign to encourage commercial enterprises to accept and dispense \$1 coins that have as designs on the obverse the so-called "Sacagawea design".

(b) REPORT.—The Secretary of the Treasury shall submit to Congress an annual report on