

AUTHORIZING RECORD PRODUCTION

Mr. McCONNELL. Mr. President, as in legislative session, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 237, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The senior assistant legislative clerk read as follows:

A resolution (S. Res. 237) to authorize the production of records by the Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs.

There being no objection, the Senate proceeded to consider the resolution.

Mr. McCONNELL. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be considered made and laid upon the table with no intervening action or debate.

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

The resolution (S. Res. 237) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in today's RECORD under "Submitted Resolutions.")

EXECUTIVE CALENDAR—Continued

MEASURE PLACED ON THE CALENDAR—H.R. 3219

Mr. McCONNELL. Mr. President, I understand there is a bill at the desk due for a second reading.

The PRESIDING OFFICER. The clerk will read the bill by title for the second time.

The senior assistant legislative clerk read as follows:

A bill (H.R. 3219) making appropriations for the Department of Defense for the fiscal year ending September 30, 2018, and for other purposes.

Mr. McCONNELL. In order to place the bill on the calendar under the provisions of rule XIV, I object to further proceedings.

The PRESIDING OFFICER. Objection is heard.

The bill will be placed on the calendar.

Mr. McCONNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RECOGNITION OF THE MINORITY LEADER

The Democratic leader is recognized.

HEALTHCARE

Mr. SCHUMER. Mr. President, the American people are looking to Congress to turn the page on healthcare and start working on bipartisan improvements to our healthcare system. Stabilizing the individual market is

the first thing we should all focus on. The repeated attempts to repeal and replace the healthcare law, as well as the administration's threat to stop making the cost-sharing payments that help keep premiums down and keep markets stable, have injected massive uncertainty into the system.

Insurers hate nothing more than uncertainty. It drives them to jack up the costs of premiums and to pull out of markets. Already, insurers in three States have issued two separate sets of proposed rates for 2018—one if the administration makes the cost-sharing payments and one if it does not. The set of proposed rates if the payments are not made is 20 percent higher in all three States. I don't know the third, but two of them are North Carolina and Pennsylvania, which are very significant States. In Idaho, the State insurance commissioner said that rates on the most popular plans would be 50 percent higher next year because of "the potential refusal by the Federal Government to fund the cost share reduction mechanism." That comes from the State insurance commissioner. I do not know if that is an elected position, but whether it is elected or appointed, my guess is that he is a Republican. They do not elect too many Democrats out there.

The administration is supposed to announce today or sometime this week its decision on whether to make the next set of payments. The ball is in the President's court. He can make the payments as the law requires and needs or he can sabotage our healthcare system and impose a Trump premium tax of 20 percent higher premiums on the American people next year by not extending the cost-sharing program.

Why would he do this? Why would he raise people's rates? His only stated reason is petty, is childish, is un-Presidential. He will get back at people because his hope to repeal and replace was rejected. You do not hurt innocent people when you lose politically. That is not Presidential. That is not, frankly, what an adult does. The ball is in the President's court, as I said, and let's hope he does the right thing.

President Trump has already made it harder for Americans to afford insurance next year by publicly rooting for our Nation's healthcare system to collapse, injecting a baseline of uncertainty into the system. President Trump would make things a whole lot worse by not making the next set of payments—20 percent higher premiums, more bare counties, even more market instability.

The American people need a President who puts their interests first, not someone who plays political games with their healthcare. The American people can ill afford a Trump premium tax this year, and it is completely avoidable. All the President has to do is to make the payments and carry out the law as he is supposed to. Afterward, Congress should move to guarantee these payments permanently or at least for a significant period of time.

This uncertainty caused by the President's threats has been the most destabilizing factor in the individual market. That is not according to CHUCK SCHUMER or any Democrat; it is according to the insurers' largest trade group, AHIP. The President has proved that he cannot be trusted to faithfully execute the procedures that keep our healthcare system on track.

The only good news here is that there are moves by people on both sides of the aisle in this Senate to take some of this uncertainty off the table by guaranteeing these payments in the future.

My good friends, the chairman of the HELP Committee, the senior Senator from Tennessee, LAMAR ALEXANDER, and the ranking Democratic member, Senator PATTY MURRAY, have an ability to work together on many issues. I know they are meeting almost as we speak—in 5 minutes—to discuss how we can move forward. I spoke to Senator ALEXANDER in the gym, where the Presiding Officer, I want to tell his constituents, was exercising and staying fit, too, and he seemed very eager to try to work together to stabilize the system.

TAX REFORM

Mr. President, on another matter—taxes—it is clear that our economy would benefit from a bipartisan package of changes to our Tax Code that would focus laser-like on increasing wages for working families, improving middle-class job growth, and promoting domestic investment, while modernizing our outdated business and international tax system.

From what we have heard from the White House so far, its plan would not do any of that. We Democrats are open to a bipartisan discussion on those issues, but we also believe that, in an economy in which wealth is seemingly funneled to the already wealthy, it is working Americans who deserve tax relief, not those at the very top. The wealthiest Americans have seen outsized benefits from recent economic gains. Now is not the time to shower millionaires and billionaires with another tax break while working Americans continue to struggle to make ends meet.

Today, 45 Members of the Democratic caucus sent a letter to our Republican friends, writing that we are open to bipartisan discussions on tax reform but that we will not support any effort to rewrite the Tax Code to give another tax break to the top 1 percent or add even more to the deficit and the debt.

Here are our three principles outlined in the letter:

First, no new tax breaks for the top 1 percent.

Second, it must not increase the debt and must be fiscally responsible.

Third, we must use a regular order process that will ensure true bipartisan input in the product, not the reconciliation process that was used in healthcare, which excluded the Democrats from the get-go and, in part, led to the failure of the Republicans to

pass repeal or repeal and replace. Ramming tax cuts through under reconciliation—the very same partisan process that failed for healthcare—is the wrong way to do business for this country.

Again, the Democrats are open to a bipartisan discussion on tax reform, but it has to be truly bipartisan, not under reconciliation, and tax reform cannot be a cover story for delivering tax cuts to the wealthiest or result in a ballooning deficit and debt.

CHINA AND NORTH KOREA

Mr. President, finally, on the matter of China and North Korea, under President Trump, North Korea continues to ramp up its aggression; yet China has not taken any significant steps to bring to an end its threatening and destabilizing behavior.

President Trump has staked his administration's approach to North Korea on China doing more, but right now 90 percent of North Korea's foreign trade is with China, and 95 percent of its foreign direct investment comes from China.

Even as the U.N. Security Council and the U.S. Congress have again sanctioned North Korea, China's trade with this rogue nation has risen more than 30 percent over the past year, according to some reports. Even after the recent ICBM tests—clear violations of international resolutions—China and Russia have worked behind the scenes to water down and weaken additional U.N. Security Council sanctions resolutions.

President Trump has talked about his “wonderful relationship” with President Xi, but this is not the behavior we should expect from a partner that is serious about the crisis on the Korean Peninsula.

The bottom line is simple. China could put pressure on North Korea right now, but they are taking a pass, as they have for over a decade.

President Trump began the year by offering a “better trade deal” to China if they put pressure on North Korea. That clearly hasn't happened. The soft-touch approach has gotten us nowhere, as usual, with China; they only understand strength. China continues to do the bare minimum as North Korea becomes more and more bellicose.

So, today, I am urging President Trump to use his authority over the Committee on Foreign Investment in the United States, known as CFIUS, and instruct the Treasury Department to suspend the approval of mergers and acquisitions of U.S. assets by Chinese companies until China works to bridle its neighbor's aggression.

China and its surrogates must face economic pressure if they are not going to help deter North Korea. This is an important tool in our country's toolbox, and the President ought to use it.

I urge President Trump to take a tougher line and suspend the approval of all mergers and acquisitions in the United States by Chinese companies.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. GARDNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

NORTH KOREA

Mr. GARDNER. Mr. President, I rise today to speak about North Korea, the most urgent national security challenge for the United States and our allies in East Asia.

Secretary Mattis has said North Korea is “the most urgent and dangerous threat to peace and security.” Admiral Gortney, the previous commander of U.S. Northern Command, stated that the Korean Peninsula is at its most unstable point since 1953, when the armistice was signed.

Last year alone, North Korea conducted two nuclear tests and a staggering 24 ballistic missile launches. This year, Pyongyang already launched 18 missiles, including the two recent tests of intercontinental ballistic missiles that are reportedly capable of reaching the U.S. homeland.

President Trump has said that the United States will not allow this to happen, and I am encouraged by the President's resolve. Patience is not an option with the U.S. homeland in the nuclear shadow of Kim Jong Un. Our North Korea policy of decades of bipartisan failure must turn to one of immediate bipartisan success, with pressure and global cooperation resulting in the peaceful denuclearization of the regime.

As Vice President PENCE stated during his recent visit to South Korea:

Since 1992, the United States and our allies have stood together for a denuclearized Korean Peninsula. We hope to achieve this objective through peaceable means. But all options are on the table.

But time is not on our side. I believe U.S. policy toward North Korea should be straightforward. The United States should deploy every economic, diplomatic, and, if necessary, military tool at our disposal to deter Pyongyang and to protect our allies.

However, the road to peacefully stopping Pyongyang undoubtedly lies through Beijing. China is the only country that holds the diplomatic and economic leverage necessary to put the real squeeze on the North Korean regime.

According to the South Korean state trade agency, China accounts for 90 percent of North Korea's trade, including virtually all of North Korea's exports. From 2000 to 2015, trade volume between China and North Korea has climbed more than tenfold, rising from \$488 million in 2000 to \$5.4 billion in 2015. Beijing is the reason the regime acts so boldly and with relatively few consequences.

China must now move beyond a mere articulation of concern and lay out a transparent path of focused pressure to

denuclearize North Korea. A global power that borders this regime cannot simply throw up its hands and absolve itself of responsibility.

The administration is right to pursue a policy of “maximum pressure” toward North Korea, and we have a robust toolbox already available to ramp up the sanctions track—a track that has hardly been utilized to its fullest extent and a track made even more complete last week with additional sanctions on North Korea.

Last Congress, I led the North Korea Sanctions and Policy Enhancement Act, which passed the Senate by a vote of 96 to 0. This legislation was the first stand-alone legislation in Congress regarding North Korea to impose mandatory sanctions on the regime's proliferation activities, human rights violations, and malicious cyber behavior.

A recent analysis from the Foundation for the Defense of Democracies says:

North Korea sanctions have more than doubled since the North Korea Sanctions and Policy Enhancement Act came into effect on February 18, 2016. Prior to that date, North Korea ranked eighth, behind Ukraine/Russia, Iran, Iraq, the Balkans, Syria, Sudan, and Zimbabwe.

Even with the 130-percent sanctions increase after the North Korea Sanctions and Policy Enhancement Act, North Korea is today still only the fifth most sanctioned country by the United States. North Korea is far from being sanctioned out.

So while Congress has clearly moved from the Obama administration inaction to some action, the Trump administration has the opportunity to use these authorities to build maximum leverage with not only Pyongyang but also with Beijing. I am encouraged by the actions the administration took last month to finally designate a Chinese financial institution, but this should be just the beginning. The administration, with congressional support, should now make clear to any entity doing business with North Korea that they will not be able to do business with the United States or have access to the U.S. financial system.

A report released last month by an independent organization known as C4ADS identified over 5,000 Chinese companies that are doing business with North Korea. These Chinese companies are responsible for \$7 billion in trade with North Korea. Moreover, the C4ADS report found that only 10 of the 5,000-plus companies control 30 percent of Chinese exports to North Korea. So of 30 percent of Chinese exports, 10 companies are responsible for that number in 2016 alone. One of those ten companies alone controlled nearly 10 percent of all imports from North Korea. Some of these companies were even found to have satellite offices in the United States.

According to recent disclosures, from 2009 to 2017, North Korea used Chinese banks to process at least \$2.2 billion in transactions through the U.S. financial