

THE AMERICAN JOBS AND MANUFACTURING PRESERVATION ACT

• Mr. LEAHY. Mr. President, I rise as an original cosponsor and strong supporter of Senator DORGAN's bill, the "American Jobs and Manufacturing Preservation Act."

Mr. President, many people in Washington talk about cutting corporate welfare. But my colleague from North Dakota has actually written legislation that will cut corporate welfare by \$1.5 billion over the next 5 years. I applaud his commitment to ending corporate welfare as we know it.

Over the years, big business and other special interests have lobbied hard for tax subsidies for specific industries. And, unfortunately, they have been successful on occasion. These wasteful special interest tax subsidies do not increase economic growth. To the contrary, wasteful special interest tax subsidies only add to our deficit, which puts a drag on our whole economy.

Like an old-fashioned pork sausage, it is amazing what is actually in our Internal Revenue Code. This bill repeals one of the most infamous examples of "corporate pork" in our tax laws today—the tax deferral on income of controlled foreign corporations.

Our tax laws allow U.S. firms to delay tax on income earned by their foreign subsidiaries until the profit is transferred to the United States. Many U.S. multinational corporations naturally drag their feet when transferring profits back to their corporate headquarters to take advantage of this special tax break. But the millions of small business owners—who make up over 95 percent of businesses in my home State of Vermont—do not have the luxury of paying their taxes later by parking profits in a foreign subsidiary.

The American Jobs and Manufacturing Preservation Act closes this tax loophole by taking aim at past abuses. It would end the tax deferral where U.S. multinationals produce abroad and then ship those same products back to the United States. As a result, the bill terminates the current tax incentive for corporations to ship jobs overseas.

The Progressive Policy Institute, a middle-of-the-road think tank, along with the liberal Center On Budget And Policy Priorities and the conservative Cato Institute, have all recommended that Congress repeal the tax deferral on income of controlled foreign corporations. Budget experts on the right, center, and left all agree that this tax deferral is a pork-barrel tax loophole just as wasteful as pork-barrel programs.

Mr. President, I urge my colleagues to support the American Jobs and Manufacturing Preservation Act. •

CONGRATULATING DR. SAM WILLIAMS FOR WINNING THE 1995 MEDAL OF TECHNOLOGY

• Mr. ABRAHAM. Mr. President, I rise today to congratulate Dr. Sam Williams, Chairman and Chief Executive Officer of Williams International, on his winning the 1995 Medal of Technology. This medal is given by the U.S. Department of Commerce in recognition of Dr. Williams' unequalled achievements as a gifted inventor, tenacious entrepreneur, risk-taker and engineering genius in making the United States of America No. 1 in small gas turbine engine technology and competitiveness, and for his leadership and vision in revitalizing the U.S. general aviation business, jet and trainer jet aircraft industry.

I can think of no one who deserves this recognition more than Dr. Williams. He pioneered the design and development of small gas turbine engines at a time when most companies were preoccupied with developing larger engines. He blazed a new trail by developing engines for small, lower cost aircraft, missiles, and unmanned vehicles such as the Tacit Rainbow and TSSAM.

And Dr. Williams did not stop there. He led the design and development of the FJ44 turbofan engine; an engine that makes possible a new class of lightweight business jet aircraft and new low-cost military and civil trainers.

Dr. Williams has contributed greatly to America's technological advancements, to our defense and to our provision of good jobs to our citizens. He has brought numerous high paying, long lasting jobs to the Detroit metropolitan area and his continued success promises continued advancement for America's technology and her workers. •

UNITED STATES POLICY ON HUMAN RIGHTS IN CHINA

Mr. FEINGOLD. Mr. President, this week President Clinton will be meeting in New York with Chinese President Jiang Zemin. We can recall that about this time last year, in Indonesia, President Clinton also met with Jiang Zemin; going into that meeting the President declared: "the United States, perhaps more than any other country in the world, consistently and regularly raises human rights issues." I expect that in the reports coming out of this latest meeting we will hear that President Clinton once again took issue with the Chinese leadership for the egregious abuse of human rights in China.

I only wish, Mr. President, that a result of these exchanges would be an improvement in China's human rights record. Unfortunately, there has been little change in Chinese behavior in this regard.

We can begin by reading the administration's own State Department Human Rights Report, which acknowl-

edges that in 1994 "widespread and well-documented" human rights abuses continued unabated and that in many respects the situation "has deteriorated." We can recall the highly publicized case of American human rights activist Harry Wu, imprisoned by the Chinese Government only months after the November 1994 Clinton-Jiang Zemin meeting. Wu, subsequently expelled by the Chinese Government, has worked for years to document and expose horrific practices such as the harvest of body parts from executed prisoners for use in transplants.

If Wu—a citizen of the world's only remaining superpower and a country whose riches, technological expertise and markets are needed by the Chinese Government—could be treated with such impunity, how can it be for the Chinese human rights proponent who is laboring in relative anonymity? In the past year Human Rights Watch/Asia reports that several activists have disappeared, others sent into internal exile, and still others detained while their houses were ransacked for the simple crime of speaking out in favor of political openness. Furthermore, two prominent dissidents who were released just prior to the 1994 decision on MFN, Wei Jiesheng and Chen Zemin, are back in custody; at least, we assume Wei Jiesheng is in custody—he has been missing since April of this year.

Mr. President, I believe that the lack of progress on human rights is attributed to the fact that U.S. actions have been inconsistent with the spoken principle. Rather than seek to impose a cost on China for its abuse, rewards are bestowed on the leadership. I refer, of course, of the renewal in June of most-favored-nation [MFN] status for China. The President's announcement continued what I believe to be an ill-considered abandonment of a policy linking MFN status—or other economic benefit—for China to an improvement of its human rights situation. The administration argued that U.S. business investment and overall improved economic ties would lead the Chinese in the right direction on human rights. In fact, the Chinese leadership appears to have taken the exact opposite lesson: that the United States puts corporate interests, market access, and profits before fundamental rights.

Mr. President, we have in MFN a weapon that the Chinese fear. Whenever it appears that its status is in question, they cancel high-level official contacts. They threaten to limit the access of American corporations lusting after a potentially huge market. Why are the Chinese so visceral in their reaction? The \$20 billion trade surplus China has with us, a surplus it uses to continue financing its economic development, might have something to do with it.

It is clear that the Chinese care deeply about this trade relationship and the benefits it brings to their economy. We have leverage, and we should use it to oppose egregious human rights abuses,