

owners and this is what they have said. The new owners want the company to take a neutral position with regard to union organizing campaigns. We want you to know that California law gives you the right to decide if you want to join or support any union organization effort, and we generally respect that right.

We need more of that attitude out there in the corporate world.

UPDATING THE JONES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Am I allowed to whistle, Mr. Speaker, in the Chamber to get everybody's attention?

The SPEAKER pro tempore (Mr. COOKSEY). No. The Chair will get order with the gavel.

Mr. SMITH of Michigan. Mr. Speaker, today we are introducing a bill that changes the law that was passed in 1920 that is now disrupting commerce, that is now putting Americans out of jobs and out of business, that is making American consumers pay much more for their products than they otherwise might pay. That law in 1920 was passed in order to get the United States of America going in terms of building our sea fleet, our ships, in terms of getting a crew of sailors that were trained that could help this country in time of war, in time of commerce. That bill is known as the Jones Act.

That Jones Act bill does several things. It said that one has to have a U.S.-owned ship, that it has to be built in the United States, all the component parts and everything else built in the United States, that it has to be American sailors that pay taxes in this country.

I say some of that is good, but let me tell my colleagues what has happened to this bill as we have lost 60 percent of our fleet that goes from U.S. port to U.S. port in this country. We are forcing sailors out of jobs; we are forcing businesses out of business. I will give my colleagues a couple of examples.

Right now in Michigan, wheat can be purchased from Canada, the same priced wheat, and shipped to other ports through the seaways at a cheaper price than they can buy it much closer in United States ports. I would like to get the gentleman from Maryland [Mr. GILCHREST] to give me the case, because I cannot remember what that was.

Mr. GILCHREST. Mr. Speaker, I thank the gentleman for yielding. I am not going to take a position on the Jones Act, but what I would like to describe to the gentleman from Michigan is that there was a ship in Baltimore that was loading cargo, helicopters. One of the helicopter blades that was just loaded onto the ship fell and was damaged. The only place to replace those helicopter blades was in Jacksonville, FL.

Now, the ship was a Norwegian-owned ship. The ship traveling from Baltimore to Florida could take on the new blade, but it could not exchange it for the old blade without a fairly significant fine, because of the Jones Act. We were able to work through this and mitigate that down, which is still in the process of being mitigated.

I think in instances where one can exchange parts under those circumstances, that probably ought to be accomplished.

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman. The problem is, what we do in this bill is we keep everything else the same. We say it has to be an American crew, it has to come under all American laws, pay all U.S. taxes. It has to be American owned. But in the cases where an international company can build that ship much cheaper than they can build in this United States, allow that bid to happen. Let us buy American, but where it is unreasonably high and right now the United States in our shipbuilding ports are not interested in building those ships for the Jones trade. They turned down Walt Disney. You might have seen that. They turn down cruise ships. What this bill does is it says that at least some of those component parts, that ship can now be built in another country.

If we want to expand our seaways and our ships, then I think we have to face up to the fact that we are losing jobs in this country.

I yield to the gentleman from Colorado [Mr. SCHAFFER], who has worked a long time on this issue.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I thank the gentleman from Michigan for bringing this issue forward and for his leadership in the effort.

In the conference that we had yesterday to announce the bill, of course we were joined by many people from the agriculture industry, as well as the steel industry, and many individuals, many industries represented that shipping and goods and services throughout the country, and the Jones agent, back in the 1920's is the age on this thing, was described as an act which increases the cost of goods and services to consumers.

Now, I come from a State where we produce a lot of wheat, an awful lot of corn, a lot of cattle, and a lot of pork, and so on, and shipping is an incredibly important mode of transportation for these goods that need to get to market. The wheat farmers, as one example, in Colorado tell me that the cost of a bushel of wheat is increased by upward of \$1 per bushel because of the regulatory impact of the Jones Act.

I commend the gentleman from Michigan for bringing this issue forward. By deregulating this particular industry, we stand a chance of turning these numbers around, actually increasing the number of ships produced in the United States, the number of people employed in the industry by ap-

pealing to the benefits of the free market, and in the long run, reduce the cost for consumers throughout the country and strengthen our global and competitive position.

Mr. SMITH of Michigan. I thank the gentleman very much.

Mr. Speaker, if I can prove to my colleagues that we are going to end up with more American jobs, that our national security is going to be enhanced by the increased number of ships, will my colleagues support this bill? It is dramatic. Look at it, study it. I would suggest to my colleagues that we do not have this kind of requirement for our trucks, our trains, our airplanes or anything else.

If we had done this to the American automobile industry and shut off any imports coming into this country, we would not have the quality of cars. Today, we have the highest quality, the best price, the best deal car in the world because there is competition.

I would suggest to my colleagues, Mr. Speaker, that we have to face up to the fact that we have an antiquated law that needs to have competition brought into this industry. We are dropping the bill tonight.

ORDER OF BUSINESS

Mr. PASCRELL. Mr. Speaker, I ask unanimous consent to claim the time of the gentlewoman from California [Ms. WOOLSEY].

The SPEAKER pro tempore [Mr. COOKSEY]. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CHINA MOST-FAVORED NATION STATUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PASCRELL] is recognized for 5 minutes.

Mr. PASCRELL. Mr. Speaker, over the course of the next few days, the Members of this august body will be forced to weigh a great deal of information, withstand a tremendous lobbying effort from both sides of the issue, and eventually cast one of the most critical votes that we will take in this Congress.

I am referring to the vote on extending most-favored-trade status to China. The outcome of this vote, Mr. Speaker, will say as much about where our priorities lie as any other dozen votes we will cast in the Congress, the 105th Congress.

I am certain that there will be those who will take to this well over the next few days and claim that this vote is not really about anything exceptional. They will no doubt argue that we are already simply extending the same trade status to China that we do to 160 other nations. Such an evaluation of this debate is nothing short of sophomoric and fails to do little more than scratch the surface of the issue.