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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, we commit this day to You. By Your grace, You have brought us to the beginning of another day. There is so much to do today: votes to cast, speeches to give, and loose ends to be tied. In the rush of things, it is so easy to live with flat "horizontalism," dependent only on our own strength and focused on what others can do for us or with us. Today, we lift up our eyes to behold Your glory, our hearts to be filled with Your love, joy, and peace, and our bodies to be replenished.

Fill the wells of our souls with Your strength and our intellects with fresh inspiration. We know that trying to work for You will wear us out, but allowing You to work through us will keep us fit and vital.

Now, here are our minds, enlighten them; here are our souls, empower them; here are our wills, quicken them; here are our bodies, infuse them with energy. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable WAYNE ALLARD, a Senator from the State of Colorado, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Colorado is recognized.

SCHEDULE

Mr. ALLARD. Mr. President, today the Senate will resume postcloture debate on the motion to proceed to the China PNTR legislation. It is hoped an agreement can be reached to begin debate on the substance of the bill during today's session of the Senate. The Senate will also continue debate on the energy and water appropriations bill during this evening's session. The Schumer amendment regarding an energy commission is the pending amendment.

By previous consent, during today's consideration of the energy and water appropriations bill, Senator DASCHLE, or his designee, will be recognized to offer a motion to strike the language relating to the Missouri River. There will be up to 3 hours of debate on the amendment prior to a vote in relation to the motion; therefore, votes could occur into the evening.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. ALLARD). Under the previous order, leadership time is reserved.

TO AUTHORIZE EXTENSION OF NONDISCRIMINATORY TREATMENT TO THE PEOPLE'S REPUBLIC OF CHINA—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate now resumes postcloture debate on H.R. 4444, which the clerk will report.

The assistant legislative clerk read as follows:

A motion to proceed to the bill (H.R. 4444) to authorize extension of nondiscriminatory treatment (normal trade relations treatment) to the People's Republic of China, and to establish a framework for relations with the United States and the People's Republic of China.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I yield to my friend from Minnesota for purposes of making a unanimous consent request.

Mr. WELLSTONE. Mr. President, I ask unanimous consent I be allowed to follow the Senator from Montana in this debate.

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

The Senator from Montana.

Mr. BAUCUS. Mr. President, as we begin the debate about whether to grant China Permanent Normal Trade Relations status, PNTR, we need to remind ourselves what the Senate vote is all about and what it is not about.

We are voting on whether American companies, American farmers, American workers, and American consumers will be able to take advantage of the new market opportunities afforded by changes that China will make over the next 5 years once it becomes a member of the World Trade Organization, the WTO. If we grant PNTR, China will have to give Americans all the benefits that we, and other WTO members, successfully negotiated after an arduous 13 years. If we fail to grant China PNTR status, then our Japanese and European competitors will be able to do business in China in ways that will be unavailable to us and at the expense of our exporters, our farmers, our manufacturers, our financial service companies, our Internet companies.

During the Senate debate this month, we will hear a lot about other issues, with Senators offering a plethora of amendments. The list will probably include human rights, worker rights, religious freedom, prison labor, Taiwan security, arms proliferation, and export of American jobs, among others.

Most, if not all, of these subjects are important. They should be of concern to the United States Senate, and to all Americans. A number of issues that go beyond the strict granting of PNTR to China, such as human rights, monitoring and enforcement of Chinese

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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commitments at the WTO, promotion of the rule of law, and Taiwan's accession to the WTO, are included in the bill we are considering. Other issues, such as proliferation and Taiwan security, are best dealt with apart from this legislation.

I share many of the concerns that some of my Senate colleagues will express over the coming days. But we are not voting on whether China is our friend. We are not voting about whether China should be an ally of the United States. And we are not voting about whether China should be a democracy or not.

To repeat, we are voting about whether American workers, farmers, and businesses will benefit from a decade-long negotiation, or whether we will allow our competitors in Japan and Europe to benefit while Americans do not.

That said, there are also broader implications involved in the Senate vote on PNTR. Let me mention a few.

First, a rejection of PNTR will be seen by China as an American policy decision to isolate them, to impair their growth and development, and to prevent China from emerging as a great regional power. That is how they will see it. Our intention should be to incorporate China into the global trading system, to get them to follow the same rules that we all use in international trade, and to make them accountable to an international institution for their trade policies and trade actions. The more China is integrated into the global system, the more responsibly they will act. It is that simple.

Second, a rejection of PNTR will likely lead to an indefinite delay in Taiwan's accession to the WTO. On the other hand, passage of PNTR will result in Taiwan's accession. What will happen after both China and Taiwan accede to—that is, are members of—the WTO?

They will participate together, along with all other WTO members, in meetings ranging from detailed technical sessions to Ministerials. There will be countless opportunities for interaction. Under the WTO's most-favored-nation rule, they will have to provide each other the same benefits that they grant to other members.

Taiwan's current policy limiting direct transportation, communication, and investment with the mainland will likely be found to violate WTO rules. Both will be able to use the WTO dispute settlement mechanism against the other. And WTO-induced liberalization, in both Taiwan and the PRC, will increase and deepen ties between them in trade, investment, technology, transportation, information, communications, and travel. It will promote stability across the Taiwan Strait.

Third, consider Chinese behavior once it joins the WTO. We should not expect to see changes overnight; nobody does. Those people in business and government fighting to maintain their

vested interests in the status quo will not disappear. The reformers will be strengthened, but they will still be under constant attack as the battle between the forces of reform and the forces of reaction continues. But it is certainly a vital interest of the United States to do everything we can to support those who favor reform over totalitarianism, to support those who favor private enterprise over state-owned enterprises, to support those who favor incorporating China into the global trading community over autarky.

We need to engage China to promote responsible behavior internally and externally, to encourage them to play by international rules, to integrate the Chinese economy into the market-driven, middle-class-participatory economies of the West. China's entry into the WTO will help anchor and sustain these economic reform efforts and empower economic reformers. China will not become a market-driven economy overnight, but it is in our interest that they move in this direction, and WTO will help.

I look forward to a vigorous debate in the best tradition of the Senate. I urge all my colleagues to support this PNTR legislation without amendments.

I yield the floor.

The PRESIDING OFFICER (Mr. L. CHAFEE). The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I thank my colleague from Montana for his remarks. We are not in agreement on this question, but I have a tremendous amount of respect for his work in the Senate.

Let me, first of all, state at the beginning of this debate that it is commonly assumed the Senate is going to pass PNTR. For most, this is a foregone conclusion, but I think this is an extremely important debate and, as a matter of fact, one of the reasons I am very proud to be a Senator from Minnesota is that, unlike the House of Representatives where it was really difficult to have an extensive debate, we will have that debate in the Senate. I will have a number of amendments I will bring to the floor. They will be substantive. I think my colleagues will believe they are thoughtful, and we will have up-or-down votes.

I also echo the remarks of my colleague from Montana when he says we should be very clear about what this debate is about and what it is not about. This debate is not about whether or not we have trade with China. We do have trade with China. We will have trade with China. It is not about whether or not we communicate with China. We most definitely will. It is not about whether we isolate China. We are not going to do that. It is not about whether we should have an embargo of China, as we do with Cuba. That is not even on the radar screen.

Nobody is talking about any of that. The question before us is whether or not we in the Congress give up our right to have annual review of normal trade relations with China—we used to

call it most-favored-nation status—whether or not we give up what has been our only leverage to promote non-commercial values—I emphasize that, I say to my colleagues—noncommercial values in our trading relationships, such as human rights, labor rights, and environmental protection. Do we put human rights, labor rights, environmental protection, religious rights, the right not to be persecuted for practicing one's religious beliefs or exercising one's religious beliefs in parentheses, of no interest or concern to us, or do we maintain some leverage as a country to speak out on this?

The larger question is not whether China is integrated into the world economy. China is a part of the world economy. The questions are: Under what terms will China be integrated? what will the rules be? who will decide those rules? who will benefit from these decisions? and who will be harmed by them?

The trade agreement negotiated by the United States and China last November and the PNTR legislation currently before the Senate provide very discouraging answers to these questions as to who will decide, who will benefit, and exactly who is going to be asked to sacrifice.

Our bilateral agreement contains page after page of protections for U.S. investors. It is a virtual wish list for multinational corporations operating in China and for those who wish to relocate their production there, but it contains not a word about human rights, nothing about religious freedom, nothing on labor rights, and nothing on the environment.

It has been said that the United States could not demand such things because we have conceded nothing in our deal with China. That is far from the truth. With PNTR, the United States gives up our annual review of China most-favored-nation trading privileges, as well as our bilateral trade remedies.

MFN review has not been used as effectively as it should be, I grant that, but it is about the only leverage we have left to speak up for human rights, and when we as a nation do not speak up for human rights in other countries, we diminish ourselves. Just ask Wei Jingsheng, who I hope will receive the Nobel Prize for his courageous speaking out for democracy in China. Ask him the difference it made when every year normal trade relations with China came up for review here while he was in prison. The treatment was better. The Government was worried about what we would do. Now we give up that leverage.

It is also true that our bilateral trade remedies have not been used as effectively as they should, but section 301 remains our only explicit remedy against China's violation of core labor standards.

The United States right now absorbs 40 percent of China's exports. The argument that we could not have done better by way of some concessions on

these basic issues falls on its face. In exchange for the concessions we have made to China, could we not have at least exacted some concessions with regard to human rights? We did not. Yet this year's annual report by the State Department says China's human rights performance continued to worsen in 1999.

Today in the New York Times there is another State Department report which we called for, we required, on the whole question of religious freedom or lack of religious freedom. I quote from just the first two paragraphs of today's New York Times:

As more and more Chinese seek to practice faiths including Tibetan Buddhism, Christianity and Islam, government officials have increasingly responded with harassment, extortion, detention, and even torture, the State Department said today.

As a result, a "marked deterioration" in religious freedom has occurred in China during the last year, enabled by a new law granting state and local officials broad authority to suppress 14 minority religions, including the Falun Gong movement, the State Department said in its second annual report on religious freedom around the world.

We have had more relations, more trade, and this vote is coming up this year, and when it comes to the question of whether people can exercise the right to practice their own religion, there is more persecution.

I will have an amendment that will deal with the whole question of religious freedom. It will mirror the conclusions of a commission we set up to look at religious freedom throughout the world, to look at religious freedom in China, a commission which recommended to the Congress that we not grant automatic trade relations with China unless the Chinese Government meets essential minimum decency requirements when it comes to not persecuting people because of their religious practice.

According to the State Department's report:

The government's poor human rights record deteriorated markedly throughout the year as the government intensified efforts to suppress dissent, particularly organized dissent. Abuses included instances of extrajudicial killings, torture, mistreatment of prisoners, and denial of due process.

We are talking about hundreds, maybe thousands, of people in China sentenced to long prison terms where they have been beaten, tortured, and denied medical care.

According to Amnesty International, throughout China, mass summary executions continue to be carried out. At least 6,000 death sentences and 3,500 executions were officially recorded last year. The real figures are believed to be much higher. Nor did we obtain any concessions on religious freedom in our negotiations with China. Scores of Roman Catholics and Protestants—I speak as a Jew—have been arrested. A crackdown on Tibet was carried out during the "strike hard" campaign. Authorities ordered the closure of monasteries in Tibet and banned the Dalai

Lama's image. At one monastery which was closed, over 90 monks and novices were detained or "disappeared." That is why the U.S. Commission on International Religious Freedom recommended delaying PNTR until China makes "substantial improvement in allowing people the freedom to worship." I say to my colleagues, do you just want to turn your gaze away from this question?

We obtained no concessions from China on complying with their existing commitments on forced prison labor which they have not lived up to. Harry Wu, a man of extraordinary courage and character, has documented China's extensive forced labor system. His research has identified more than 1,100 labor camps across China, many of which produce products for export to dozens of countries around the world, including the United States.

We demanded no concessions from the Chinese on their persecution of labor organizers. If you try to form an independent union, if you should want to make more than 3 cents an hour, or 14 cents an hour, if you should not want to work 16 and 18 hours a day, if you should want to be treated with some dignity, and you try to organize a union, then you are faced with 3 to 8 years in a hard labor camp. We pay no attention to this question at all, I say to Senators, Democrats and Republicans alike.

Absent any minimum standards for human rights, for labor, or for the environment, the most likely scenario is for China to become an export platform, attracting foreign manufacturers, with lax regulations, and wages as low as 3 cents an hour.

Unfortunately, many of the concessions that we chose to demand from China will only make it easier for the United States, for multinational corporations to relocate there, paying people 10 cents an hour, 3 cents an hour, 13 cents an hour—I am going to give examples in my opening statement in just a few minutes—in competition with American workers and ordinary people in our country, who, by the way, if they oppose our trade agreements, are accused of being backward, are accused of not being sophisticated, are accused of not understanding this new global economy in which we live.

Please forgive ordinary citizens and wage earners for their skepticism that without some basic standards, what you are going to see is China becoming a magnet for more and more companies to go there and pay people deplorable wages, with deplorable working conditions, while we lose our jobs.

I believe the time has come for a different approach in negotiating our trade agreements and for reforming the rules of the global economy. I want to make it very clear at the beginning of my opening statement, I say to my colleagues, I am an internationalist. I am a fierce internationalist. I am the son of a Jewish immigrant who fled persecution from the Ukraine, who was born

in the Ukraine, and then lived in Russia, who spoke 10 languages fluently. I am not an isolationist.

But I will say today on the floor of the Senate that we should be looking forward, and we should be looking to how we participate in this new global economy, and how we can have some rules, some edifice, some kind of framework so this new global economy works for working people and the environment and human rights. Too many of my colleagues want to put all of these concerns in parenthesis.

I think we need to be clear about what is at stake. My colleague from Montana, Senator BAUCUS, said that as well. That is why so many people in this country are concerned about passage of this legislation.

The PNTR is being sold as an agreement to increase U.S. exports. I have heard this said a million times: If we pass PNTR, we will dramatically increase U.S. exports to China, and it will be a win-win—a win-win for agriculture, a win-win for business, a win-win for labor.

This legislation and trade deal with China is much more about investment than it is about exports. It is much more about making it easier for U.S. firms to relocate jobs in China than it is about exports.

First of all, the argument that this debate is all about exports and reducing our trade deficit falls on its face. I say to my colleagues, last August the U.S. International Trade Commission, the ITC, completed a study on the effects of the China deal on our trade balance. The ITC found that the China deal will increase our trade deficit with China, not lower it.

Second of all, it is not at all true that we need PNTR to be able to have trade with China. China is already obligated, under the 1979 bilateral trade agreement, according to our own General Accounting Office, the GAO, to give us all of the benefits by way of tariff reductions that it gives any of the other WTO countries. Even the administration concedes this point.

Third of all, PNTR will lead to more imports from China by encouraging multinationals to invest in China manufacturing to export to the U.S. market. That is what this is all about. Big companies could go to China—I will give many examples—they would not have to worry any longer about annual reviews, about normal trade relations. They could go there.

People can't organize a union. They are thrown in prison. There is no respect for human rights. There is no respect for people to practice their religion. As a result, they could go there and pay people deplorable wages, under deplorable conditions, and then export back to our country.

Let me just be real clear about it. Before the House vote on PNTR—and I hope colleagues will listen—few noticed that the ITC had predicted that the trade deal with China would significantly increase investment of multinational corporations in China. But

after the House vote, the New York Times, the Washington Post, and the Wall Street Journal all carried articles laying out what this legislation is really about.

Now, as it is in the Senate, and we have the benefit of a little bit more wisdom and knowledge, let me just quote, first of all, an article entitled, "Playing the China Card," from the New York Times:

Although the Clinton Administration often listed exports as the headline benefit of broadening trade with China, the real advantage for U.S. companies is probably enhanced rights of investment and ownership there. . . . Most companies try to crack the difficult China market by setting up local operations, often using those plants as export production bases as well.

Here is what the Wall Street Journal had to say the day after PNTR passed the House in an article entitled, "House Vote Primes U.S. Firms to Boost Investments in China":

While the debate in Washington focused mainly on the probable lift for U.S. exports to China, many U.S. multinationals have something different in mind. "This deal is about investment, not exports," says Joseph Quinlan, an economist with Morgan Stanley Dean Witter & Co. . . .

In the tense weeks leading up to last night's vote, business lobbyists emphasized the beneficial effect the agreement would have on U.S. exports to China. They played down its likely impact on investment, leery of sounding supportive of labor union arguments that the deal would prompt companies to move U.S. production to China. But many businessmen concede that investment in China is the prize. . . .

Then finally, after the House vote, the U.S. Business and Industrial Council surveyed the web sites of dozens of U.S. multinationals who have been lobbying for PNTR, and they reached similar conclusions:

In contrast to the focus in their congressional lobbying and their advertisements, American multinationals say almost nothing about exports when they describe their China business on their web sites. There, the overwhelming emphasis is on supplying the China market—and often other markets, like the U.S. market—from factories they build or acquire or work with in China. . . .

Mr. President, this should come as no surprise to colleagues. According to the Economic Policy Institute, U.S. investment in Chinese manufacturing—I am talking about before this vote—shot up from \$123 million in 1988 to \$4 billion in 1998.

The number of U.S. affiliates manufacturing in China rose from 64 in 1989 to 350 in 1997, and the value of their sales rose from \$121 million in 1989 to \$8 billion in 1997. That is before we pass normal trade relations with China. U.S. agribusiness conglomerates that have been promoting U.S. exports to China as much as anyone are also investing in production facilities there in China. As the Wall Street Journal noted the day after the House vote:

Even agriculture companies are getting in on the act. Poultry giant Purdue Farms, Inc. is ratcheting up its investment in China with a joint venture for a processing plant and hatchery near Shanghai.

Purdue isn't the only one. Cargill operates a fertilizer blending plant and a malt plant and two feed mills in different areas of China and boasted in a press release last year that it is a "major exporter of Chinese corn and steel."

I urge farmers in Minnesota to listen to that. Cargill says: We set up operations in China; we are a major exporter of corn. Steel workers in the Iron Range, listen to that. They don't have to worry about environmental rules and regulations. They don't have to worry about fair labor standards. They don't have to worry about human rights standards that the Chinese Government will impose. They can produce corn well below the cost of production of corn growers in Minnesota, and they themselves brag about the fact that they are a major exporter of Chinese corn.

Cargill, Archer-Daniels-Midland, and ConAgra, which have operated in China for years, lobbied hard for a provision in the China trade deal that will let them set up distribution networks that can be used for exports as well as imports. And John Deere has a joint venture with one of China's state-owned companies that sells tractors.

If we look at our trade deficit with China, it tells the story. Our trade deficit with China rose 256 percent from 1992 to 1999. Imports from China more than tripled in real terms, while exports grew only 69 percent. Our trade deficit with China jumped \$11 billion last year to \$68 billion. In 1999, we had a 6-to-1 ratio of imports to exports.

We do trade with China. There is a huge trade imbalance. And as U.S. investment in China goes up, that is what is going to happen. As our trade deficit gets worse, China is developing into an export platform for foreign firms that seek the world's cheapest labor and access to the world's largest consumer market—not China but ours. People in China are, by and large, very poor. The market is not China. The market is in this country. The U.S. today absorbs about 40 percent of China's exports, and about 40 percent of China's exports, more than \$200 billion in 1998, came from multinational firms operating in China.

If this debate is really about investment and not exports, then the question is, Why are so many U.S. corporations so eager to invest in China? The answer that many of these corporations will give is that they want access to China's huge internal market. But as we have seen, most of the production they are investing in is for export to the United States and other foreign markets. There is a good reason for that. This was the same argument made about NAFTA—we want to have this market in Mexico. But the problem is, the wages are so low in these countries, the poverty is so great, we don't have the market.

So why are U.S. corporations so interested in relocating production in China? Why are they so interested that

we no longer reserve for ourselves the right to annually review normal trade relations with China? The most important reason is they are interested in low cost, and that is a euphemism. What I really mean to say is, they are interested in low wages and the repression of worker rights. That is what is so attractive about investment in China.

The year 1994 is the last data we have. I am trying to bring to the floor of the Senate in this debate as much empirical data as I can. Chinese production workers who worked in the factories of the U.S. multinationals earned on average of 83 cents an hour. That is the last year for which the data is available. By way of comparison, the average manufacturing worker today in our country makes \$16.87.

The State Department human rights report last year confirms the appalling state of labor rights in China. I will quote a few sections.

Independent trade unions are illegal. . . . The government has not approved the establishment of any independent unions to date.

The government continues its effort to stamp out union activity, including through detention or arrest of labor activists.

The State Department then goes on to list a number of labor activists who have been imprisoned because they did nothing more than demand the right to be able to form a union so they could bargain collectively and get better wages. They are in prison, and we pay no attention to that.

I cite a recent report by the National Labor Committee which should dispel any doubts whether there are irresponsible U.S. corporations taking advantage of these appalling labor conditions. By the way, there are responsible U.S. corporations as well. However, the shame of it is, without any kind of standards, it is what the irresponsible U.S. corporations get away with.

The conclusion of the NLC:

Recent in-depth investigations of 16 factories in China producing car-stereos, brakes, shoes, sneakers, clothing, TVs, hats, and bags for some of the largest U.S. companies clearly demonstrate that [these corporations] and their contractors in China continue to systematically violate the most fundamental human and worker rights while paying below subsistence wages. The U.S. companies and their contractors operate with impunity in China, often in collaboration with repressive and corrupt local government authorities.

NLC investigators found brand name—Kathie Lee/Wal-Mart—handbags being made in a factory "where 1,000 workers were held under conditions of indentured servitude, forced to work 12 to 14 hours a day, seven days a week, with only one day off a month, while earning an average of 3 cents an hour."

I hope my colleagues are not going to vote against an amendment that I am going to bring to the floor that is going to deal with basic human rights and another amendment I will bring to the floor dealing with the problem of religious persecution.

Continuing from the NLC report:

However, after months of work, 46 percent of the workers surveyed earned nothing at all—

They didn't even make 3 cents an hour.

in fact, they owed money to the company. The workers were allowed out of the factory for just an hour and a half a day. The workers were fed two dismal meals a day and housed 16 people to one small, crammed dorm room. Many of the workers did not even have enough money to pay for bus fare to leave the factory to look for other work. When the workers protested being forced to work from 7:30 a.m. to 11:00 p.m. seven days a week, for literally pennies an hour, 800 workers were fired.

Do Members not think in this trade agreement we might not want to have some conditions calling on the Chinese Government to live up to basic standards of decency?

One factory producing brand name sneakers for the U.S. market hires only females between the ages of 18 and 25—another U.S. company in China.

The base wage at the factory is 18 cents an hour, and workers need permission to leave the factory grounds. Factory and dorms—where 20 women share one small dorm room, sleeping on triple-level bunk beds—are locked down at 9:00 p.m. every night. When workers in the polishing section could no longer stand the grueling overtime hours and low pay and went on strike, they were all fired. Factory management then lectured the remaining workers that they would not tolerate unions, strikes, bad behavior, or the raising of grievances.

I will have an amendment that will say we should condition automatic normal trade relations with China on their living up to the basic standard that people should be able to form an independent union if that is what they believe they should do without being imprisoned.

At a plant making brand name—Nike—clothing for American consumers, young workers worked from 7:30 a.m. to 10:30 p.m., 7 days a week. They made 22 cents an hour. Wal-Mart, by the way, is in China. I think they are paying 14 cents an hour. And another factory manufacturing for export to the U.S. market does not hire anyone older than 25; workers are paid 20 cents an hour and work 11- to 12-hour shifts.

I have no doubt that some of our companies—I hope many—want to be responsible employers. But when we don't have any standards and we sign onto trade agreements without any standards whatsoever, we create economic incentives that push in the wrong direction, where the companies wanting to do well by workers are at a competitive disadvantage and it becomes a race to the bottom.

In our country—I am proud to say as a former college teacher—among young people is the best organizing of justice, idealism, and activism I have seen in many years. But how can you support the anti-sweatshop campaign, denounce the rapid proliferation of sweatshops all over the world, and denounce the resurgence of sweatshops

here in the U.S. and then turn around and promote unregulated investment in China without any conditions whatsoever?

I simply say that I seriously question, on the basis of some pretty solid empirical evidence, whether this China deal is going to lift living standards overseas to our levels or whether this China deal and some of our other trade policy is going to lower living standards down to theirs. It is not very hard to figure out what this deal is about. It is going to encourage more investment in China under the conditions I have described.

I wish to give two case studies. On July 7, the New York Times ran a story about Zebco Corporation, world-famous makers of fishing reel, which moved most of its production to China in June. Most of Zebco's 240 workers will eventually lose their jobs. They said:

With most of Zebco's competitors having already set up fishing tackle plants in China, allowing them to undercut Zebco's prices at Wal-Marts everywhere, Zebco began a year ago to explore the possibility of moving its own lines to China. The company found that it could commission Chinese factories to produce and deliver reels to the United States for one-third less than it could make them at home, company officials said.

As assembly-line factory jobs go, Zebco offers ordinary pay but solid benefits, including Christmas gifts of stock certificates. Workers returned the loyalty. Turnover was low.

This is what it was all about.

Then, earlier this year, the company pushed assembly-line workers to raise their output by at least 10 percent a month, and China became a cattle prod.

That is in the New York Times piece.

Still, the shop floor fell into stunned silence one Monday afternoon when the president of the company read a brief statement as first-shift workers finished their day. Zebco was moving some production to China. Many of those listening would lose their jobs. Zebco reels no longer commanded an "adequate profit," the statement said.

Many leading United States companies are like Zebco. They face competitive pressure to save money by producing in China—often exporting back to the United States—rather than making goods here to sell in China.

The workers as Zebco are not alone. Warren Davis is a courageous, outspoken United Auto Workers leader. He is their regional director for Ohio and Pennsylvania. In a recent letter, he told me about 90 workers at a plant he represents who are all going to lose their jobs because of the conditions that I have described. He writes:

Nestaway Corporation has been under contract with the Rubbermaid Corporation of Wooster, Ohio. It is losing its critical contract because Rubbermaid claims it can no longer afford to buy Nestaway's sink strainers. . . .

The victims are the workers at Nestaway Corporation in Garfield Heights, Ohio. They are mainly single parents with poor prospects for finding any other job that pay a wage comparable to the \$9 an hour they had been paid. . . .

Basically, it is the same thing. They can't compete. I continue to quote from him:

My question to you is, for whom does the bell toll? Because this is not just about the jobs of Region 2 members of the United Auto Workers. This is about all of American manufacturing. And it is about the debate in the Senate.

The stories of workers at Zebco and Nestaway tell a larger story. We have an exploding trade deficit with China, and it is only going to get worse because without any kind of conditions, without any kind of human rights standards, without any kind of fair labor standards, without any kind of minimal standards for human rights, what we are going to see is more and more companies not exporting but investing in China, going to China, paying low wages. This becomes the export platform, and then the products are exported back to our country. According to the EPI, our exploding trade deficit with China cost over 683,000 jobs between 1992 and 1999. This trade deal with China will cost even more—over 870,000 jobs, just looking into the immediate future.

Well, let me now make two final points in my opening statement. It is commonly argued that everybody benefits, that it is exports, and I have tried to take that on. We get the arguments of the trade agreement, and I have tried to take that on. It is argued that, in fact, this is a policy that will help people in China. I have tried to take that argument on. Let me simply talk about the inequality in our country. Even free trade economists have now concluded that existing trade policy is the single largest cause of growing inequality since 1979. We have a booming economy, but we have the widest gap between the rich and the poor of any industrialized nation in the world. Inequality, both within countries and between countries, has dramatically increased.

When we went through the debate on NAFTA, the argument was there will be winners and losers, but we will be better off as a country, and we certainly will be there to compensate the losers; we will have job training and education programs and all of the rest. But do you know what? That was fine sentiment expressed on the floor of the Senate, but after NAFTA was passed and we lost hundreds of thousands of jobs, support for the training and assistance suddenly dried up. All of the Senators and all of the Representatives who I hear say, "Yes, there will be losers and we are certainly going to have to do better"—I would like to hear those Senators and Representatives talk about health security for people in this country, affordable child care, good education for their children, increasing the minimum wage. But quite often you find just the opposite.

I wish to talk about an amendment I am going to bring to the floor of the Senate, which I think is terribly important. Part of what is going on, unfortunately, with our trade policy—and given the size of China, this will sharply widen the inequality. This will exacerbate this, I think, most serious question of all.

The message is, if you organize, we are gone; we will go to these other countries. The message is that if you want to work for more than 3 cents an hour, you don't get our investment.

But if this is all about workers, and if this is all about coming through for working people in our country—making sure that the jobs we have in our country are good jobs, and there are decent health care benefits for people, and they can support their families—I think we will have to look at the very strong correlation between unionization and good jobs and good working benefits—and that is a well established correlation—and, therefore, the need to give people the right to organize.

Right now in the country during an organizing drive, in 91 percent of the cases employers require employees to listen to the companies but deny the employees any opportunity to listen to both sides. I am going to introduce a right-to-organize amendment. That should no longer be the case. Employees should be allowed to hear from both sides.

In 31 percent of all the organizing campaigns, employers illegally fire union sympathizers with virtual impunity. Ten thousand workers are fired illegally every year. It is profitable to do so. In this amendment, I say if a company breaks the law and illegally fires that worker, that company is going to be faced with stiff financial penalties.

In one-third of the cases, even after the employees say they want to join a union so they can make better wages, the companies refuse to negotiate. This amendment will call, therefore, for mediation to be followed by binding arbitration.

I hope my colleagues will support this right-to-organize amendment.

I think the way our country is going is that people and families are more concerned about the right to be able to organize and bargain collectively, earn a decent living, and support their families.

I say especially to the Democrats that you ought to support this amendment. You ought to support this amendment because this is all about the basic right of people to be able to organize and do better for themselves and their families. This is all about being on the side of working people. Do I not hear that the Democratic Party is on the side of working people? I have an amendment that will give Democrats, and I hope Republicans, an opportunity to be on the side of working people.

In conclusion, we have a choice. I think the choice is really clear. We are in a global economy. We are in an international economy. The question is, Are there going to be any new rules?

We live in a democracy. My father taught me more than anything else to love my country, and I love my country because we live in a democracy. I get to speak on the floor of the Senate. Citizens get to speak up. We have a voice.

On the one hand, we have the current model of a business trade policy designed to serve mainly the interests of multinational corporations, Wall Street financial institutions, and global business conglomerates. This is the model of globalization that has generated such outrage and certainly skepticism on the part of most ordinary citizens in the country. Good for them.

I think there is a 2-to-1 margin—as I remember the recent polling data—of people who say they don't believe these trading agreements are going to lead to good job prospects but are going to more likely take away good jobs for Americans.

Just think about it for a moment. We passed not too long ago the CBI initiative. That is all about, as my colleague said, helping poor working people in the Caribbean countries. How do you help poor working people in the Caribbean countries where they don't even have the right to work? They can't join a union. The Caribbean countries with the fastest growing exports have experienced—are you ready for this?—the steepest decline in wages.

So often I hear from my colleagues: Well, Paul, we know you support working people but do not seem to be supporting the poor in these developing nations. I say to my colleagues that every time I go to a trade conference, I look for the poor. I never see the poor at these trade conferences. I see the elites from these countries. I don't see the poor represented.

In any case, with the Caribbean countries, let me cite one very interesting correlation. Those countries with the fastest growing exports and that have the lowest wages have seen the steepest decline in wages.

The question is, Who benefits from expanding trade benefits without any enforceable labor standards? Who benefits from trade and investment policies that discourage rather than encourage the right to organize? Not American workers; not workers in the other countries; not the poor in other countries. This is not win-win; this is lose-lose.

I will not cite a lot of statistics about the global economy, but for a moment I want to cite a few to point out to colleagues that many foreign countries have not fared so well under this "Washington consensus trade and investment policy" of recent decades.

More than 80 countries have per capita income lower than they did in 1970, lower in 1999 than in 1978 by 200 million poor people living in abject poverty.

Only 33 countries have achieved and sustained 3-percent growth between 1980 and 1996, and in 59 countries the per capita GNP actually declined.

The number of poor continues to grow throughout the world.

There are 100 million people in industrialized countries living below the poverty line, and 35 million of them are unemployed.

There are 1.3 billion people in the developing world earning less than \$1 per

day and who have no access to clean water for themselves or their children.

You are coming out here on the floor of the Senate and trying to argue that trade policy has been a great benefit for the poor in the world. I don't think the empirical data support that.

Let me conclude where I started.

I am an internationalist. I hear all this discussion about how this debate and this vote is all about whether or not you believe we live and work in a global economy. I take seriously those words that we live and work in a global economy. It certainly is true. But may I point out to my colleagues the implications of this point of view.

If we live in a global economy and if we are truly concerned about human rights, then we can no longer concern ourselves only with human rights at home.

If we live in a global economy and we truly care about religious freedom, then we can no longer concern ourselves only with religious freedom at home.

If we live in a global economy and work in a global economy and we care about the rights of workers to organize and bargain collectively and earn a better standard of living for themselves and their children, then we can no longer concern ourselves with labor rates only at home.

If we truly care about the environment and we live in a global economy, then we can no longer concern ourselves with environmental protection only at home.

Raising living standards is not only the right thing to do, it is necessary if we are to maintain our own living standard. We need to ensure that prosperity is shared more broadly so that the world economy is stabilized and that healthy and sustainable products are created for our exporters. When people make 3 cents an hour and are poor, they cannot buy what we produce in our country.

I am proud to associate myself with those who have been engaged in human rights work. I think I care more about human rights issues than almost any other set of issues in my family background. They have understood a basic truth; it is this: That Americans can never be indifferent to the circumstances of exploited and abused people in the far reaches of the globe. When the most basic human rights and freedoms of others are infringed upon or endangered, we are diminished by our failure to speak out for human rights.

When we embrace the cause of human rights, we reaffirm one of the greatest traditions of American democracy, but we are not embracing the cause of human rights with this trade bill.

There is another truth, and it is reaching a larger and larger public. The well-being of our families, the well-being of ordinary wage earners in the United States of America, depends to a considerable degree on the welfare of people who we have never met, people who live halfway across the planet. Our fates are intertwined.

Some of my colleagues say the global markets will take care of themselves; they cannot be tamed; there is nothing we should do; this is laissez faire economics at its best.

I point my colleagues to the lessons of our own economic history. As we debate this piece of legislation on the floor of the Senate—and I will have an amendment that will deal with religious freedom, an amendment that deals with human rights; I will have an amendment that deals with exports from China from forced prison labor; I will have an amendment that deals with a right to organize in China; and I will have an amendment that deals with the right to organize in our own country—let Members for a moment think about this debate in an historic context. I heard my colleague, Senator BAUCUS, for whom I have great respect, say this is a very important debate. Senator MOYNIHAN, who will retire—and the Senate and our country will miss him—believes this is one of the most important votes we will cast. I agree. I think this is one of the most important debates that has taken place in the Senate.

I deal with a sense of history. One-hundred years ago, our country moved from an economy of local economic units to an industrialized economy. It was a wrenching economic transformation, a major seismic change in our economy. We were moving toward a national, industrialized economy 100 years ago, at the beginning of the last century.

As that happened, there was a coalition—some of them were evangelical, some were populist, some were farmers, some were women, some were working people—that made a set of demands. The farmers said: We want antitrust action because these big conglomerates are pushing us off the land or they were exploiting the consumers. They want a 40-hour workweek. We want the right to organize. We want some protections against exploiting children, child labor. Women said: We want the right to vote. We want direct election of the U.S. Senators. They made those demands, and nobody thought they had a chance.

The Pinkertons killed anyone trying to organize a union. All too often that happened. The media was hostile to this set of demands, by and large. Journalists followed this debate. I am not bashing all journalists, but in general the media was not supportive. And believe it or not, money probably dominated politics even more than it does today.

However, those women and men felt, as citizens of a democracy, they had the right to demand for themselves and their families all they thought was right and all they had the courage to demand. They didn't win everything, but a lot of their demands became the law of the land and their collective efforts made our country better. Their efforts amounted to an effort to civilize a new national economy.

So it is today, 100 years later. These amendments I will bring to the floor of the Senate reflect an effort on the part of people in the United States of America and others throughout the world to say, yes, we live in a new global economy, but just as 100 years ago men and women organized and had the courage to make that new national economy work for them, we make a set of demands. We bring a set of issues before the Senate. We call for votes on amendments which basically say that we need to make sure that this new global economy works for working people, works for family farmers, works for the environment, works for human rights.

Mr. President, we want to make sure we can civilize this new global economy so that it works for most of the people.

I ask unanimous consent that the next two Democratic speakers be Senator DORGAN and Senator TORRICELLI, and that Senator TORRICELLI's statement be considered a morning business statement, after Senator GORTON speaks.

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

The Senator from Washington.

Mr. GORTON. I ask unanimous consent to speak as in morning business.

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

PRIORITIES

Mr. GORTON. Mr. President, after a refreshing though strenuous August recess, we are now in the home stretch not only of this session of Congress but of this Congress.

The previous speaker discussed one of the great national and international priorities, normal trade relations with China on a permanent basis. I have several other priorities, both national and regional, that I will discuss, each of which I think is vitally important for the successful conclusion of this Congress of the United States.

At the very top of my list is pipeline safety. More than a year ago, a tragic accident in Bellingham, WA, occurred with a liquid pipeline. A huge explosion snuffed out the lives of three bright young people and destroyed a magnificent and beautiful park. Ever since the date of that accident, my colleague from the State of Washington and I have focused a great deal of attention on the renewal and the strengthening of the Pipeline Safety Act and of the Office of Pipeline Safety, designed to enforce its restrictions.

We have succeeded in passing a relatively strong Pipeline Act reauthorization through the Senate Commerce Committee with certain objections, with a number of amendments that were seriously contested and closely divided in that committee. We have now worked diligently with all concerned and I believe we are on the verge of a bill that can come before this Senate and can be passed enthusiastically, and I believe unanimously, by the Senate of

the United States. It is imperative that we do so quite promptly because while the House has begun to focus attention on the issue, time is very short before the end of this Congress to actually accomplish the goals we seek in increasing pipeline safety.

A dramatic and equally tragic incident during the course of the last month with a national gas pipeline in New Mexico has illustrated most regrettably, once again, the essential nature of our improving pipeline safety standards all across the United States. I am focused particularly on giving a more significant voice in pipeline safety matters to the people who live in the vicinity of these pipelines and whose lives regrettably seem to be very much at risk with respect to either negligence or oversight on the part of those who own and operate these pipelines.

Pipelines, both for natural gas and for the transmission of liquid petroleum products, are a vitally important part of our economy. In some respects, they are safer than other forms of transportation for these commodities. However, accidents are all too frequent, and all too frequently those accidents are devastating and fatal in nature.

The importance of passing this legislation cannot be overemphasized. I am highly optimistic on this subject. I had an extensive discussion last evening with the majority leader and have his encouragement. I believe in the course of the next few days we will be able to take up this bill.

Regrettably, on another high national priority, I find myself frustrated that we have not made a sufficient degree of progress. A number of days, over a period of weeks and months, have been devoted in this body to a debate on education policy and a renewal of the Elementary and Secondary Education Act. For all practical purposes, that bill is being frustrated by extended discussion, led by the unalterable opposition to providing more trust and confidence in our local school authorities on the part of the Democratic leadership and the senior Senator from Massachusetts.

An integral part of the bill, which is still before this body and which has majority support, is Straight A's. Straight A's gives State school authorities several options: One, to continue under the present system. Two, for a dozen or so States to combine a dozen or more present categorical aid programs into one system that comes to the State, is passed through with at least 95 percent of the money to individual school districts on one undertaking and one undertaking only, and that undertaking is that each State that would get this authority will sign a contract pursuant to which there will be an improvement in the skills of the students over a 5-year period; that is to say, by any objective measure that the State uses, our kids will be better educated.