United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, SECOND SESSION

Vol. 146 WASHINGTON, TUESDAY, SEPTEMBER 19, 2000 No. 111

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:

Dear God, we praise You for Your availability to us. You are Jehovah-Shammah, who promises to be with us, whenever and wherever we need You throughout this day. You have assured us that You will never leave or forsake us. You remind us of Your love when we are insecure, Your strength when we are stretched beyond our resources, Your guidance when we must make decisions, Your hope when we are tempted to be discouraged, Your patience when difficult people distress us, Your joy when we get grim.

In response, we offer our availability to You. We open our minds to receive Your divine intelligence, our responsibilities to glorify You in our work, our relationships to express Your amazing affirmation, our faces to radiate Your care and concern. As You will be here for us today, we pledge ourselves to do the work of government to Your glory. We are ready to receive what we will need each hour—each challenge, each opportunity. This day is a gift, and we accept it gratefully. You are our Lord and Savior. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MIKE DEWINE, a Senator from the State of Ohio, 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 PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Ohio is recognized.

SCHEDULE

Mr. DEWINE. Mr. President, today the Senate will immediately begin the final 3 hours of debate on H.R. 4444, the China PNTR legislation.

Under the previous order, the Senate will recess from 12:30 until 2:15 p.m. for the weekly party conferences to meet. When the Senate reconvenes at 2:15, the Senate will have two back-to-back votes. The first vote is on the final passage of the PNTR bill, and the second vote is on the cloture motion to proceed to the H–1B visa legislation.

Following the votes, it is expected that the Senate will begin debate on the H–1B visa bill, with the water resources development bill, or any appropriations conference report available for action.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

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

The PRESIDING OFFICER. Under the previous order, there will now be 90 minutes of debate under the control of each leader.

The Senator from Ohio.

Mr. REID. Mr. President, will the Senator yield?

Mr. DEWINE. I yield to my colleague.

Mr. REID. Mr. President, on behalf of Senator DASCHLE, I yield 5 minutes to Senator LAUTENBERG and 5 minutes to Senator MURRAY when Senator DEWINE completes his remarks.

Mr. DEWINE. Mr. President, for the benefit of my colleagues, I yield myself 30 minutes. I candidly don't expect to take 30 minutes. For those Senators who wish to speak after me, it will probably be a shorter period of time than 30 minutes.

Mr. President, I rise today to speak on the legislation before us—H.R. 4444, the legislation extending Permanent Normal Trading Relations to the People's Republic of China or PNTR. As we approach's today's final vote, I want to make it clear that I believe strongly in free and fair trade. And, I support efforts aimed at increasing free and fair trade with China. However, as we approach the vote, I think we must take a few minutes and try to put the current debate into its proper perspective. That is what I intend to do.

Passing PNTR will result in lower trade barriers and more U.S. sales to China. We know that. But, the extent of our increased sales will depend on factors beyond our control. Our ability to send more exports to China depends largely on China's continued economic growth, its compliance with the bilateral agreement, and its development of a middle-class.

While increasing trade with China certainly is important, we must put this current debate into its proper context. We need to view this debate as it relates to both our worldwide trade policy and to our foreign policy and national security interests. With this broader perspective in mind, it becomes very clear that passing the PNTR legislation is just one part of our overall relationship with China and one part of our overall global trade policy. There remain other pressing foreign policy issues and other trade issues that await our next President, the next Congress, and the American people. Let me explain.

The fact is, as we all know, the United States is a leader in the area of free trade. If we fail to pass the PNTR legislation, we would be sending a signal to the world that the United States wants to isolate China. That's a signal we don't want to send. Both by word and deed, the United States must be the world's leader in promoting free trade. At the same time, though, we also don't want to send China—and the

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

Printed on recycled paper.

world—a signal that we will tolerate the proliferation of weapons of mass destruction—a practice China engages in openly.

In terms of our overall trade policy, we also cannot send a signal to our neighbors in the Western Hemisphere that says we are only interested in concentrating on the Chinese market. Since so much time and energy and resources has been directed to liberalizing trade in China, it may be a surprise to some that China represents only two percent of our foreign sales.

To keep it in proper perspective, there was no one who estimates that percentage will go beyond 2½ or 3 percent in the immediate future. Two percent of our total foreign markets is only $13 billion in U.S. sales to China.

Now, compare that to markets closer to home. Last year, Canada was our number one export destination, with $167 billion in U.S. sales, while Mexico was our second largest export market with $87 billion in sales. Further, our exports to Brazil ($13.2 billion) last year exceeded our sales to China. And what's more, forty-four percent of our exports remained right here in our own hemisphere.

Those $13 billion in sales to China pale in comparison to trade within our hemisphere. Yet, the Administration and the business community have made granting PNTR to China their single-minded trade focus. This narrow agenda has not come without cost.

Because the Administration has not emphasized expanding free trade in our hemisphere, other nations are taking the lead in seizing the economic opportunities that are right in our backyard. Our inaction in this hemisphere has essentially made it easier for Europe, Asia, and Canada to significantly expand their exports throughout Latin America. The European Union (EU), for example, is now Brazil's largest trading partner. The EU's exports to Brazil have grown 255 percent from 1990 to 1998.

Additionally, during that same period, Asia experienced an incredible 1664 percent increase in its growth of exports to Argentina.

The next administration and the business community need to pay attention to our own hemisphere. That means that the next administration and the next Congress need to pass fast-track trading authority and move toward a hemispheric free trade area. It is imperative that we do this. That means that we will need to expand the North American Free Trade Agreement, which, over this last decade, has advanced economic cooperation and growth between the United States and Mexico, increasing U.S. exports to Mexico by 207 percent. And, that means that we must abandon this very narrow focus with which the current administration has viewed trade policy and start widening the lens to be more inclusive of the markets right here in our own backyard. This is significant unfinished business that our next President and our next Congress and the American people will have to address.

But, even more significant in terms of our unfinished business are the considerable national security issues at stake regarding our overall relationship with China. I say that because this is China we are talking about. China is different. China, as my colleagues all know, is unlike any other country in the world. China is a major power—a nuclear power—and China is the world's major proliferator of weapons of mass destruction.

Sadly, this administration has failed to stop the Chinese government's weapons proliferation. Sadly, this administration has not demonstrated the kind of leadership necessary to prevent China from manufacturing and selling weapons technology worldwide.

Like the United States, China is a co-signator of the Nuclear Non-Proliferation Treaty, yet over the last decade, its government has violated the Nuclear Non-Proliferation Treaty willingly, openly, and egregiously. Their actions are well documented. For example, Washington Times National Security reporter, Bill Gertz, writes in his recent book:

> [f]or at least a decade, China has routinely carried out covert weapons and technology sales to the Middle East and South Asia, despite hollow promises to the contrary.

The PRC has shown no remorse for its past actions—and certainly no inclination to change them. Rather, China has flaunted—openly—its violations.

At the beginning of the last decade, Pakistan was believed to possess a very modest nuclear weapons program—one that was inferior to India's program. Our own laws effectively banned U.S. government assistance to Pakistan because of its decision to go nuclear, and our sanctions laws contained tough penalties for any nation attempting to feed Pakistan's nuclear hunger.

That was then. Today, China has single-handedly worked to change the balance of power in South Asia and, in turn, has made the region far more different and far more dangerous.

Today, according to news reports, Pakistan possesses more weapons than India and has a better capability to deliver them. President Clinton stated earlier this year that South Asia has now become the most dangerous place in the world. We have China to thank for that.

The significant change in the balance of power between Pakistan and India was engineered by China, which provided Pakistan with critical technology to enrich and mold uranium, M–11 missile equipment and technology, and expertise and equipment to enable Pakistan to have its own missile production capability.

What has this Administration done to change this behavior? Essentially nothing. Time after time, as reporters, like Bill Gertz, uncovered extraordinary information on proliferation activities, this Administration failed to impose even the mildest sanctions against China as required by law. For example, in 1995, at the same time this Administration was aware of China's transfer of sensitive nuclear technology to Pakistan, the Administration was seeking to weaken our non-proliferation laws against Pakistan. And, rather than aggressively use the sanctions laws on the books to try to bring about a change in China's behavior, this Administration sought to find ways to show it had reached a common understanding with China to prohibit these activities and thus avoid sanctions.

However, according to the Central Intelligence Agency's unclassified bi-annual report to Congress on the proliferation of weapons of mass destruction, China remained a ''key supplier'' last year of weapons and missile assistance to Pakistan.

In the Middle East, it's the same story. News reports have documented China's contributions to Iran's nuclear development and ballistic and cruise missile programs, including anti-ship missiles that are a threat to our naval presence and commercial shipping in the Persian Gulf. Further, the CIA's bi-annual report also confirmed that Chinese government multi-nationals are assisting the Libyan government in building a more advanced missile program.

As it stands, international rules of conduct and pledges to our government to forego its proliferation activity have not deterred China's arms-building practices. Further, this administration has not enforced U.S. non-proliferation laws adequately nor effectively. The Chinese government certainly does not take our government seriously on the question of weapons proliferation—and frankly, why should they? The current Administration hasn't been a leader in encouraging nations to honor international non-proliferation agreements. Consequently, weapons of mass destruction are in more questionable hands than ever before.

Last year, a bipartisan commission headed by former CIA Director, John Deutch, concluded that our Federal Government is not equipped to fight nuclear proliferation. What does that say about our international credibility? What does that say about our ability to prevent the proliferation of weapons of mass destruction? What it says is that our diminished credibility may oblige other countries who are adversaries of Pakistan, Iran, and Libya to build their own weapons capabilities to counter these emerging threats.

In simple terms, the current administration has not led on these proliferation issues. That is why we should have passed Senator THOMPSON's amendment last week.

The Thompson amendment was important because it would have given us the ability to hold the People's Republic of China, and any nation, accountable for proliferating weapons of mass destruction and the means to deliver them. The bottom line is that if we are

going to sacrifice our annual review of normal trade relations with China, then our next President and the next Congress will need new tools to pursue our national security objectives. Candidly, the next President will also have to use the tools that we have now given him.

So, where are we? When we put this whole debate in perspective—when we put the debate into its proper economic and national security contexts—where does this leave us? Realistically, approval of PNTR does not change the disagreements we have with China on weapons proliferation. It certainly will not change China's behavior. China will continue to proliferate. China will continue to pursue policies that will destabilize two critical regions of the world, placing our soldiers and our allies in serious danger.

Now that we are about to pass this legislation—now that we are about to advance our free trade policy—what do we intend to do to advance our non-proliferation policy and our own national security? Does this Administration have an answer? No, I do not think they do. Quite candidly, they never have.

We need an answer. And, from the vantage point of our national security strategy, I believe that if we fail to show vigilance in the enforcement of non-proliferation policy, we will place this nation at a terrible disadvantage. If we fail to show vigilance, we will effectively continue a de facto policy that has worked to undermine our national non-proliferation policy and is working to make our world a more dangerous place.

Had this administration pursued a non-proliferation policy with the same amount of intensity, creativity, and vigor it showed in advancing our commercial relationship with China, this would have been a far easier vote to cast.

Had the Senate done the right thing and adopted the Thompson amendment, that too would have made today's vote easier to cast.

I fear if we do not act soon to change the current course of our weapons proliferation policy—if we do not revisit the Thompson amendment, and we will revisit the Thompson amendment—we will be sending a signal to China and to the world that says our trade interests are more important than the security of our Nation, more important than the security of our children and grandchildren.

I intend to vote for the PNTR legislation before us because I believe strongly in the power of fair and free trade.

The United States has been the world's most outspoken advocate for free trade. We are the world's free trade leader. We believe free trade is a cornerstone of a free society and a free people. We believe it can be a step toward helping closed nations become open and democratic. No one here can say with certainty that it will work in China, but as the world's leader in free trade, I believe we have to try.

With this vote today, we are keeping our word as that leader, and we are moving forward. To do otherwise, to go back on the agreement this country negotiated last November, would send the wrong message to the world. It would say that the United States cannot be counted on to practice what we preach, and the implications of that message will extend far beyond our ability to negotiate trade agreements with China. A message such as that will affect our credibility worldwide.

Further, I have concluded that a ''no'' vote will do nothing to wean China from its weapons-building addiction. But that is why we must not stop here with today's vote. We should move forward and show clear leadership and clear direction in regard to our non-proliferation policy.

With this vote, I pledge to work with our next President to change the current state of affairs and to work toward maintaining our place as the world's model for free and fair trade. I will continue to push for free trade opportunities, both within and beyond our hemisphere. Much more important, I also pledge to work toward making our world a safer and more secure place for our children, our grandchildren, and our great grandchildren. I will continue to insist that China and other weapons-proliferating nations abide by international agreements, and I will continue to insist again, again, and again that our Nation take the lead in this area.

This is not the last time I will be on this floor talking about the problems with China. This Senate will regret if we do not return to this issue. The Thompson amendment will come back, and we will insist that it be voted on. This country has to stand strong and firm against China and their proliferation policies. Their proliferation policies threaten the security of our children and our grandchildren, and we will ignore their actions at our peril.

I thank the Chair, and I thank my colleagues.

The PRESIDING OFFICER. The Senator from Washington is recognized for up to 5 minutes.

Mr. MURRAY. Mr. President, I rise today to urge my Senate colleagues on both sides of the aisle to grant Permanent Normal Trade Relations status to China. This is about moving China in the right direction, and in the process allowing America's workers to benefit from the massive trade concessions we have won at the negotiating table.

This is a critical vote. China is home to one out of every five people on the planet, and our relationship with China is important. This vote can also have a positive impact on regional relationships throughout Asia. That is because Taiwan and Asian nations like Japan support China's accession to the World Trade Organization. They know that China's engagement will be a positive development. If Congress fails to grant PNTR to China, we will hinder our broader relationship with that country, make it harder for us to promote change there, and damage America's workers and industries as they compete with other countries for a place in China's market. The Chinese have agreed to radically open their market to U.S. goods and services. Chinese trade concessions will benefit the United States across all economic sectors in virtually every region of our country. And, the changes China has committed itself to—in order to join the WTO—will further open China to Western ideas.

I have come to the floor today to illustrate the ways that PNTR for China will help our families, our industries, and our economy. Washington State is the most trade-dependent State in our Union. The people of my state—from aerospace workers to wheat farmers to longshoremen—have urged me to make sure we take advantage of the concessions we have won from the Chinese. If we do not, good-paying family jobs will be lost, and our industries will be set back for years.

Before I elaborate on the ways PNTR for China will help America's workers, I must address many of the concerns we have about China. Over the years, I, like my colleagues, have been frustrated by the actions of the Chinese government on issues like human rights, religious freedom and weapons proliferation. As I have listened to the debate it is clear that we all want the same things: We want the people of China to have more freedom and more opportunities, and we want to bring China into the community of nations as a responsible partner. We all want the same results. The question is: What is the best way to get there? It is not to politicize our trade agreements. It is not to turn a trade vote into a referendum on how we feel about China. That is why I oppose the amendments that my colleagues have offered. These amendments will not solve the problems they highlight.

Instead, they will kill the bill for this Congress and perhaps longer and that will have a negative impact on our country. Killing this bill will do serious harm to our efforts to impact change in China on many issues. Killing this bill now will forever handicap U.S. exporters to China. It will punish U.S. workers, and it will give our competitors from Europe and Asia a massive head start as China opens its market to the world.

As I have thought about our relationship with China, I think one of the things that really frustrates us is that we are accustomed to quick fixes. In our political culture, we expect to be able to fix problems overnight. China, on the other hand, has a far different culture. Throughout its 4000 year history, China has resisted outside influences. As much as we would like to, we can't change China overnight. But we can change China over time. PNTR gives us the vehicle to help China move into the community of nations and to benefit America's families, industries and economy in the process.

Now that I have addressed the expectations and context surrounding our relationship with China, I want to return to the question I posed a moment ago: What is the best way to help China enter the community of nations? The answer is to engage with China. In fact, our own history has shown this to be true. Since 1980, when the United States normalized relations with China, our engagement has helped to change China for the better. I think it is useful to recall the history of how different China is today, than it was just 20 years ago. Before we normalized our relations, the Chinese people lived under the iron fist of their government. They enjoyed virtually no personal freedoms. Their jobs were predetermined. Their housing was assigned to them. Education, medical care, and travel were all dictated by a government-controlled system that rewarded blind loyalty to the state and harshly punished all dissent. Externally, China was closed to the outside world. Internally, China was hemorrhaging from the impact of the Cultural Revolution and other political conflicts. U.S. engagement with China has had a positive impact on that country. Certainly, we all want to see more progress and more changes in Chinese government behavior. I respect the concerns of my colleagues, but I recognize that we are making progress by engaging with China. We should not let our specific concerns override the many advantages that will flow to America's workers by supporting PNTR for China.

After considering the cultural and historic issues that have factored into this debate, I would like to focus on what this vote is about. The question before the Senate is really quite simple. The United States negotiated a trade deal with China. The agreement radically opens China's market to American workers, forces China to end its unfair practices, and gives the United States tough mechanisms to hold China accountable. The question before the Senate is: do we want to take this deal?

On behalf of my constituents and the American people, I will vote to put these Chinese concessions—literally thousands of market-opening concessions—to work for the benefit of our country. The Chinese concessions are far reaching and will impact every sector of our nation's economy and every region of our country. This agreement radically slashes tariffs. In fact, for some of our most important industries, it eliminates tariffs altogether. It preserves and in some cases strengthens our trade laws on issues like dumping, export controls, and the use of prison labor. China will no longer be able to require firms to transfer technologies and jobs to China in exchange for business. If China violates its commitments, it will have the 135 member countries of the WTO to contend with—rather than just the United States. This is an opportunity to build a strong presence in the world's largest emerging market just as it opens its doors to the world.

The people of Washington State have a unique perspective on what this trade agreement will mean for our families, our industries and our economy. One of my predecessors, Senator Warren Magnusson, was one of the first Senators to call for closer U.S.-China ties in the 1970s. For more than 20 years, the entire period of China's most recent opening to the outside world, no other state has been as engaged with China and the Chinese people as extensively as my state has. Washington State is the most trade dependent state in the country. Soon, one in three jobs will rely on international trade. Our ports, rail yards, and airports serve as gateways to and from the Pacific Rim for millions of products. My entire state stands to gain a great deal from China's accession to the WTO.

I would like to share with my colleagues how increased trade with China will affect three important Washington industries: aerospace, agriculture, and technology. Let me begin by talking about our aerospace industry because Washington state produces the finest commercial airplanes in the world. We are home to the Boeing Company, and thousands of Washington families work for Boeing. As my colleagues know, Boeing competes with Airbus, its European rival. But the playing field isn't level. Airbus is subsidized by European states, and it gets additional financing assistance, allowing Airbus customers to finance aircraft on favorable terms. China is a huge new market for airplanes. Aviation experts predict China will purchase 1,600 new commercial airplanes worth $120 billion in the next 20 years. These sales will be hotly contested. We know that Airbus is a very aggressive competitor in the China market. Passing PNTR will give the workers in my state the chance to compete in that marketplace. Thousands of Washington state jobs—good family jobs, good union jobs—hang in the balance as Boeing and Airbus fight for the China market. That is why organized labor at Boeing, Local 751 of the International Association of Machinists and Aerospace Workers, has publicly endorsed PNTR. The Boeing Machinists know that if we do not compete for aircraft sales in China, we will have ceded the largest marketplace in the world for commercial aircraft outside of the United States. Such an outcome would be disastrous for the future of our aerospace industry, and we're not just talking about one company or one industry. Thousands of small businesses in Washington state subcontract with Boeing. In addition, Boeing subcontracts in every state in the union—creating the jobs that working families rely on. Passage of PNTR will give Boeing and so many other American companies the opportunity to compete freely and fairly in China. I have every confidence that Boeing and the thousands of Americans whose jobs are tied to aerospace will succeed in this new environment. Mr. President, let me turn to another important industry in my state.

Washington State is home to some of our country's finest agricultural products from wheat to apples to a host of specialty crops. But we've had trouble opening China's market to our exports. For more than 25 years, Washington wheat has been kept out of China by an unfair trade barrier. This year, as China neared membership in the World Trade Organization, it dropped its unfair trade barrier against wheat from the Pacific Northwest. As a result, this year, Washington's first wheat sale to China in 28 years recently sailed from the Port of Portland.

Thanks to PNTR and WTO accession, my constituents will have new opportunities to feed China's population, which equals 20 percent of the world's population. The opportunities are also great for another major crop, Washington state apples. With this agreement, China's market could open to an estimated $75 million a year in business for Washington's apple growers. Overall, agriculture stands to see one-third of its export growth tied to new sales to China. Washington growers and producers will see new opportunities across the board from pork, potatoes and barley to specialty crops like raspberries, hops and asparagus. It is easy to see why the agriculture community has been such a strong voice for this U.S.-China agreement and PNTR. Agriculture has done a great job working to ensure members understand that this agreement, and PNTR is vitally important to American agriculture.

Finally I want to turn to America's high-tech industries. I am proud that Washington State is home to Microsoft and other technology companies including Nintendo, Real Networks, and Amazon.com. These companies will benefit from new protections for U.S. intellectual property. They will benefit from the elimination of high tech tariffs, from anti-dumping protections, and from the right to import and distribute goods free from government regulation and interference. The Internet is taking hold in China. It holds immense potential for changing China's society. Thanks to this agreement, Washington State Internet companies will be aggressive competitors in this new market. In addition, America's telecommunications companies will benefit as well, including AT&T Wireless and VoiceStream Wireless, which are both based in Washington State.

As I have shown, opening China's markets will help the thousands of people in my state who work in the aerospace, agriculture and technology industries. We should make sure America's workers have access to the many benefits of China's marketplace. After 20 years of normalized relations between the U.S. and China, now is the time to pass PNTR. After 13 years of tough negotiations between the United States and China, now is the time to

pass PNTR. And after more than 10 years of congressional consideration of China's trade status, now is the time to pass PNTR. The Senate has just spent two weeks debating PNTR, China's accession to the World Trade Organization, and many other China issues. The heart of the question before us is: Do we want American workers to benefit from the enormous trade concessions we have won from the Chinese? I want America to benefit, and I will vote for PNTR. At the same time, this is not our final China vote. Congress has a very legitimate role to play in helping shape our relationship with China and addressing our concerns. I look forward to those debates and those opportunities to advance our ideals in China. I encourage my colleagues to vote for PNTR, and I urge my colleagues to continue to closely follow the important U.S.-China relationship.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The Senator's time has expired.

The Senator from Nevada.

Mr. REID. Mr. President, I yield from Senator DASCHLE's time 10 minutes to Senator HOLLINGS when Senator LAUTENBERG completes his 8 minutes. Senator DASCHLE has given Senator LAUTENBERG 3 minutes to his 5 minutes.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, we have had an invigorating debate on a very important and complex issue—whether to grant permanent normal trade relations, PNTR, status to China. There are many aspects to this debate: expansion and regulation of the international trading system; realignment of the US position within that system; review of China's internal policies—in particular its human rights record; assessment of the prospect for constructive and systemic change in China; and the effect of PNTR upon U.S. businesses and consumers.

As many of my colleagues may remember, 2 months ago in the Finance Committee I cast the sole vote in opposition to granting PNTR to China. Although I believe in engagement with China, not isolating China, I felt strongly that I could not in good conscience vote to make this status permanent at that time. I told my colleagues about Ngawang Choephel, a Fulbright student from Middlebury College in Vermont, who was arrested by Chinese authorities while filming traditional song and dance in Tibet in 1995. Intent only on preserving traditional Tibetan music, Ngawang was charged with espionage and sentenced to 18 years in prison. I strongly protested his arrest and incarceration, together with the other Members of the Vermont delegation, the administration, and human rights supporters all over the world.

For 5 years, we received virtually no information on Ngawang's whereabouts and his condition. In spite of a Chinese law guaranteeing every prisoner the right to receive regular visits from next of kin, Chinese officials ignored the repeated pleas from Ngawang's mother, Sonam Dekyi, to visit him. During Finance Committee discussion of the PNTR legislation, I made clear my anger over the Chinese Government's unconscionable refusal to adhere to its own laws. I am pleased to report that a couple weeks later, the Chinese Ambassador to the United States called to inform me that Sonam Dekyi would be granted permission to visit her son. I thank my many colleagues who raised this case with the Chinese, and I particularly thank the Chinese Ambassador for his efforts on Sonam Dekyi's behalf.

Last month, Sonam Dekyi and her brother traveled to China to see Ngawang Choephel. They were treated very well and were allowed two visits with Ngawang. In addition, they had a meeting with the doctors at a nearby hospital who recently have treated Ngawang for several very serious illnesses. While Sonam Dekyi was very appreciative of the chance to see her son, she was disappointed to be granted only two visits and quite saddened to be denied her request just to touch her son after all these years. Most alarmingly, she found her son to be in very poor health. Despite receiving medical attention, he is very gaunt and reported ongoing pains in his chest and stomach. His mother fears for his life.

I fervently hope that in the wake of his mother's visit, greater attention will be paid to Ngawang's health, and that every effort will be made by Chinese medical personnel to treat his illnesses. However, I believe that the only solution to his health condition is medical parole. Ngawang needs extensive treatment and considerable rehabilitation. This cannot be accomplished under the harsh conditions of prison, especially a Chinese prison.

On humanitarian grounds, I appeal to the Chinese authorities to release Ngawang Choephel. This is the right thing to do, the decent thing to do, the human thing to do. Until Ngawang Choephel is released, I cannot in good conscience vote for PNTR. I urge the Chinese authorities to recognize the length of time Ngawang has already spent in prison and to move now before his 18 year sentence becomes a death sentence. I urge the immediate release of Ngawang Choephel.

I have not come to this position of opposition to PNTR easily. For the past 10 years, I have supported engagement with China and renewal of most favored nation status. The benefits of international trade for the Vermont economy are very clear, and Vermont businesses have proved very resourceful at developing high paying and desirable jobs for Vermonters. In 1989, in the wake of the Tiananmen Square uprising, this was a particularly tough position. It was difficult to know how to channel my profound outrage over Chinese behavior and how to bring about the greatest degree of change in the shortest period of time. After considerable research and much discussion with people holding many points of view, I concluded that change in China would be most rapid if the channels of communication were open to the rest of the world. Engagement with China on all fronts, including economic engagement, is going to be necessary to produce the long-term, systemic change required for expression of personal freedom and personal initiative.

The past decade has proven that change is slow and difficult. But there is progress, nonetheless. The reformers in the Chinese hierarchy are now pushing for membership in the World Trade Organization, WTO. They wish to be part of the global trading system and to open their country and their economy to international investment and influences. While there are some significant problems with the WTO system that need to be addressed, I am convinced that we must be a part of that system and we must exert a strong influence on its development. Our national interests are best served if all major economies are a part of this system, agree to play by the same rules, and are subject to the same enforcement mechanisms if they do not.

We have a very strong interest in encouraging diversification and decentralization in the Chinese economy and greater freedom of expression for Chinese citizens. The less citizens are dependent directly on the government for their jobs and housing, the more likely they are to get involved in local issues, to advocate for causes that concern them, to develop advocacy and democracy at the grass roots. In the long run, I believe this is also the best way to improve the human rights situation. It will take time. It will be incremental. Chinese society will never look just like American society, but hopefully it will be reconfigured more to the advantage of the average Chinese citizen.

Today, my overwhelming concern is for a young man who committed his life to the preservation of his own musical heritage. He found shelter in the green mountains of Vermont, even though his heart always lay in the rugged mountains of his homeland. Ngawang touched many Vermonters with his quiet manner and intensity of purpose. Vermont will not forget Ngawang Choephel. I have not forgotten Ngawang Choephel. I will not vote for PNTR until he is free.

Mr. President, I yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. WELLSTONE. Will my colleague yield for a moment?

Mr. LAUTENBERG. Sure.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that in the proper order of speakers, after Senator LAUTENBERG and Senator HOLLINGS and a Republican Senator are recognized to speak, I then be recognized to speak for 10 minutes of my leader's time.

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

The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, the United States is now considering a bill authorizing the President to grant Permanent Normal Trade Relations to the People's Republic of China when that country joins the World Trade Organization. This can radically improve our relationship with the world's most populous country.

There is so much at stake, in my view. That is why I traveled last month to China to meet with China's leadership and some of its people, to see for myself what is happening in China, and to ensure that I make a well-informed decision on this day.

Some of what I saw, quite frankly, disturbed me. But I also saw and heard encouraging things that gave me hope about China's future. And I have concluded that the best way to promote positive change in China is to grant China permanent normal trade relations status.

Many Americans, including environmental activists and members of organized labor and human rights groups, believe this vote is about far more than trade. And I agree. We cannot consider trade policy without understanding the implications for the economy, our society, and the environment in America and the world.

Moreover, the granting of PNTR would eliminate the annual debate over granting normal trade relations, which we used to call MFN, to China. That annual debate allowed us to review all aspects of our relationship with China and developments in that country. Successive administrations and Congresses achieved progress on issues of importance to Americans by raising them in the context of that annual review.

This time, however, we are not merely considering whether China has made sufficient progress in economic, social, environmental and human rights reforms to merit extending the opening of our market—China's largest export market—for another year. Rather, we are considering whether China is on a firm enough course of progress that we can justify an act of faith and open our market permanently as China joins the WTO and substantially opens its markets to American goods and services.

That is why I traveled to China a few weeks ago, joined by my good friend the Senator from Iowa, Senator HARKIN.

I went so I could better understand China and raise my concerns with China's leaders about human rights, labor conditions, national security and the environment. I went to see for myself the condition of China's cities and rural areas, to compare the wealthy coast and the underdeveloped interior, to talk to garment workers and farmers, to assess the extent of freedom of religion and freedom of speech, to measure progress on human rights protection and environmental protection, and to look into the proliferation of weapons and the intimidation of Taiwan, to consider the abuse of power and the rule of law.

China presented a very mixed picture. The patriotic Catholic Bishop in Shanghai, Bishop Jin, expressed it well when he said, ''China is very complicated.''

One thing was obvious: China is undergoing a tremendous transformation as a result of Deng Xiaoping's 1978 decision to open China to the world. The past two decades have seen the rise of free enterprise and international trade, and many of the Chinese people have experienced a dramatic improvement in their standard of living. China's GDP growth, while surely lower than official estimates, has averaged more than 6 percent over the past two decades and remains strong despite the impact of the Asian financial crisis. China's economic development is amazing, particularly in the modern city of Shanghai.

I would like to speak briefly about some of the issues I raised with China's leaders and that will need to be addressed as we proceed in our strengthened relationship with China.

We have to consider the national security aspects of the U.S.-China relationship. The United States and China are not natural or historic enemies. But serious problems and tensions exist.

One key issue is China's proliferation of technologies and materials for missiles and weapons of mass destruction. Earlier this year, the CIA reported on China's continuing missile-related aid to Pakistan, Iran, North Korea and Libya, as well as nuclear cooperation with Iran and contributions to Iran's chemical weapons program. These relationships are not in China's interest and directly threaten U.S. interests.

When I raised this issue, Vice Premier Qian Qichen acknowledged that China provided missile assistance to Pakistan in the past but insisted it had not done so in recent years. Premier Zhu Rongji dismissed my concerns and demanded evidence of China's proliferation activities. Of course, China has not accepted the key Annex to the Missile Technology Control Regime. I hope China will acknowledge its past mistakes and fully commit itself to international non-proliferation efforts.

U.S. officials have made progress in addressing Chinese proliferation over the years. For example, they secured China's commitment not to help Iran develop new nuclear projects. But we must do more.

The United States and China have a common interest in ending the destabilizing proliferation of weapons of mass destruction and the missiles to deliver them. We have to improve cooperation toward that critical goal.

A second national security issue concerns Taiwan. Wang Daohan, the Chinese official who conducts the Cross-Straits Dialogue for the Mainland and influences China's policy toward Taiwan, stressed to us that Beijing is willing to give Taiwan considerable autonomy if Taipei accepts the ''One China'' policy and supports reunification. I am not convinced that making Taipei's acceptance of the ''One China'' policy a pre-condition for talks is a constructive approach.

I hope that China will withdraw its missiles that are only directed at Taiwan, because these threaten an arms race over Taiwan. As I told Mr. Wang, if you're extending a hand of peace it cannot be clenched into an iron fist.

We also need to consider protection for human rights and the rule of law in China. Fortunately, the House addressed these issues constructively in the bill before us by providing for an annual review of human rights in China. The bill before us also rightly authorizes U.S. assistance for rule of law programs in China. I know that the Ford Foundation and other private groups are supporting rule of law efforts in China. We should be prepared to put some of our resources toward achieving this worthy, if long-term, goal.

On the whole, we have to acknowledge that China has made some progress on human rights, though it still has a long way to go.

The limited ability of the Chinese people to have freedom of religion is a very real concern. The Chinese people, many of whom recognize the vacuousness of Marxist and Maoist rhetoric, are unsatisfied with their daily lives and seek a higher moral purpose, a spiritual side to life. We saw some Chinese practicing recognized religions in permitted places, but others are not so fortunate. Buddhists pray and burn incense at a temple near the Great Buddha in Leshan. Catholics attend Mass at patriotic Catholic Churches or in private homes used by the underground Catholic Church. Muslims pray at the mosque in Xian. But Muslims in Northwest China, who are not ethnically Chinese, cannot worship freely.

Judaism is not a recognized religion, so it is illegal. Practitioners of Falun Gong are arrested virtually every day when they do their exercises on Tiananmen Square or in other public places. And no member of any religion is allowed to proselytize freely, even though spreading the word is a key element of many faiths.

While Senator HARKIN and I did not have the opportunity to visit Tibet, I remain concerned about efforts to suppress Tibetan culture and religion. I hope the Chinese government will enter into dialogue with the Dalai Lama—without preconditions—with the aim of allowing him to return to Tibet as a spiritual leader.

So is there freedom of religion in China? I think a typical Chinese answer might be ''Yes, within limits.''

Freedom of speech is similarly limited. Pre-publication censorship through approved publishing houses ensures that the Chinese government can review and approve the content of any published work. Some books have been

banned, recalled and destroyed after publication because a senior party member or official found them offensive.

During my visit to Beijing, I was pleased to hear Premier Zhu Rongji commit to continued progress on human rights. However, much work still needs to be done.

One of China's most egregious laws, under which people could be jailed as ''counter-revolutionary,'' was repealed in 1997. But hundreds or perhaps thousands of people sentenced under that statute remain locked up.

Perhaps the worst element of China's totalitarian state and arbitrary rule is the system of ''re-education through labor.'' Under this system, people can be deprived of their freedom for up to three years by the decision of a local police board—without ever being charged with a crime, much less having a fair trial. While indications suggest a change in the ''re-education'' system may be in the works, I hope China will eliminate it entirely.

Further, I was disturbed by the Chinese government's efforts to suppress dissenting voices. Our Chinese hosts refused to pursue our request to meet with Bao Tong, a former government official imprisoned for warning Tiananmen Square demonstrators of the impending crackdown, saying it was ''too sensitive.''

We will not forget the crackdown on democracy protesters in Tiananmen Square, nor will we sweep current human rights problems under the rug. That is not the mission. I am hopeful that a renewed United States-China relationship will yield better respect for human rights in China.

China's environmental policies are another serious concern. During the discussions in Kyoto about the world's climate, China insisted that only the U.S. and other developed countries should have to reduce greenhouse gas emissions. But China is the fourth largest and the most populous country in the world, so addressing global climate change will demand China's participation.

I raised these concerns with China's senior leaders and later with China's Environment Minister, Xie Zhenhua, at the State Environmental Protection Administration. The reaction I got was decidedly mixed. Minister Xie described China's concerted efforts to address environmental problems. For example, China has reduced annual soft coal production, and thus consumption, from 1.3 to 1.2 billion tons, with a goal of a further reduction to 1 billion tons, to reduce sulfur dioxide and particulate emissions and improve air quality. China is also increasing use of natural gas and has taken steps to remove the worst-polluting vehicles from the country's roads. However, Minister Xie then launched into a diatribe, saying that the U.S. bears principal responsibility for the degradation of the Earth's environment and that China has a right to pollute so it can develop economically.

I certainly hope recognition of the importance of environmental protection in China and global climate change will overcome the stale rhetoric of the old North-South economic discussions, so the U.S., China and other countries can join together to address common concerns. And I am hopeful that increased trade will foster more cooperation on that issue, including sales of environmentally sound American technology.

Many Americans are also rightly concerned about the working conditions and the rights of Chinese workers, particularly since American firms that follow American labor laws have to compete with Chinese producers.

Certainly, migrant workers in southeastern China—including underage workers—are exploited. And workers in China cannot meaningfully organize to protect their interests. China has strong labor laws, but enforcement is clearly lacking.

I visited a state-owned factory in Leshan, in Sichuan province, which produces equipment for power generation. Workers using large machine tools and working with large metal components had no protection for their eyes or ears, no hard hats and no steel-toed boots, as would be required in the U.S. Their work was clearly hard and dangerous, the hours long and the pay meager.

I also visited a garment factory in Shenzhen, the Special Economic Zone established 20 years ago near the border with Hong Kong. The factory manager told me workers are usually on the job for 40 hours a week, occasionally putting in overtime when the factory is busy. Workers themselves meekly said they probably work about 12 hours a day. But my staff looked through the rack of time cards near the door and discovered that virtually all of these textile workers arrive before 8 a.m., take a short lunch break and clock out after 10 p.m.—working nearly 14 hours a day, 7 days a week. And that earns them wages of 80 or 90 U.S. dollars per month, a bunk in a dormitory and meals.

The presence of American and other foreign investors and buyers can make a huge difference.

Senator HARKIN and I visited a factory near Shanghai that produces clothing for Liz Claiborne. The company appeared to be making a real effort to enforce fair labor association standards. We could see the results in working conditions. For example, the factory was well-lit and well-ventilated, even air-conditioned. Liz Claiborne's interventions led to the construction of a fire escape, and the workers' rights were clearly posted near the entrance. A Liz Claiborne representative on site not only ensures the quality of the product but also monitors compliance with China's labor laws limiting overtime hours.

Unfortunately, not all American and other foreign firms are as responsible. When I was in Hong Kong, the South China Morning Post had a front-page story about child labor in a factory in Guandong Province producing toys for McDonald's Happy Meals. Indeed, the toy industry is probably the most notorious for looking the other way as its Chinese suppliers exploit their workers. The bottom line is that trade with the United States and U.S. investment does not automatically lead to better working conditions and fairer treatment for Chinese workers. American and other foreign companies need to make fair labor standards a real condition of their business relationships.

So these are some of the problems I observed and concerns I raised in China.

I come to the key question: Can we as a nation best make progress on these issues by granting PNTR or by denying it?

Our annual reviews of Most Favored Nation treatment of China have provided important leverage with Beijing. Congress reviewed issues of importance to us, and members of the House and Senate and Administration officials raised these concerns with Chinese officials. Many times, China took significant steps to show progress, and arguably future-oriented leaders used the opportunity to promote reforms. Under H.R. 4444, a commission will still look at China's human rights record and other concerns each year, but without the implicit leverage of a vote on MFN.

Some have suggested we vote down PNTR to maintain our annual vote and the associated leverage. After all, China will still be interested in selling goods in the U.S. market, though we would not have access to WTO rules and dispute settlement mechanisms.

However, voting down PNTR would not simply maintain the status quo. Chinese leaders—and many Chinese citizens—see this debate on PNTR legislation as a referendum on the U.S.-China relationship. Rejecting PNTR means rejecting any hope of a cooperative relationship with China in the near-term. And cooperation, too, has yielded important progress. On the national security front, the U.S. and China have cooperated to promote peace and reconciliation on the Korean Peninsula. And the WTO contains a national security exception that will allow us to maintain technological controls and other national security restrictions on trade. On the human rights front, China has signed the International Covenant on Civil and Political Rights, though the National People's Congress has yet to ratify it. The presence of American firms willing to forego some of their profits to treat workers decently has helped raise standards of working conditions.

China is going to have access to the U.S. market regardless of how we vote. If we grant PNTR to China, however, we will gain the benefit of WTO dispute settlement mechanisms to better ensure China's commitment to free trade. By granting PNTR, we do give up the right to review China's trade status annually, but we can advance our agenda

on non-economic issues through increased dialogue, by bringing China into multilateral agreements and institutions, and through stronger bilateral cooperation.

Economically, I believe the world and the American and Chinese people have a lot to gain by granting PNTR.

As I discussed earlier, China's economic growth over the past two decades has been staggering, as a result of its opening to the world some 20 years ago. China has risen to become the world's ninth largest exporter and the eleventh largest importer.

In November 1999, we completed a landmark Bilateral Trade Agreement with China, which is contingent on our approving PNTR. In that agreement, China pledged to reduce tariffs on a number of imports. For example, all tariffs on information technology products such as semiconductors, telecommunications equipment, computers and computer equipment are to be eliminated by 2005. Tariffs on industrial products would decline from a simple average of 24.6 percent to 9.4 percent.

The agreement also opens China's markets in a wide range of services, including banking, insurance, telecommunications, distribution, professional services and other business services. China is expected to join the WTO's Basic Telecommunications Agreement and end geographic restrictions on wireless services and its ban on foreign investment in telecommunication. Such changes are good not only for China but for America.

But establishing Permanent Normal Trade Relations is something we can do only once. Some economists have raised serious questions about whether we have gained enough access to China's markets for goods and services. Did USTR's negotiators get a good deal? I think that's a difficult question to answer now. Our annual trade deficit with China stands at a shocking $56.9 billion.

One key factor which will determine how good a deal we got is compliance. How well will China fulfill its obligations? Through China's WTO accession and the establishment of PNTR, we will be able to hold China accountable for its trade commitments through the WTO's transparent, rules-based dispute settlement mechanisms. If China arbitrarily increases a tariff on an American product or engages in retaliatory actions against the U.S., we could seek redress under WTO regulations.

How effectively will we monitor compliance and use these mechanisms and our trade laws to bring China's laws and practices into line? This is a very serious question. China is a large country—nearly the size of the United States—and the application of national laws is grossly inconsistent across the country. Moreover, U.S. firms doing business there seem to understand their immense reliance on the goodwill of China's government and Communist Party. Will these firms be willing to risk a deal in Guangzhou by asking USTR to pursue action against arbitrary and discriminatory treatment in Inner Mongolia? Or will American firms continue to emphasize cooperation with Chinese authorities?

This bill rightly stresses the need for the U.S. government to monitor China's compliance with its trade obligations and use the WTO's dispute settlement mechanisms. But if we fail to grant PNTR for China, WTO dispute mechanisms will not be available to us.

Mr. President, China is already America's fourth largest trading partner. According to administration statistics, American exports to China and Hong Kong support an estimated 400,000 well-paying U.S. jobs.

China's WTO accession and the 1999 bilateral agreement will further open China's markets to American goods and services and protects American intellectual property rights. I believe will prove to be a good deal for America's working families.

New Jersey undoubtedly stands to benefit from China's accession to the WTO and improved market access. At the end of 1998, China ranked as New Jersey's ninth largest export destination, with merchandise exports worth $668 million. Important New Jersey firms, such as Lucent Technologies and Chubb Insurance, are already active in China and will have more opportunities as a result of China's market opening under the 1999 bilateral trade deal.

Mr. President, there are some potential risks in granting permanent normal trade relations to China now. While I have concerns about China's record in the areas I have outlined, I believe that China is undergoing momentous change. The best way to promote continued progress on issues of concern and help our economy is to grant China permanent normal trade relations status.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, one would think from the comments made by my distinguished friend from New Jersey and others that the issue was the welfare and benefit of the People's Republic of China. I have no particular gripe at this moment about China. I think, as the Senator from New Jersey pointed out, it is working. China has a very competitive trade policy. They are making improvements industrially, economically, even environmentally, and perhaps with labor standards. That is not the issue.

The issue is the viable, competitive trade policy of the United States of America. You would think that we had the finest, most wonderfully competitive trade policy there could be. The fact is, we have a $350 billion trade deficit that we know of, and this year, 2000, it is going to approximate $400 billion.

Last month, the Department of Commerce announced we had lost 69,000 manufacturing jobs. The fact is, we have gone from the end of World War II, with some 42 percent of our workforce in manufacturing, down to 12 percent.

As the head of Sony—the Japanese just beat us in softball last night, and they are beating us in trade—as the head of Sony, Akio Morita, said, that world power that loses its manufacturing capacity will cease to be a world power.

We hear high tech, high tech. They are running around here as if they have discovered something. Senator, you don't understand global competition, they say. We have high tech. We want to get away from the smokestack jobs to the high-tech jobs.

Let me say a word about that. I know something about both. I have both. I would much rather have BMW than Oracle or Microsoft. Why do I say that? BMW is paying $21 an hour. A third of Microsoft's workers are paid $10 an hour, part time, temporary workers, Silicon Valley. Forty-two percent of the workers in Silicon Valley are part-time, temporary workers. I am not looking for temporary jobs. I am looking for hardcore middle America jobs.

That is the competition. The competition in global competition is market share and jobs. We treat foreign trade as foreign aid. Free trade, free trade. They say: You don't understand high tech. The truth is, we have a deficit in the balance of trade in advanced technology products with the People's Republic of China. Last year, it was $3.2 billion. It will approximate $5 billion this year.

But Senator, agriculture. Agriculture? There is a glut of agriculture in the People's Republic. Once they solve their transportation and distribution problems, they are not only going to feed the 1.3 billion, but the rest of the world. Come now, the 800 million farmers they have at the moment can certainly outproduce the 3.5 million farmers we have in America.

We had a deficit in the balance of trade of $218 million last year with the People's Republic of China. People don't understand where we are. I have a deficit in the balance of trade of cotton. I am importing cotton from the People's Republic of China.

They say: Wait a minute, what about the airplanes? Well, yes, they have orders for 1,600, we just heard a minute ago. We will cut that in half. That is really 800, because 50 percent, according to Bill Greider of the 777 Boeing plane, is going to be made in downtown Shanghai. The MD 3010, 70 percent of that aircraft is made in the People's Republic of China. So what are we doing? Are we transferring all of the wonderful middle-class American jobs to China? And we are running all over the country hollering, ''I am for the working families, I am for the working families,'' when, since NAFTA, they have eliminated 30,700 working families in my little State of South Carolina. We lost over 500,000 over the Nation. So we are eliminating working families, and we say, ''But China is going to

really start enforcing and adhering and be made accountable.'' Not at all.

Japan is not. Incidentally, Japan has been in the WTO for 5 years and it hasn't opened up yet. I don't know where they get the idea that once we get this particular agreement and China in the WTO, it is going to open its market. That doesn't open markets. Otherwise accountable? The People's Republic see what happened with the United States and Japan and with the United States and the United Kingdom. The President was up in New York the week before last with Prime Minister Blair, and the Prime Minister is fighting for a thousand jobs, and the President of the United States is exporting them like gang busters and fighting for bananas that we don't even produce. Fighting for bananas. Come on. When are we going to sober up and get a competitive trade policy?

For a second, I don't have the idea that we ought to cut off trade; that is ridiculous because it is impossible. We are going to trade with China. I just want to cut the word ''permanent'' out and have a look-see and try to get organized a trade policy whereby we can correlate 20 different departments and agencies, our Department of Commerce and Trade, and start really competing in a controlled global economy.

The fight there, of course, as I see it, is for market share. The fight is for jobs. We are not doing it. I guess my time is pretty well limited.

Alexander Hamilton enunciated the competitive trade policy of the People's Republic of China in 1789. The first was for the Seal of the United States. The second bill that passed this Congress in July 1789 was a 50-percent tariff on 60 articles. Protectionism. We learn how to build up. The Brits suggested to us that we trade with them what we produce best and they trade back what they produce best. Free trade, free trade. Hamilton, in his writing ''Report on Manufacturers,'' told the Brits: Bug off, we are not going to remain your colony, exporting our raw materials, our agriculture, our timber, our iron ore, and importing your manufactured products. And therein is the policy of the People's Republic of China. I welcome it. I welcome the competition. But you can't find it here in the Congress. You can't find it in the Presidential race.

You would think we had a good policy of some kind. Nothing on the floor. People are coming up here, like myself, reciting their little positions, with no debate. Somebody said ''invigorating debate.'' They couldn't care less. This vote has been fixed. This thing has been fixed since midsummer. You know it and I know it. They will give you time. There is nobody seated on the other side. Let the RECORD show that. Absolutely nobody is in a chair on the Republican side of the Senate as I speak.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I ask my colleague—I have 10 minutes reserved—if my colleague from Illinois needs to speak——

Mr. DURBIN. Mr. President, I make the following unanimous consent request. I understand 6 minutes is left of the Democratic leader's time. Senator WELLSTONE asked for 10 minutes. I ask unanimous consent to follow Senator WELLSTONE and to speak for 6 minutes on the Democratic leader's time, unless a Republican Member comes to the floor, at which point I will yield to them to speak.

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

The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I thank my colleague, Senator HOLLINGS from South Carolina, for his remarks. Let me say to my colleague from South Carolina, I can't imagine the Senate without Senator HOLLINGS—the color, the power of the oratory and, frankly, being willing to stand by the courage of his convictions. He is a great Senator.

Mr. HOLLINGS. The Senator is too kind. I thank the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I want to include this in the RECORD today.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 19, 2000]

CATHOLIC 'CRIMINALS' IN CHINA

The Communist regime in China has identified and rooted out another enemy of the state: 81-year-old Catholic Bishop Zeng Jingmu. The Cardinal Kung Foundation, a U.S.-based advocate for the Roman Catholic Church and its estimated 10 million followers in China, reports that Bishop Zeng was nabbed last Thursday. An embassy spokesman here said he could't comment. This wouldn't be a first for this apparently dangerous cleric. He was imprisoned for a quarter-century beginning in 1958. In 1983, the Communists let him out—for one month. The they jailed him for another eight years, until 1991. In 1996—at the age of 76—he was sentenced to three years of forced labor and reeducation. When he was released with six months still to run on that sentence, in 1998, the Clinton administration trumpted the news as ''further evidence that the president's policy of engagement works.'' The fatuousness of that statement must be especially clear to the bishop from his current jail cell.

Bishop Zeng has been guilty of a single crime all along: He is a Catholic believer. He refuses to submit to Communist atheism or to the control of the Catholic Patriotic Association, an alternative ''church'' created by the regime that does not recognize the primacy of the pope. China's government is willing to tolerate some religious expression as long as it is dictated by the government. Anyone who will not submit—whether spiritual movements such as Falun Gong, evangelical Protestant churches, Tibetan monasteries or the real Catholic Church—is subject to ''repression and abuse,'' the State Department said in its recent report on international religious freedom. The admirably straighforward report noted that respect for religious freedom ''deteriorated markedly'' in China during the past year. ''Some places of worship were destroyed,'' it said. ''Leaders of unauthorized groups are often the targets of harassment, interrogations, detention and physical abuse.''

Bishop Zeng is a man of uncommon courage, but his fate in China is sadly common. Three days before his arrest, Father Ye Gong Feng, 82 was arrested and ''tortured to unconsciousness,'' the Cardinal Kung Foundation reports. It took 70 policemen to perform that operation. Father Lin Rengui of Fujian province ''was beaten so savagely that he vomited blood.'' Thousands of Falun Gong practitioners have been arrested during the past year; the State Department cites ''credible reports'' that at least 24 have died while in police custody.

Last month the Chinese government launched a public relations mission to the United States, dispatching exhibits, performers and lecturers—on the subject of religious freedom, among others—on a three-week charm offensive. ''American voters should get to know us,'' said the Chinese functionary in charge. The U.S. ambassador to China, Joseph Prueher, appeared at a joint news conference announcing the mission, and a number of U.S. business executives—from Boeing. Time Warner and elsewhere—happily sponsored it. We have nothing against goodwill cultural exchanges, but Chinese and American officials should not delude themselves that U.S. suspicions are caused chiefly by prejudice or lack of understanding. On the contrary, Americans understand just fine what kind of government throws 81-year-old clerics into jail.

Mr. WELLSTONE. Mr. President, this is all so timely. In this Washington Post article, the lead editorial is: ''Catholic 'Criminals' in China.''

The first sentence reads:

The Communist regime in China has identified and rooted out another enemy of the state: 81-year-old Catholic Bishop Zeng Jingmu.

. . . Bishop Zeng was nabbed last Thursday.

He spent a good many years in prison.

. . . Bishop Zeng has been guilty of a single crime all along: He is a Catholic believer.

Bishop Zeng was picked up last week and is now imprisoned again. I quote again from the editorial:

. . . Bishop Zeng has been guilty of a single crime all along: He is a Catholic believer.

Mr. President, every Senator should read this editorial today before they vote. I came to the floor of the Senate with an amendment. It merits a report from a commission we had established, to report back to us, a Commission on Religious Freedom, chaired by David Sapperstein. The commission looked at the situation in China and it made a recommendation to us. The commission's recommendation was, right now in China, as evidenced by what happened to this Catholic bishop, an 81-year-old bishop imprisoned for being a Catholic, that it is a brutal atmosphere and we in the Senate and the House of Representatives ought to at least reserve for ourselves the right to annually review trade relations with China so we can have some leverage to speak out on human rights. That amendment lost.

I brought another amendment to the floor. I said based upon China's agreement with the United States in 1991, a memorandum of understanding, and then another agreement in 1993, which the President used as evidence that we would delink human rights with trade policy with China, we should call on China to live up to its agreement that it would not export to this country products made by prison labor. Many of these people are in prison because they have spoken out for democracy and human rights. That amendment lost.

I brought another amendment to the floor of the Senate, which was an amendment that said men and women in China should have the right to organize and bargain collectively; they should be able to form an independent union. I cited as evidence Kathy Lee and Wal-Mart paying 8 cents an hour from 8 in the morning until 10 at night—mainly to young women. They get 1 day off a month. I said shouldn't we at least say we want to extend the right to annually review trade relations until China lives up to this standard? That amendment lost.

Then I offered an amendment with Senator HELMS from North Carolina, a broad human rights amendment, citing one human rights report after another saying that China needed to live up to the basic standard of decency when it comes to respecting the human rights of its people. That is a sacred issue to me—anywhere in the world. That amendment lost.

I want to conclude my remarks on the floor of the Senate in three ways. First, I hope I am wrong, but I believe we will deeply regret the stampede to pass this legislation and the way in which we have taken all the human rights, religious freedom, right to organize, all of those concerns, and we have put them in parentheses and in brackets as if they don't exist and are not important. I think we will regret that. I think we will regret that because if we truly understand the implications of living in an international economy, it means this.

It means that if we care about human rights, we have to care about human rights in every country. If we care about the environment—not just in our country—if we care about the right to organize—not just in our country—if we care about deplorable child labor conditions, we have to be concerned about that in every country. When we as the Senate and as Senators do not speak out on human rights, we are all diminished. When we have not spoken out on human rights in China, I think our silence is a betrayal.

I will make two other final points.

I have heard my colleagues argue ''exports, exports.'' I have spoken plenty about this legislation, and I will not repeat everything I said but just to say I think the evidence is pretty clear. Not more exports but more investment—there is a difference.

I think what will happen is China will become the largest export platform with low-wage labor under deplorable working conditions exporting products abroad, including to our country, and our workers will lose their jobs. Frankly, we will be talking about not raising the living standard of working people but lowering the living standard.

On agriculture, I think there was a piece in the New York Times on Sunday. Every day there is an article in the newspaper about China. It is not a pretty picture. It is as if many of my colleagues want to turn their gaze away from the glut in production—about the protests, about people being arrested for the protests.

Frankly, as to the argument that we are going to have many more exports to China and that is going to be the salvation of family farmers—the President of the United States came out to Minnesota and basically made that argument—we can have different views about human rights and whether or not there will be more respect for human rights as we have more economic trade relations in China, but so far that is not the evidence. I can understand how people honestly disagree. I don't believe that most-favored-nation status or normal trade relations with China is the salvation of family farmers for this country.

I want my words in this debate to be heard. I want to stick by these words, and I want to be held accountable. I want every other colleague who has made such a claim, that this will be the salvation for our family farmers in this country, to also be held accountable.

Finally, I say to Senators that I believe we will lose this. And people in good conscience have different viewpoints. I can't help speaking with some strong feeling at the end of this debate to say this: I will look at this debate and vote with a sense of history. One-hundred years ago, our economy was changing. We were moving to a national economy—industrialized national economy. You had farmers, laborers, religious communities, populists, and women. And they made a set of standards. They wanted an 8-hour day. They wanted to abolish some of the worst child labor conditions—antitrust action; women wanted the right to vote; direct election of U.S. Senators. They wanted the right to organize and bargain collectively. The Pinkertons were killing labor organizers. The media were hostile. Money dominated politics. But many of those demands became the law of the land over the years and made our country better. So it is today. This is the new economy. It is an emerging global economy.

What we were saying is we want to civilize the global economy and make it work—not just the large conglomerates. We want this new global economy to work for the environment; to work for family farmers and producers; to work for human rights; to work for religious freedom; to work for workers. That is what this debate has been about.

I think this will become where you stand in relation to this new global economy. I think it can become some kind of axis of American politics over the next 5, 6, 7, 8, or 9 years to come.

I am proud to stand for human rights. I am proud to stand for religious freedom. I am proud to stand for the right of people to organize. I am proud to stand for an international economy but an international economy that is based upon some standard of decency and fairness.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, on behalf of the leader, Senator DASCHLE, I yield 30 minutes to Senator BYRD, 5 minutes to Senator BAUCUS, and 15 minutes to Senator MOYNIHAN. I say to my Democratic colleagues, that is all the time we have. Senators shouldn't ask for an extension of time because there is no more time on the Democratic side.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Thank you, Mr. President.

I asked for 6 minutes. Was that calculated?

Mr. REID. Yes. I understood that had also been granted. If not, I grant 6 minutes.

Mr. DURBIN. Thank you very much.

Mr. President, I rise today in support of Permanent Normal Trade Relations with China. Today the United States Senate will vote to grant PNTR to China and its 1.2 billion people. We will decide whether or not to allow American farmers, manufacturers, businessmen and women to trade their products, their ideas, their goods with one-fifth of the world's population.

Last November, after more than a decade of negotiations, the Clinton Administration signed a bilateral agreement that will drastically reduce barriers on American products and services going to China. The agreement is clearly in the best interests of our nation's farmers, manufacturers, and workers. Supporting China's entry into the WTO is clearly in the best interests of our economy, national security and foreign policy.

Trade is the future. Make no mistake about it: trade can open up the exchange of ideas—ideas like democracy, freedom of speech, freedom to worship, and freedom of association. China stands on the brink of becoming the most important trading partner the U.S. has ever seen and the U.S. Senate will go on record in support of this important step in international trade and foreign policy.

When China concludes similar agreements with other countries, it will join the WTO. For us to benefit though, we must grant China PNTR status—the same status we have given other countries in the WTO. And, Mr. President, that's what this debate is about. Do we give China the same status as the other countries already in the WTO? Do we put them in an environment where

they will have to follow the rules and be held accountable if they break them?

Many of my colleagues have come to the floor of the United States Senate over the last several weeks to offer amendments to this legislation. They've all been defeated, with my help, despite the fact that I agree with the intention of almost everyone of them. I voted against every amendment offered because I know and the American people watching this debate know that amending H.R. 4444, at this point in the process is a death knell.

We defeated goodfaith amendments like Senator THOMPSON's non-proliferation amendment, Senator WELLSTONE's religious freedom and right to organize amendments, and Senator HELMS' amendment regarding forced abortions. I agree with the intent of my colleagues. China should not engage in the proliferation of nuclear technology. China should not prevent workers from organizing. China should not force women to adhere to any type of ''one family, one child'' policy.

But, the bill we're debating is a trade bill. And if it's changed in any way, shape, or form, it will go back to the House of Representatives and die.

My friend in the House of Representatives, Rep. SANDER LEVIN, successfully added language to the House-passed legislation that, I believe, holds China accountable. The Levin/Bereuter language establishes a formal Congressional-Executive Commission on China to institutionalize mechanisms for maintaining pressure on China to improve its human rights record, increase compliance with basic labor standards, and abide by current and future commitments. This commission would review and report on China's progress in these areas and make recommendations to the Administration and Congress. My friends who offered amendments regarding human rights on the floor of the Senate will be able in the future to review China's record in this important area.

The Levin proposal would also push for more transparency at the WTO, including urging prompt public release of all litigation-related documents and the opening of secret meetings of the dispute settlement panels. The United States pays dues to the WTO and we have a right to know what goes on in those meetings. I've heard over and over again about the secrecy of the WTO. It's time for the WTO to shed some light on what really happens in these meetings that affect real American workers, so that workers will be able to see that we can rely on their rules-based trading system for relief when and if it's needed.

The Levin–Bereuter proposal empowers the Congress by seeking special congressional review of U.S. participation in the WTO two years after China's accession, to assess China's implementation of WTO commitments. We'll have the power to see just how well China is abiding by its commitments.

And finally, the legislation expresses congressional support for Taiwan's accession to the WTO immediately after China's accession. While the Chinese aren't happy about this provision, I believe that it's important to allow Taiwan the same trading rights as mainland China.

America began as an agrarian nation, then transformed itself into an industrial power, and now over 200 years later, we're the leading economy in the world due, in part, to our ability to recognize that competition can force a country or a company to excel or fail. America has never feared competition.

And it's a reality that global competition is here and it's here to stay. Opponents argue that we must stop globalization, that we must punish the Chinese for all their human rights abuses, for prison labor abuses, for Tiananmen Square. Every year, we vote on whether or not to grant NTR status to China. Throughout my time in the House and Senate, I've voted both for and against NTR. Every year, we take a look at how China treats its citizens, wondering whether or not our annual review of their trade status would change their behavior.

Many say that the Congress shouldn't give up that right to annual review—that if we annually examine how the Chinese treat their people, and based upon that, deny or give them preferred trading status, somehow they will clean up their act and guarantee every Chinese citizen basic human rights. It's time we changed our approach. It's time to bring democracy to China via the Internet, via U.S./Chinese commerce relationships, via other U.S. products. It's time to bring social progress to China, not with messages from Congress but messages from across America, from businesses, labor traders, educators with new access to a society too often closed to diverse opinion.

President Clinton noted recently that ''In the new century, liberty will spread by cell phone and cable modem.'' Take a look at America with access to the Internet and now think back to the days when access to world knowledge was only through the printed media. America is a different nation because of this progress and China has the potential to change too.

Think for a moment about what would happen if we denied PNTR to China. I believe that if we sent that signal to the Chinese people, the walls of isolation would be strengthened. The hardline Communists would be emboldened more so than before. If we vote against PNTR, Beijing won't free a single prisoner. They will turn inward and the limited freedoms the Chinese people currently enjoy could well disappear.

And this argument ignores our experience with the Soviet Union during the height of the Cold War. We spent trillions of dollars to oppose a regime that was rife with human rights abuses, yet we still sold them, in the words of the late Hubert Humphrey, ''just about anything they could not shoot at us.''

China will enter the WTO, with or without our support. The questions is: will America benefit from it or will the Chinese buy products and services from the Europeans or the Canadians or the Mexicans? To me, it's a clear choice: Americans will benefit from free and fair trade with China. And China will change for the better as it opens its doors to the world.

What about Illinoisans? How will farmers from Peoria and Cairo benefit from this action? How will major Illinois-based U.S. corporations like Motorola and Caterpillar and Bank of America and the thousands of Americans they employ benefit from this agreement?

The average tariff for agriculture products will be 17.5 percent and, for U.S. priority products, 14 percent, down from 31 percent. Farmers in downstate Illinois, will benefit from this; there's no doubt about it. At present, China severely restricts trading rights and the ability to own and operate distribution networks. For the first time, Illinois exporters will have the right to distribute products without going through a State Owned Enterprise. Illinois is already a significant exporter of farm and industrial goods. In 1999, Illinois exported $9.3 billion worth of industrial/agriculture machinery. We shipped just over $6 billion in electric equipment as well. Illinois farmers exported roughly $3 billion in commodities to other countries. Illinois exports in 1999 totaled over $33 billion. Of that, $850 million was sold to China.

Companies like Motorola (with over 25,000 employees in Illinois) which pays tariffs of 20 percent on pagers and 12 percent for phones, will see those tariffs slashed. The Illinois soybean farmer will see the tariff-rate quotas completely eliminated.

Banks will be able to conduct business in China within the first two years of accession. They will have the same rights as Chinese banks. Geographic and customer restrictions will be lifted in five years, thereby allowing them to open a branch anywhere in China, just like they can here. U.S. automakers, like the Chrysler plant in Belvedere, Illinois, will see tariffs on their products slashed from 100 percent to 25 percent.

Pike County, Illinois pork producers will be able, for the first time, to export pork to China. Under the current scheme, China's import barriers have effectively denied access to American pork products. We're talking tariffs in the range of 20 percent that will drop to 12 percent by 2004.

What about Illinois steelworkers, still reeling from the 1998 steel crisis? China will reduce its tariffs on steel and steel products from the current average of 10.3 percent to 6 percent. They've agreed that any entity, like Acme Steel with facilities in Riverdale and Chicago or Northwestern Wire and

Rod in Sterling, will be able to export into any part of China, phased in over 3 years.

Peoria-based Caterpillar, with almost 30,000 Illinois employees, has recently invested in several new facilities in China. They've also recently announced the sale of 18 new trucks to the Shanghai Coal Company, trucks that will be made in Decatur, Illinois, and shipped halfway around the world. This is the type of investment by Caterpillar that maintains local jobs throughout towns and cities across Illinois.

Of course, many of these are big corporations. What about small businesses? How will they benefit from this agreement?

In 1997, 82 percent of all U.S. exporters were small businesses, generating over 35 percent of total merchandise exported to the East. Paperwork burdens for America's small businesses will be reduced drastically as customs and licensing procedures will be simplified. America's small businesses don't export jobs to China. They export ideas and products to a people who need and want their products and services.

No one expects this trade agreement and our future relationship with China to be easy. Already, Beijing officials have begun backtracking on several of their commitments made last November. I understand that at the most recent session of the WTO Working Party on China's accession, China objected to having its implementation of trade obligations reviewed every other year. A Chinese proposal dated July 14th strikes language in the protocol referring to bi-annual reviews and replaces it with language providing for reviews every four years. Their rationale is that they're a ''developing'' country.

This is absolutely unacceptable. The fact is, China is not a typically developing country and it shouldn't be allowed to cloak itself in that status. It's a uniquely large country and economy, where the essential elements of a market economy are taking root. Four years is far too long a time between reviews of China's implementation. If this proposal were adopted, it would make WTO dispute settlement the only formal channel by which we could ensure China's fulfillment of its trade obligations. Just one example: if China automatically received developing country status, it would receive special treatment like allowable export subsidies that wouldn't be treated as subsidies. If the Chinese flooded the U.S. market with steel (as is the case now), the U.S. steel industry wouldn't be able to use U.S. countervailing duty trade laws because that law doesn't apply to subsidization for developing countries. There are other areas where the Chinese would like to backpedal. But, Mr. President, we must hold them to the November agreement and discourage future backtracking of that agreement by Chinese trade officials. Any unwillingness by the Chinese to abide by this agreement at this point should be roundly condemned by this Administration and other foreign nations, who just might find the Chinese backtracking with them as well.

Trade with foreign countries means nothing if it's not carried out under a rules-based system. Trade commitments require full enforcement to have meaning. With China's WTO membership, we will gain a number of advantages in enforcement we do not currently enjoy.

First, there is the WTO dispute mechanism itself. Remember that China has never agreed to subject its decisions to impartial review, judgment, and possible sanctions if necessary. That will now happen.

Second, we will continue to have the right to use the full range of American trade laws, including Section 301 and our Anti-dumping/Countervailing Duty laws. It's important, though, to have an administration that will use these trade laws effectively. It's my hope that the next President will not hesitate to bring cases against China and other countries if they break our trade laws.

And finally, we strengthen our enforcement capabilities through the multilateral nature of the WTO. In effect, China will be subject to enforcement by all 135 WTO member nations, thus limiting their ability to play its trading partners against one another. The U.S. won't be alone if China breaks the rules.

Opponents of PNTR argue that it's NAFTA all over again. You'll remember Ross Perot's soundbite: ''That great sucking sound.'' You'll remember that some said the American economy would go down the tubes, that hundreds of thousands of American workers would lose their jobs to cheap labor in Mexico if NAFTA were enacted.

Here's Illinois' story. Gross jobs added in export industries from 1993–1998 totaled over 60,000. Net jobs totaled almost 40,000. There was no great sucking sound. US unemployment is still low. There are more people employed in Illinois right now than at any time in its history. The Illinois Department of Commerce estimates that nearly half a million jobs are supported by exports and that there's been a 51.6 percent increase in Illinois jobs sustained by exports since enactment of NAFTA.

Yes, some folks have lost their jobs due to trade. The Department of Labor certified 50 Trade Adjustment Assistance cases in Illinois from 1994–1999, totaling 5,718 jobs lost. Frankly, losing 5,718 jobs is still too many. When workers lose their jobs, we should do more than just provide TAA. We should find ways to train our workers in emerging fields and industries so they get new jobs that are at least as good as the ones they lost. That's the responsibility of the American business community, educators, and federal, state, and local governments. This is the best opportunity we've had in years to export American ideals and products. We should also ensure we don't export American jobs.

Worker re-training is one of the most important debates that this Congress should focus on. Today, we voted on a cloture motion on H1B visas. I have almost 6,000 Illinoisans who've lost their jobs due to trade, yet we have to import workers from foreign countries because we have industries begging for skilled workers to show up for that 9–5 job. Yet, our way of solving the skills shortage in the U.S. seems to be through the importation of highly-skilled foreign workers—a Band-Aid approach that doesn't solve the underlying problem. America, as a nation that gains from trade, has an obligation to use a portion of those gains to support and re-train those who've been ill-affected. We must do more to help American workers train for and get jobs that will move them up the economic ladder.

In 1998, we passed the Workforce Investment Act. One important component of the WIA is the funding stream for dislocated workers. Grants to states and local communities provide core, intensive training and support services to laid off workers. Under President Clinton, dislocated worker funding has tripled from $517 million in 1993 to $1.589 billion for FY2000. This is an important program, like Trade Adjustment Assistance, that helps American families deal with an economy that's transforming itself as ours is today.

But is it enough? Is it enough to train workers after they lose their jobs or do we need to start before it's too late? With public/private partnerships, we can train America's workforce for the jobs of the 21st Century, the hi-tech jobs, the nursing jobs, the educator jobs. It's our responsibility to encourage companies like Caterpillar and Motorola and Cargill and others to let local, state, and federal officials know what types of workers they must have to meet their needs for the future. We should encourage more Americans to pursue higher education and skills training. I'm working for measures like college tuition tax incentives that would provide tax deductions or credits for America's working families to give their children the opportunity to prepare for the jobs of this new economy. We also need assistance to help workers with skills training and lifelong learning.

Some would argue as Lenin did that a capitalist will sell you the rope you will use to hang him, but I think such trade serves a greater purpose than profit. Information technology, now a key element in the future of business, also is a key element in undermining government control of thought and appetite. If you can flood a nation with modems people use to learn and trade, no government can bridle the expansion of thought and diversity that will follow.

Chinese leaders, recognizing the transformative nature of the free flow

of ideas, have tried recently to clamp down on Internet usage by its citizens. This will never work as the authorities in Beijing will learn. China must either give up its desire to build a modern, high-tech economy or allow the free exchange of information that a modern economy requires. I accept the American premise that if you give people a little freedom and enough information, the desire for freedom, democracy and the chance to work hard and succeed will prevail.

You can station Chinese tanks on Tiananmen Square on a full-time basis, but if you let the open exchange of ideas and business transactions flow through those glowing modems, China will change for the better.

Let's grant PNTR to China and begin a new chapter in the book of U.S.-China relations. Bringing down trade barriers; Opening up new markets; Giving American workers a chance to compete; And giving America's customers a chance to enjoy the best our country can produce: It's a formula for success. It's a challenge America has never shirked.

Our workers, our farmers and businesses are counting on us to trust their ability to rise to the challenge in this new century. We cannot fail them.

Mr. President, I listened carefully to the debate and statement made by my colleague, Senator WELLSTONE, as well as Senator HOLLINGS of South Carolina. These two Senators and many others have spoken from the heart during the course of this debate. The Senate of the United States and the Nation are well served by the element they bring to this debate, their deep-felt convictions, feelings, and values that have been exhibited not only in their floor statements but in the amendments they have offered over the last several weeks.

Though I may disagree in my conclusion on this treaty, I can tell you I have the greatest respect and admiration for their leadership and for standing up on these issues of human rights.

I would like to put this in perspective. If we believe the vote we take this afternoon will give China some new benefit, then one could argue that we should ask for something in return. One could argue that if we are going to give China something, we should ask them to make changes in China in their human rights policy, which is reprehensible—the way they treat the press, the way they treat religions in that country, their forced family planning policies, the coercive attitude they have towards families and their future in China, the terrible things which we have heard about, proliferation—all of these should be on the table and part of the agenda as we negotiate, if the agreement we are voting on is, in fact, a benefit given to China. But let me suggest to you it is not. We are receiving the benefit from this agreement. Let me explain.

The World Trade Organization is a group of over 130 nations which have come together and said we are going to do away with the old school of thinking where every country would put up tariffs and barriers to trade with other countries. We are going to try a new approach. We are going to try to drop those tariffs and barriers and see what free trade will do. Let each country make a product and a service the best and sell it around the world. That is what the World Trade Organization is about. Over 130 nations have agreed that those are the rules by which we will play.

Today in the Senate this will be a historic vote to decide whether or not we bring China into the World Trade Organization and compete with U.S. trade policy—in other words, the relationship between the United States and China. China, in order to be part of this World Trade Organization, has said they will agree to drop our tariffs and barriers substantially so that American companies and farmers and others can export to China. In other words, this is a win-win situation for America's economy. It is China that is making all the decisions to drop the tariffs and drop the barriers and give us a chance to compete—give us a chance to sell to 1.2 billion people; give us a chance to sell to one-fifth of the world's population. We win; they drop the barriers; America gets a chance to sell overseas. That is what is at stake here.

If this benefit comes to the U.S. economy to be able to finally get into this market and compete, then it is kind of hard to argue that we ought to be holding off and conditioning this benefit on all sorts of changes in China.

I have seen the amendments that have been offered by many of my colleagues on the floor over the last several weeks. Many of these are good faith amendments. Many of these I agree with totally in principle. I voted against every single one of them. How can that be? Because, frankly, they don't belong on this bill. This is a trade bill. Let us address the issues of human rights, workers, environmental concerns, and proliferation by China through a variety of other approaches. But to use this trade bill is a mistake.

This trade bill gives us a chance to say to workers across America that we are going to give them a new market; we are going to give them a new chance. If my colleagues believe as I do that globalization and global competition really are the future of this country, we in America need markets in which to sell. That is what this is about.

I have a lot of confidence that American workers and businesses and farmers, given a chance to compete by fair rules, can succeed. If you believe that, you have to vote for this bill; you have to open this market. You have to give us a chance to sell in what is one of the largest markets in the world. That is what it comes down to.

There is also a provision that was added to the House bill which I support completely. It is known as the Levin/Bereuter amendment. It is a bipartisan amendment by SANDY LEVIN, a Democrat of Michigan, and DOUG BEREUTER, Republican of Nebraska. They come together and say China has to play by the rules. And we will watch them carefully with an executive commission to make sure they are not only playing by the trade rules but treating their people fairly.

I think that is the right way to proceed. I think it covers many of the issues raised during the course of this debate. But, frankly, we cannot hold up the expansion of trade opportunities waiting for China to become a democratic nation. In fact, I think expanding trade in exchange will lead China into democracy, into freedom, closer to what we value as principles in this country. Why do I believe that? I saw Tiananmen Square on television. I saw these tanks that were mowing down common citizens standing up for freedom. It was reprehensible. It was disgusting. But we saw it on television. There was a time not that long ago we would have never seen it. We would have heard about it months later. The world is opening up. We are seeing things in real time from around the world, in China and other nations, and as a result the court of world judgment says it is wrong and you have to change it, and the pressure starts building.

Think about expanded economic exchange with China, expanded trade, more foreign visitors, American businesses, American farmers, and educators going into China, becoming part of their economy. Think about this information technology as the Internet opens up China to new thinking and ideas around the world.

Do you know what we believe in this country? We believe if people are given the opportunity to hear diverse opinions, if they are given the opportunity to see what the rest of the world looks like, they will move closer to our model, closer to democracy, closer to freedom, closer to open markets. I believe that, too. I do not believe the Chinese leadership, even their hidebound old thinking, can turn that tide. This bill opens those markets, opens this exchange of ideas and goods, and gives us a chance to not only provide for workers and farmers and businesses in America the chance to succeed in a new market but a chance to change China for the better.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DURBIN. Mr. President, I suggest the absence of a quorum and ask it not be charged against the Democratic side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. BOND. Mr. President, the debate before the United States Senate on our granting China permanent normal trade relations status has been a tremendous debate for the country. We have heard strong arguments for and against enhancing our engagement and expanding trade with China. This debate has implications for our economy, national security, and for the future of China.

This vote has enormous implications for every American and people around the world. I am pleased that the Senate is proceeding toward a vote on final passage. It will be an honor to support legislation that has such important implications for the people of my state and for our country.

Let me say, that is not only desirable from a U.S. standpoint to have China as a full member of the WTO, I think it is essential. China entering the WTO will create unprecedented opportunities for American businesses and farmers, it will encourage the new entrepreneurial forces pushing china toward more liberal political, economic and social policies and it will certainly contribute, if not ultimately lead, to the further stabilization of Asia and the world.

From the standpoint of economic growth, increasing our economic relationship with China is imperative. Increased trade has played an indispensable role in the economic growth this country has experienced in recent decades. The leadership and the growth of American companies has been fueled by American companies winning access to new markets. As many U.S. markets continue to mature, market access will play a more important role for the expansion of our businesses.

At this time, the U.S. has very limited access to a market representing the largest number of consumers in the world. China is a nation of 1.2 billion people, one-fifth of the world's consumers. Over the next 5 years, it is projected that 200 million of those Chinese will enter the middle class. On a massive scale, these are people who will be acquiring for the first time products that we in the United States take for granted. We owe it to our workers and investors to give our companies an equal opportunity to fight for those sales.

Increasing our relationship with a country of this size is also important for maintaining our world leadership in the science, aerospace, advanced technology, and medicine, and most important in all those areas, the well-paying, advanced jobs of the future.

Trade is part of the process by which capital, resources and manpower flow to the areas in which we perform best. Reducing restrictions on capital flows has allowed American entrepreneurs to pursue opportunity, create the best, most advanced products in the world, and in these areas, lead the world.

Our world leadership in the industries of tomorrow did not happen by accident. In addition to the spirit and ingenuity of the American people, enough policy makers in this country have had the foresight to create an atmosphere where this genius and industry can thrive. Expanding our economic relationship and breaking down barriers to trade with the largest block of consumers in the world is another huge step in that process.

To continue to promote that environment where Americans can thrive on a large scale, we need to pass this legislation.

But for me, the best reason to support this relationship is that it is good for my state. Whether it is Missouri's farmers, our workers, or our businesses, Missourians will benefit if China is a member of the WTO.

Reviewing the numbers for American farmers alone gives a picture as to the staggering opportunities in this market. China is currently our fourth largest agricultural market. The U.S. Department of Agriculture estimates that this market will account for 37 percent of the future growth of agricultural exports. And the Chinese have agreed to slash tariffs and eliminate the quotas on several products important to economy of my state—soybeans, corn, cotton, beef, and pork.

As China eliminates their legal requirements for self-sufficiency in agricultural products, if they remain only 95 percent self-sufficient in corn and wheat, they will instantly become the second biggest importer of those products in the world, second only to Japan. Missouri farmers are ready to compete for those markets.

This is a tremendous opportunity to help our pork producers and cattlemen, both areas in which China has agreed to cut tariffs. Unlike the Europeans, the Chinese are ready for their people to enjoy American beef. They are prepared to eat American beef openly and enjoy it in public. In Europe, only the diplomats who come to the U.S. get to enjoy a good piece of U.S. steak.

The Chinese are going to learn quickly what we know and the European diplomats know, American beef is the best. As those 200 million Chinese enter the middle class, I am confident they will enjoy American beef and want more of it.

The projected increase for demand of pork in China is simply staggering. Rather than go into the numbers, the pork producers estimate that $5 will be added to the price of a hog when we expand our trade relationship with China. That would be the difference between success and failure for small pork producers.

On another issue of great importance to my state and to my farmers, the Chinese have agreed to settle sanitary and phyto-sanitary disputes based on science. What a novel idea. This is essential to avoiding non-tariff trade barriers as our farmers continue to employ biotechnology and advanced agricultural practices.

The benefits are not limited to agriculture, despite what has been argued, benefits do extend to manufacturing and other sectors.

For example, one company in my state, Copeland, a division of Emerson Electric, manufactures air conditioner compressors in the wonderful town of Ava, MO. Those compressors are sent to China where they are incorporated in units sold all over Asia. As the market for air conditioners in Asia has expanded, the number of manufacturing jobs in Ava have grown. Those jobs will not go to China and if this agreement is passed the manufacturing jobs in the Ava facility are expected to double.

This agreement opens competitive opportunities for businesses of all sizes. Under the market opening agreement, the Chinese will eliminate significant market barriers to entry blocking the competitiveness of American companies.

For instance, currently, if a product can even be imported into the country, the Chinese control every aspect of movement, right down to who can handle and repair an item. Those requirements will be eliminated as will the state-controlled trading companies. Quotas and tariffs must be published.

These are major steps in the direction of a market-based economy. The elimination of these wide-spread and draconian barriers will give American entrepreneurs and small businesses that want to take on the Chinese market a real chance to penetrate and compete. For the first time, American businesses, large and small, will have the chance to compete on a level playing field.

It is also worth nothing, that without the benefit of the WTO, to ensure adherence to our trade agreements, we must rely on our federal agencies to oversee and enforce agreements. Frustration with the Chinese regarding their respect for and adherence to past agreements has been expressed. We will receive the benefit of a rules-based trading regime and the weight of enforcement on a multi-lateral basis once China is a member of the body.

Some of the opponents argue that this measure is a ''blank check'' for China and that it ''rewards'' China despite the past abuses of its people. The complaints of the human rights activists against China are legitimate. The abuses and repression of religion are deplorable and their gestures toward a free Taiwan are totally unacceptable.

I reemphasize that point. We should not tolerate their abuses and their threats toward a free Taiwan.

The arguments that we are giving them a pass despite these abuses misses the point and the argument that profits are taking precedence over American values is wrong. This vote is of significant importance in promoting free enterprise in China and creating a increasingly prosperous and reform-minded middle class.

For all the backwardness of China on the issue of religious freedom and human rights, positive changes are underway on the economic front—we

should recognize that the changes are a direct threat to the communist establishment in China. As the Chinese people become more aware of the opportunities that exist for improving one's life that are inherent in a free society, they will demand more rights from their government and will demand that the government become more responsive to the will of the people.

I have seen that on my visits to China. I am convinced the people of China, as they see these opportunities, will increase their demand for and their insistence on the basic principles that have made our country strong.

Senators have come to the floor this week to tell troubling stories about life in China and made arguments as to why it would be a mistake at this time to grant China PNTR. By not supporting their amendments, they have argued, we are betraying our values as a people and we are abandoning support for the principles that make ours a great country.

For all their good arguments, passing PNTR and enhancing our economic engagement with China is a concrete opportunity to promote change in many of the areas raised. It is important to discuss these issues and reiterate time and again in the strongest possible terms that we condemn the practices of the Chinese. However, it does not follow that defeating PNTR is the way to force the Chinese to change their behavior. The exact opposite is true. Exposing China to more freedom and opportunities is the way to bring about change.

One of the early amendments was in the area of the environment. The argument has been made that we cannot grant the Chinese PNTR because they have been poor stewards of their environment.

I remind my colleagues that with every extremely poor country in the world, the struggle to employ their people and raise the standard of living of its citizens is preeminent. People under such circumstances must struggle to feed their families. They are not watching NOVA environmental specials or reading National Geographic. They simply do not have the luxury to worry about the environment.

The same applies to the government, creating economic growth to employ the poor citizens is its goal. What China needs is wealth creation, jobs, and enterprise apart from the state. When the desperation and the poverty begin to subside the government is likely to be far more open and responsive to managing the environment. But calling for the denial based on their environmental policies while withholding the best means for the country to raise their standard of living does not offer a solution.

The same applies to labor practices. My support for PNTR does not mean that I condone labor conditions in China. In fact I think they are terrible. But is defeating PNTR in order to make a statement about labor practices in China going to improve worker's rights. Absolutely not.

The way to improve workers rights in China is allow foreign enterprises into the country, create more private sector jobs and more opportunity. The world buying from the Chinese will create private sector employment and reduce dependence on the government. It creates more choice and opportunity.

I share the concerns of my colleagues about Chinese crackdown on religious practices. It is an appalling and unacceptable government practice that we must continue to speak out against.

But forcing loyalty to the state and the crushing of all beliefs and values that compete with loyalty to the state is a practice that is common among communist dictatorships. This is the way that leaders in communist countries avoid having the people's loyalty to the state and the question of their purpose in life cluttered by outside influences.

Again, will supporting PNTR empower the reform movement? Can promoting free enterprise in China undermine the grip of the government? I think it can.

By joining the WTO and pursuing economic engagement and integration with the world, the Chinese communist leadership are taking a risk.

They are taking the risk that foreign entities can enter the country and form relationships with Chinese people but the people will still maintain their loyalty to the state.

They are taking the risk that their citizens are going to be exposed to the outside world and the freedoms those in American and other countries enjoy but that the Chinese people will not want a piece of that freedom for themselves.

They are taking the risk that Chinese people can go to work for private enterprises, with the freedom to pursue better opportunities and with the freedom to innovate, make their own decisions and enrich themselves, but at the end of the day, still maintain the belief that the communist lifestyle, with its per capita income of $790 a year and blind loyalty to the omnipotence of the state is the superior way of life.

The Chinese are taking a risk that their people will bear witness to entrepreneurship, capitalism, an improved standard of living, middle class lifestyle and freedom of association, and not recognize that freedom is the better and more rewarding way of life.

That is an enormous risk for the Chinese communist leadership to take—I think it is a bet they will lose.

Some of my colleagues do not possess this belief. They chose to maintain the most dire outlook on the circumstances. I believe in the virtue and the power of freedom.

Some of my colleagues have chosen to shout at the Chinese leaders about freedom, but to most of the Chinese leaders freedom means a loss of power. Much of this rhetoric, as part of a quest for meaningful change, will not do much to advance the ball. The Chinese leadership is not interested in hearing it.

Change in China, for the reasons I stated, is not going to come from the top down, at least until there are a lot of high-class funerals in that state, from the actuarial numbers that are about to apply. It is going to come from the bottom up. We must seize any opportunities available to make meaningful change happen.

The path to take is the one we are taking and that is to encourage the infiltration of free enterprise, freedom of thought and freedom of association into the current society. It may not happen over night, it may never happen and if it does, it is likely to be messy. But there are signs of movement in a positive direction—we have an opportunity to grease the skids. We would be missing a historic opportunity if we did not seize this chance. My colleagues that oppose this bill are wrong to think otherwise.

Not supporting this bill will also hurt the effort to promote the rule of law. There is a reason why a number of dissidents have come out in support of this legislation. The WTO is a rules-based organization that cannot exist if members do not adhere to the rule of law. As a member, China will have both rights and obligations and will have to deal with other nations as equals. Indeed, as a member of a growing number of international organizations, China will continually be subject to the rule of law and continually confronted with the challenge of accepting international norms and, hopefully, standards of freedom.

Finally, admission to the WTO is not a substitute for a strong, consistent foreign policy toward China. Certainly one reason why this debate has been difficult is because the administration has lack of a clear foreign policy toward China and the resolve to act on important issues as they arise. In my observation of this administration, it appears to me that they place much hope that admission to the WTO will erase their abysmal record in dealing firmly with China on important issues.

We as a nation must reiterate our support for the security of a democratic Taiwan and stand by that country as they negotiate the terms of their relationship with Taiwan. We must support the entry of Taiwan into the WTO and not let China dictate the terms by which this valuable friend and trading partner is admitted to the world trade body. We must provide Taiwan the means by which they can provide for their own security.

We must speak out for the freedom of the Chinese people to practice religion. We must speak in favor of increased freedom for the Chinese people.

China must be told that we will not tolerate their continued export of weapons technology that can lead to the destabilization of several regions around the world. We must push the Chinese to improve the export controls

and we must be forceful when we discover violations in international antiproliferation agreements.

These are not objectives that will be accomplished by defeating PNTR. These are challenges that the current administration has failed to meet. We have not had the adult supervision we need in foreign affairs, in military affairs, and in relations with a critical, large member of the world organizations, and that is China. We have to have an administration which understands foreign policy, which speaks with a clear voice, annunciates our principles, and stands up for them.

Defeating PNTR will not give us a strong foreign policy. That will depend upon the next administration. I fervently hope and pray that we will get some decent leadership in foreign affairs beginning next year. We have lacked it. We have been sorrowfully observant of the failures and shortcomings throughout the last 7½ years. Defeating PNTR will not help the next administration in their foreign policy towards China. Approving PNTR will. We must be firm in charting our course in the defense of national security.

This is an important step to take for the strength of our economy and for our workers and farmers. It is also an important step to take to move China toward a freer society. We must cast this vote with open eyes. It does not answer the questions surrounding China that have been raised during this debate. That is for the foreign policy of the next administration. By adopting PNTR and voting favorably, we can take the first step in giving the next administration the tools to develop a strong foreign policy with respect to China.

I urge my colleagues to join with me in supporting permanent normal trade relations with China. I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Senator from West Virginia.

Mr. BYRD. Mr. President, I believe that the Senate is about to make a grave mistake. It is hard for me to believe that after a year which has seen the Chinese Government rattling sabers at Taiwan, continuing to brutally repress religion, and, generally, behaving like the ''Bobby Knight'' of the international community—after a year like that—the Senate is still determined to hand the Chinese a huge early Christmas present called permanent normal trade relations. We are running a $70 billion deficit with China. China's string of broken promises on trade and nonproliferation matters is longer than the Great Wall of China. Yet, a majority in this Senate has agreed to put all of its eggs into one basket and rush to pass PNTR. ''Don't worry. Be happy,'' says the administration. We have the bilateral trade and investment pact to protect us.

The bilateral trade and investment pact negotiated between the U.S. Trade Representative and China is one of a series of agreements which China is negotiating with members of WTO in order to join the body. The agreement has been used to assuage the many concerns of some Members of this body about granting PNTR to China. But I believe that PNTR and the new U.S.-China trade pact, that panacea of all good things, will encourage mainly one phenomenon—one phenomenon; namely, more U.S. corporations will move operations to China to capitalize on low-wage production for export back here to the United States.

Now if Senators don't believe it, just look at recent history. Look at NAFTA. Clear evidence is right there—NAFTA, the Holy Grail of NAFTA. The North American Free Trade Agreement was supposed to right every wrong, cure every evil, and make us all healthy, wealthy and wise. NAFTA's proponents convinced Congress in 1993 that NAFTA meant large net benefits to the U.S. economy, and nothing more. There were no down sides. The line went that the U.S. could only gain from expanded trade with Mexico because Mexico was reducing its trade barriers more than the United States. Moreover—and this will sound very familiar—proponents were positive that reducing trade barriers with Mexico would encourage ''reform'' politicians in Mexico to privatize the economy. Now, where have we heard that before?

A new, vast middle-class would emerge, creating a new, vast middle class market in Mexico, just waiting with baited breath to gobble up American-made goods. The Clinton administration confidently predicted a giant boom in U.S.-made autos sold to Mexico.

Well, my fellow Senators, what happened when we found the Holy Grail called NAFTA? Exactly the opposite happened, that's what. A 180-degree turn happened. NAFTA encouraged large U.S. investors to move production and capital and jobs south of the border to exploit cheap labor and lax environmental standards. These new factories then exported their products back to the United States. By 1999, the United States was running a trade deficit with Mexico of $23 billion.

Automobiles were major contributors to the deficit. So were auto parts, computers, televisions, and telecommunications equipment. What happened to the large new Mexican middle class, salivating to buy American goods, which NAFTA was supposed to create? Instead of raising living standards in Mexico, NAFTA reinforced ''reform'' government policies in Mexico that reduced real wages for workers by 25 percent and increased to 38 percent the share of the Mexican population subsisting on $2.80 a day.

Does all this sound familiar, I ask my colleagues? It should. It certainly should. Once again the administration is playing that same old tune to Congress and to the American people. The administration argues that U.S. exports to China will rise because tariffs will be lowered on goods like automobiles and auto parts. Sounds familiar, doesn't it?

Additionally, unlike the Japanese yen or the Euro, or the Mexican peso, the exchange value of the Chinese currency does not float in the international market. It is largely determined by the Chinese Government, itself. In 1994, the Chinese devalued their currency in order to expand their exports and reduce their imports. Nothing in the bilateral agreement we have negotiated with China prevents the Chinese from such manipulation again.

In 1992, the Chinese and U.S. Governments signed a memorandum of understanding in which China agreed to provide access to U.S. goods in its markets, and to enforce U.S. intellectual property rights. President George Bush hailed this agreement as a breakthrough. The USTR under President Bush claimed that the 1992 agreement would provide ''American businesses, farmers, and workers with unprecedented access to a rapidly growing Chinese market with 1.2 billion people.'' Well, since that much-touted 1992 agreement, U.S. exports to China have risen by about $7 billion. But look at this. Imports from China to the United States have risen by $56 billion. Now, who won that round?

Yet, the Clinton administration continues to claim that this new agreement will ensure the political triumph of democracy-loving, U.S.-friendly, free-market leaders in China, who can be trusted to live up to their end of the bargain. Someone downtown must be popping ''gullible'' pills. That claim gives new meaning to the word ''naive''.

China's successful growth and modernization absolutely depend upon its ability to export to foreign markets in order to earn the hard currency needed to import new technology. China is currently running a $70 billion annual trade surplus with Uncle Sam, with the United States. But China is running a trade deficit with the other major hard currency blocs—the European Monetary Union and Japan—a trend that will continue into the foreseeable future. In order to pursue its own self-interests, China has to exploit the U.S. market to the maximum.

Given this agenda, in a totalitarian state, one can be sure that the full force of the power of that state will be focused on protecting its manufacturing, technological, and agricultural markets. No faction of Chinese leaders can possibly deliver a more open economy to the United States or to the WTO. It is fool's gold to make that claim—fool's gold. It is the economic and political reality of the Chinese situation and agenda that makes it all but certain that China will violate any trade agreement, if it serves the national interests of China to do so.

We have not yet in this Senate or in this Nation or in this administration come to grips with that fundamental reality. It will not be different this

time. It will not be any different this time. The Chinese behave the way they do in matters of trade because they have to, to survive. They cannot and will not change. The Chinese Government is not some eager puppy, like my little dog Billy Byrd, panting to please the United States or anybody else. The Chinese are committed to their own goals and their own interests and they will do whatever it takes to further their agenda.

The Clinton administration claims that China has agreed in the bilateral trade agreement to eliminate health-related barriers to U.S. meat imports that were not based on scientific evidence. But, let's listen to the words of Chinese trade negotiator, Long Yongtu. Let's hear what he said:

> Diplomatic negotiations involve finding new expressions. If you find a new expression, this means you have achieved a diplomatic result. In terms of meat imports, we have not actually made any material concessions.

And there is even more interesting commentary from China's chief negotiator, Long Yongtu, in an article he authored on the impacts of WTO entry, as reported by the BBC. On the issue of a Chinese compromise with the United States on the import of U.S. meat products he said, ''. . . in the United States people there think that China has opened its door wide for the import of meat. In fact, this is only a theoretical market opportunity. During diplomatic negotiations, it is imperative to use beautiful words—for this will lead to success.''

We need to take note of the words of these Chinese officials. We need to listen more carefully. Beautiful words do not mean promises kept. Sometimes when we in the United States hear ''yes'' the Chinese are only saying ''maybe.''

The USTR asserts that ''China will establish large and increasing tariff-rate quotas for wheat—with a substantial share reserved for private trade.'' Yet again, Chinese negotiator Long Yongtu sees it differently. He has publicly stated that, although Beijing had agreed, on paper, to allow 7.3 million tons of wheat from the United States to be exported to the China mainland each year, it is a ''complete misunderstanding'' to expect this grain to actually enter the country. The Chinese negotiator said that in its agreement with the United States, Beijing only conceded ''a theoretical opportunity for the export of grain from the United States.'' We are suckers.

And yet, in the face of all of this contradiction by the Chinese, the Clinton Administration actually expects us all to believe that the bilateral agreement, PNTR and the WTO will magically force the Chinese government to shred its own national agenda, disregard its own needs and interests, even risk its own viability, in order to live up to an agreement with the United States. How naive can we be?

If anyone actually believes that, then let me introduce you to the tooth fairy; Tinkerbell; Mr. Ed, the talking horse; Snow White; the seven dwarfs; and Harvey, the invisible six foot rabbit.

This Senate and the administration—by all means, this administration—should pay a little more attention to history.

Let us look again for a moment at the history of NAFTA. From the time of the North America Free Trade Agreement took effect in 1994 through 1998, the net export deficit with Mexico and Canada has grown. Over 440,000 American jobs have been destroyed as a result of this growth.

Although gross U.S. exports to Mexico and Canada have shown a dramatic increase—with real growth of 92.1 percent with Mexico and 56.9 percent to Canada, that is only half the picture. Let us turn the corner. It is like knowing only one team's score or looking at only one side of the coin. We have to look at the other side of the coin to know who is winning; namely, what are we importing from Mexico?

The increases in U.S. exports have been overwhelmed by what we import from Mexico. Those imports have shot up 139.3 percent from Mexico and 58.8 percent from Canada. In 1993, before NAFTA was in effect, we had a net export deficit with our NAFTA partners of $18.2 billion. From 1993 to 1998 that same net deficit increased by 160 percent to $47.3 billion, resulting in job losses to American workers The first year NAFTA took effect, foreign direct investment in Mexico increased by 150 percent. Foreign direct investment in Canada has more than doubled since 1993.

Those are American workers' jobs that are flying like geese—we have heard the wild geese flit across the sky on their way south—across the borders. Factories move over the border to take advantage of cheap labor costs, and they take good-paying American jobs with them.

But, Senator BYRD, you may say, unemployment in the United States is at 4.1 percent. Our people have jobs. Our unemployment is very low. The answer to that question lies in a closer scrutiny of the composition of U.S. employment. Good paying jobs with good benefits, largely in the manufacturing sector, are leaving our shores and being replaced by low skill, low wage jobs in the services sector. There is a hidden agenda that becomes apparent if one remembers the lessons of NAFTA and then ponders PNTR with China. You heard them say at the convention: You ain't seen nothing yet? Well, you ain't see nothing yet. Against that backdrop, it becomes more than clear where we are headed. We have been here before.

The objective for U.S. business is not access to the Chinese domestic consumer market. Forget it. They cannot afford our goods. The objective is the business-friendly, pollution-friendly climate in China, which is advantageous for moving production off U.S. shores and then selling goods, now made in China, back to the United States—selling goods made by American manufacturers that move overseas back to the United States.

Are we really going to expect anything different from a deal with the Chinese? Our trade deficit reached $340 billion in 1999. China accounts for 20 percent of the total U.S. trade deficit. A U.S. International Trade Commission report stresses that China's WTO entry would significantly increase investment by U.S. multinationals inside China. Additionally, the composition of Chinese imports has changed over the last 10 years. In 1989, only 30 percent of what we imported from China competed with our high-wage, high-skilled industries here in the U.S. By 1999, that percentage had risen to 50 percent.

The unvarnished, unmitigated, ungussied up truth is that American companies are eagerly eyeing China as an important production base for high-tech products. And these made-in-China goods are displacing goods made in the good ole USA, Additionally, most U.S. manufacturing in China is produced in conjunction with Chinese government agencies and state-owned companies. So much for the claim that U.S. corporate activity in China benefits Chinese entrepreneurs, and will lead to privatization and, lo and behold, the emergence of a democratic China. Get it? The emergence of a democratic China.

If all this were not enough, a Senate report, made public last week, charged the Chinese government with consistently failing ''to adhere to its nonproliferation commitments.'' In addition to outlining numerous instances of Chinese weapons sales to Iran, Libya, and North Korea, the report states, ''In many instances, Beijing merely mouths promises as a means of evading sanctions.''

Yet Senator THOMPSON only got 32 votes in favor of his amendment, which would have given the Congress a role in monitoring China's proliferation of weapons of mass destruction.

Senators, I could go on and on and on, but I believe there is more than ample evidence that to grant PNTR to China at this time is very unwise. The signal we send by granting PNTR now is a signal of abject weakness. It is a signal of greed. It is a signal of ambivalence on the issue of nonproliferation. It is a signal of total disregard for the overwhelming evidence that the Chinese Government will not keep its word.

I fear that the benefits claimed to be derived from PNTR are really only PR from the White House. They are selling us soap and we are lathering up. We are risking a lot on the unfulfilled promises contained in the so-called bilateral trade agreement with China. Of course, the price for that deal was the administration's commitment to China that they could get PNTR through the Congress this year. It is a package deal—a

nice little wagonload of a Chinese signature on the bilateral trade agreement and an unencumbered PNTR present from the Congress. The only problem is that the wagon might be riding on Firestone tires. Shouldn't we Senators use a little caution and put off climbing in that wagon? I am not getting on that wagon. Wouldn't it be more prudent to stay off that wagon? Wouldn't that be the right choice for our Nation's people, the right thing for our national security?

This legislation—PNTR—can wait and it ought to wait. As far as this Senator's vote is concerned, it will wait.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. ALLARD. Mr. President, I sat here and listened to my good friend from West Virginia on trade. I believe I should speak from a position of representing a State that has benefited immensely from the trade agreements that we have passed recently—the North American Free Trade Agreement and the General Agreement on Trade and Tariffs.

Exports from the State of Colorado, which I represent, have increased dramatically. In fact, we have experienced the greatest growth in exports of any State in the Nation on a percentage basis. The economy of the State of Colorado is based greatly on agriculture. My friend from West Virginia talked about agriculture to a certain degree. We grow a lot of wheat. We raise a lot of livestock, and we do make an attempt to expand our markets to the Pacific rim countries, which includes China.

We have a very modern economic base in the State. We work a lot on exporting high tech. Many high-tech companies do business in the State of Colorado. On a concentration basis, we have the highest concentration of high-tech employees of any State in the country. So we benefit from exporting goods, and the North American Free Trade Agreement has helped the State of Colorado, and GATT has also.

I happen to think that an agreement with China for normal trade relations will help agriculture, and it will help States such as Colorado because these are markets where we can compete and have been competing.

My colleague from West Virginia talked a considerable amount about the trade deficits we are experiencing in this country. I come at the trade deficit issue from a different perspective than my colleague from West Virginia. I have looked at what happened historically with trade deficits. If we look at the time of the Great Depression in this country, the trade deficits were low. If we look at the time when we were suffering, when we had the misery index—and this is at the latter part of the 1970s, during the Carter administration—the trade deficit was low. We had high double-digit unemployment. We had high double-digit inflation, and we had high double-digit unemployment. But our trade deficit was low. I happen to believe when we look at the trade deficit, it is more of a reflection of what is happening economically in this country. Our country has experienced high trade deficits when our economy has been doing well, just like during the period of time we are in today.

So the figures he presents to you on trade deficits, in reality, they do happen. What is the significance to the economy? I happen to believe it has the opposite impact. Many times, when people are evaluating the impact of the trade deficit, they look at it only from the perspective of one industry. If you look at the total economy, the total growth of jobs within this country, we benefit, in many cases, by importing products.

How does that work? Let's take an automobile, for example. Some State may have a company—maybe in Michigan, for example—that could be impacted by trade policies. But does that have a net impact on jobs in the United States? Many times, when you take it into total consideration, there is a net gain because there are jobs—union jobs—created when you have to unload those cars at our ports. There are jobs created when you have to clean up the cars when they come into the country. There are jobs created when you have to transport those cars across the country to get them to a point of sale. Somebody has to sell the cars. Jobs are created there. Somebody has to buy the cars. There is insurance sold in relation to the purchase of the car. Goods and services relating to that go into the marketplace. Those cars have to be maintained and operated and fixed. Many times, they go into a resale market at some point in their lifetime.

These are all jobs that are created as a result of having imported that product. So I am convinced that our best policy is to work in a free market environment, and the problem we have right now is not that we don't place a lot of the tariffs and restrictions on Chinese goods coming into this country, but China is the one that is placing restrictions on our goods going into their country—particularly agricultural products and goods related to the high-tech industry. That is why I think this particular effort to create normal trade relations is beneficial. Isolationism doesn't work. Isolating a country and saying that is going to help human rights—I don't think that works. That is one reason why Taiwan, for example, supports our efforts to try to establish permanent normal trade relations with China.

So I think that in order to prevent human abuse, to protect human rights, we need to open up China. When our business people go into China, they expect a certain standard. They just won't do business with Chinese companies without those standards. They will have to abide by their contracts. If somebody doesn't honor the contract, there has to be a court system of some type that will help enforce those contracts. And these all carry with them democratic principles.

When Chinese businessmen interact with American businessmen, they will understand how the free enterprise system works, how democracy works. I think we export democracy when we enter into a free market agreement where we take down trade barriers and increase the interaction between countries—particularly when we are talking about a democratic county as opposed to a Communist one. They see there is a different way of doing things and prospering that yields benefits far and above what they have been told in a country where the leaders restrict information and restrict freedoms.

I think it is important we pass this piece of legislation that says we will have permanent normal trade relations with China.

I see my colleague from North Carolina.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. ALLARD. I would be glad to yield to the Senator from West Virginia. But I also know that I have a colleague from North Carolina who would like to be recognized for some comments. I yield to my colleague from West Virginia.

Mr. BYRD. The Senator mentioned my name. That is why I am asking him to yield.

I appreciate the fact that he has given us his viewpoint. My remarks were largely based on research that has been done by the Economic Policy Institute. It is dated November 1999. I am reading from a paper issued by the institute. It is headed with these words:

NAFTA's pain deepens. Job destruction accelerates from 1999 with losses in every State.

It shows Colorado as having a net NAFTA job loss of 3,625 jobs. It doesn't show as much for West Virginia as Colorado. West Virginia has a net NAFTA loss of 1,183 jobs.

Let me say this to the Senator. I have been in Congress now 48 years. I have seen Democratic administrations, and I have seen Republican administrations. The kind of talk we just heard from this Senator—I respect him as a colleague, but I have to say this—is the same kind of talk I have been hearing from these administrations for 48 years. That is State Department talk. It is the same old State Department talk.

I will say to this Senator, we are going to get taken to the cleaners. We have been taken to the cleaners all these 48 years by other countries. In these ventured agreements, our negotiators for some reason or other always come out second. We have been taken to the cleaners. We will be taken again.

The Senator stated his opinion. That is this Senator's opinion, and it is based on 48 years of hearing this same line that emanates from——

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. ALLARD. I ask the Senator to let me reclaim my time. I appreciate his comments. We have a Senator from North Carolina who would like to have an opportunity to speak. I think we are working under some time guidelines.

The PRESIDING OFFICER. The time is controlled.

Mr. ALLARD. I would like to briefly respond. I am speaking from the experience of a Senator who represents a State that has benefited from free trade policy. It is not State Department talk, it is what we have seen economically. I wanted to respond, and I would like to yield my time to the Senator from North Carolina to be recognized.

Mr. BYRD. Mr. President, how much time did I use on this side?

The PRESIDING OFFICER. The Senator used 22 minutes.

Mr. BYRD. How much time does the Senator from North Carolina need? I will yield him half of my time. I ask that time that has been absorbed in this colloquy come out of my time.

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

Mr. BYRD. Do I have any time left?

The PRESIDING OFFICER. The Senator has used 25 minutes of his 30 minutes.

Mr. BYRD. I reserve my 5 minutes.

We will be taken to the cleaners again. Mark my word.

I thank the Senator.

Mr. President, I ask unanimous consent to print a chart prepared by the Economic Policy Institute on ''NAFTA job loss by State, 1993–98.''

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 3.—NAFTA JOB LOSS BY STATE, 1993–98

State	Net NAFTA job loss.—No. of jobs
Alabama	−11,594
Alaska	−395
Arizona	−3,296
Arkansas	−6,663
California	−44,132
Colorado	−3,625
Connecticut	−4,616
Delaware	−866
District of Columbia	−798
Florida	−13,841
Georgia	−15,784
Hawaii	−907
Idaho	−1,397
Illinois	−16,980
Indiana	−21,063
Iowa	−4,850
Kansas	−3,452
Kentucky	−8,917
Louisiana	−3,245
Maine	−1,877
Maryland	−3,981
Massachusetts	−8,362
Michigan	−31,851
Minnesota	−6,345
Mississippi	−8,245
Missouri	−10,758
Montana	−1,139
Nebraska	−1,751
Nevada	−2,342
New Hampshire	−1,265
New Jersey	−11,045
New Mexico	−1,268
New York	−27,844
North Carolina	−24,118
North Dakota	−732
Ohio	−19,098
Oklahoma	−3,018
Oregon	−5,359
Pennsylvania	−20,918
Rhode Island	−4,234
South Carolina	−7,305
South Dakota	−1,217
Tennessee	−18,332

TABLE 3.—NAFTA JOB LOSS BY STATE, 1993–98—Continued

State	Net NAFTA job loss.—No. of jobs
Texas	−18,752
Utah	−2,973
Vermont	−597
Virginia	−9,797
Washington	−8,331
West Virginia	−1,183
Wisconsin	−9,314
Wyoming	−402
U.S. total	−440,172

[1]Excluding effects on wholesale and retail trade and advertising.

[2]Source: EPI analysis of Bureau of Labor Statistics and Census Bureau data.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Who yields time?

Mr. HELMS. I thank the Chair for recognizing me. In a moment, I hope the Chair will allow me the privilege of making my remarks seated at my desk. But I want to say that Senator BYRD says he has been here 38 years.

Mr. BYRD. Forty-eight years.

Mr. HELMS. Forty-eight years. I have only been here 28 years, and I have the same opinion the Senator does about the State Department. I have said many times how proud I am that the distinguished Senator from West Virginia is a native of North Carolina because he was born there. He moved at a very early age to West Virginia, a State which he has represented ably. But I admire the Senator for many reasons. We don't always agree. But I will tell you one thing. This Senator is dedicated. When I say ''this Senator,'' I mean Senator ROBERT C. BYRD of West Virginia. He is dedicated to the proposition that this Senate shall operate in an orderly way. He made some remarks today about the unusual character of the way the voting time on this measure was arranged, and I objected to it as he did. I think it ill becomes the Senate. I hope it never happens again.

Mr. President, if I may take my seat.

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

Mr. BYRD. Mr. President, I thank the Senator.

The PRESIDING OFFICER. The Chair wishes to know who yields time.

Mr. HELMS. Mr. President, today the Senate——

The PRESIDING OFFICER. If the Senator will suspend for a moment, the Chair needs to know whose time this time is coming from.

Mr. BYRD. I yield my 5 remaining minutes to the Senator from North Carolina. I don't have control of the time other than that.

Mr. HELMS. I thought I had gained the floor in my own right. But I appreciate that very much. I will not take long in any case.

The PRESIDING OFFICER. The Senator's time comes from Senator LOTT's time.

The Senator from North Carolina.

Mr. HELMS. Mr. President, this afternoon the Senate will reach the end of the debate on H.R. 4444, a bill to legislate permanent normal trade relations to and with the People's Republic of China.

The debate, yes, will end this afternoon. But I can assure you that just now beginning is a debate about the future of United States and China relations.

The outcome of today's vote was well known long before the first syllable of debate resulted. I recall the objection stated by Senator BYRD, and I objected to the procedure as well because it was a pro forma action about how the consideration of H.R. 4444 was going to be conducted and the concluding result was to be final passage without even one amendment to be added.

I don't think that is becoming of the Senate, but I shall not refer to the Senate's posture as a conspiracy, but it is a first cousin to one, and I remain exceedingly troubled by what has transpired. I fervently hope it never happens to the Senate again.

The outcome of this debate was decided before any Senator even sought to be recognized by the Presiding Officer to make his or her case for or against PNTR. But all that aside, the Senate will shortly vote, and I trust that all Senators' votes will be cast with the courage of their real convictions and not convictions determined by others for them.

I commend my friend, the Senator from Delaware, Mr. ROTH, and the Senator from New York, Mr. MOYNIHAN, for their defense of ''their'' bill. Both BILL ROTH and PAT MOYNIHAN have been exceedingly accommodating to me and to other Senators.

But there was a stacked deck that guaranteed approval of H.R. 4444. It was evident from the start. I shall always be grateful to Senators who endeavored to ensure a serious debate, and for their courage and resolve.

I express my admiration to, among others, Senator BYRD and Senator THOMPSON, Senators BOB SMITH, JOHN KYL, PAUL WELLSTONE. These Senators were Churchillian in their efforts. Sir Winston Churchill demonstrated seven or eight decades ago that there would be no stacked deck when he courageously called for a principled confrontation against the despotism of Nazi Germany.

In the course of the Senate's debate, we did succeed in making an indisputable record concerning the deplorable state of human rights in China. And we did succeed in exposing the heinous practice of forced abortion. And we did succeed in focusing the attention of our Nation, and I think of the world, on the peril of China's proliferation.

If I may again mention Mr. Churchill, the press paid him scant attention when he cast his warnings about the trip of the Prime Minister of Great Britain to Munich where he met with Adolph Hitler, and then came back to London for a big press conference proclaiming ''Peace in our time.'' Mr. Chamberlain proclaimed that that fellow Hitler was someone the British people could live with.

Mr. President, I sincerely fear that this bill will have serious consequences because of its profound implications for the future of U.S.-China relations, relations totally unlike the happy ones described by the bill's advocates.

The interests of various American businesses will, no doubt, be served, but to those of us who have worked in the Senate Chamber during this debate, it is highly questionable whether the national interests of either the United States or the interests of the people of China—the people of China—will be served.

As I mention ever so often, when I was a little boy I was interested in the Chinese people and their culture. That interst grew as the years went by. During my 28 years as a U.S. Senator, I have met with and worked with hundreds of Chinese students, delightful young people, bright and without exception having expressed profound hopes and prayers that their homeland can one day enjoy the freedom that the American people have by inheritance.

So clearly and without a trace of equivocation, I have the deepest admiration for the Chinese people—I repeat that for emphasis—and it is my fervent hope and my prayer that one day they will be freed from the brutal dictatorship that now controls their lives.

I sincerely believe that the majority of the American people share that feeling. I have had people stop me in the corridors. Just a few moments ago, I had the Commander of the American Legion from my State stopped me to say that he agreed with my position. I hear it over and over—in the mail we receive, in the e-mail, the faxes and letters.

Mr. President, there is unquestionably an enormous potential for a deep and lasting relationship of respect between the people of our country and the people of China. I have long been convinced that what separates us is not animosity between our peoples.

It is the Communist dictatorship in Beijing which neither speaks for, nor rules by, the consent of the Chinese people.

Today in China, millions of courageous people struggle for democracy and for religious freedom and for basic human rights. Because when they dare to do so, they are beaten and they are jailed; they are tortured and often murdered. It is for these freedom-seeking Chinese that I stand here today.

Their interests, not the interests of corporate America, are my priority. And that is why I have not been able to support H.R. 4444. Mr. President, there are many bureaucratic contacts and exchanges between the U.S. and the Chinese Government. Some of my good friends, and friends of many of us in this Senate, have traveled to China time and time again, exchanged toasts with Chinese Communist leaders, clinked glasses of wine; but the attitude of the Communist Government has never changed.

It still throws decent Chinese citizens in jail. It still denies the Chinese people the most basic political liberties. So giving permanent normal trade relations to the Government of China will indeed destroy an important lever that we now have, and have had, to influence Chinese behavior. We are tossing it aside.

The advocates of PNTR have repeatedly declared that this enactment will help the cause of democracy and human rights in China. Those declarations will now be put to the test and the ball will be in the court of Beijing. With today's vote, the Chinese Government is being given an historic opportunity to change the course of U.S.-Chinese relations for the good.

The Chinese Government has not confronted such a challenge since Beijing's tragic decision—remember—in Tiananmen Square, when a tank crushed a peaceful student protest, crushed that young man into paste. That was 11 years ago and nothing has changed since.

To seize upon this moment and make me be proven wrong, China must act quickly, not merely to open its markets as required under the agreement with the United States but open its society as well, to demonstrate a commitment to humane treatment of its people at home, and a more benign and peaceful approach to its relationship with its neighboring countries. The Chinese Government must cease the suppression of religious liberties.

Even the Washington Post commented on that this morning in a well-written, well-thought-out editorial. The Chinese Government must put an end to the abhorrent practice of forced abortion. And with regard to the democratic Government of Taiwan, China must demonstrate that it is committed to peaceful dialog as being the only option for resolving differences between Taiwan and the Communist mainland.

Mr. President, I would be less than honest if I did not confess my great apprehension that there will be little if any real change by the Chinese Government as a result of our passing this measure. But if real change is to take place, the United States must more aggressively support the aspirations of the hundreds of millions of Chinese people who want their homeland to become a nation that is both great and good.

We must reach out to those people who are struggling for a freer, more open and more democratic China, and make clear to them that the American people stand with them. We must make clear to the Chinese Government that it will not be in their interests to continue their oppression of their own people, that in the long run totalitarian dictatorship cannot be tolerated.

So if the advocates of PNTR prove to be wrong, and if nothing changes in China in the wake of the Senate's final approval of PNTR this afternoon, I will devote whatever strength and influence I may possess to limit any and all conceivable benefits that this legislation may hold for the Chinese Communist Government.

I am nearly through, but I want to emphasize that, like many others in the Senate, I am a father and a grandfather. I am a grandfather who yearns for a peaceful world for my family and for all Americans.

Better relations with China are an important hope of a peaceful world, but not better relations at any price. Too often in history, some of the world's great democracies have sought to coexist with, even to appease, dangerous and tyrannical regimes.

I mentioned at the outset Winston Churchill, who took his stand against his country's Prime Minister Neville Chamberlain who had visited with Adolf Hitler in Munich, then returning to London proclaiming there would be ''peace in our time'' and that Britain need not fear Nazi Germany.

There was that one man who stood up and said no, Winston Churchill, who was to lead the free world into combat in one of the worst tyrannies history has ever known.

We must not repeat the mistake of Britain's Prime Minister seven decades ago. I have absolutely nothing against American business men and women making a profit. I want them to make a profit. I believe in the free enterprise system. I believe I have demonstrated that in all of my career.

But the safety and security of the American people must come first through the principles of this country which were laid down by our Founding Fathers. That safety and security will be assured ultimately not by appeasement, not by the hope of trade at any cost, but by dealing with Communist China without selling out the very moral and spiritual principles that made America great in the first place.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana.

Mr. BAUCUS. Mr. President, I am very pleased we are about to complete the debate on PNTR and are about to take the final vote. It has been a good debate. It has been a time when the American people have had an opportunity to learn more about what PNTR for China actually will be.

There are good arguments on all sides, but I am quite happy, frankly, that now we are at the end of this long process, finally the United States will grant permanent normal trade relations to China. We are finally putting that issue to bed, and some side issues, too, have been put off to the side, as important as they are.

Many of the issues raised on the Senate floor not directly relevant to PNTR have been very good ones. Proliferation of weapons of mass destruction, human rights, religion freedom, environment, prison labor, Taiwan-PRC relationship are very important matters that, in some cases, go to the heart of American policy. They are clearly issues that need to be debated and resolved. The United States has a very important stake in all of them.

Some of the amendments that have been proposed to PNTR in these last few weeks have been good ones; others, not so good. Fortunately, a majority of my colleagues opposed all amendments to the PNTR bill, even when we agreed with the underlying concerns. Why? Basically because any amendment that would be part of PNTR would be killer amendments due to the very short number of remaining days in this session. Because of Presidential politics, which is engulfing us to some degree, it is much more prudent not to adopt amendments at this time. In the next Congress, we will have an opportunity to deal with these issues. I hope we can deal with them, particularly based on the merits.

I want to take a moment to discuss what will happen after the PNTR vote. It is more to remind ourselves that despite the successful conclusion of the debate, when the votes are counted later today, they will not create a single job. Our votes will not sell a single bushel of wheat. Rather, PNTR is an enabler. It is a vital enabler. It enables American businesses and American people to do much more than they can now do.

The immediate next step of completion of PNTR is completion of negotiations in Geneva on the Protocol of Accession and the Working Party Report to the WTO General Council. Once China formally accedes—that is, becomes a member of WTO—we Americans will remove China from the restrictions of the Jackson-Vanik legislation. That is when it happens. At that point, the American private sector has to take advantage of the immense new opportunities afforded by China's membership in the WTO.

Passage of PNTR will be one for the history books with profound implications for the United States. Once it passes, we Americans have to put our shoulders to the wheel. We have to follow up. American industry has to follow up. The American Government has to follow up in a way that we enable ourselves to maximize potential benefits to our service providers and to our manufacturers. We have to take matters in our own hands. We have to take advantage of this. The same is true for the U.S. Government at both ends of Pennsylvania Avenue, the executive branch as well as the legislative branch. We need to watch China and monitor China's compliance to make sure this agreement is implemented.

I am reminded of another agreement we had earlier with China —that is the intellectual property rights agreement—because some Chinese firms were pirating America's films, CDs, cassettes, and other intellectual property created in the United States. We finally urged China to pass a law making the pirating of intellectual property illegal in China. China passed the law. The problem is they did not implement it. We had to go back and encourage implementation. We may face the same problems here. I hope not. It is possible.

As we move ahead, we must never forget how multifaceted our relationship with China is. That means we must aggressively address the many important issues raised in the PNTR debate. As important as those issues are, they should not be on the bill, but they still indicate the multifaceted nature of our relationship with China.

One major area is focusing on our strategic architecture in Asia. Assuring stability in the region, helping maintain peace and prosperity, and a presence of American troops are vital factors, as are other major strategic questions. They are extremely important. All parts of our relationship with China and passage of PNTR raise the probability we will be more successful in that area.

We must also take measures to help incorporate China positively into the region, and we must encourage China into the role of a responsible actor, both in the Asian region and globally.

The growth in commercial and economic activity now developing between us and China should form a pillar on which we can build a stable relationship. There are no guarantees. There never are guarantees in life. One has to do the best with what one has, with the resources one has available. Passage of PNTR gives us more resources. It is an enabler to help us increase the probability of a stronger commercial and economic relationship to help form that pillar. Again, there is no guarantee.

We must also try to avoid the constant ups and downs that have characterized the bilateral relationship over the past 30 years.

I am not going to stand here and chronicle the volatility of the ups and downs, but I do think it is important for us to lop off the peaks and the valleys in this somewhat volatile relationship with China as best we can, recognizing that we are only one side of the equation and China, of course, is the other.

But the more we try and the more we engage them at lots of different levels—whether it is trade, artistic exchanges, cultural exchanges, or military exchanges—the more likely it is we will not have to be so involved in this volatile activity. That means a stronger economic relationship between our two countries, which I think will be a major consequence of the passage of this bill.

I thank all my colleagues. This is going to be a good, solid vote. It is going to indicate that the United States is a player in the world community, that the United States is not retrenching itself, but moving forward, and that the United States is living up to its responsibilities as the leader, frankly, of the world in a way that is positive, constructive, and exercising its constructive roles. I am very proud of the action the Senate is about to take.

Mr. President, I yield back my time.

Mr. SCHUMER. Mr. President, I am prepared to support PNTR for China, but I still have reservations about China's willingness to fulfill its previous trade commitments particularly as it pertains to insurance.

First, I want to express my appreciation to President Clinton and Ambassador Barshevsky who have been forceful advocates in ensuring that China keeps its end of the bargain and fully implements the 1999 bilateral agreement between our two nations. Last week, President Clinton and President Jiang Zemin held a frank and detailed discussion about China keeping its commitment to allow U.S. insurers to expand in China under the grandfathered right to operate through their current branch structure.

In response, President Jiang pledged that China will ''honor its commitments to further opening its domestic market'' to grandfathered insurance companies. This is a positive, but still ambiguous statement which I hope the Chinese president will clarify. And in clarifying his position, I hope President Jiang understands that should U.S. insurers be denied the grandfathered rights to branch in China, it would result in a serious degradation of the ''terms and conditions'' for insurance that were negotiated by USTR last November.

The problem extends beyond insurance to the heart of the PNTR agreement. Should PNTR become law, the President must certify:

> . . . that the terms and conditions for the accession of the People's Republic of China to the World Trade Organization are at least equivalent to those agreed between the United States and People's Republic of China on November 15, 1999.

Anything less than full compliance in honoring China's commitment to grandfather U.S. insurers' branching rights will inhibit the President's ability to certify that the equivalent requirement has been met.

Every business that trades with China is looking to see how this matter is resolved because they need to know that trade agreements will truly be followed. If China wants to engage in the free market, its leaders must know that trade agreements are not arbitrary documents but ironclad commitments.

Mr. CONRAD. Mr. President, I wish to join my colleagues in expressing support for passage of Permanent Normal Trade Relations with China. This is the right thing to do for the country, and it is the right thing to do for my state of North Dakota.

I think it is important at the outset to make it clear what this vote is about—and what it is not about. This vote is about making sure that U.S. farmers, businesses, and workers receive the benefits of China's accession to the World Trade Organization. The agreement on China's accession is a clear win for the United States. China has made concession after concession, lowering tariffs and removing other barriers to U.S. exports. The U.S. has made no such concessions. But if we

fail to pass Permanent Normal Trade Relations, PNTR, we will not be able to take full advantage of these opportunities but will instead cede them to our competitors.

There has been a lot of misleading talk and innuendo about what PNTR really means. PNTR is not a special privilege, and it does not signify our approval of China's domestic or foreign policies. In fact, we continue to have many differences with China that we can and should work vigorously to resolve. PNTR would simply grant China the same trading status that the United States has with more than 130 other countries around the world: nothing more, nothing less. And it would grant China the same status going forward that it has had continuously for the last twenty years. The only change is that the Congress no longer would hold an annual vote on China's trade status, a vote that has never denied China Normal Trade Relations but that has set back our efforts to engage China on human rights and other issues.

The PNTR debate is primarily about trade, so let me start by talking about the trade benefits for our country. As my colleagues know, this vote is not about whether China should be part of the WTO. There is no question that China will join the WTO. The only question is whether the United States will reap the benefits of the many concessions China has made, or whether our farmers, businesses and workers will be left out. That would be a profound mistake.

China has the world's largest population: 1.3 billion potential customers for American products. For years, our market has been open to Chinese imports, but China's market has largely been closed to our products. This agreement will open China's market to our exports. And this is a market that has terrific growth potential. China's economy is the fastest growing in the world, and China's expanding middle class will demand more and more imports of American consumer goods.

The agreement reached last November allows us unprecedented access to this huge and growing market. On manufactured goods, tariffs will fall from a current average of nearly 25 percent to less than ten percent. On services, China has agreed to phase out a broad array of laws regulations and policies that have blocked U.S. firms from competing in this growing market.

But I am especially pleased at the prospects for increased agricultural exports. Around the world, average tariffs on U.S. agricultural exports are more than 40 percent. China is slashing its tariffs to far below this average: 17.5 percent. And on U.S. priority products—the products that we produce for export—the average Chinese tariff will fall to just 14 percent. For bulk commodities the agreement establishes generous tariff rate quotas. For example, on wheat, a major export product for North Dakota, China will allow imports of 7.3 million metric tons initially (growing to 9.6 million tons by 2004) subject to a tariff of just 1 percent. In addition, China has agreed to changes in its administration of tariff rate quotas that will prevent state trading monopolies from blocking imports if there is private sector demand for wheat.

For my State of North Dakota, the agreement provides new export opportunities for wheat, for oilseeds, including canola, and for beef and pork products. The U.S. Department of Agriculture has estimated that this agreement could add $1.6 billion annually to U.S. exports of grains, oilseeds and cotton in just five years. Additional growth opportunities for North Dakota agricultural exports will come as China reduces its tariffs on beef (from 45 percent today to 12 percent by 2004) and pork (from 20 percent to 12 percent). Finally, the China agreement provides additional leverage for U.S. goals in the ongoing WTO negotiations on agriculture. China has agreed to eliminate export subsidies, to cap and reduce domestic subsidies, and to provide the right to import and distribute products without going through state trading enterprises.

There can be no question that this agreement will create expanded export opportunities for American workers, farmers and businesses. But the key word here is ''opportunities.'' This agreement creates wonderful opportunities for North Dakota agriculture, but it is not a silver bullet. This agreement will not solve all of our trade problems with China. Nor will the results come overnight. We will need to work aggressively year after year to take advantage of these opportunities and turn them into results. And we will need to closely monitor China's implementation of its commitments.

In that vein, I am very pleased that the legislation we are considering includes provisions I strongly supported to ensure that the Federal government monitors and enforces China's WTO accession agreement. And I am hopeful that the WTO's multilateral dispute resolution system will be more successful than our past unilateral efforts to hold China to its commitments. The simple fact is that the current system has not worked well. There has been no neutral arbitrator to resolve disputes. As a result, U.S. firms have been very reluctant for the U.S. to take action against China because of Chinese threats to retaliate against American business. With China in the WTO, we will have the advantage of a neutral dispute resolution system and rules to guard against Chinese retaliation.

In my view, the trade benefits alone are enough to conclude that we should support PNTR for China. But this debate is about more than just trade. It is about human rights and national security as well. I believe bringing China into the WTO and passing PNTR is the best way to improve human rights in China. Clearly, our current annual debate over Normal Trade Relations has had little effect on human rights in China. Bringing China into the WTO, though, will increase the openness of Chinese society. It will increase the presence of American and other Western firms in China. It will open China to the InterNet and other advanced telecommunications technologies that, over time, will expose average Chinese to our thoughts, values, and ideals on human rights, workers' rights and democracy.

This is not just my view. It is a view shared by numerous prominent Chinese dissidents and religious and democratic leaders. They believe that rejecting PNTR will only strengthen the iron hand of the hard-liners in the Chinese leadership. For example, Bao Tong, a prominent dissident, was quoted in the Washington Post saying that attempts to use trade sanctions on human rights simply do not work: ''I appreciate the efforts of friends and colleagues to help our human rights situation, but it doesn't make sense to use trade as a lever. It just doesn't work,'' Mr. Bao said. Similarly, Dai Qing, a leading Chinese environmentalist, argues that passing PNTR ''would put enormous pressure on both the government and the general public to meet the international standard not only on trade, but on other issues including human rights and environmental protection.'' Finally, the Dalai Lama has said that ''joining the World Trade Organization, I think, is one way to change in the right direction. . . . In the long run, certainly it will be positive for Tibet. Forces of democracy in China get more encouragement through that way.''

Finally, I believe that passing PNTR will promote our national security interests. History teaches us that conflicts among trading partners are less likely than conflicts between countries that do not have strong economic ties. In contrast, rejecting PNTR could send a strong signal to China that the U.S. wants to isolate China. A hostile China is not in our national interest. A China integrated into the international system, obeying international rules and norms, is.

In conclusion, Mr. President, the arguments in favor of PNTR for China are very strong. Passing PNTR advances America's interests in Asia and the world. It is good for our national economy, and it is particularly good for my state's agricultural economy. I hope my colleagues will join me in sending a strong bipartisan message of support for China's accession to the WTO.

Mr. KENNEDY. Mr. President, this has been a very difficult debate for all of us in the Senate who care about labor rights, about human rights, and about the environment in China.

These issues are important, and we can't ignore them. I especially commend the many leaders throughout the country on labor issues, human rights issues, and environmental issues for

stating their case and their concerns on these challenges so eloquently and effectively. It's clear that we must do more than this agreement does to make sure that free trade is also fair—that it improves the quality of life of people everywhere, and creates good jobs here at home.

The demonstrations at last year's WTO negotiations in Seattle and in other cities since then show that we must pay much greater attention to these concerns. Too often the current system of trade enriches multi-national corporations at the expense of working families, leaving workers without jobs and without voices in the new global economy. Too many companies export high-wage, full-benefit jobs from our country and replace them with lower-paying jobs in the third world countries with few, if any, benefits.

For too many families across America, globalization has become a ''race to the bottom'' in wages, benefits, and living standards. In recent years, corporate stock prices have often increased in almost direct proportion to employee layoffs, benefit reductions, and job exports. This growing inequality threatens our own economic growth and prosperity, and we must do all we can to end it.

I am also very concerned about a trade deficit that continues to grow at an alarming pace. In this historic time of economic prosperity, the trade deficit remains one of the most stubborn challenges we face. While the current trade deficit is clearly a sign that the U.S. economy is the strongest economy in the world, we cannot sustain this enormous negative balance of trade for the long term. We risk losing even more of our industrial and manufacturing base to foreign countries with lower labor standards.

Similarly, all of us who care about human rights and environmental rights must find more effective ways to address these concerns. The flagrant violations of human rights that continue to take place in China are unacceptable. And so is the callous disregard of the environment by that nation as its economy advances.

The answer to these festering problems is to give these fundamental issues a fair place at international bargaining tables. Clearly, we do not do enough for labor rights, human rights, and the environment when we negotiate trade agreements.

I intend to vote for this agreement, however—as flawed as it is—because I am concerned that the alternative would be even less satisfactory. But I welcome the Administration's commitment to give these other issues higher priority in future trade negotiations, and I look forward to working to achieve these essential goals.

The global marketplace is a reality, and the United States stands to gain much more by participating in it than by rejecting it. I'm hopeful that we will be able to work together in the future on these basic issues in ways that bring us together, not divide us.

It is especially significant that all of the economic concessions made in this agreement are made by China. It will not change our own market access policies at all. The concessions that China has made are substantial, and President Clinton and his Administration deserve credit for this success. In particular, US Trade Representative Charlene Barshefsky did a excellent job negotiating this agreement for the United States.

By approving PNTR, Congress is not deciding to accept China into the World Trade Organization. China will join the WTO regardless of our vote in Congress. What Congress is deciding is whether to accept or reject the extraordinary economic concessions that China has offered to the United States. If we reject PNTR, we reject the bulk of the concessions that China reluctantly made. We would be allowing China to keep its barriers up—and we might well be inviting the WTO to impose sanctions against us for not playing by the rules we agreed to.

Within five years, under this agreement, China will completely end its tariffs on information technology. It will eliminate its geographical limitations on the sale of financial services and insurance. It will do away with quotas on products such as fiber-optic cable. And it will end the requirement to hire a Chinese government ''middleman'' to sell and distribute products and services in China. These are major concessions that no one could have predicted even two years ago.

China has also agreed to eliminate export subsidies. The inefficient, state-owned industries in China will no longer be able to rely on government support to stay afloat. They will be required to compete on a level playing field. China has agreed that its state-owned industries will make decisions on purely commercial terms, and will allow US companies to operate on the same terms.

The agreement also contains strong provisions against unfair trade and import surges. We will have at our disposal effective measures to prevent the dumping of subsidized products into American markets for years to come. The agreement contains strong and immediate protections for intellectual property rights, which will benefit important US industries such as software, medical technology, and publishing. Strong protections are also included against forced technology transfer from private companies to the Chinese government—a provision that has benefits for both commercial enterprises and national security.

All of these protections and concessions will be lost if Congress fails to pass PNTR. Rejection of this agreement would put American businesses and workers at a major disadvantage with our competitors in Europe and in many other nations in securing access to the largest market in the world.

One out of every ten jobs in Massachusetts is dependent upon exports, and that number is increasing. If we accept the concessions that China has given us, companies in cities and towns across the state will be more competitive. More exports will be stimulated, and more jobs will be created here at home.

It is clear that many of our businesses will reap significant benefits from this trade agreement. But it is also clear that some businesses and workers will be hurt by it as well. It is our responsibility to do everything we can to reduce the harm that free trade creates. We must strengthen trade adjustment assistance and worker training programs. As we open our doors wider to the global economy, we must do much more to ensure that American workers are ready to compete. We must make the education and training of our workforce a higher priority as we ask our citizens to compete with workers across the globe. Importing skilled foreign labor is no substitute for fully developing the potential of our domestic workforce. The growth in the global marketplace makes education and training more important than ever.

We need to create high-tech training opportunities on a much larger scale for American workers who currently hold relatively low-paying jobs and wish to obtain new skills to enhance their employability and improve their earning potential. As the economy becomes more global and more competitive, it would be irresponsible to open the doors to new foreign competition, without giving our own workers the skills they need to compete and excel. I'm very hopeful that passage of this agreement will provide a strong new incentive for more effective action by Congress on all these important issues.

The issue of PNTR also involves major foreign policy and national security considerations. When China joins the World Trade Organization, it will be required to abide by the rules and regulations of the international community. The Chinese government will be obligated to publish laws and regulations and to submit important decisions to international review. By integrating China into this global, rules-based system, the international community will have procedures never available in the past to hold the government of China accountable for its actions, and to promote the development of the rule of law in China.

The WTO agreement will encourage China to continue its market reforms and support new economic freedoms. Already, 30 percent of the Chinese economy is privatized. Hard-line Chinese leaders fear that as China becomes more exposed to Western ideas, their grip on power will be weakened, along with their control over individual citizens.

As the economic situation improves, China will be able to carry out broader

and deeper reforms. While economic reforms are unlikely to result immediately and directly in political reforms, they are likely to produce conditions that will be more conducive to democracy in China in the years ahead.

All of us deplore China's abysmal record on human rights and labor rights and the environment, and we have watched with dismay as these abuses have continued. It is unlikely that approving PNTR will lead to an immediate and dramatic improvement in China's record on these fundamental issues. But after many years of debate, the pressure created by the annual vote on China's trade status has not solved those problems either.

Approving PNTR leaves much to be desired on all of these essential issues. But on balance, I believe that it can be a realistic step toward achieving the long-sought freedoms that will benefit all the people of China. The last thing we need is a new Cold War with China.

Mr. KERREY. Mr. President, I rise to comment on the legislation pending before the Senate on Permanent Normal Trade Relations with China. I support this bill not only because it is in the best interest of American farmers, businesses, and consumers; but also because passage of PNTR is the best way for America to have a positive influence on China's domestic policies, including policies affecting basic human rights.

I believe that this bill has been characterized by many of my esteemed colleagues as something that it is not—a reward to China despite its poor human rights record. Surely, we do not agree with the treatment of China's citizens, just as surely as we do not agree with so many other practices of the Chinese government. However, it is important to remember that China will become a member of the WTO no matter how we vote. If the Congress were to vote against Permanent Normal Trade Relations, many of our trading partners will receive the myriad benefits of trading with China, while our farmers, our businesses, . . . our citizens would be excluded.

Furthermore, the interest we have in promoting human rights protection in China is not defeated with the passing of this bill. The Congress has used its annual review of Normal Trade Relations to push China to become more democratic, to treat its citizens with basic decency, and to discourage Chinese participation in the proliferation of weapons of mass destruction. We now have the opportunity to assist our allies in bringing China into the world trading community. And by bringing China further into the global community, the real beneficiaries of PNTR, and eventual membership in the WTO, will be the Chinese people. The Chinese people will benefit from the new economic opportunities created by increased trade. The Chinese people will benefit from the spread of the rule of law, from increased governmental transparency, and from the economic freedom which will come as a consequence of China's membership in the WTO. Finally, passage of PNTR will make it much more likely that the Chinese people will have the opportunity to do what so many Chinese-Americans have done in the United States. By harnessing the power of individual innovation and by starting businesses, the Chinese people will be able to generate new wealth and new opportunities for themselves and their children.

While the rewards of membership are evident, let us not overlook the responsibilities that come with membership in that community—particularly the responsibilities that come with membership in the WTO. What better way to promote democracy in China, a nation that has long lacked a strong rule of law, than to encourage its participation in institutions, like the WTO, with strong dispute resolution mechanisms. Membership in the WTO will cause China to reexamine its legal infrastructure. Violating WTO agreements brings real consequences—the imposition of trade sanctions.

This is a historic opportunity. We will soon be voting on one of the most important bills ever debated in this body. I will support Permanent Normal Trade Relations for China and I hope that my colleagues will recognize this bill's importance, and give it their support.

Let me remind my colleagues that granting PNTR is not a reward for China, it is a reward for US farmers, businesses, and consumers. Passage of PNTR would allow the US to take advantage of the concessions agreed to by China in the bilateral agreement during its accession process. Tariffs for US goods will be drastically reduced.

Mr. MCCAIN. Mr. President, I rise in strong support of H.R. 4444, the U.S.-China Relations Act of 2000. This long-overdue legislation is an essential prerequisite to the advancement of U.S. interests in the Asia Pacific region, and I urge its prompt passage.

The preceding two weeks have witnessed considerable debate on the floor of the Senate with respect to U.S.-China relations and the wisdom of granting permanent Normal Trade Relations status to the government in Beijing. Clearly, there are extraordinarily serious issues dividing the United States and China. Issues central to our national security and moral values continue to preclude the development of the kind of relationship many of us would have liked to have enjoyed with the world's most populous country. As long as China continues to engage in such abhorrent practices as forced abortions, the harvesting of human organs, repressive measures against people of faith and pro-democracy movements, and the proliferation of ballistic missiles and technology, there will continue to be considerable tension in our relationship.

No one should attempt to minimize the significance of these activities. Their termination must be among our highest foreign policy priorities. Opponents of extending permanent normal trade relations status to China, however, are wrong to suggest that such a policy weakens our ability to address important issues that insult our values as a nation and impose tremendous suffering on many Chinese citizens. On the contrary, the economic relationship between the United States and China is a powerful tool for moving China in the direction we desire.

There is considerable room for improvement in the human rights situation in China, and efforts at ending Chinese transfers of ballistic missile technology to other countries have been frustratingly ineffective. Denying permanent normal trade status for China, however, is not the answer. China does in fact represent a case for economic engagement as a mechanism for affecting political change. China's history, which cannot be divorced from discussions of contemporary Chinese developments, is quite illuminating in this respect. One of the world's oldest and proudest civilizations, China has nevertheless never known true democracy. Go back 3,000 years and trace its history to the present. It is only in the last quarter-century that the window has truly opened for those aspiring to a freer China.

The economic reforms initiated by the late Premier Deng Xiao-ping began a process that has benefited millions of ordinary Chinese and has held out the greatest hope for prosperity and, ultimately, political freedom that country has ever known. The Chinese government, in fact, is struggling with the dichotomy between economic liberalization and political repression and is discovering to its dismay that it has irreconcilable interests. The United States, by maximizing its presence in China through commercial investment and trade, can be of immeasurable assistance to the Chinese population in ensuring that that conflict between economic growth and political repression is resolved in the direction of liberalization.

Objective analysis strongly supports this assertion. Since the beginning of economic reform in 1979, China's economy has emerged as one of the fastest growing in the world. The World Bank calculates that as many as 200 million Chinese have been lifted out of poverty as a result of the government's economic reforms. A recent Congressional Research Service study noted that China will have more than 230 million middle-income consumers by 2005. Clearly, economic reform, fueled in large part by trade, is benefitting the average Chinese citizen. It is important that we enable American businesses to develop a presence in these markets now, so that they can both take advantage of future developments and so that American values and practices can better take hold and flourish.

We should not be ashamed of the fact that our economy benefits by trade

with China. China's accession to the World Trade Organization, an inevitability given its importance as a market, will allow American companies to sell to Chinese consumers without the current arbitrary regulations. China will be forced to take steps to open its markets to U.S. goods and services that it has been reluctant to take in the past. These steps include major reductions in industrial tariffs from an average of 24 percent to an average of 9.4 percent; reductions in the tariffs on agricultural goods from an average of 31 percent to 14 percent, as well as elimination of non-tariff barriers in agricultural imports; major openings in industries where China has been extremely reluctant to permit foreign investment, including telecommunications and financial services; and unprecedented levels of protection for intellectual property rights. In addition, the United States will be able to use the dispute resolution mechanism of the WTO to force China to meet its obligations and open its markets to American goods.

Opponents of engaging China in trade should be aware that membership in the World Trade Organization carries with it responsibilities that are at variance with Communist Party practice. That is why Martin Lee, chairman of the Democratic Party of Hong Kong, noted that China's participation in the WTO would ''bolster those in China who understand that the country must embrace the rule of law.'' Similarly, Wang Shan, a liberal political scientist, stated that ''undoubtedly [the China WTO agreement] will push political reform.'' And the former editor of the democratic journal Fangfa has written that ''if economic monopolies can be broken, controls in other areas can have breakthroughs as well . . . In the minds of ordinary people, it will show that breakthroughs that were impossible in the past are indeed possible.''

Yes, we have serious concerns with Chinese behavior in a number of areas. As General Brent Scowcroft stated in a hearing before the Commerce Committee last April, however, the essential point is what is gained by denying China permanent normal trade relations status. We would not accomplish our foreign policy objectives in the Asia Pacific region, or within the realm of missile proliferation, by impeding trade with China. I supported the measure offered by Senator THOMPSON intended to address the issue of Chinese missile proliferation because of that issue's importance to our national security, but also because it was not intended as an anti-trade measure, as is the case with the other amendments offered to this bill.

It is past time that the Senate passes permanent normal trade relations status for China. It is in America's interest, and in the interest of hundreds of millions of Chinese citizens. It is the right thing to do.

I thank the President for this opportunity to address the Senate, and urge passage of the U.S.-China Relations Act of 2000.

Mr. KERRY. Mr. President, the Senate is debating an important question with tremendous ramifications for our relationship with China and the American economy: whether to extend Permanent Normal Trade Relations status to China (PNTR).

The opponents of PNTR argue that China is not worthy of receiving PNTR. They offer a laundry list of reasons. Its track record on human rights has not only not improved but has gotten worse. It continues to ignore commitments made in the nonproliferation area, particularly with respect to the spread of missile technology. Its intimidation of Taiwan continues, with little indication that Chinese leaders are prepared to avail themselves of Taiwanese President Chen Shui-bian's offers to begin negotiations. Its compliance with existing agreements leave a lot to be desired. They speak passionately about those concerns. And these issues should never be overlooked in any thoughtful analysis of our relationship with China. They must productively be incorporated into a policy of engagement; but make no mistake: we must have a policy of engagement.

I support PNTR and I intend to vote for it. I will admit to you that when I read recent press accounts of yet another crackdown on religious practitioners in China—this time members of a Christian sect called the China Fang-Cheng Church—and of the deaths of three Falung Gong members who have been imprisoned—I understood once more the temptation to reverse my position and vote against PNTR. But I am not going to do that Mr. President, because PNTR is not an effective tool for changing China's behavior at home or abroad—and as much as we detest the behavior in China with regard to religious freedom, it is not symbolic protest that will bring about change, but thoughtful approaches and a new and different kind of engagement—economic as well as diplomatic—that will leverage real change in China in the years ahead .

So let me say once more, there is no question that the issues raised by the opponents of PNTR are serious and real. We are all outraged by the repression of Chinese citizens who simply want to practice their spiritual beliefs or exercise political rights. But denying China PNTR will not force the Chinese leadership to cease its crackdown on religious believers or political dissidents. It will not force China to abide by the principles of the Missile Technology Control Regime (MTCR) or slow down its nuclear or military modernization, or reverse its position on Taiwan. Denying PNTR will NOT keep China out of the WTO. But I am certain that denying China PNTR will set back the broad range of U.S. interests at stake in our relationship with China and undermine our ability to promote those interests through engagement.

China has the capacity to hinder or help us to advance our interests on a broad range of issues, including: nonproliferation, open markets and free trade, environmental protection, the promotion of human rights and democratic freedoms, counter-terrorism, counter-narcotics, Asian economic recovery, peace on the Korean peninsula and ultimately peace and stability in the Asia-Pacific region. It is only by engaging with China on all of these issues that we will make positive progress on any and thereby advance those interests and our security. Engagement does not guarantee that China will be a friend. But by integrating China into the international community through engagement, we minimize the possibility of China becoming an enemy.

Over the last three decades, U.S. engagement with China, and China's growing desire to reap the benefits of membership in the global community have already produced real—if limited—progress on issues of deep concern to Americans, including the question of change in China.

There are two faces of life in China today:

The first face is the disturbing crackdown on the Falon Gong and the China Fang-Cheng Church, the increase of repressive, destructive activities in Tibet, the restraints placed on key democracy advocates and the harassment of the underground churches. The second face is that of the average citizen who has more economic mobility and freedom of employment than ever before and a better standard of living.

More information is coming in to China than ever before via the Internet, cable TV, satellite dishes, and western publications. Academics and government officials openly debate politically sensitive issues such as political reform and democratization. Efforts have begun to reform the judicial system, to expand citizen participation and increase choices at the grass roots level.

While China's leaders remain intent on controlling political activity, undeniably there are indications that the limits of the system are slowly fading, encouraging political activists to take previously unimaginable steps including the formation of an alternative Democracy Party. On the whole, Chinese society is more open and most Chinese citizens have more personal freedom than ever before. Of course, we must press for further change, but we should not ignore the remarkable changes that have taken place.

China's track record on weapons proliferation is another issue of serious concern. Senator THOMPSON has introduced sanctions legislation targeted at China's proliferation policies, and I understand he will be offering that as an amendment to PNTR. With this legislation, Senator THOMPSON has done the Senate and this Nation a great service, by forcing us to take a hard look at the reality of China's commitment to international proliferation norms. And that reality, particularly over the last

eighteen months, is disturbing. But I do not believe that a China-specific sanctions bill is an effective response to the challenge of weapons proliferation. And we should not scuttle PNTR just to make a point—however valid—about China's continuing export of missile-related technology.

Our concern about recent Chinese activities related to the transfer of missile technology should not lead us to overlook the totality of China's performance in the arms control area. The fact is China has taken steps, particularly in the last decade, to bring its nonproliferation and arms export control policies more in line with international norms. China acceded to the Biological Weapons Convention in 1984. In 1992, China acceded to the Nonproliferation Treaty, NPT. China signed the Comprehensive Test Ban Treaty in 1996, CTBT, and the next year promulgated new nuclear export controls identical to the dual-use list used by the Nuclear Suppliers Group. In 1997 China joined the Zangger Committee, which coordinates nuclear export policies among NPT members. The same year it ratified the Chemical Weapons Convention and began to enforce export controls on dual-use chemical technology. In 1998 China published detail export control regulations for dual-use nuclear items. These developments have also been accompanied by various pledges, for example not to export complete missile systems falling within MTCR payload and range and not to provide assistance to Iran's nuclear energy program. China's commitment to these pledges has been spotty but the fact is, China's record today is dramatically different from what it was in the 1980s or the three decades before. Then we were faced with a China exporting a broad range of military technology to an array of would-be nuclear states including Libya, Syria, Iran, Iraq, Pakistan and North Korea. Today, our principal concern is Chinese exports in the area of missile-related technology—not complete missile systems—and to two countries: Pakistan and Iran. That, it seems to me, is progress, and progress made during a period of growing engagement between China and the international community.

Some in this body, frustrated that our current engagement with China has born little fruit, are offering amendments in an attempt to use the presumed leverage in PNTR as a means of changing China's policies. I believe that engagement offers the best prospects for promoting our interests with China but I understand and share their frustration over the way in which the current administration has engaged China. The next administration must engage with greater clarity of message, consistency of policy, pragmatism about what can be achieved and over what time frame, and determination to hold China accountable when it misbehaves or ignores commitments made.

However, we should not let our frustration with the benefits of engagement lead us to undermine that policy by delaying or denying PNTR in a vain quest to change China overnight. PNTR is not a ''reward'', as the opponents of PNTR suggest. It is a key element in our economic engagement with China and an affirmation of our intention to have a normal trading relationship with China, as we do with the overwhelming majority of our other trading partners. Many of China's most outspoken critics including Martin Lee, the head of Hong Kong's Democratic Party, Bao Tong, one of China's most prominent dissidents; and Dai Qing, an engaging writer and environmental activist who was jailed in the wake of Tiananmen Square for her prodemocracy activities and writings, want us to give PNTR to China. They want it because they know that drawing China deeper into the international community's institutions and norms will promote more change in China over time. As Dai Qing told U.S. when she testified before the Foreign Relations Committee in July: ''Firstly, PNTR will help to reduce governmental control over economy and society; secondly, PNTR will help to promote the rule of law; and thirdly, PNTR will help to nourish independent political and social forces in China.''

The opponents of PNTR have argued that we are giving up leverage over China because we are abandoning our annual review of U.S.-China relations. This argument ignores two critical points: first, there has been little leverage in the MFN review because China can simply do business with others; and second, Congress has never revoked the status in the last 12 years. So how meaningful is this review in reality? There is nothing in the action we are contemplating here that prevents Congress from acting in the future, if it so desires. In fact, the pending legislation sets up a commission to review China's performance on key issues including human rights and labor rights and trade compliance so that if Congress wants to act, we will be better informed at the outset.

This vote on extending PNTR is not a referendum on the China of today. It is a vote on how best to pursue all of our interests with China including our economic interests. Extending PNTR will allow the United States to enjoy economic benefits stemming from the bilateral agreement negotiated between the United States and China. I am concerned that critical labor, human rights and environmental protections were left out of the agreement. However, I believe the agreement undeniably forces China to open its doors to more trade, and if we fail to vote in favor of PNTR, we risk forfeiting increased trade with the largest emerging market in the world to other countries in Europe and Asia.

This would be no small loss for the United States. Just consider the facts which underscore the importance of trade with China. By granting PNTR status to China, the U.S. will be able to avail itself to China—to make American goods and services available to one-fifth of the world's population. China is the world's second largest economy in terms of domestic purchasing power. It is the world's seventh largest economy in terms of Gross Domestic Product and is one of the fastest growing economies in the world. Simply put, China's economy is simply too large to ignore.

It is of course true that there has been sharp growth in the U.S. trade deficit with China, which surged from $6.2 billion in 1989 to more than $68 billion in 1999. But it is also true that the deficit is in large part due to the fact that China has closed its doors to U.S. products.

I believe that only by granting PNTR to China will U.S. businesses be able to open those doors and export goods and services to China, so that our economy can continue to grow and our workers be fully employed. U.S. exports to China and Hong Kong now support 400,000 American jobs. Trade with China is of increasing importance in my home state. China is Massachusetts' eighth largest export market. The Massachusetts Institute for Social and Economic Research at the University of Massachusetts calculated that in 1999, Massachusetts exported goods worth a total of nearly $366 million to China. That represents an increase in total exports to China of more than 15 percent from the previous year and translates into more jobs and a stronger economy in my state.

The bilateral trade agreement between the U.S. and China will give businesses in every state the chance to increase their exports to China, ultimately leading to more growth here at home. Under the agreement, China is committed to reducing tariffs and removing non-tariff barriers in many sectors important to the U.S. economy. China has agreed, for instance, to cut overall agricultural tariffs for U.S. priority products—beef, grapes, wine, cheese, poultry, and pork—from 31.5 percent to 14.5 percent by 2004. Overall industrial tariffs will fall from an average of 24.6 percent to 9.4 percent by 2005. Tariffs on information technology products—which have been driving the tremendous economic prosperity our country is currently enjoying—would be reduced from an average level of 13.3 percent to zero by the year 2005. China must also phase out quotas within five years. The U.S. market, on the other hand, is already open to Chinese products. We have conceded nothing to China in terms of market access, while China must now open its doors to increased exports. This is a one-way trade agreement favoring the United States of America.

China has made other concessions that are likely to be extremely beneficial to the U.S. economy. It has agreed to open service sectors, such as distribution, telecommunications, insurance, banking, securities, and professional services to foreign firms.

China has agreed to reduce restrictions on auto trade. Tariffs on autos will fall from 80–100 percent to 25 percent by 2006, and auto quotas will be eliminated by 2005. Perhaps most importantly, the agreement and this legislation provide that China must accept the use by the United States of safeguard, countervailing, and anti-dumping provisions to respond to surges in U.S. imports from China that might harm a U.S. industry.

A favorable vote on PNTR will also benefit the agriculture industry. China is already the United States' sixth largest agricultural export market, and that market is expected to grow tremendously in the 21st century. China is a major purchaser of U.S. grain, meat, chicken, pork, cotton and soybeans. In the next century, USDA projects China will account for almost 40 percent of the growth in U.S. farm exports.

We must recognize that the U.S. will not be able to sell its wheat, provide its financial services, or market its computer software in China unless we grant China PNTR status. Let there be no mistake, China will become a member of the WTO whether or not we pass PNTR. Under the Jackson-Vanik Amendment to the Trade Act of 1974, the United States can and does extend Normal Trade Relations treatment to China annually. If Congress fails to amend its laws to provide permanent, rather than annual, normal trade relations, we will not be able to satisfy the requirement that normal trade relations be unconditional. The U.S.-China agreements could therefore not be enforced and the U.S. would not be able to avail itself to the dispute resolution procedures of the WTO.

The benefits of the WTO agreement extend beyond more open Chinese markets to the application of a rules-based system to China, a country that has historically acted outside the world's regulations and norms. Under the terms of this agreement, the Chinese government is obliged to publish laws and regulations subjecting some of China's most important decisions to the review of an international body for the first time. WTO membership will force China to accelerate market-oriented economic reforms. This will be a difficult and challenging task for China, but an important one that will result in freer and fairer trade with China.

Despite the likely benefits that the United States will reap if it grants PNTR to China, we must pay attention to the concerns expressed by those in the labor, environmental and human rights communities about the impact of this vote. We must hear their voices and heed their warnings so that we are on alert in our dealings with China. In China, workers cannot form or join unions and strikes are prohibited. There are no meaningful environmental standards and the prevalent use of forced labor make production in China extremely inexpensive. Because they cannot bargain collectively, Chinese workers are paid extremely low wages and are subject to unsafe working conditions.

No one on either side of the aisle, not even the most ardent supporter of PNTR, supports these most undemocratic, morally reprehensible conditions in China, and we have a duty and a responsibility to pay attention to the conditions there. It is my hope and belief that as U.S. firms move into China, they will bring with internationally-accepted business practices that may actually raise labor and environmental standards in China. I also hope that they will provide opportunities for Chinese workers to move from state-owned to privately-owned companies, or from one private company to another, where the conditions are better. These steps are small, but important. Nevertheless, the international community in general and the United States in particular must remain vigilant in order to ensure that standards are rising in China and it is simply not the case where the only benefit to come from freer trade with China is that the corporate coffers of large companies are being lined with money saved on the backs of Chinese laborers.

We must also be vigilant in ensuring that once China becomes a member of the WTO, it complies with the rules of the WTO and lives up to its commitments under trade agreements. There are many critics of PNTR with China who rightly point out that China has an extremely poor record of compliance with current trade agreements with the U.S., and that it ''can't be trusted'' to live up to commitments once it is in the WTO. China's trading partners worldwide must cooperate to police China so as to ensure its adherence to the trade concessions it has made.

The environment is another area in which we must be vigilant in our efforts to encourage the Chinese government to begin to promulgate and enforce environmental standards. Right now, levels of air pollution from energy and industrial production in Shanghai and Shenyang are the highest in the world. Water pollution in regions such as Huai River Valley is also among the worst in the world. In 1995, more than one half of the 88 Chinese cities monitored for sulfur dioxide were above the World Health Organization guidelines. It is estimated that nearly 178,000 deaths in urban areas could be prevented each year by cleaner air. We simply cannot allow this complete degradation of the environment in China to continue unabated.

Denying PNTR to China won't stop its unfair labor practices or its environmental devastation. So while I would have liked to see these issues addressed in this legislation or in the bilateral agreement, I believe that, on balance, the risk of not engaging China at this time far outweighs any value we would gain by signaling to China that we still do not approve of its practices and policies. That symbolic signal would only strip U.S. of the leverage that WTO membership brings with it to hold China accountable and effect real progress. If the U.S. fails to support PNTR, and thus fails to take advantage of the benefits of China's inevitable membership in the WTO, U.S. companies stand to lose market share and U.S. workers may lose jobs to European and Asian companies that gain a strong foothold in China. We would also lose the opportunity to engage China and advance our positions on all of our interests including human rights and security. And that would be far too high a price to pay in this new global economy for the short term rewards of merely sending a message with far more negative consequences for U.S. than for China.

Engagement, is the course we must pursue—intelligently, with strength and a commitment to accountability. Engagement is a course best pursued by granting China Permanent Normal Trade Relations and bringing it into the WTO. It is in the best interests of our economy and it is in the best interests of our foreign policy, and I hope we can all join together in moving the United States Senate and our Nation in that direction.

Mr. BINGAMAN. Mr. President, I rise today to discuss the amendments that have been voted on in relation to H.R. 4444, a bill that authorizes permanent normal trade relations with China. Over the last two weeks or so, several of my colleagues have introduced very thoughtful legislation specifically designed to address problems that exist at this time in China. Taken alone and at face value, many of these amendments—from human and labor rights to technology transfer to religious freedom to weapons proliferation to clean energy—have been worthy and deserving of my support. At any other time, I would have in fact voted for many of these amendments. I personally am of the view that Chinese officials must continue to make significant and tangible efforts in the future to transform their country's policies to coincide with international rules and norms. Although China is indeed making a very difficult and gradual transition to a more democratic society and a market-based economy, much remains to be done. Chinese officials must reinvigorate their commitment to change, and they will inevitably be open to criticism from both the United States and the international community until they do so.

But this said, it is clear that any amendment attached to H.R. 4444 at this time will force the bill into conference, and at this late stage in the session, that means that the bill would effectively be dead. In my mind, this bill is far too important to have this outcome. I believe that H.R. 4444 is one of the most important pieces of legislation we will consider this year, for two reasons.

First, it creates new opportunities for American workers, farmers, and businesses in the Chinese market. This

bill is not about Chinese access to the U.S. market as this already exists. The bill is about U.S. access to the Chinese market, because if this bill is passed we will see a significant change in the way China has to conduct business. As a result of this bill, we will over time see a reduction in tariff and non-tariff barriers, liberalization in domestic regulatory regimes, and protections against import surges, unfair pricing, and illegal investment practices. If we do not take action on this bill this year, we will be at a tremendous competitive disadvantage in the Chinese market relative to companies from other countries.

We cannot let this happen to American workers. In my state of New Mexico alone we have seen dramatic results from increased trade with China. Our exports to China totaled $147 million in 1998, up from $366,000 in 1993. China was New Mexico's 35th largest export destination in 1993, but now it ranks fourth in this regard. In 1993 only six product groups from New Mexico were heading to China as exports, but in 1998 there were sixteen product groups flowing in that direction, from electrical equipment and components to chemicals to agriculture to furniture. In short, increased trade opportunities with China translates directly to increased economic welfare for New Mexico, and all of the United States.

A second reason this legislation is so important relates to U.S. national security. From where I stand, China is playing an increasingly active role in Asia and the world, and it is in our national interest to engage them in discussions concerning these activities on an ongoing and intensive basis. There is simply no benefit to be gained from attempting to isolate or ignore China at this time. It has not worked in the past, and it will not work in the future. I am convinced that our failure to pass this bill will limit our country's ability to influence the direction and quality of change in China. I have visited China, and I can tell you that the China of today looks dramatically different than the China of five years ago. This change is at least in part a direct result of our interaction with the Chinese people. As the PNTR debate moves forward, Congress must decide how it would like China to look five, ten, fifteen, twenty years from now. Do we want China to be a competitor, or an enemy? In my view, PNTR will place us in a particularly strong position to promote positive change in China and increase our capacity to pursue our long-term national interest.

Although I am certainly sympathetic to the objectives of many of the amendments offered by my colleagues, I feel the issue of trade with China deserves to be debated on its own merits. For this reason, I have chosen to vote against the amendments offered by my colleagues. But I would like to emphasize at this time that I look forward to the opportunity to address them in the future.

Mr. DORGAN. Mr. President, several months ago, the House of Representatives voted 237 to 197 to grant Permanent Normal Trade Relations to China. Before passing that legislation, however, the House added provisions that will require this and future Administrations to step up efforts to enforce China's compliance with its trade agreements and with internationally-recognized human rights norms.

Today the Senate will vote on whether we too will approve granting PNTR to China. That vote is on the limited question of whether to make permanent the favorable trade treatment that the United States has afforded to China one year at a time for the past 20 years—just that, and only that. The only difference in this upcoming vote and past votes on normal trade relations for China is: Shall normal trade relations be permanent, as they are with virtually every one of our other trading partners?

I have voted for normal trade relations in the past because China is a country of 1.3 billion people that is certain to play an important role in our future. The question is, will that role be a positive or negative one?

I happen to think that involvement with China is preferable to non-involvement. And I think on balance that the movement of China towards more freedom for its citizens and a market-based economy is much more likely to occur through normal trade relations than through estrangement.

While it is a close call, I have concluded that it is in our best interests to accord China Permanent Normal Trade Relations, because the legislation also establishes a commission to monitor human rights and labor issues in China and includes provisions that will ensure better enforcement of our trade agreements.

I would like to explain my reasoning.

I am mindful that there are some actions by China that give us pause. Threats directed at Taiwan, the transfer of missile technology to rogue states, and the abuse of human rights inside China are all reasons for concern. But I have seen almost no evidence that there has been any connection between Chinese behavior and Congress' annual review of China's trade status. On the other hand, there is evidence that the engagement with China by Western democracies has led to some improvement in a number of areas. It is my hope that those improvements will continue and be enhanced with Permanent Normal Trade Relations and China's accession to the WTO.

I am under no illusion that granting PNTR to China and allowing it to join the WTO will lead China inexorably toward democratization, better human rights and economic liberalization. However, I find it notable that China's security services, and conservative members of the military and Communist Party feel threatened by those developments. They are leading the opposition to President Zhang Zhemin and Premier Zhu Rongji's efforts to restructure China's economy and join the WTO precisely because they fear it will weaken the Communist Party's absolute hold on power.

The Dalai Lama and many of China's leading democracy and human rights advocates support Permanent Normal Trade Relations. They believe that the closer the economic relationship between the U.S. and China, the better the U.S. will be able to monitor human rights conditions in China and the more effectively the U.S. will be able to push for political reforms. However, other human rights advocates, including Harry Wu, believe granting China PNTR will weaken America's ability to influence China's human rights. That is why it is so important that the PNTR legislation establish a commission to monitor the human rights and labor situation in China and suggest ways we can intensify human-rights pressure on Beijing.

Most of the farm groups and business groups from my state believe PNTR and the implementation of the U.S.-China Bilateral Trade Agreement will result in a significant rise in U.S. exports to China. I hope that is true. But I fear they will be disappointed. Most impartial studies have concluded that the gains are likely to be modest. Furthermore, I am concerned by comments which were made by China's lead trade negotiator that China has conceded only a ''theoretical'' opportunity for the U.S. to export grain or meat to China. This makes me wonder whether China has any real intention of opening its markets as contemplated in the bilateral agreement. That is why it is so important that the PNTR bill includes provisions that will require the administration to step up its efforts to ensure that China complies with its trade agreements.

The systemic trade problems we are experiencing with China and many other countries, including Japan, Europe, and Canada, have little to do with this debate about Normal Trade Relations and a lot to do with our willingness to give concessional trade advantages to shrewd, tough, international competitors at the expense of American producers. Frankly, I am tired of it.

The recent U.S.-China Bilateral Trade Agreement was hailed as a giant step forward. In fact, it comes up far short of what our producers ought to be expecting in such agreements. If we were given a vote on that agreement, I would likely vote no, and tell our negotiators to go back and try again.

Our negotiators should have done better. It is outrageous that they signed an agreement that allows China, which already has a $70 billion merchandise trade surplus with the United States, to protect its producers with tariffs on American goods that are two to ten times higher than the tariffs we charge on Chinese goods. There is no excuse for that. But that circumstance

is not unique to China. It exists in our trade relations with Japan, with the European Union, with Canada, and others. We now have a mushrooming merchandise trade deficit that is running at an annual $400 billion-plus level. It is unsustainable and dangerous for our country.

We must begin to negotiate trade agreements with our trading partners that are tough, no nonsense agreements. We should develop rules of fair trade that give American workers and American businesses a fair opportunity to compete.

Regrettably most of our trade policies reward those corporations that want to produce where it's cheap and sell back into our marketplace. That is a recipe for weakening our economy and it must stop.

So, I voted for Normal Trade Relations with China previously, and I intend to vote to make it permanent, provided that we also require this and future Administrations to dramatically step up efforts to enforce China's compliance with its trade agreements and with internationally-recognized human rights norms.

However, I want it to be clear that, if we accord Permanent Normal Trade Relations to China and we discover that they are not in fact complying with the terms of the bilateral agreement we negotiated with them or that they are retreating rather than progressing on the issue of human rights for Chinese citizens, then I believe we must reserve the right to revoke China's Normal Trade Relations status.

Mr. LUGAR. I would like to ask the distinguished chairman of the Finance Committee, Senator ROTH, a brief question. Mr. Chairman, there are a number of important initiatives and oversight capabilities created in this legislation on PNTR. Not only do we make permanent our trading relationship with China, but we have included monitoring capabilities to ensure that the commitments agreed to in the WTO accession agreements are, in fact, lived up to by the Chinese government.

Mr. ROTH. The Senator from Indiana is correct.

Mr. LUGAR. I would like to then clarify that the bill before us should not only provide means to review WTO trade compliance, but also past agreements affecting trade between our countries, whether they are treaties or memorandum of agreements between the United States and China. Is this correct, Mr. Chairman?

Mr. ROTH. The Senator is correct.

Mr. LUGAR. Thank you, Mr. Chairman. I would like then to state here that it is the intent of the bill that there be a review of the implementation of the 1992 Memorandum of Agreement between the United States and China on the Protection of Intellectual Property Rights. As you know, this agreement was reached so that American pharmaceutical compound patents issued between 1986 and 1993 would enjoy protection in China. As a number of disputes have arisen from this agreement, I think it is important that we have an independent and objective look at this agreement and then we can determine if additional efforts in this area are warranted.

Mr. ROTH. I thank the Senator. It is my intent, as his, that the 1992 MOU shall also be reviewed.

Mr. LUGAR. I thank the distinguished Chairman.

Mr. ENZI. Mr. President, I rise to speak in favor of the bill to extend permanent normal trade relations to China. I have taken a great deal of time to study both the positive and negative aspects of granting PNTR to China. I was undecided on which way to vote for quite some time. I met with and talked to those on both sides of the issue.

Although I had several concerns, my biggest were about the reports of religious persecution and other human rights violations that continue to occur in China. It certainly is not fair that anyone—let alone 20 percent of the world's population—live under this kind of injustice. We in America, a great land of freedom and liberty, find these abuses intolerable and inexcusable. Although human rights have improved over the past 20 years since China has opened up its market to the world, it has a great deal of progress to make.

I care deeply about many of the issues that have been raised throughout this debate. And I pledge to continue working to ensure that these issues are not forgotten. The evils that the communist government of China perpetuates, such as forced abortion, organ harvesting, religious persecution, weapons proliferation, and the like, should still be addressed. We must do everything we can to not only bring China into the world trading system, but also into the system of international norms, which recognizes the value of human life and rights.

After carefully weighing the issues I decided to support passage of this bill. I also decided it was such an important bill for American and Chinese citizens that it should be passed this year.

This caused me to be in the position of voting against several amendments that in any other situation I would have supported. I know several of my other good friends and colleagues did the same.

Now I want to explain some of the conclusions I have reached.

First, the recently signed U.S.-China trade agreement does not require the U.S. to make any concessions. It does not lower tariffs or other trade barriers for Chinese products coming into America. Instead, it forces China to open its market to U.S. goods and services provided the Congress extends PNTR to China. Passage or failure of this bill does not determine whether or not China becomes a member of the WTO. However, since the WTO requires that members treat each other in a non-discriminatory manner, each member country must grant other members permanent normal trade relations. Therefore, if China is not granted PNTR, it is not obligated to live by its WTO trade and market-opening commitments made to the United States.

As I mentioned earlier, China's regime has a poor track record when it comes to the human rights of its more than 1 billion citizens. It still has a long way to go to become acceptable. But the United States should not isolate the people of China from the exchange of information and products. We should not impede the efforts of Chinese citizens to trade and exchange property, which is an essential aspect of a free society.

The gradual opening of the Chinese market in recent years has been accompanied by very slow, yet positive advancements for religious freedoms in China. For example, consider the comments of Nelson Graham, son of the Reverend Billy Graham and President of East Gates International, a Christian non-profit organization. In his testimony at the Senate Finance Committee earlier this year he said, ''I believe that granting China PNTR will not only benefit U.S. businesses and U.S.-based religious organizations but will be one step further toward bettering the relationship between our countries.''

He went on to add that the impact of China's increased trade relations with the West has already caused a ''proliferation of information exchange [that] has allowed us to be much more effective in developing and organizing our work in the [People's Republic of China].''

These and similar comments by other religious leaders have led me to believe that increased trade will help the work of these religious organizations and help promote greater freedoms in China. Prior to the gradual market opening of China, religious organizations like Nelson Graham's East Gates International, had little or no way of reaching the spiritually-starved Chinese people.

I also want to emphasize that this bill in no way ignores the importance of religious and human rights. It sets up a permanent Commission to monitor human and religious rights and the development of rule of law and democracy-building in China. This Commission will have similar responsibilities as the existing Commission on Security and Cooperation in Europe established in 1976, which has proven effective in monitoring and encouraging respect for human rights in Eastern Europe.

Mr. President, at the conclusion of my remarks I will ask unanimous consent that four letters and one op-ed piece I have be inserted into the RECORD. Three of the letters are written by the Reverend Billy Graham, Joe Volk of the Friends Committee on National Legislation, and Pat Robertson of the Christian Broadcasting Network.

The other letter is from thirty-two religious leaders representing a broad range of religious organizations. the op-ed was written by Randy Tate, former Executive Direction of the Christian Coalition, and was published in the Washington Times last year. Each communication makes the point that PNTR will benefit U.S. religious organizations with operations in China.

I do not pretend that improvements in religious and human rights in China will happen overnight. Progress in liberty will not be immediate in a country where the government owns most of the property and has strict limits on political and religious association. Not one of us in this body would create a political regime such as that currently operating in China if we were cutting from whole cloth. Unfortunately, history rarely presents such ideal circumstances. Instead, we must address the world as we find it with all its imperfections.

I believe the question each of us must ask ourselves is whether human and religious rights will be improved by refusing China permanent normal trade relations. I see no evidence this would be the case. Rather, I believe that the increase in economic freedom that comes through increased trade relations will, in turn, bring about greater religious freedom and a better environment for human rights as well.

Randy Tate probably summed up this issue best. He said:

> Our case for greater trade . . . is less about money and more about morality. It is about ensuring that one-fifth of the world's population is not shut off from businesses spreading the message of freedom—and ministries spreading the love of God . . . [I]s it any surprise that some of our nation's most respected religious leaders, from Billy Graham to Pat Robertson, have called for keeping the door to China open?

I also want to briefly discuss another serious issue which was raised during the PNTR debate—the proliferation of weapons of mass destruction by China. While I recognize the sometimes delinquent behavior of China in this area, I believe the amendment which failed used a flawed unilateral and inflexible approach. I want to see the elimination of the proliferation of weapons of mass destruction. But the President currently has ample authority to sanction foreign entities for proliferation under numerous statutes. Therefore, the problem we now have is a failure by this Administration to effectively deal with the Chinese government to eliminate this proliferation. Some very targeted sanctions were probably in order for some of the Chinese proliferation activity.

But the amendment that was offered would have prescribed a very rigid one-size-fits-all solution. And we must remember that the most effective sanctions are those that are multilateral and those that have general agreement among our allies. The amendment would have required unilateral sanctions which history has shown to be ineffective tools in achieving desired behavior.

I do not believe that trade will cure all of the problems we have with China. Moreover, PNTR should not be considered a gift to China, but rather a challenge for China. The U.S. market is already open to countless Chinese goods. This will not change even if we were to refuse PNTR to China. Instead, if Congress extends PNTR to China it must open its market to the United States. At the same time China must play by the rules of the international trading system, subjecting itself to the WTO's dispute settlement process.

Without PNTR, China can remain closed to U.S. products yet increase its exports to the U.S., further exacerbating our trade deficit with China. This bill is about getting our products into China. By cooperating with them, they will lower tariffs to get into the WTO and then we have a court to adjudicate their violations. PNTR simply allows fair treatment of U.S. products and services going to China once China enters the WTO.

Change will not happen instantly. But I do believe increased trade will help advance the cause of freedom in China. The policy of engagement through trade must be backed up by strong U.S. leadership that vigorously challenges China, on a bilateral basis and through international organizations, about its human rights, weapons proliferation and other obvious shortcomings. But a vote against PNTR doesn't hurt the hard-line communists in China nor does it help the cause of human rights in China. The best way to end these evils is to transform China into a politically and socially free country. And that transformation will begin with economic freedom. Approving PNTR for China is the next and most important step toward a freer China and a safer world.

Mr. President, I ask unanimous consent to have additional material printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OPENING CHINA'S ECONOMY

WTO MEMBERSHIP WILL BENEFIT ALL

(By Randy Tate)

When trade ministers of World Trade Organization member nations gather in Seattle this week, they will comprise the largest gathering of trade officials on U.S. soil since the Bretton Woods conference at the conclusion of World War II.

The world has dramatically changed in the intervening half-century Astounding technological advances since then have made us not only comfortable but nonchalant toward international communication. But not so when it comes to trade. Here some still see an insoluble dilemma; choosing between American interests and American ideals. By this argument, we must either engage in commerce with emerging economic giants like China, or forsake trade in standing up for democratic values and human rights.

Fortunately, many conservative and religious leaders are rejecting this false choice and are now charting a third course. They recognize that trade and cultural exchange does not hinder but rather advances the value of free minds and hearts.

All Americans of good faith can start from this point of agreement. We must stand firm in our support of democracy and the inalienable rights to liberty. We all condemn abhorrent acts such as the bloody suppression of freedom in the Tiananmen Square massacre. And there are many ways of expressing that condemnation: tough diplomacy military containment, and hard-headed realism are among them. But isolation and protectionism would be misguided, and ultimately counterproductive.

A fifth of the planet's population lives in China. It makes no sense to isolate 1.3 billion people from the rest of us. That will only encourage irresponsible commercial and political behavior, at home and abroad. Our goals should be to open Chinese markets to our products and services while opening up Chinese society to freedom. That is the way to give its citizens the real opportunity to breathe the liberating air of faith and democracy.

It would be nice of course, if the Chinese leadership did that on its own initiative. But that is a fantasy. An isolated China will resist change at home and be likely to behave more aggressively towards its regional neighbors. None of that serves American interests. Admitting China into the WTO may not cause it to shed dictatorship for democracy. But it's the right step towards realizing that goal.

Nothing unites a nation and diverts the attention of the people from abuses by its leader like a common enemy. Do we slam the door on 1.3 billion people and let Chinese leaders turn America into the villain? Economic adversaries too often evolve into military enemies, as the origins of World War II amply demonstrated. The hatred of 1.3 billion people is surely something to incur with great caution.

The bottom line is that America needs to have a seat at the negotiating table to push for further democratic and religious reforms in countries such as China. Shutting our doors and abandoning all that we've helped the Chinese people accomplish would make us part of the problem. Moreover, we have to recognize that even a U.S. embargo is not going put the Chinese out of business. Bringing China into the WTO makes them play by the same trade rules as the rest of the world, and this policy decision makes up part of the solution.

While moving forcefully to strengthen a trading partnership with China, America needs to send a strong signal that it will stand by historic allies and functioning democracies like Taiwan. We have strong moral obligations to preserve democracies. Admitting Taiwan to the WTO as well accomplishes that. This leaves open political issues for the future, such as finding ways to ensure that freedom and democracy survive and prosper in Taiwan while forging a stable environment as it works out its future relations with China.

Our case for greater trade, therefore, is less about money and much more about morality. It is about ensuring that one-fifth of the world's population is not shut off from businesses spreading the message of freedom—and ministries spreading the love of God.

Obviously our key commitment is to helping American working families. That provides the most powerful argument for strengthening commercial ties with China by admitting China into the WTO. The agreement negotiated has its imperfections, but there is no question that it makes dramatic improvements in opening up domestic Chinese markets.

For example, China will now reduce subsidies on agricultural products, which allows opportunities for American-grown products

such as wheat and apples to reach a gargantuan market to a degree never considered possible before. Especially in the framing communities of my home state of Washington, the prospect of increased access to a market of this magnitude has sparked new hope in households struggling to make ends meet.

Working families dependent upon manufacturing jobs also benefit. Thanks to last week's agreement China will be forced to cut tariffs on American goods an average of 23 percent and to protect, and to protect the excellence and innovation of U.S. software manufacturers against technological piracy.

Is it any surprise that hundreds of working families will gather next week in Seattle to show their support for strengthening international trade? Not at all. Nor is it any surprise that some of our nation's most respected religious leaders, from Billy Graham to Pat Robertson, have called for keeping the door to China open. For when the Chinese trade with Americans, they are also exposed to the values of freedom and the healing message of the Gospel. And nothing is more important than that.

STATEMENT BY RELIGIOUS LEADERS IN SUPPORT OF PERMANENT NORMAL TRADE RELATIONS WITH CHINA

SEPTEMBER 5, 2000.

DEAR SENATOR, Soon you will be asked to vote on an issue that will set the course for U.S.-China relations for years to come: enacting Permanent Normal Trade Relations (PNTR) with China. Your vote will also have an impact on how human rights and religious freedom will advance for the people of China in the years ahead. We are writing to urge you to vote *for* PNTR for China because we believe that this is the best way to advance these concerns over the long term.

We share your concern for advancing human rights and religious freedom for the people of China. The findings of the recent report from the U.S. International Religious Freedom Committee are disturbing to us. Clearly, the Chinese government still has a long way to go.

The question for us all is: What can the U.S. government do that will best advance human rights and religious freedom for the people of China? Are conditions more likely to improve through isolation and containment or through opening trade, investment, and exchange between peoples?

Let us look first at what has already occurred within China over the past twenty years. The gradual opening of trade, investment, travel, and exchange between China and the rest of the world has led to significant, positive changes for human rights and religious freedom in China. We observe the following:

The number of international religious missions operating openly in China has grown rapidly in recent years. Today these groups provide educational, humanitarian, medical, and development assistance in communities across China.

Despite continued, documented acts of government oppression, people in China nonetheless can worship, participate in communities of faith, and move about the country much more freely today than was even imaginable twenty years ago.

Today, people can communicate with each other and the outside world much more easily and with much less governmental interference through the tools of business and trade: telephones, cell phones, faxes, and e-mail.

On balance, foreign investment has introduced positive new labor practices into the Chinese workplace, stimulating growing aspirations for labor and human rights among Chinese workers.

These positive developments have come about gradually in large part as a result of economic reforms by the Chinese government and the accompanying normalization of trade, investment, and exchange with the outside world. The developing relationships between Chinese government officials, business managers, workers, professors, students, and people of faith and their foreign counterparts are reflected in the development of new laws, government policies, business and labor practices, personal freedom, and spiritual seeking. Further, the Chinese government is much more likely to develop the rule of law and observe international norms of behavior if it is recognized by the U.S. government as an equal, responsible partner within the community of nations.

The U.S. government and governments around the world have a continuing, important role to play in challenging one another through international forums to fully observe standards for human rights and religious freedom. However, we do not believe that the annual debate in the U.S. Congress, linking justifiable concern for human rights and religious freedom in China to the threat of unilateral U.S. trade sanctions, has been productive toward that end.

Change will not occur overnight in China. Nor can it be imposed from outside. Rather, change will occur gradually, and it will be inspired and shaped by the aspirations, culture, and history of the Chinese people. We on the outside can help advance religious freedom and human rights best through policies of normal trade, exchange and engagement for the mutual benefit of peoples of faith, scholars, workers, and businesses. Enacting permanent normal trade relations with China is the next, most important legislative step that Congress can take to help in this process.

Sincerely,

Organizations listed for identification purposes only.

Dr. Donald Argue, (Former President, National Association of Evangelicals, representing 27 million Christians in the United States of America).

John A. Buehrens, (Unitarian Universalist Association).

Bruce Birchard, (Friends General Conference).

Myrrl Byler, (China Education Exchange, Mennonite Church).

Reverend Richard W. Cain, ((Emeritus) President, Claremont School of Theology).

Ralph Covell, (Senior Professor of World Christianity, Denver Seminary).

Charles A. Davis, PhD, (The Evangelical Alliance Missions).

Father Robert F. Drinan, (Professor, Georgetown University Law Center; Member of Congress, 1971–1981).

Samuel E. Ericsson, (President, Advocates International, a faith-based global network of lawyers, judges, clergy, and national leaders reaching over 100 nations for justice, reconciliation, and ethics with offices on five continents).

Nancy Finneran, (Sisters of Loretto Community).

Brent Fulton, (President, ChinaSource, a non-profit, Christian Evangelical organization connecting knowledge and leaders in service to China).

Dr. Richard L. Hamm, (Christian Church (Disciples of Christ)).

Kevin M. Hardin, (University Language Services).

J. Daniel Harrison, (President, Leadership Development International).

Bob Heimburger, (Professor (Ret.), Indiana University).

Rev. Earnest W. Hummer, (President, China Outreach Ministries).

John Jamison, (Intercultural Exchange Network).

Rudolf Mak, Ph.D., (Director of Chinese Church Mobilization, OMF International).

Jim Nickel, (ChinaSource, a non-profit, Christian Evangelical organization connecting knowledge and leaders in service to China).

Don Reeves, (General Secretary (Interim), American Friends Service Committee).

Rabbi Arthur Schneier, D.D., (President, Appeal of Conscience Foundation).

Phil Schwab, (ChinaTeam International Services, Ltd.).

Dr. Stephen Steele, (Dawn Ministries).

Rev. Daniel B. Su, (Special Assistant to the President, China Outreach Ministries).

Bishop Melvin G. Talbert, (The United Methodist Church).

Dr. James H. Taylor III, (President, MSI Professional Services International).

Finn Torjesen, (Executive Director, Evergreen Family Friendship Service, a Christian, non-profit, public benefit organization working in China).

Joe Volk, (Executive Secretary, Friends Committee on National Legislation).

Rev. Dr. Daniel E. Weiss, (American Baptist Churches, USA).

Dr. Hans M. Wilhelm, (China Partner, an organization serving Church of China by training emerging young leaders).

Rev. Dr. Andrew Young, (President, National Council of Churches, former ambassador to the United Nations and member of Congress).

Danny Yu, (Christian Leadership Exchange).

MONTREAT, NC,
May 12, 2000.

Hon. DAVID DREIER,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN DREIER: Thank you for contacting me concerning the People's Republic of China. I have great respect for China's long and rich heritage, and I am grateful for the opportunities I have had to visit that great country. It has been a tremendous privilege to get to know many of its leaders and also to become familiar with the actual situation of religious believers in the P.R.C.

The current debate about establishing Permanent Normal Trade Relations with China raises many complex and difficult questions. I do not want to become involved in the political aspects of this issue. However, I continue to be in favor of strengthening our relationship with China. I believe it is far better for us to thoughtfully strengthen positive aspects of our relationship with China than to treat it as an adversary. In my experience, nations can respond to friendship just as much as people do.

While I will not be releasing a formal public statement on the PNTR debate, please feel free to share my views with your colleagues. May God give you and all of your colleagues His wisdom as you debate this important issue.

Cordially yours,

BILLY GRAHAM.

THE CHRISTIAN
BROADCASTING NETWORK INC.,
Virginia Beach, VA, May 10, 2000.

Hon. JOSEPH R. PITTS,
Congress of the United States, House of Representatives, Washington, DC.

DEAR CONGRESSMAN PITTS: My experience in dealing with Mainland China goes back to my first visit to that nation in 1979. Since that time, I have learned on subsequent visits that the progress of Mainland China in regard to economic development and the amelioration of the civil rights of its citizens has been dramatic.

I do not minimize the human rights abuses which take place in the People's Republic of China, but I must say on first-hand observation that significant progress in regard to religious freedom and other civil freedoms has been made over thepast twenty-one years.

The population of China is the largest in the world. My sources indicate that there are at least 80 million Chinese who are Christian believes, and tens of millions of Chinese are either practicing Buddhists or practicing Muslims.

Although the Chinese government may not comport itself in the same fashion as we in America would desire, nevertheless, I believe that the economic and structural reforms begun by Chairman Deng Xiaoping are irreversible and that little by little this vast land is moving toward a more prosperous society and more individual freedom.

If the US refuses to grant normal trading relations with the People's Republic of China, and if we significantly curtail the broad-based economic, education, social, and religious contacts that are being made between the US and China, we will damage ourselves and set back the cause of those in China who are struggling toward increased freedom for their fellow citizens.

Therefore, I would urge the Congress to pass legislation which would normalize the trading relations with the People's Republic of China without, in any way, diminishing the desire of the US to encourage the sanctity of human rights and the rule of law in that nation.

With best wishes, I remain . . .

Sincerely,

PAT ROBERTSON,
Chairman of the Board and Chief Executive Officer.

FRIENDS COMMITTEE ON NATIONAL LEGISLATION,
Washington, DC, September 7, 2000.

Re Support permanent normal trade relations with China without amendment

DEAR SENATOR: Soon you will be asked to decide whether the enact Permanent Normal Trade Relations (PNTR) with China. We at the Friends Committee on National Legislation (FCNL) recommend that you vote for enacting PNTR with China (HR 4444) without amendment.

While we do not claim to represent all Friends (Quakers) on this challenging and complex issue, the governing body of FCNL is clear in its support for PNTR with china. This policy is fully consistent with FCNL's historic advocacy in opposition to Cold War policies of containment and in support of policies that further interdependence, cooperation, and the pacific resolution of disputes between countries through diplomacy between governments, and free trade, travel and exchange between peoples.

We share your concern for advancing human rights, religious freedom, labor rights, and environmental protection for the people of china. We are concerned about the impact of economic globalization on the standard of living and quality of life for workers both at home and abroad. We are also concerned about future cooperation and progress with the government of China in arms control, regional security, negotiations concerning the future of Taiwan, and the pacific settlement of disputes.

We believe that normalization of trade relations with china is an important step toward advancing all of these basic human security concerns over the long term. China experts note that dramatic changes have already occurred within China over the past two decades as a result of more open exchange between China and the rest of the world. Interactions between government officials businesses, universities, and individuals have led to a growing harmonization between Chinese institutions and their Western counterparts. This is reflected in the development of new laws, government policies, democratic institutions, business and labor practices, standards of behavior, and popular expectations.

This engagement has also helped indirectly to nurture movements for social change. The student movement behind the Tiananmen Square demonstrations, the growing house church and democracy movements, and the recent widespread nonviolent demonstrations by the Falun Gong reflect growing movements within Chinese society that are challenging the political status quo and expressing popular aspirations for human rights. These movements likely would not have developed or spread as quickly were it not for the opening of Chinese society to the outside world that has occurred over the past twenty years. Despite the oppressive government responses, it is unlikely that the Chinese government will be able to repress popular movements such as these for long—especially if china continues along the path of economic reform, development, and integration into the global economy.

Such engagement has led to progress with the Chinese government on several important international security issues, as well. Over the same twenty years, the Chinese government has signed and ratified the Nuclear Non-Proliferation Treaty and the Chemical Weapons Convention. It signed and awaits U.S. ratification of the Comprehensive Test Ban Treaty, and, since then, it has observed a nuclear testing moratorium. It has participated in the Asian-Pacific Economic Cooperation Forum in ways that have built confidence and diminished regional tensions.

It is far more likely that the Chinese government will cooperate in these areas in the future and observe international norms of behavior if it is recognized by the U.S. as an equal partner within the community of nations than if it is isolated or excluded. Granting PNTR would encourage continued progress and cooperation in all of these areas of concern. Conversely, denying PNTR and further isolating China would likely close many of these opportunities, lead to increased oppression within China, and undermine regional and international security.

Please vote to enact PNTR with China without amendment. This is the next, most important legislative step that you can take to further positive relations between the peoples and governments of the U.S. and China.

Sincerely,

JOE VOLK,
Executive Secretary.

Mr. GORTON. Mr. President, for the past eight years, the responsibility to extend annual trade status to the People's Republic of China, PRC, has been shouldered entirely by the U.S. House of Representatives. Even though the United States Senate has eluded the duty of debating and deciding upon this significant issue, not one year has gone by when the subject matter hasn't weighed heavily on my mind.

If one year ago you had questioned any number of business or trade entities in Washington state my position on the prospect of extending Permanent Normal Trade Relations, PNTR, to China, I can almost guarantee you would have received a non-committal response. For years I have questioned China's commitment to free trade with the United States, and have been critical of the notion that the U.S. continue a relationship of ''engagement'' with the PRC. Couple these concerns with allegations of espionage, nuclear non-proliferation, questionable campaign contributions and influence, human rights abuses, persecution of religious freedom, and the treatment of the one true Chinese democracy, Taiwan, and one might challenge the notion that China receive such significant trading status from the United States. Mr. President, these issues have played a significant role in my criticism of our relationship with China, and therefore maintained an elevated status as I reviewed the prospect of voting on PNTR.

When I made my final decision regarding China's trade status, the mere simplicity of the issue suggested a rationale and consideration based solely on trade ramifications and WTO accession procedures alone. China's accession to the World Trade Organization is forthcoming, it's a fact, it's a reality, and it will happen. If the United States does not grant PNTR to China, the PRC will gain its ambitiously sought seat in the WTO, and the United States will lose all the benefits of trade with the more than 1.2 billion inhabitants of China. If Congress does not pass PNTR, the U.S-China trade deal that was 14 years in the making will be considered null and void, and every other member of the World Trade Organization will have access to the world's third largest economy. The potential loss of trade to the United States, and to the State of Washington, is too significant to ignore.

If the simplicity of the PRC's accession to the WTO was not enough to force me to reconsider my stance on trade with China, the details of the bilateral U.S.-China trade agreement helped secure my final decision to support PNTR. While I have long been critical of the Clinton-Gore Administration's policy with respect to China, the agreement brokered and finalized by U.S. Trade Representative Charlene Barshefsky is uncomparable.

By granting PNTR to China, the U.S. stands to benefit from a wide array of trade issues. While the United States retains our valuable trading leverage in the bilateral agreement and will gain access to a once heavily guarded market, China is forced to amend its market strategy and alter its trading exercises in favor of practices that embrace free market principles. When and if China alters its trading practices, it's clear the U.S. has everything to gain.

When formulating my decision to support PNTR, it was necessary that I review and concur with those terms stated in the bilateral agreement. If the terms were ever called into question by U.S. industry, manufacturers, agriculture, the service sector, or the high tech industry, I would seriously reconsider my position.

However, not one of the aforementioned industries in the State of Washington outlined an objection to trade with China. According to the World Bank, China will have to expand infrastructure by $750 billion in the next 10 years. Washington companies like Boeing, Paacar, and Mircosoft are prepared to fill their needs. Service sector companies like Eddie Bauer, Starbucks, and Nordstrom will step up to fill consumer demands. Not to mention, agriculture can finally attempt to penetrate the Chinese market that has for so long eluded our commodities. From the lush orchards of Central Washington to the rolling wheat fields of the Palouse, agriculture in Washington state is prepared and stands ready to benefit from the access to the 1.2 billion consumers in China.

While it was fascinating to me that so many varying industries and retail companies support PNTR and trade with China, the mere numbers and degree of tariff reduction contained in the bilateral agreement persuaded me most.

For example, the U.S. agriculture products that once faced enormous trade barriers and sanitary and phytosanitary restrictions, will receive a reduction of tariffs on average from 31.5 percent to 14.5 percent. Access for bulk commodities will be expanded, and for the first time ever China will permit agriculture trade between private parties.

What does this mean for Washington state agriculture? For the first time in over 20 years, China has finally agreed to lift the ominous and ridiculous phytosanitary trade barrier Washington wheat growers have learned to hate—TCK smut. As a result of this trade agreement, Chinese officials traveled to Washington state this spring and secured a tender for 50,000 metric tons of Pacific Northwest wheat. While this purchase is nominal, and represents a figure that I will press to increase, the elimination of export subsidies on wheat has already enhanced the expansion of markets wheat growers desire.

For some of our most precious and high value commodities such as apples and pears, tariffs will be reduced from 30 percent to 10 percent. Frozen hash browns, the pride of the Columbia Basin, will receive tariff reductions from 25 percent to 13 percent. Tariffs on cheese will plummet by 38 percent; grapes by 27 percent; cherries and peaches by 20 percent; potato chips by 10 percent; and beef by 33 percent. All of these commodities represent a significant portion of the Washington state agriculture industry, and at a time when new markets are difficult to come by, news of China's tariff reduction promises resulted in waves of support for PNTR by farmers.

Washington state agriculture is not the only sector to gain access to China's market. As a matter of fact in 1998, direct exports from Washington to China totaled $3.6 billion, more than double the exports in 1996. Of that figure, 91 percent represented transportation equipment, namely aircraft and aircraft parts.

The Boeing Company maintains 67 percent of China's market for commercial aircraft. Boeing anticipates that over the next 20 years, nearly one million jobs will be related to Boeing sales to China. Over the next 10 years, China is expected to purchase 700 airplanes worth $45 billion. Recognizing Boeing's significant contribution to the Puget Sound region and the State of Washington, it's no wonder one of the major labor unions that builds these airplanes supports PNTR.

So many people automatically equate transportation jobs directly with Boeing, but the aerospace and commercial airline industry is also supported by thousands of additional employees that contract and subcontract with the nation's only airline supplier. These contractors in Washington and all across the nation also stand to benefit from trade with China.

While the agriculture and manufacturing industries in Washington stand to gain, the high-tech, service sector and forest product industries also will benefit from liberalized market access. China has agreed to zero tariffs on computers and equipment, telecommunications equipment, and information technology. Tariffs on wood will decrease 7 percent, and paper by 17 percent. In addition, fish products tariffs will drop by 10 percent.

Washington's geographic proximity to China automatically benefits the service sector, the ports, and transportation infrastructure. Banking, securities, insurance, travel, tourism, and professional services such as accounting, engineering, and medical needs will all gain access to China's market. Knowing the ambitious and adventurous nature of many Washingtonians in these fields, I can imagine many State of Washington subsidiaries could find a home in China.

While all these tariff reductions and trade liberalization efforts look good on paper, there are also several mechanisms built into the bilateral agreement to address trade and import concerns. Two of the most significant items negotiated by the United States were the import surge mechanism and the anti-dumping provisions. Both these provisions were considered ''deal breakers'' by American negotiators. Had they not been included, the U.S. would have walked away from the negotiating table.

The import surge mechanism will remain in place for 12 years following China's accession to the WTO, and can be used in response to potential import disruptions by China. The anti-dumping provision will remain for 15 years and will be used by the U.S. should an influx of Chinese products flood our market.

The efficacy of the anti-dumping mechanism is evidenced by the case the U.S. apple industry filed and won against China. Citing an excessive increase of apple juice concentrate, the U.S. industry filed an anti-dumping case with the International Trade Commission, ITC, just last year. After the U.S. Department of Commerce and the ITC agreed that the U.S. industry had been harmed, the price for juice apples in the U.S. increased from $10 per ton back to the normal $130 per ton. This case was significant as it exemplified the United States' ability to appropriately deal with Chinese dumping practices, and it concluded that the U.S. has an appropriate and workable mechanism to address the issue of import surges.

While the aforementioned specifics about the bilateral trade agreement speak volumes to our trade dependent friends at home in Washington, when all is said and done, when all the tariffs are reduced and markets are liberalized, major questions will still remain. Will China become the trading partner that the U.S. hopes and desires? Will the PRC adhere to those details so cautiously and ambitiously sought? Will the U.S. market benefit from the buying power of China's 1.2 billion consumers? While I might not remain as optimistic about trade with China as some of my counterparts or those in the U.S. trade industry, one fact will remain constant. With the passage of PNTR and China's eventual accession to the World Trade Organization, leaders in Beijing will have to begin complying by international trade rules and restrictions or face the wrath of its new trading partners. These partners will include the United States and all of our allies.

Of the other questions that still remain regarding human rights, religious freedom, non-proliferation, allegations of espionage, and the treatment of Taiwan, one can only hope that the eventual promises and attractiveness of democracy and free market principles will be embraced by those who encounter it for the first time. One hopes that eventually, Falun Gong practitioners will be able to practice their faith in public. One hopes that eventually the weight of internationalism, globalization and trade will move Beijing away from theories and military practices that could bring harm to their trading partners. One hopes that eventually workers will perform in a less oppressive regime. One hopes that China will one day accept Taiwan as an independent nation. One hopes.

Because I have remained vigilant about my criticism of China, I endure to continue my close watch over United States interests and national security. Because I unconditionally support Taiwan and that country's efforts to embrace freedom and democracy, I will forevermore remain their champion. While I believe that democracy will eventually reign true, I will continue to raise concerns regarding human rights, religious freedom, and the United States relationship with China on all fronts.

I will vote for PNTR not because I am comfortable with the thought that China will adhere to all the details in the bilateral agreement, or the prospect that they will become exceptional trading partners overnight, but I support the men and women from the most trade dependent state in the nation who have urged its successful passage.

Whatever the course of our relationship with China takes over the coming years, I assure Washingtonians that I will be scrutinizing the reactions of Beijing very closely. I will continue to engage in a dialogue with all interested parties to ensure that Washington benefits from these new trade practices. I will work to ensure that American interests and national security weigh heavy on the minds of our negotiators and the next Administration. Because this vote is unmistakably one of the most significant trade votes the Senate has cast in recent years, I assure my constituents that I will keep their interests at heart.

Whatever it takes.

Mr. SESSIONS. Mr. President, I have decided to vote in favor of China PNTR because I believe this action will continue our policy of engagement with the Chinese government and increase the likelihood that our nation will have better relations with China in the years to come. The other option was to act on the assumption that China will become more hostile to the United States and that we must try to seal it off, which will not work.

This decision is a further step down the road that was begun by President Nixon in 1972 when he concluded it was better to have relations with China than to shut it off. Since then there have been many difficulties, but on the whole, I believe the relationship has been better than it would have been otherwise.

We now maintain military superiority over China and it is critical that it continue. I do not believe that it is inevitable that our future will be shaped by hostile relations with China. If we are strong and maintain our military, the chance of avoiding potential future hostilities will be improved. Such a vision is what wise leadership is all about.

I am not certain how best to improve the conditions of Christians and other religious people in China. I do recall, however, that when Rome changed from persecuting the early Christians to making Christianity the official religion of the empire, the change came about because of a change of heart and not as a result of a threat from an outside military power.

I was very impressed with the testimony of Ned Graham, son of the Rev. Billy Graham, who aids Christians in China and who has visited the country over forty times and distributed over two million Bibles to unlicensed Christians. He testified before the Senate Finance Committee. In his summation he stated that a vote for PNTR would encourage China's engagement with the world, increase the availability of computer technology to its citizens, accelerate its development of a rule of law, allow for increased contact between U.S. and Chinese citizens, and ultimately lead to positive changes in its religious policy. He concluded that most importantly ''this action will help diminish the negative perceptions that exist between our two great countries.'' While we, as humans, can never know the future, I am persuaded by his remarks. Generosity of spirit and forbearance founded on strength are the qualities of a great nation.

On the level of trade, I believe that my state of Alabama will be able to sell more products in China because of the significant reductions in the tariffs China has imposed on imported American goods. This increased trade will benefit Alabama's farmers, timber industry and much of our manufacturing. It can benefit our transportation system, including the Port of Mobile.

While I think it will increase our exports, I cannot conclude that this agreement is going to help our overall balance of trade deficit, at least not in the short run. While China has a significant wage advantage in its manufacturing, it has a shortage of many natural resources, lacks technology, has a very poor infrastructure and is burdened by corruption and a lack of a rule of law which protects liberties and property interests. In addition, it continues to hold on to the form of communism, an ideology of incalculable destructive power. These problems will burden them for years to come and will take many generations to eliminate.

The key to the success of this agreement will be vigorous, determined and sustained leadership by the United States to ensure that China complies with this agreement and the WTO rules. China's tendency has been to cut corners and not live up to its obligations under agreements. In my view, China must come to see that its interests and those of its trading partners will be advanced by following these trading rules. Unfortunately, China seems to be obsessed with exporting and not importing. The truth is China and her people will benefit from having the opportunity to buy quality food and products from around the world. They must come to recognize that fact.

This issue is very complex and no one can see into the future with a crystal ball, but my analysis and judgement tells me it is time to step out in a positive way, and to take the lead in reducing some of the suspicions and misperceptions that have grown in recent years between our two nations.

Since I believe that increased economic activity between our two countries is not likely to assist China in strengthening its military in any substantial way, regardless of legislation, I see the positive aspects of this legislation outweighing the negative. We must, however, make clear to China that we intend to defend our just interests and those of our allies around the world, and that we will not abandon our ally and friend, the Democratically elected government of Taiwan. We also need to remain especially vigilant to protect our military secrets and technological advantage. I was therefore disappointed that the amendment offered by Senator FRED THOMPSON did not pass. We must make crystal clear to our business community that we will not tolerate transfer of our military technology to China. While I favored a number of the amendments that have been offered to this legislation, and was disappointed they did not pass, I am appreciative of the quality of the debate that has surrounded this issue.

China has 1.2 billion people, the most populous country on this globe. Their people are talented and hardworking. Our vote today should enhance our economic and political relationships.

Mr. EDWARDS. Mr. President I rise today in support of H.R. 4444, which would grant Permanent Normal Trade Relations to China. I do so only after long and careful consideration of this proposal.

I believe that granting permanent normal trade relations with China is the right thing to do. It will significantly alter our nation's relations with China. Trade between U.S. companies and the Chinese will likely explode in the coming years—generating jobs and revenues in this country. It could easily be the keystone in the continuing prosperity of this nation. And it could be the vital catalyst for democracy and a free-market system in China.

During the last few months as I have traveled through North Carolina and met with my constituents, I have heard from hundreds of men and women who believe that their future prosperity and their jobs turn upon this vote. Many of them eagerly support this legislation.

I believe that North Carolina workers can compete with anyone and win. This bill opens a world of opportunity to North Carolina businesses and workers. The farmer, the high- tech worker, the furniture manufacturer, the factory worker, and the banker all will get a real chance to capture a part of the Chinese market.

The farmer who is working so hard and struggling believes that China's agricultural market will be opened. For example, China already imports 12 percent of its poultry meat. If China joins the WTO, it will cut its poultry tariffs in half and accept all poultry meat that is certified wholesome by the USDA. A similar situation holds for pork and tobacco products. China's agreement to lower its tariffs, to eliminate quotas, and to defer to U.S. health standards provides North Carolina farmers with real opportunity.

The high- tech worker who is producing software or fiber optics cable will also benefit. China has agreed to eliminate its duties on these products in the next few years and has agreed to eliminate many of its purchase and distribution rules that inhibit sales of U.S. products.

Meanwhile, tariffs on furniture will be eliminated. Tariffs on heavy machinery will be reduced by nearly one half. Banks and insurance companies will be able to do business with the Chinese people without arbitrary restrictions. The list goes on.

As U.S. goods and services flow into China and as our engagement grows, the opportunity for real change in China grows. We are all aware that China has a long way to go in improving its record on human rights, religious liberty, environmental protection and labor rights. The abuses in that nation are serious. And I am committed to continued efforts to end those abuses. As American ideas, goods, and businesses surge into China, I believe China's record will improve.

But I am mindful that globalization and this bill in particular may have a real downside. As a Senator from North Carolina, I am well-positioned to see both the enormous benefits and the large costs of this measure.

Textile and apparel workers, many of whom live in North Carolina, face real challenges as a result of this measure. While in almost every respect the agreement with China benefits our country, textiles is the major exception. As a result of joining WTO, quotas on Chinese textiles and apparel will be eliminated in 2005. As a result, Chinese apparel will flow into the United States. By and large, the Chinese imports will likely displace imports from other countries. However, there is no doubt that an additional burden will be placed on the textile industry. To be sure, the industry can try to protect itself through the anti-surge mechanism put in place by this legislation. Yet it does us no good to pretend that these remedies are perfect and that people will not be hurt. I know that textile workers will work their hearts out competing with the Chinese. I know these people; I grew up with them. When I was in college, I worked a summer job in a textile mill. My father spent his life working in mills. The impact of PNTR on them is personal to me. Dealing with the impact of this bill on them will always be a top priority for me. And I will fight throughout my career to protect them.

Mr. President, China's entry into the World Trade Organization and its attainment of permanent normal trade relations with America is not without its risks. No one can predict with certainty that China will live up to its commitments. I vote for this bill because I believe that we must turn our face toward the future. But we must be mindful of the risks. So I warn that I will monitor China's compliance with its agreements like a hawk. If they renege, I will lead the charge to force them to live up to their obligations.

But to vote against this measure—to deny PNTR—not only fails to accomplish anything productive but also denies us enormous opportunities. We cannot hide our heads in the sand. China will join the WTO. The Senate has no impact on that decision. The only question we face is whether the U.S. will grant China permanent normal trade relations or whether it will fall out of compliance with its WTO obligations. If we fall out of compliance, the U.S. will be denied the Chinese tariff reductions and rule changes, while every other country in the world takes advantage of the Chinese concessions. We must decide whether the U.S. will be able to compete with other countries—Germany, France, Japan—as they enter the Chinese market. American companies and workers deserve the right to enter those markets. On balance, I believe that China's admission into the World Trade Organization and its attainment of permanent normal trading relations is for the good.

And so I vote for this legislation, mindful of the risks, prepared to watch the results carefully and optimistic about the future.

Mr. SANTORUM. Mr. President, the Senate is completing a historic vote on the U.S.-China Relations Act of 2000, H.R. 4444, which grants permanent normal trade relations, PNTR, status to the People's Republic of China. Realizing that many Pennsylvanians have expressed very strong feelings on both sides of this issue, I would like to take a moment to discuss my reasons for supporting this measure.

First, it is important to understand what normal trade relations, NTR, is. Since 1980, the United States has granted China NTR status every year, subject to an annual review. ''Normal trade relations'', NTR, is the tariff treatment the U.S. grants to its trading partners. All but a select few countries receive this trade status. NTR simply means that products from a foreign country receive the same relatively lower tariff rates as our other trading partners enjoy. The lower tariff rates result from years of negotiations and various trade agreements in which the U.S. reduces its duties on imports, in exchange for reduced rates on its own products. NTR lowers tariff rates, but does not eliminate them altogether. In this way, NTR substantially differs from a free trade agreement. Free trade agreements, such as NAFTA, set dates by which all tariffs among the member countries will be eliminated. I would also note that certain countries receive even lower tariffs than NTR affords through ''preferential'' tariff status.

The U.S.-China Relations Act ends the annual renewal process for China's trade status by extending permanent normal trade relations, PNTR, to China. The Act becomes effective when China is officially accepted as a member of the World Trade Organization, WTO. Upon China's accession to the WTO, a trade agreement negotiated between the Clinton Administration and China will also become effective. In exchange for PNTR, China has agreed to unprecedented tariff reductions and market-oriented reforms. The U.S. is not required to reduce our tariffs or to make any commitments, other than extension of PNTR. We also preserve the right to withdraw market access for China in a national security emergency. China, however, has committed to specific trade concessions by certain dates. Thus, the terms of this agreement are clear and enforceable. If China violates its agreements, the U.S. will be able to respond quickly and definitively.

I supported H.R. 4444 because without Congressional approval of PNTR status for China, the U.S. would not benefit from the concessions China agreed to in the bilateral trade deal. These concessions, which open the Chinese market to American goods and services, will benefit Pennsylvania's farmers, industries and workers. Likewise, I believe that engagement in a rules-based system of trade will help foster political and personal freedom, as well as economic opportunity, for China's citizens.

Mr. President, China is now the third largest economy in the world. The bilateral trade agreement pries open this historically closed market for Pennsylvania's products and services, especially in the agriculture, technology, banking, insurance, and manufacturing sectors. According to the U.S. Department of Commerce, Pennsylvania exports a wide range of products to China. Pennsylvania, as a major exporter of beef, pork, poultry, feed grains, and dairy products, will see average agriculture tariffs cut by more than half by January 2004. China must also eliminate its agriculture export subsidies and reduce domestic subsidies. Industrial tariffs on U.S. exports to China will be cut by more than half by 2005. Furthermore, China must eliminate quotas. Within three years, Pennsylvania companies and farmers will have full trading rights to import, export, and distribute their products directly to Chinese customers. Tariffs on chemical products, automobiles, and steel exported to China will also be cut from their present rates. And of course, it is important to note the strength of Pennsylvania's workers in these industries. The bilateral agreement takes the first steps in leveling the playing field for Pennsylvanians to compete in an emerging international market.

I am also pleased to say that small and medium sized businesses will benefit under the bilateral agreement. Most companies that are currently exporting to China are small and medium sized enterprises, SMEs. Nationally, 82 percent of all firms exporting to China were SMEs. Of all Pennsylvania's companies exporting products to China, 63 percent are SMEs.

Despite the benefits of our trade agreement, I am mindful of sincere opposition to granting PNTR to China on the basis of its human rights record. Under H.R. 4444, the United States will no longer condition China's trade status upon an annual review of ''freedom of emigration'' practices. This does not mean that the U.S. will stop pressuring

China to allow its citizens to leave the country, if they choose to do so, nor does it mean that the U.S. will stop monitoring the widespread human rights violations in China. Rather, H.R. 4444 establishes a special Congressional-Executive Commission to monitor human rights abuses in China and to recommend appropriate remedies to the President and Congress. I realize that the Commission, PNTR, and even eventual WTO accession will not immediately bring about change in China; however, I believe that further engagement and economic reforms will lead to greater political and personal freedom for Chinese citizens. Isolating China serves only to strengthen the hand of hard-line communists who would continue to oppress the Chinese people. Many religious leaders share this view, including some pastors of Chinese house churches who have been jailed for their beliefs.

Another concern that I have taken very seriously is the potential impact on American workers. I have studied both the bilateral trade agreement and this legislation very carefully. Basically, the Chinese receive the same NTR tariff rates they have received for the past 20 years. In return, we get lower tariffs for our exports to China, new market access in distributing our products within China, and elimination of trade barriers for U.S. goods and services in the Chinese market. In other words, China essentially gets the status quo, while we get new benefits and substantial concessions from the Chinese. The U.S. fully preserves its anti-dumping and countervailing duty laws, which protect our industries and workers against unfairly traded Chinese imports. I would also note that H.R. 4444 provides even stronger protection from harmful Chinese import surges than current U.S. trade law allows. Furthermore, H.R. 4444 creates a government task force to prevent products made from Chinese prison labor from being imported into the U.S. With these protections in place and with effective enforcement, I believe that American workers can compete against anyone else in the world. American workers are, after all, the world's most productive.

I would also like to address the difference between granting PNTR to China and WTO accession. Congress has voted to extend PNTR to China; however, Congress has no vote on China's accession to the WTO. WTO accession is a four-step process. First, the applicant must present its trade and economic policies to a Working Party of all interested WTO countries. While these general multilateral negotiations take place, separate negotiations take place between the applicant and individual WTO countries, including the United States. These bilateral negotiations establish specific market access commitments and tariff rates. When both of these steps are completed, the Working Party drafts the terms of membership. Finally, the complete package is presented to the WTO Ministerial Conference for approval. The result of not extending PNTR would have been to deny U.S. farmers, manufacturers, banks, insurance firms, and their employees access to the Chinese market as promised in the bilateral trade agreement. Also, the U.S. would have been unable to avail itself of multilateral dispute settlement procedures in the WTO if further trade disputes with China arise.

Finally, I would like to assure Pennsylvanians that my vote on PNTR does not lessen my resolve to fight for fair trade in any way. Even after China joins the WTO, I will continue to monitor their adherence to the bilateral trade agreement. H.R. 4444 requires the United States Trade Representative, USTR, to issue a yearly report on China's compliance with its WTO obligations. I will follow these reports closely. In the meantime, I will continue to vigorously fight for stronger trade laws to protect U.S. workers and producers from unfairly traded foreign imports. For example, just last Friday, I testified at the International Trade Commission to oppose revocation of the antidumping and countervailing duty orders on various foreign steel imports.

I hope this clarifies the reasons I am supporting the U.S.-China Relations Act of 2000.

Mr. ROCKEFELLER. Mr. President, many of us have struggled for months to decide what is the right vote on China PNTR—the right vote for our individual states, the right vote for the Nation. I certainly have, as I have tried to grasp what effect PNTR with China might have on my state of West Virginia.

Over the last few months I've taken some time to listen and to talk with people in my state, to review where we are in West Virginia under the current trading system. I've tried to assess if West Virginia will be helped or disadvantaged if the Congress rejects PNTR. That is what I care about more than anything.

It is well known that West Virginia is a long way from enjoying the full benefits of the economic boom that we hear so much about. Unemployment remains over 5 percent, stuck stubbornly far above the national average. Our per capita income is $19,362, 49th among the states. Far too many of our working poor require food stamps, and far too many remain uninsured. And while I will fight every day to bring more and better jobs to West Virginia, the fact remains that we are a long way from providing the economic opportunities for the thousands of West Virginians who want to improve their lives, or are just struggling to survive from day to day.

There are many complex reasons that my state lags behind the nation economically. But one significant reason—which I believe with all of my heart and which I cannot ignore—is the simple fact that our current international trading system is simply not working for the people of West Virginia. The status quo is not working for West Virginia, neither for its workers nor for its industries.

We are just not being fairly treated under the current rules. Witness the struggle we have faced to protect our critical steel industry. Cheap and illegal imports began flooding the U.S. market in late 1997. A full two years passed before the first trade cases were resolved and the domestic industry got any relief and remedy. In those two years, six steel producers went bankrupt. Thousands were laid off. The impact on those companies, their employees, and the steel communities was devastating. And that is why I introduced fair trade legislation that would give our steel industry a fairer chance to prevent illegal steel dumping in the future. The status quo, our current unfair trade laws, were not working for West Virginia.

We in West Virginia are not being protected by the current trading rules. They are causing us to lose ground, lose jobs, and lose industries. I love my state too much to allow this to continue without fighting in every way I know to make it better. I will not vote to continue the current rules. I will not vote to maintain the status quo.

A vote in favor of PNTR for China will allow us to deal specifically with China on steel. For example, under today's unfair trade laws, the President must take uniform action against all countries that are dumping their imports on our market. Under current law and the status quo, the United States cannot single out one country for a tough remedy. Under the bilateral's antisurge provisions, we could address an influx of imports from China specifically. That is just one example, there are a few other provisions of the bilateral that could also work to, in essence, strengthen our ability to guard against Chinese steel disrupting our market.

West Virginia's chemical industry will benefit greatly from the tariff reduction that will come from passing PNTR legislation. The chemical industry is the largest industrial employer in West Virginia with an average salary of $51,000. During this debate, I heard from all of our chemical companies about the potential they have to increase their exports to China once this agreement goes into effect. Companies like DuPont who wrote me recently with the following: ''DuPont currently exports to China almost $16 million of products from our plants in West Virginia, and we see those exports increasing as the Chinese economy grows. West Virginia is, in fact, the second leading exporter to China, surpassed only by Texas, among DuPont operations nationwide. West Virginia exports will drop to zero, however, if Congress does not enact PNTR legislation—because China will keep its tariffs high for U.S. exporters while lowering its tariffs for all other members'

nations of WTO. Enactment of this legislation is, therefore, extremely important to DuPont and to our 3500 employees in West Virginia.''

It also means that as a part of the international trading regime, China will have to deal with 131 other trading partners who all will be incredibly vigilant to ensure that China is playing by the rules. It will not be a perfect system, but it will be a much better system.

So I say, Mr. President, when you have the opportunity to do trade and business with 1.2 billion people, to engage them with the world as we do today, to change the status quo that is not working for West Virginia, then you must do what is right. It's even more important when your state ranks 4th among all 50 states in percentage of products made that are exported abroad. That is why I will vote today to approve Permanent Normal Trade Relations with China.

To be clear, the vote we take today is not about China entering the WTO. Others have said this, but it bears repeating over and over. The American people must understand this: China will enter the WTO no matter what the Congress does.

So, the sole question we must answer is, what will the impact be if the Congress rejects PNTR? Has this annual review of our trading relationship with China had the impact we had hoped it would, and what will be the effect of rejecting PNTR on West Virginia and all the United States?

First, as to the impact on China.

I do not accept, indeed, I abhor, the unfair and sometimes inhumane conditions faced by the people of that largest of the world's countries. I have spent a considerable amount of time in that part of the world and I know conditions there are unacceptable. All people who love freedom decry the violations of people's rights in China. As the leader of the free world, America must acknowledge its responsibility to do all in our power to better China's treatment of its people.

I also believe we should encourage nations like China, where fast-growing economies will increase both energy demand and greenhouse gas emissions, to use the cleanest technologies available. In fact, I view PNTR as the best means of introducing these mostly-American technologies, some of the most cutting-edge of which were developed in West Virginia, to the Chinese energy sector.

At the same time, I cannot say that the Congress' annual review of China has had any impact on China whatsoever—and we are just kidding ourselves if we think denying China PNTR now will improve labor or human rights. The annual PNTR review was supposed to provide us with some leverage to improve the conditions in China. But in reality, it has become mostly a feel-good, rubber stamp process here in the Congress that has no impact. Neither wages nor working conditions nor environmental safeguards have been advanced because we go through the annual charade of PNTR. I wish this were not true; the world experience says it is.

What will improve labor and human rights in China, in my view, is our working to bring China into a world living under law, acting to bring China into a fairer trading system without its restrictive tariffs and other barriers, and fighting to force China to deal in the world of nations under fairer rules, not just its own rules. Fighting to make China play by the rules—that's a fight I'm willing to make!

So I turn then to my second question: Will our country and my state be disadvantaged if we reject PNTR?

To that there is only one answer—I am convinced we, my state, my country, will be harmed if PNTR is rejected. No one else.

Remember, China will enter the WTO no matter how the Congress votes on PNTR. When that happens, and if we reject PNTR, all other WTO nations will have the upper hand, and all of our trading partners will benefit from lower tariffs and greater access to the world's largest market. Other nations will have all of the advantages in doing business there. Our workers, our industries, our farmers—all will have lost this new opportunity to gain fairer access to the largest of the world's untapped economies. Why would we want to squander that opportunity?

Rejecting PNTR means we lose—America loses—the many important concessions that were won last year in our government's negotiations with China. All will be lost, including unprecedented concessions that will give U.S. industries the upper hand in cases where the fairness of China's trading practices is in question. The bilateral agreement provides a twelve year product specific safeguard that ensures that the U.S. can take action on China if imports from that country cause market disruptions here in America. China has also agreed to grant U.S. industries the right to apply non-market methodology in anti-dumping cases for the next 15 years. This is a major boon for U.S. industries suffering from injury caused by unfair and illegal imports. China makes other concessions as well, which make it easier for businesses in this country to prove countervailing duty cases against China.

These new provisions could be used to help companies, like Portec Rail, in Huntington, West Virginia, who may have been harmed from dumping of Chinese steel rail joints. It seems to me that companies like Portec Rail might be early beneficiaries of these stronger import surge provisions.

Let me be clear, these provisions improve the status quo. They are stronger than our current unfair trade laws. Under the new agreement, China will finally be required to greatly lower its barriers to our trade there. China makes all the concessions. We have nothing to gain—and everything to lose—by rejecting PNTR.

And lose we will. What would be the likelihood of Chinese retaliation if we reject PNTR? There is little doubt in my mind that China would retaliate against U.S. economic interests. On a purely political level, it would bolster China's hardline forces of party control and state enterprise. And this could destabilize an area of the world that I care deeply about, the Taiwan Straits. I have spent a large part of my time working on the cross Straits issue between China and Taiwan. I want to see peace in that region. I want to see Taiwan join the WTO. But, rejection of this deal could have real dangerous consequences for Taiwan. China is simply too unpredictable, and could paralyze our efforts to promote peace and economic stability in Asia and around the globe.

Mr. President, of course we need to be vigilant and tough with China as we take advantage of this new economic opportunity. I fully realize that China has generally gone about its trading business however it saw fit, doing whatever it wanted and barring most competition. That cannot continue, and that is exactly why I believe we must bring China into and under the scrutiny of the WTO. We must make China play by a fairer set of rules, which means bringing them into a trading system governed by rules that we have helped create. And rules that we can enforce.

Mr. President, this is an opportunity for America that I am willing to fight for.

Mr. KOHL. Mr. President, I am pleased that the Senate has been able to pass, after extended debate, H.R. 4444 which will make Normal Trade Relations with China permanent. After over twenty years of yearly extensions of Most Favored Nation trading status, we are now going to stabilize our trading relations with the Chinese. This is a step forward for the United States, China, and our citizens.

I believe in trade as a liberalizing force. A country cannot accept our goods and services and not be exposed to our ideas and values. One has only to look around the Pacific to see countries that have made the move from dictatorship to democracy and see their focus on trade to understand the connection. South Korea, Taiwan, and Indonesia have all made steps toward greater democracy and all three have been engines for economic growth in the region. As capitalism penetrates Chinese society, the push for greater democracy will inexorably follow.

Increased trade and investment between our countries will separate Chinese workers from dependence on state owned enterprises. Currently Chinese workers depend on the state for almost everything including their jobs and paychecks. Once workers have a choice between working for the government and for private business, and can break their dependency on the state, the push for greater democracy will only increase.

Trade will also serve as a valuable tool for exchanges between our countries as a more personal form of diplomacy. As business people travel back and forth, as workers meet Americans, as the Chinese people have more exposure to our country through the media and the internet, the people of China will develop there own attitudes about Westerners, capitalism, and democracy.

The World Trade Organization will bring China the prestige and respect it craves, but at a price. As a member, China will be treated like any other member of the international community, and not like an outcast or rogue. The members of the WTO, however, will not let themselves be taken advantage of in trade matters. During this debate I have heard many members talk about the advantage of multilateral sanctions over unilateral ones. The WTO offers members an excellent mechanism to propound and enforce multilateral sanctions, forcing China's compliance on trade issues.

While the agreement that the Administration negotiated in the fall of 1999 is not perfect, it significantly equalizes the terms of trade between our countries. Not only did we convince the Chinese to drastically reduce their tariffs on everything from auto parts to ice cream, we also negotiated to keep our anti-dumping and import surge laws. On our side, we gave up nothing in exchange. We did not allow any additional access to our markets or lower our tariffs. It was a one way deal—a deal that U.S. farmers and workers benefit from. People may be concerned about Chinese imports into the United States, but this agreement does not alter China's access to our markets one bit. On our side of the Pacific, nothing will change.

Some of my colleagues were disappointed that workers' rights provisions were not provided for in this agreement. I share their concern that China does not share our belief in the importance of respecting working people. I believe that Senator HELMS had an excellent proposal for raising the working conditions in China, while protecting the reputations of U.S. businesses that operate in China. His amendment to create a voluntary Code of Conduct for U.S. businesses in China would go a long way in protecting Chinese workers. By agreeing to respect certain rights to organize, to earn a decent wage, and to work in a safe environment, Chinese workers would learn the benefits of American style capitalism. This would also protect U.S. companies from being accused of abusing foreign workers for economic gain. We all know the public relations albatross around the neck of companies that moved to third world countries and thought they did not have a responsibility to meet Western standards of worker protection. We all know the names of companies who have operations in Vietnam, Indonesia, and Central America that have been brought under harsh scrutiny when the public finds out what the conditions are in these factories. Senator HELMS's amendment provided an opportunity for companies to avoid this negative publicity by agreeing openly that certain principals will always be respected, regardless of whether the factory is in China or the United States.

As we focus on expanding economic ties with China, we must consider our decision to grant PNTR in the context of our broader foreign policy relationship with China. I count myself among those who support PNTR in the hope that expanded trade with China will result in a more open Chinese society. To that end, we must be persistent in pressing the Chinese to demonstrate respect for human rights. Since the May 1999 suspension of the bilateral dialogue on Chinese human rights we have continued to convey our concerns to the Chinese about their repressive policies. Their unwillingness to engage with us on these issues puts more pressure on us to use the trade and economic contacts we have to press them on human rights and other matters.

Although I chose not to support the Wellstone amendment which would have conditioned PNTR on specific steps to improve religious freedom in China because I do not believe we should be adding last minute conditions to PNTR, I am deeply concerned about the most recent State Department reports on human rights and religious freedom in China. The Chinese government's respect for religious freedom and human rights has deteriorated considerably in recent years. Reports of severe violations continue unabated, including harsh crackdowns against religious and minority groups, the imprisonment of religious and minority leaders, including Catholic bishops, the complete repression of political freedom, and violence against women, including forced abortions, sterilizations, and prostitution.

There are those who say that we are losing our leverage with the Chinese on human rights by giving up our annual review of their human rights practices before we grant them normal trade relations status. In practice, however, this review had become a formality. We have never denied the Chinese normal trade relations status, even in recent years, since the Tianneman Square uprising, when their human rights record has been so egregious. I have believed that trade can be used as an effective bargaining tool in pressuring governments to improve their records on human rights. In the case of China, PNTR will not only provide us with the opportunity to press the Chinese at the highest levels, expanded trade will expose the Chinese people to the many freedoms we hold so dear, creating pressure from within.

We will also not be losing our opportunity to monitor Chinese human rights practices in a public way. The legislation before us creates a Helsinki-style commission which is designed to keep human rights on the front burner of US-Chinese relations. We must monitor Chinese behavior, speak plainly to the Chinese, and take action when necessary to communicate our objections to China's human rights record. And, we must continue our support for U.S. government and non-government efforts to effect change in China, including the development of the rule of law.

We must also use our growing access to China to do all we can to stem the proliferation of weapons of mass destruction and their delivery systems. The proliferation of these weapons and the ballistic missiles designed to deliver them pose the greatest threat to our security in the post-Cold War era. One of the consequences of the end of the Cold War has been looser controls on the technology, materials, and expertise to develop weapons of mass destruction. We must do all we can to prevent terrorists or radical states from acquiring these weapons and the means to deliver them. To that end, we have been a leader in setting up international regimes to prevent the spread of nuclear, chemical and biological weapons, and ballistic missiles. Unfortunately, there is much evidence that the Chinese have been heavily involved in proliferation activities.

Although some would argue that the Chinese have made progress in this area, pointing to their 1992 promise to abide by the Missile Technology Control Regime, MTCR, their accession to the Nuclear Nonproliferation Treaty, NPT, their signing and subsequent ratification of the Chemical Weapons Convention, CWC, and the signing of the Comprehensive Test Ban Treaty, there are still grave concerns about Chinese proliferation activities. At the same time that China was making commitments to adhere to international regimes to prevent the spread of nuclear and chemical weapons and ballistic missiles, Chinese companies continued to transfer sensitive technology to a number of countries. These technologies were instrumental in the development of weapons programs. Missile technology sales to Pakistan, nuclear technology sales to Iran, chemical sales to Iran, and missile technology sales to North Korea have all been attributed to the Chinese. China has played a major role in Pakistan's nuclear program, selling Pakistan 5,000 ring magnets, which can be used in gas centrifuges to enrich uranium, and other equipment for their nuclear facilities. As recently as August 9, the CIA reported that China is still a ''key supplier'' of weapons technology, confirming for the first time missile technology sales to Libya.

The few advances China has made, at least in its formal commitments, can be attributed to U.S. pressure. The key to preventing the further spread of sensitive weapons technology and know how is to continue to press the Chinese to honor the spirit of these commitments. We must not be afraid to be

tough with them in this area and we must be willing to use all tools—including sanctions—to bring this message home. Global security is at risk if we allow rogue states to develop the capability to build weapons of mass destruction. And, our own national security is directly at stake if they develop delivery systems, that is long-range ballistic missiles, to bring these weapons to our shores.

That is why I chose to support the Thompson-Torricelli amendment to require annual reviews of Chinese proliferation activities. If the review identifies persons or other entities engaging in these activities then sanctions would be imposed. I have been a longtime supporter of economic sanctions against companies and governments which engage in proliferation activities. I recognize that sanctions may not always be appropriate, and that is why Thompson-Torricelli had waiver provisions. However, sanctions have not been imposed in many cases that begged for a stronger response from our government. The reluctance to use sanctions sends a signal to the Chinese and others involved in proliferation activities that there are rarely consequences for bad actions. We must have teeth in our non-proliferation policy or in the end we will suffer the consequences.

I had no desire to delay PNTR in my support of the Thompson amendment, and I can say the same for all the amendments which I chose to support during our consideration of PNTR. Our trade ties can benefit us in all our dealings with the Chinese, but we must not permit trade to overshadow the broad range of interests which we have with them.

I have no illusions about the potential impact of what we have done. PNTR will not change the balance of trade overnight. This agreement will take time to have a liberalizing effect on the Chinese government. China is thousands of years old, we will not change their minds in a couple of years, regardless of whether we use carrots or sticks to persuade them. We need to continue working to reduce subsidies below their current levels, and continue to eliminate tariffs. The U.S. will also need to continue to work on human rights as well. The bill provides some of the tools for the work on human rights to carry on, but we must be diligent and stay focused on the task ahead.

Mr. ASHCROFT. Mr. President, I rise today to talk about a significant vote I will cast—a vote in favor of permanent normal trade relations for China. It is significant, but difficult. Difficult because the Chinese have shown—in everything from predatory trade practices, to threatening our national security, to total disregard for religious freedom and human rights—a disturbing lack of trustworthiness. And furthermore, the current administration seems trapped in a cycle of failed policy. I deeply regret that our President, on behalf of the United States, has squandered multiple opportunities to protect U.S. interests and to promote American values in trade matters.

The vote is significant because about one-fourth of the people in the world live in China. When we talk of China, we need to remember that we are talking about people, many of whom seek to embrace the same values that made America great, such as religious freedom, freedom of expression, and capitalism. They want to live free, while many of their leaders want only to amass power and rule with a heavy hand.

I do not argue, as some do, that dropping the annual review of China's trading status will usher in all of these freedoms. Nor will it further protect U.S. security interests. That argument is tenuous, at best.

The only thing that will usher in the freedom to express religious or political beliefs, to organize, to obtain a fair trial, and to be free from governmental intrusion, will be a transformation among China's highest government officials. This will not happen in the absence of a well-formulated policy underpinned by moral leadership on the part of the U.S. Presidency. The leader of the free world must lead the world toward freedom. For the sake of the Chinese people, it is my hope that the next President of the United States will take the initiative in a calculated and consistent manner to be a leader in this area, without the need to be prodded by Congress at every turn.

Furthermore, the key to U.S. security interests lies in the hands of the Commander in Chief. If China joins the World Trade Organization, the United States does not alter its ability, or its responsibility, to protect our interests at home and to promote security abroad. While the WTO agreement has an explicit exception that states that WTO trade obligations do not supercede national security decisions, the fact is that the United States does not need the exception. The most fundamental role of the U.S. government is to protect the security interests of its people, period. We can count on other countries to attempt to steal our national secrets and to violate our security interests. It is the way of history, the conflict of powers. The breakdown in U.S. security with the Chinese has occurred because this Administration has not been vigilant to protect our interests. It did not and does not have to be that way in the future.

Granting permanent normal trade relations to China does not alter the President's responsibility to promote American values or to protect U.S. security interests. However, granting PNTR to China does have a substantial impact on our ability to enforce our trade agreements. I would like to discuss this issue fully today because I believe it is central to the ability of American farmers and companies to crack open the Chinese market—on which Chinese officials, at times, appear to have a death grip.

As we all know, China has been trying to accede to the WTO for over a decade. In order for this process to be complete, China has to negotiate the terms of the trade agreement that are satisfactory to the United States and other WTO members and must receive a favorable vote from the WTO members. Also, for the United States to benefit from those new terms, Congress has to grant to China what is known as ''permanent normal trade relations'' status. The Administration has concluded a trade agreement with China, and the President, Vice President, and entire Administration are now asking Congress to support PNTR.

A fair trade relationship with China has the potential to give Missouri workers and farmers the ability to sell goods in a new market of more than one billion people. However, a relationship is not built on commitments alone. It must include accountability. In China's case, we have a new and improved trade agreement, but we must also be able to enforce those commitments.

On the first issue—a solid agreement—there has been substantial progress made. China should open its market on equal terms to the United States. The U.S. market has been fully open to China for years. Although I would like to see complete reciprocity, I have reviewed the proposed agreement for China's WTO accession, and I believe it is a forward step toward opening China's market for U.S. products and services. This is a good deal for American jobs and Missouri's long-term economic growth.

On everything from automobiles to agriculture, Missourians are prepared to embrace the opportunities the agreement could provide: overall average tariffs will go from 24 percent to 9 percent by 2005; agricultural tariffs will be cut nearly in half (31 percent to 17 percent); businesses will be able to bypass state-trading ''middle-men''; import standards for U.S. food goods will be based on sound science; competition will increase in all of the service sectors, like telecom, insurance, banking; the Internet will be open to U.S. investment; and the list goes on.

The Missouri economy at large is poised to benefit substantially from further opening of the Chinese market. From the early to late 1990s, Missouri's exports increased by about 120 percent, going from about $65 million in 1993, to about $145 million in 1998. Most recently, China ranked in the top 10 countries for Missouri exports, up from the 16th position in 1993.

Agriculture is the largest employer in my home state, and in fact, Missouri ranks 2nd in the nation in its number of farms. As I've traveled around the state, stopping in every county over the last few months, Missouri farmers and ranchers have expressed to me the importance of approving the agreement that has been reached on agriculture.

Those I met at the Missouri State Fair and at Delta Days told me that trade is becoming the number one issue for farmers.

Soybean farmers, for instance, must export about half of what they produce because there are simply not enough buyers in the United States. As the nation's sixth largest soybean producer, Missouri's soybean and soybean product exports were estimated at $586 million worldwide in 1998. China is the world's largest growth market for soybeans and soy products, and it has taken additional steps under the WTO agreement to further open its market. Tariffs will be 3 percent on soybeans and 5 percent on soybean meal, with no quota limits. For soybean oil, tariffs will drop to 9 percent, and the quota will be eliminated by 2006.

Examples of how Missouri agriculture stands to benefit are limitless. Beef, for instance, could see huge gains. Currently, Missourians are not in any real sense able to export beef to China because of trade barriers. Under the WTO accession agreement, by 2004 China will lower its tariff from 45 percent to 12 percent on frozen beef, from 20 to 12 percent on variety meats, and from 45 to 25 percent on chilled beef. Also, China has agreed to accept all beef that is accompanied by a USDA certificate of wholesomeness. These are opportunities Missouri cattlemen want to embrace. Under the agreement, U.S. cattlemen gain parity with those in other countries to compete for a beef market that covers about a quarter of the world's consumers and is virtually wide-open for growth. I know that if Missouri farmers and ranchers are given the opportunity to compete on these fair terms, they will succeed.

The WTO agreement could also help Missouri's manufacturing industry. Missouri's manufactured exports to China are broadly diversified, with almost every major product category registering exports to the Chinese market including processed foods, textiles, apparel, wood and paper products, chemicals, rubber and plastics, metal products, industrial machinery, computers, electronics, and transportation equipment.

Missouri's exports to China are from all across the state and include a variety of small and mid-sized companies. Sales to China from St. Louis totaled $93 million in 1998, a 92 percent increase since 1993. Kansas City posted exports to China of $66 million in 1998, an increase of 169 percent since 1993. The exports from the Springfield area grew by 42 percent between these years. Clearly, however, these numbers could increase much more if China's market becomes truly open—if China keeps its promises outlined in the WTO agreement.

I certainly do not claim to know exactly how changes in trade policy, such as China's WTO membership, will translate into real changes for people on a day-to-day basis, so I have set up a Missouri Trade Council to advise me on issues such as this. I would like to share a few of their thoughts.

Gastineau Log Homes, in New Bloomfield, wants to see if it can tap into China's demand for American-style homes, by providing U.S. engineering expertise and the materials with which to make them.

In Ava, MO, the Copeland plant (a subsidiary of Emerson Electric) explained how opening markets to one-fourth of the world's population can create jobs and substantially impact local communities. The Ava facility supplies the key components (scroll sets) for air-conditioning compressors. This plant would receive the benefits of the November agreement for these scroll sets by a reduction in industrial tariffs from 25 percent to 10 percent. Also, trading and distribution rights would be phased in over three years, so that Emerson Electric could distribute its scroll sets and compressors broadly, not just to its Suzhou plant, but to all distributors in China. And, Emerson Electric will be given the opportunity to service their products and establish service networks. The Copeland management has high expectations about sending their products to China. Right now, 40 percent of the plant's manufactured equipment goes to Asia, and the manager is expecting that percentage to nearly double. By 2003, exports to Asia well could be about 85 percent, and half of those exports are expected to go to Suzhou. Currently, the Ava plant employs about 350 Missourians, and the workforce is expected to double by 2003.

After reviewing China's WTO accession agreement and examining its probable impact on Missouri businesses and farmers, I believe that while the agreement does not give the United States complete reciprocity, it does make substantial progress on China's commitment to open its markets. However, the U.S.-China trade relationship must also have accountability. On the second issue—the enforceability of the agreement—I have more serious misgivings about the impact of granting PNTR to China.

The United States government has a responsibility to see that trade agreements we enter into are enforceable and enforced. My goal is to ensure that workers, farmers, and ranchers in Missouri receive the benefits promised to them through our international trade agreements.

Unfortunately, there is a combination of factors that I find discouraging, and that I believe underscores the need to make changes to broader U.S. trade policy. These included China's record of noncompliance with its trade commitments, the United States' loss of leverage in the WTO to get cases enforced, and China's propensity to be a protectionist market like the EU which has repeatedly blocked imports of American agriculture.

China's record of living up to its trade agreements has been dismal. China has frequently opened a door to U.S. companies only to frustrate their attempts to walk through it. For example, in the early 1990s, China reduced the import tariff on U.S. apples from 40 to 15 percent. However, by 1996, China had erected new backdoor barriers on apples and other agricultural products that U.S. exporters say were even more punitive than the original import tariffs.

Another example is the 1992 Market Access Agreement in which China agreed to eliminate trade barriers to U.S. agriculture, manufactured products, and automobiles. Not only did China fail to comply with this agreement, the Chinese actually made negative changes that put U.S. businesses in a worse position than they were in prior to the agreement. For instance, the U.S. Trade Representative reported that on 176 items, import restrictions were abolished. However, the Chinese replaced those 176 old restrictions with 400 new restrictions that essentially make it harder for U.S. companies to export to China. The 1999 U.S. Trade Representative report said: ''By 1999, China had removed over 1,000 quotas and licenses. . . . But there are indications that China is erecting new barriers to restrict imports.'' Also, China adopted a new auto policy only two years after signing the Market Access Agreement that put auto manufacturers at a severe disadvantage compared to Chinese auto workers.

I agree that China's record of noncompliance, considered alone, should not be dispositive of determining how to vote on PNTR. In fact, the Administration says that we have nothing to lose by allowing China into the WTO because by doing so, China agrees to ''deeper and broader'' commitments, and the United States gets the benefits of the WTO dispute settlement system to enforce those commitments. However, I believe the proponents of PNTR have left out an important aspect of this ''deal''—when the United States approves PNTR, we give up our ability to unilaterally retaliate against China if China doesn't live up to its commitments, and must instead rely on the WTO dispute resolution system. Unfortunately, the WTO dispute resolution procedures have been inadequate to enforce our rights in past cases where the United States has successfully challenged unfair trade practices of other countries.

One of my constituents wrote the following:

> Granting PNTR will . . . reduce our ability to use unilateral tools to respond to continued Chinese failure to live up to its commitments. Our ability to take unilateral action is our only leverage against the Chinese government. Proponents of PNTR admit that only by using unilateral actions we were able to make even modest progress on intellectual property rights. The Chinese government has not lived up to the promises they made in every single trade agreement signed with the U.S. in the past ten years.

This Missourian is absolutely correct. While the process for getting a WTO Panel Decision issued has become

more favorable to the United States, the ability to enforce Panel Decisions has been diminished.

In 1994, when the United States negotiated the WTO, the United States gave up the right to threaten higher levels of retaliation. The new standard is much more limited. The pre-1994 standard allowed a successful party (country) to impose a level of retaliation that was ''appropriate in the circumstances'' in relation to the violation proved. However, now we are bound retaliation levels that the WTO decides is ''equivalent to the nullification or impairment.'' This new standard has impaired our ability to enforce successful decisions, such as the one involving the export of U.S. beef to Europe.

The detrimental effect of this loss of leverage on our ability to demand implementation of favorable WTO decisions is illustrated by the U.S.–EU beef case. The WTO authorized retaliation of only $120 million by the United States to address the EU's closed beef market. Compare this figure with the $4.6 billion the United States threatened against China when we were not bound by the WTO retaliation levels. I am not suggesting that the United States should use retaliation levels that are disproportionately harsh. I favor multilateral mechanisms to determine noncompliance with trade agreements. But I believe that once the United States has been successful in challenging another country's trade barriers, retaliation should be authorized to ensure enforcement. Denying the U.S. adequate tools to enforce a decision is similar to denying a plaintiff a judgment in a case he won. ''Winning'' just for the sake of being called the winner is not the objective when pursuing a WTO enforcement decision. U.S. ranchers want to sell beef to the EU not just be told by the WTO that the EU is violating its agreements. And, if China fails to comply with its commitments in the future, we will need to have the tools to enforce our rights.

We need a policy that ensures results, not just paper promises. Missourians want some guarantee that inviting China into the WTO will result in enhanced export opportunities, not just never-ending litigation. To address the enforcement issue, I have taken a number of steps including the following.

I worked directly with former Commerce Secretary Daley to set up a ''China Compliance and Enforcement Initiative'' within the Department of Commerce. At a Commerce Committee hearing, I told Secretary Daley that this would be my top priority. In response the Enforcement Initiative was set up, which does the following:

Establishes a Deputy Assistant Secretary for China devoted to monitoring and enforcement of China's trade agreements;

Sets up a rapid response team of 12 compliance trade specialists based in Washington, D.C. and in China;

Provides U.S. businesses and others with detailed information about China's accession commitments, contact names, and up-to-date information on China's laws and regulations;

Implements an accelerated investigation procedure to encourage China's compliance without having to initiate a WTO case (within 14 days of receiving a complaint about China's noncompliance, the rapid response team will engage Chinese officials and try to come to a resolution of the issue within 90 days);

Gives U.S. companies a head start in the Chinese market by launching a trade promotion campaign, including missions, seminars, and trade shows;

Closely monitors imports from China to ensure that our trade laws are enforced.

Second, I am involved in an effort to get the Continued Dumping Act (S. 61) passed so that China will be unable to continually flood U.S. markets with unfair imports. This legislation provides for the penalties to be given to the injured industry in the United States if China continues to unfairly dump its products into the U.S. market after a decision has been made and penalties have been imposed. This bill would provide a powerful disincentive to foreign producers who dump their products in our market because it would give a financial benefit to U.S. manufacturers.

Third, I introduced the ''SHOW-ME'' Act (S. 2548), which says that the United States should retain a more liberal standard of retaliation in the WTO for China. This is a principle I support for the WTO in general. If the United States has completed all of the required steps by initiating, arguing, and winning a case in the WTO, we should first give the other country some time to implement this WTO decision. However, if the country continues to disregard a decision that has been made by a neutral panel in the WTO, the United States should have greater flexibility when setting levels of retaliation. I support a policy that will give the United States more tools for enforcement, as opposed to reducing the amount available, which is unfortunately where recent trade negotiations have taken us.

Along these same lines, I introduced the WTO Enforcement Act (S. 1073), which would ensure that U.S. businesses and farm interests are widely represented and heard during every stage of the WTO dispute settlement process, especially when it is necessary to threaten retaliation in order to enforce a WTO panel decision in their favor.

Fifth, I have worked with newly-appointed Commerce Secretary Mineta to make trade enforcement a top priority during the remainder of this Administration. Specifically, I have communicated with Secretary Mineta my goal of attaining added flexibility for the United States in order to enforce our rights. Secretary Mineta ensured me in meetings and at a Commerce Committee hearing that this would be a priority. I am pleased to quote from his most recent statement about the issue:

> As we have recently discussed, I share your concerns about enforcement of dispute resolution cases under the WTO and the available means of retaliation. . . . I will make one of my top priorities enforcement of our trade laws and compliance with our trade agreements, particularly the WTO. Our goal must be to ensure that panel decisions are faithfully implemented. Let me assure you that I will work closely with you and members of the Administration to find effective means of retaliation when decisions are not property implemented.

These are some of the initiatives I have recently undertaken to address Missourians'—and my own—concerns with China's past noncompliance record and our ability to enforce agreements in the future. I believe the job of opening markets begins, not ends, with the signing of agreements and the approval of PNTR for China. I know we have a continuing and great responsibility to ensure that America's farmers, ranchers, workers, and businesses receive the full benefit of the agreements that have been negotiated on their behalf. I embrace this responsibility on behalf of the millions of Missourians who are impacted by this vote and this issue. I am committed to monitor China's compliance with our trade agreements and demand action if they fail to keep their promises. In addition, I will continue to encourage this Administration, and the next, to be vigilant about enforcing our rights. Missourians deserve the opportunity to export their products according to the terms promised in agreements.

In closing, Mr. President, I would like to reiterate the fact that there is, quite frankly, a declining satisfaction in America's heartland with our ability—or inability—to open foreign markets. The only way we will rebuild confidence in trade agreements is by real enforcement of existing agreements, not by entering into newer, more unreliable ones.

It is time for U.S. trade policy to be fortified with a strong foundation—that of real enforcement. It is time that our policies lead to job creation in practice, not just in theory. It is simply unacceptable for the Chinese to repeatedly repackage the same deal with a new label and not live up to the commitments it makes.

I will continue to work with all parties to fashion fair trade policies with China and all our trading partners to increase Missourians' access to world markets, which will create more jobs and a stronger economy. As a Senator from the Show Me State, I believe China, and other WTO members, need to show us that they are serious about living up to trade agreements. I will continue to work toward this goal.

Ms. SNOWE. Mr. President, I rise today to speak on the issue we have been debating here in the Senate for the past week—the matter of permanent normal trade relations (PNTR) for China.

Mr. President, my concerns about China are longstanding. They are based in no way on antipathy for the people of China, but rather China's authoritarian government—a government with a human rights track record that no one in good conscience could even defend. That is why I opposed the annual renewal of normal trade relations for China just last year.

At the same time, we are faced with another irrefutable fact—China is becoming a member of the global trading community with or without the concurrence of the United States. The fundamental question we are faced with is whether the U.S. will be fully engaged with China during this process.

A vote in favor of PNTR for China represents a recognition of reality, a recognition that China currently has complete access to our market while we have very limited access to theirs, a recognition that China is about to burst on to the international trading scene as a full fledged member of the World Trade Organization, a recognition that we would be actively choosing to put ourselves at a distinct disadvantage relative to our fellow WTO members should we fail to grant China PNTR.

A ''yes'' vote is a recognition that our success in the new century's new global economy—which has arrived whether we care to admit it or not—will only be as great as our willingness to be a part of it, a recognition that we have, rightly or wrongly—and I would argue wrongly—already de-linked our trade policy with China from our human rights policy, and a recognition that the status quo has done little or nothing to help improve the lot of the typical Chinese man or woman.

Mr. President, this is an imperfect bill we have before us. Personally, I would have preferred to support a bill improved by a number of amendments we have considered during our debate. Because I believe we must do our utmost to impact human rights in china, to protect against the potential impact of their massive cheap labor market, to preserve our national security and to ensure compliance with our trade agreements.

For instance, as my colleague, Senator WELLSTONE, stated on the floor during the debate on his amendment conditioning PNTR on China's compliance with previous U.S.-China prison labor agreements, the 1992 agreement allowed on-site inspections by U.S. Customs officials in China to determine whether allegations that forced or prison labor were manufacturing products were true.

Yet as soon as Taiwan's then-President Lee visited his alma mater, Cornell University, In 1992, China demonstrated its displeasure with the U.S. by among other things, suspending its agreement to allow U.S. inspections. China still refuses to abide by the terms of this agreement.

That's why I supported Senator WELLSTONE's amendment because I believe it is time for China to start living up to the international economic role it seeks. Even absent that amendment, under the WTO, China is expected to abide by all trade agreements all the time—not just when it is in its best interest. And I will be looking to the WTO to hold them to that standard.

Indeed, as a WTO member, China would be subject to reams of trade rules, and any of the organization's 138 members would demand that a rule be enforced. I believe that this perhaps, more than anything else, would spur the development of a market economy in china which is based on full compliance with its trade agreements.

Moreover, it is encouraging that the Administration has put forth a plan to monitor China's compliance with the establishment of a new Commerce Department Deputy Assistant Secretary for China, who would be devoted to monitoring and enforcing China's WTO trade agreements. I am also encouraged by announcements that a ''rapid-response compliance'' team of 12 staff people working in the U.S. and China, and a China-specific subsidy enforcement team, will be established to monitor China's trade compliance.

Further, Mr. President, the legislation itself requires an annual report from the USTR on Chinese compliance with WTO obligations and instructs the USTR to work to create a multilateral mechanism at the WTO to measure compliance. It also authorizes funding deemed necessary for the U.S. to monitor China's compliance. This is a step in the right direction and a necessary component of this bill.

Another issue of utmost importance as we have reviewed PNTR from the perspective of what is in the best interests of the United States is our ability to maintain our national security.

As my colleagues are well aware, one of a president's primary responsibilities under the Constitution is to conduct foreign affairs, and in doing so, Americans assume that a president is promoting our national security and interests abroad. As trade among nations is inexorably intertwined with political relations among nations, national security cannot—and should not—be considered in isolation. Therefore, it has been entirely appropriate that China's proliferation of weapons of mass destruction have been part of this debate.

I have long been concerned about transfers of technology by China that contribute to the proliferation of weapons of mass destruction or missiles that could deliver them. Recent issues have involved China's sales to Pakistan, Iran, North Korea, and Libya. On August 9, the CIA reported that China remained a ''key supplier'' of weapons technology and increased missile-related assistance to Pakistan in the second half of 1999.

This is why I was a cosponsor of the Thompson-Torricelli bill and a supporter of their amendment. It is vital that the U.S. demonstrates that we will not turn a blind eye to China's proliferation and that we will actively take steps to induce change.

The Thompson-Torricelli amendment did not address trade but, in fact, was a crucial part of this debate as China continues to facilitate the proliferation of missile technology and weapons of mass destruction, to rogue countries. It would have provided an annual review mechanism, mandatory penalties, and an escalating scale of responses to Chinese proliferation of weapons of mass destruction, missile technologies, and advanced conventional weapons.

Accordingly, I consider the passage and enactment of the Thompson-Torricelli proposal in the future not simply to be good policy, but a critical companion to PNTR, and I hope we will revisit this critical issue in the 107th Congress.

Mr. President, in addition to an in concert with our national security responsibilities, one of the most prominent national interests of the U.S. is the promotion of human rights around the world. Indeed, one of the ongoing and essential reasons I have voted against NTR status for China in the past was due to its infamous human rights abuses.

During the consideration by the House, provisions were added to the PNTR legislation to monitor China's human rights by creating a Congressional-Executive Commission. The Commission will submit to Congress and the President an annual report of its findings, including as appropriate WTO-consistent recommendations for legislative or executive action.

I also recognize that any U.S. trade sanction taken against China could be brought before the WTO for resolution by China. The WTO's focus is international trade law, not human rights.

Accordingly, I supported Senator HELMS' amendment that would require, as a condition of China receiving PNTR, that the President certify that China has taken actions regarding its human rights abuses and religious persecution. Just as importantly, I also supported another Helms amendment that called on U.S. businesses to conduct themselves in a manner that reflects the basic American values of democracy, individual liberty and justice—a voluntary code of conduct.

While both amendments were clearly defeated on grounds other than the merits of the issue itself, I make a personal appeal to America's businesses to conduct themselves in a manner that does credit to the ideas we hold dear as a nation.

And I'm certain my colleagues agree that it is clearly in America's best interest—not to mention in keeping with the principles on which we were founded—to keep up the pressure on China to improve human rights for its own people and it is my fervent hope that we will do so.

Mr. President, economically, U.S. companies have expressed to Congress

throughout this debate that our future competitiveness and, ultimately, our economic success as a country will be hamstrung without this agreement—but with it, all of America will be better off. Again, while I would have preferred to vote on a bill strengthened by the amendments I have just discussed, I find that I must concur.

For the past two decades, the U.S. has granted China low-tariff access to our market. And what have we gotten in return? Any number of different trade barriers which have severely limited U.S. access to China's market. To me, Mr. President, this has been far from fair.

Under this lopsided arrangement where China maintains nearly complete access to our market while we face stiff barriers, this has contributed to the increased trade deficit with China. In 1992, our trade relations with China produced $7.5 billion in U.S. exports and $25.7 billion in U.S. imports from China. By last year, our exports rose to $13.1 billion while our imports from China reached an astonishing $81.8 billion—a $68.7 billion deficit.

Now, some have argued that by improving the business climate in China, we're opening the floodgates for a massive outflow of U.S. businesses that will wish to relocate to that country. And certainly, China will be a more attractive place to do business should PNTR be approved.

But we must keep in mind that, under our current trade arrangement with China, many U.S. businesses have chosen to relocate a degree of their operations to China because Chinese tariff and non-tariff barriers make it very difficult to export products directly to that country. In order to gain access to the market, many firms build plants in China—however, this strategy has been by no means without is own problems.

In fact, businesses currently face a variety of discriminatory practices, including technology transfer, domestic content, and export performance requirements—in other words, that firms must export a certain share of their production. Once China becomes a member of the WTO—which of course we know is inevitable regardless of how we vote on PNTR—it will lower tariffs and eliminate a wide range of non-tariff barriers.

What does this all mean for U.S. businesses? It means that many firms—especially small and medium-sized firms, so we're not just talking about large corporations here—might choose instead to export products directly to China.

In other words, a greater investment in China under the provisions of the agreement that has been negotiated could promote an increase in U.S. exports to China. And that's not just me talking. According to the well-respected firm of Goldman Sachs, passage of PNTR for China can be expected to increase our exports to China by anywhere from $12.7 to $13.9 billion per year by 2005.

In my home state of Maine, there are a variety of facets of our economy that can expect to benefit. Already, Maine is significantly engaged in trade with China—to the tune of $19 million in 1998. From agriculture to civil aircraft parts to insurance to wood products to high-tech industries and fish products, PNTR would allow these vital sectors of our economy to continue to complete on an even footing with our global competitors, and to do so under WTO enforced rules.

For example, there would be zero tariffs on all semiconductors, telecommunications equipment, and other information technology products by 2005. Tariffs on wood and paper would be reduced from between 12 to 25 percent to between 5 and 7.5 percent. And tariffs on fish products would be reduced from 20.5 to 11.4 percent. These are significant numbers for significant industries in Maine.

Now, some will argue that PNTR will adversely affect our textile industries. Mr. President, as someone who has long been concerned about our trade agreements because of the effect they will have on the textile and apparel industry in the U.S. and in Maine, nobody is more sensitive to this issue that I am. Since 1994, Maine has lost 26,500 textile and apparel jobs, so I have scrutinized every trade agreement with this situation in mind.

This legislation, however, represents an improvement over past trade agreements I have opposed. Again, the fact is, China will become part of the WTO. And all WTO members must abide by the Agreement on Textiles and Clothing, or ATC, that phases out existing quotas and improves access to the markets of developing countries. In fact, all import quotas on textiles and apparels are to cease to exist by January 1, 2005, and China will reduce its tariffs on U.S. textiles and apparels from 25.4% to 11.7%.

In other words, under the ATC, the U.S. will be required to end quotas as will China. I understand that the textile industry wanted a 10-year phase out period and that opponents have contended that this will allow massive Chinese imports to the U.S., but the U.S. has negotiated specific protections regarding textiles and the PNTR legislation itself contains anti-surge safeguards.

Under the bilateral trade deal, the U.S. was able to retain the right to impose safeguard measures through 2008 and the PNTR legislation authorizes the president to take action if products from China are being imported in such increased quantities or under such conditions as to cause or threaten to cause market disruptions to the domestic producers.

Mr. President, I understand that textiles and apparels are an inviting industry for China to utilize its vast labor pool, but I believe that what we have negotiated and are about to enact into law addresses this issue while still allowing us to be full participants in the future.

And that is what this is about, Mr. President—the future—for both the United States and China.

The fact of the matter is, recent economic development has led to a rising standard of living for the average Chinese. Does China have a long way to go? Absolutely. Is this a hopeful beginning? I believe it is.

We are not going to change China overnight, with or without PNTR. But we must start somewhere. If we are not going to use the annual review of NTR for China as leverage for greater human rights in that nation—and clearly, as I noted at the beginning, we seem to have long since conceded the point, despite my protestations—then it is time to bring the American promise to China through the promise of increased economic opportunity for the Chinese people.

Change will be incremental at best. The Chinese government has proven itself a master of self-perpetuation. They still control the lion's share of finance and the means of production, and they are still a government not of the people or for the people.

But under this new trade agreement, and as a member of the WTO, the Chinese government will have a little less control then they had before. They will be subject to more rules—and rules made by those outside of China. And they will know that if they want to be a part of the tremendous promise of the 21st century, this is their only course.

Here at home, we have choices to make as well. Will we remain globally competitive? Will we embrace the opportunity to engage ourselves in a market of 1.3 billion people? Or will we tie oversees to the status quo, where China has access to our market, we don't have access to theirs, and the human rights issue gets no better than it has over the past ten years?

The bottom line is that the U.S.-China trade agreement—which is contingent on PNTR—represents an unprecedented, albeit imperfect, opportunity for the U.S. to gain access to the China market, for the U.S. to increase trade and thereby increase innovation and prosperity for ourselves and the generations to come. For these reasons, I will support PNTR for China.

Mr. LEVIN. Mr. President, there are weighty arguments that can be made on both sides of the question regarding whether or not to grant permanent normal trade relations status, PNTR, to China. But in the end there are two compelling arguments for granting PNTR that, I believe outweigh the arguments against it.

The first is that our current trade relationship with China is unacceptable and the second is that the existing annual review of our trade relationship has failed to improve either that relationship or the human rights situation in China. Granting China PNTR will result in concrete improvements in our trade relationship and offers the promise of a significantly more effective

tool for both monitoring and changing the human rights conditions in that country.

When I say that our trade relationship with China is unacceptable, I am referring to the $69 billion trade deficit with China we ran up last year ($82 billion in imports versus $13 billion in exports). And as bad as that deficit is, economists are predicting it will grow. These levels are totally unacceptable. Today, access to China's highly regulated and protected market is extremely difficult. China protects its domestic market with high tariffs and non-tariff barriers that limit access of foreign companies. There is also inadequate protection of intellectual property and trade-distorting government subsidies.

There are clearly some advantages to this agreement in terms of gaining greater access to Chinese markets. China's current trade barriers, for instance, are especially high in the automotive sector. Concessions made by China in the agreement with the United States to open up their automotive sector to our exports are significant, including tariff reductions. Before the agreement, China's auto tariffs average 80–100 percent. China agreed to lower that to 25 percent by 2006. Before the agreement China's tariff on auto parts averages 20–35 percent. That is reduced to 10 percent by 2006 under the agreement.

There are significant tariff reductions in other areas than the auto sector. Before the agreement, China's agricultural equipment tariffs average about 11½ percent. China will reduce them to 5.7 percent by 2002. Before the agreement the Chinese tariff on apples, cherries and pears is 70 percent. After the agreement, China will reduce that to 10 percent, by 2004. China's tariff on chemicals averages 14.75 percent now, and in the agreement China has agreed to reduce it to 6.9 percent by 2006. It also agreed to reduce its tariff on filing cabinets from 18 to 10.5 percent by 2003. Chinese tariffs on refrigerators would come down from 25 percent to 20 percent by 2002. American farmers and exporters have told me they believe they can export to and compete in China with these lower tariffs.

China has also agreed to phase out its restrictive import licensing requirements and import quotas for vehicles. China agreed to phase out all restrictions on distribution services, such as auto maintenance and repair industries, giving U.S. companies the right to control distribution of their products, which is currently prohibited. In its agreement with the European Union, which will apply to all WTO members once China joins the WTO, China agreed to let foreign auto manufacturers, not the Chinese government, as is currently the case, decide what vehicles they wish to produce for the Chinese market. Also, as a member of the WTO, China would be required to drop its local content restrictions. Such changes are significant and long overdue.

If the status quo in our trade with China is unacceptable, so too is our mechanism for impacting the human rights climate in that country. I know that some have argued that Congress should not grant China PNTR status because they are reluctant to abandon our annual human rights review process and thus reduce our leverage with China on human rights practices. But what real leverage has this annual review and certification process given us when the United States has granted China normal trade relations status every year for 21 years without interruption? Even in 1989, after Tiananmen Square, China's normal trade relations, NTR, status was renewed. If we can certify China even after Tiananmen Square, what is this annual review pressure really worth?

The human rights situation in China is miserable. That's the current situation, the status quo before the agreement we are considering. Describing the violations of human rights in China now doesn't answer the question of whether we should grant China PNTR any more than whether we should have granted PNTR to Saudi Arabia or other countries where human rights are violated.

In other words, the current situation before this agreement is bad regarding human rights as is true with many other countries with whom we have PNTR. I don't see how we are worse off with this agreement in terms of getting China to improve their human rights. In fact, the PNTR bill we are voting on includes a specific mechanism to monitor and report on China's human rights practices that was proposed by my brother, Congressman SANDER LEVIN. Through the establishment of a congressional-executive commission on human rights, labor market issues and the establishment of the rule of law in China we will be keeping some public, visible and ongoing pressure on China to reform in these areas. Even the president of the AFL–CIO, John Sweeney, who was critical of the House vote approving PNTR acknowledged that my brother's provisions,

> . . . marked an historic turning point: a trade bill cannot be passed in Congress anymore unless it addresses human rights and workers' rights.

In addition to the improved human rights enforcement we gain under PNTR, I believe it is at least possible the opening of Chinese markets to our products and involving them more and more in the world economy will produce human rights results which the current approach hasn't produced.

There may be some truth in the argument that the year-to-year certification creates some uncertainty for American businesses thinking of investing in China if they export some of their Chinese production back here despite their stated intention not to. This uncertainty, it is argued, results in lower levels of US investment in China, and lower levels of job transfers which sometimes accompanies that investment, than would be the case without the tariff uncertainty created by the annual review. However, it's unrealistic to expect that investments will not be made in China by companies from other countries even if not made by our companies. European and Asian companies will presumably fill any gap. And they could just as easily export their Chinese-made products to the United States, in which case more US jobs would probably be displaced as a result of those imports than would be displaced if American companies were the investors.

Let's assume you have an American and a German refrigerator manufacturer vying to make refrigerators in China. If both companies were going to ship refrigerators back to the United States, the jobs of people making refrigerators in the United States would seemingly be at least as much jeopardized by the German made-in-China refrigerator as the American made-in-China refrigerator. Actually, the job displacement would probably be less with the American made-in-China refrigerators being sold back here because the American company is more likely to use some US made components, stimulating at least some US exports. And not only will European and Asian businesses probably be less likely to use American made components in items they assemble in China, they will probably have fewer US stockholders gaining from their investments in China than would be the case with an American company's investment.

For instance, even though General Motors started production of the Buick Regal two years ago in Shanghai, no GM vehicles have come back to the US and $250 million a year worth of American made auto parts were used in that production. As a result of General Motors and other US vehicle manufacturers' investment in China, in 1999 Chinese imports of US automotive parts grew by 90 percent over the prior year. Percentagewise, China's imports of US automotive parts are increasing faster than China's exports of automotive parts to the United States. We are seemingly better off with some US content in Chinese-made products than with none.

It's clear to me that the status quo is failing to improve human rights conditions in China and failing to improve our trade relationship with that country. Given that I believe our trade relationship with China is intolerable and China's human rights climate is miserable, I do not vote for PNTR to reward China. Far from it. I have no desire to reward China for creating unfair barriers to American products and maintaining tariffs on our exports while Chinese imports flood our marketplace. Nor do I want to reward China for its failure to comply with earlier trade agreements. And I have no desire to reward China for persecuting those who only seek to practice their religious beliefs or to secure their rights as workers. But in the end PNTR is not a reward to China, it is a tool our country

should use and use aggressively to open China's markets to our goods the way our market has been open to China's goods and to exert meaningful pressure on China to join that community of nations that respects basic human rights. My vote for PNTR is a vote against a status quo that has failed to advance either of those goals. It is a vote for a measure, however imperfect, that can move us closer to a fair trading relationship with China and to a day when the people of that country can enjoy their fundamental human rights.

Mr. MACK. Mr. President, I rise today to speak on the future of U.S. trade relations with China and the impending vote on China's PNTR status. The prosperity that this nation has enjoyed for the past 50 years has been a result of our commitment to free trade and opening markets. Free trade benefits all—it enhances prosperity and develops markets, essential elements to the spread of freedom, democracy, and the rule of law. China's entry into the World Trade Organization will also enhance American competitiveness, further our national interests, and benefit our trading partners. But we must enter into this agreement with our eyes open. China must comply with this agreement for it to have meaning. The United States must vigilantly seek enforcement of all agreements with China, including those addressing national security and human rights.

I share the concern of my colleague, Senator THOMPSON, regarding China's proliferation of weapons of mass destruction. On August 9th of this year, the Director of Central Intelligence reported that China remained a ''key supplier'' of weapons technology and increased-missile related assistance to Pakistan as recently as the second half of 1999. In the last year it has been reported that China transferred missile technology to Libya and North Korea and may still be providing secret technical assistance to Pakistan's nuclear program. U.S. Intelligence has also provided evidence that the PRC has provided Iran with nuclear technology, chemical weapons materials, and missile technology that would violate China's commitment to observe the MTCR and U.S. laws. I do not suggest that because of these violations we should cut off trade with China, but we must address the fact that they are supplying rogue nations with weapons of mass destruction. This threat to our national security has made my decision on this vote a difficult one, and that has been compounded by my concerns with China's repeated human rights abuses.

I suspect that each of my colleagues has had some opportunity over the years to hear about the human rights abuses taking place in China. I think one of the more eloquent spokesmen for the struggle for freedom has been Wei Jingsheng. He reminds us that those of us who live in the luxury of freedom should not forget those who are still struggling for liberty and freedom.

Mr. President, because of these very strong conflicting views, the importance of open and free trade on the one hand, and the importance of human dignity and the pursuit of freedom on the other, this has been a difficult decision for me. But, after due consideration, I conclude that moving toward open and free markets advances freedom in China, so long as China is willing to abide by the rules of the WTO.

By exposing China to global competition and the benefits it has to offer, Chinese leaders will be both obligated and empowered to more quickly move their country toward full economic reform. And by virtue of their business relationships, over time the Chinese people will be exposed to information, ideas and debate from around the world. This in turn will encourage them and their leadership to embrace the virtue and promise of individual freedom. The reason I am willing to embrace it has much has to do with the kinds of changes we have seen taking place in China over the years. If they were still committed to the ideology of the 1950's and 1960's, I do not think we would be here today. But, they have clearly moved toward opening their economy, and we should continue to push to open the country to freedom.

So I think it is time for us to respond to these changes by saying to the Chinese people—we want to be engaged in free trade and competition with you. I think, in the end, humanity will benefit. So I will cast a vote in favor of this legislation.

Mr. President, I thank the Chair and yield the floor.

Mr. LEAHY. Mr. President, today the Senate votes on whether to establish Permanent Normal Trade Relations with China.

This issue has been the subject of longstanding and emotional debate. It is an issue which has divided the Congress, human rights groups and policy experts from across the spectrum. There are strong arguments on both sides—arguments I carefully weighed in deciding how to vote.

In the past, I have opposed extending annual Most Favored Nation status to China because of concerns about China's egregious record on human rights and labor rights. By many accounts, including the State Department's, the situation there has deteriorated over the past year. Repression of political dissent, restrictions on freedom of religion and the persecution of ethnic minorities are realities of everyday life. I witnessed with my own eyes the tragedy that has befallen the people of Tibet, when I traveled there in 1988.

For Vermonters, the young Tibetan and former Middlebury College student, Ngawang Choephel, and his mother, Sonam Dekyi, are the human faces of the hardships and injustices endured under Chinese rule.

Ngawang was arrested more than four years ago by Chinese police when he was in Tibet making a film about traditional Tibetan culture. He was sentenced to 18 years in prison, despite the fact that the Chinese have never produced a shred of evidence that he committed any crime. President Clinton and Secretary of State Albright have personally sought his release, to no avail. In May 1999, the U.N. Commission on Human Rights declared his detention to be arbitrary. I have taken countless steps in seeking his release, year after year, and so have Senator JEFFORDS and Congressman SANDERS.

Since 1996, Ngawang's mother sought permission to visit him. Chinese law permits family members to visit imprisoned relatives, but for four years the Chinese Government ignored her pleas. Finally, last month, the Chinese Government made it possible for her to see him. She found that he is suffering from recurrent, serious health problems, far more serious than those of us who have followed his case closely had been led to believe.

Thirty-two years ago, Ms. Dekyi made the dangerous journey from Tibet to India to escape Chinese repression. She lost a child along the way. Her remaining son is now paying a terrible price for his brave attempts to document Tibetan culture.

No one here would disagree that in so many ways the policies and practices of the Chinese Government stand in direct opposition to the democratic principles upon which our country is founded. Mr. Choephel's case is just one of many examples.

The question, however, is not whether we approve or disapprove of this reality. It exists. The question is what can we do about it? How can we most effectively encourage China to become a more open, humane and democratic society?

The unavoidable fact is that our current approach has not worked. Due process is non-existent. Ngawang Choephel and many other political prisoners remain in custody. Many of China's workers are exploited. Anyone who publicly expresses support for democracy is silenced. If I thought that we could solve these problems by preventing normal trade relations with China, I would support it without hesitation, but I do not believe that course would achieve our long-sought solutions to these many problems.

Preventing normal trade with China would not advance the political and humanitarian goals that the United States has long worked for in China, nor will it advance the economic goals we have set for ourselves here at home.

The fact is, with or without Congress' approval, China will join the World Trade Organization.

It will join 135 other countries in an organization which regulates global trade. It will be part of an international economic system created by democratic nations and governed by the rule of law. It will be required to further liberalize an economy which is already being transformed by trade and technology, and which has contributed to slow but steady reform.

So on the one hand, preventing normal trade relations with China would not stop China from enjoying the benefits of WTO. It will join WTO regardless. Nor, I believe, would blocking China PNTR result in Ngawang Choephel's release. But on the other hand, by blocking PNTR we would deny ourselves the significant economic benefits that will result from China's agreement to reduce tariffs and open its markets to U.S. exports in ways that it never has before. And, I believe, we would deny ourselves the opportunity to build a better relationship with China.

Some have suggested that this debate is about what is right and what is wrong with the WTO. From its history of negotiating trade agreements in secret, to inadequate consideration of labor rights, human rights and the environment, there are plenty of problems with the WTO. These issues are important and they absolutely should be addressed. But they are not what this debate is about.

I have long spoken out against the lack of basic freedoms in China. I strongly supported the Administration's decision to sponsor a resolution condemning China at the U.N. Human Rights Commission. I have done everything I can think of to seek Ngawang Choephel's release, and I will continue to do so until he is released. I fervently hope that the Chinese Government will respond to the Congress' vote in favor of PNTR by releasing Mr. Choephel, along with others who do not belong in prison and who in no way threaten China's security.

Until the rule of law is respected and there is an independent judiciary that protects people's rights, until Ngawang Choephel and the other prisoners of conscience who languish in China's prisons are free, China will never be able to fully join the global community.

I am encouraged that the legislation that has come from the House would create a bipartisan Helsinki-type commission to monitor, promote and issue annual reports on human rights and worker rights in China. This bill requires hearings on the contents of these reports, including the recommendations of the commission, and it establishes a task force to strengthen our ability to prevent the import of goods made with prison or forced labor.

In the past, questions have been raised about the effectiveness of the yearly review of China's human rights record. However, I believe that it is important to have an annual debate on this issue, and I feel that the Helsinki-type commission and task force will provide useful, albeit limited, mechanisms for the examination of China's record on these issues

I have voted for every amendment to this legislation that was consistent with PNTR, and which would have also strengthened human rights. I deeply regret that they were not adopted. We can expand our trade with China, we can build a better relationship with China, and we can also stand up for human rights. The amendments offered by Senator FEINGOLD, Senator WELLSTONE, and others were reasonable and fully consistent with our most cherished values.

Profound differences over human rights will continue to cast a shadow on our relationship with China, and that is unfortunate. But it is also important to recognize that life in China is significantly different from what it was two decades ago or even two years ago.

For the first time, Chinese citizens are starting their own businesses. More and more Chinese are employed by foreign-owned companies, where they generally receive higher pay and enjoy better working conditions. State-run industries are gradually being dismantled and state-owned houses, health clinics, schools and stores are no longer the rule—reducing the influence that the Chinese Communist party has over its citizens everyday lives.

Technology has also weakened the government's ability to control people's lives. In the past year, the number of Internet addresses in China has risen dramatically. This year, the number is expected to exceed 20 million. With the Internet comes the exchange of information and ideas. And the government's best efforts to stifle this exchange are little match for a phenomenon that has transformed the lives of people around the world, from the most open to the most closed societies. In addition, access to print and broadcast media has expanded rapidly, along with nonprofit and civic organizations.

It is impossible to know what path Chinese authorities will ultimately choose—whether WTO membership and the changes it requires will indeed contribute to real democratic reform. But it would be a mistake for us to err on the side of isolation when there is so much that could be gained by engagement.

The President's arguments on this issue have been persuasive. So have the arguments of three former Presidents, six former Secretaries of State, and nine former Secretaries of the Treasury.

I also found persuasive the fact that many Chinese democracy and human rights activists, who have suffered the most under Chinese rule and have the most to gain from change, support PNTR.

And so I will vote for PNTR today.

Our archaic, counterproductive and ill-conceived approach toward Cuba is a perfect model for what we should not do in China. Our isolationist policy, which I have long argued against, has fallen hardest on everyday Cubans. Nothing has done more to perpetuate Castro's grip on power, and the denial of basic freedoms there, than our embargo.

Rejecting PNTR would strengthen the same element in China—the hard-liners who are afraid that engagement with the outside world will dilute their power and influence. These are the same hard-liners who are refusing to negotiate with the Dalai Lama on Tibet and who would settle differences with Taiwan by force.

Which brings me to the issue of national security. China is an emerging military power, with a small but growing capability to deliver nuclear arms. It has an increasing influence in Asia, which military experts have identified as the most likely arena for future conflict. Passage of PNTR and China's accession to the WTO offer important opportunities to increase China's stake in global security and stability and to help ensure that over the long term China becomes our competitor and not our adversary.

Moreover, this legislation will not undermine U.S. efforts to use a full range of policy tools—diplomatic, economic and military—to address any potential Chinese noncompliance with American interests or international norms.

In purely commercial terms, Congress concedes nothing to China by approving PNTR. We do not open our country to more Chinese products. Rather, we simply maintain the present access to our economy that China already enjoys. In return, Chinese tariffs—from telecommunications to automobiles to agriculture—will fall by half or more over just five years, paving the way for the export of more American goods and services to the largest market in the world.

It is important to remember that if Congress rejects PNTR, other countries will continue to trade with China. They will reap the trade benefits that we have rejected.

PNTR will benefit Vermont. In the past year, Vermont exports to China have increased significantly—from $1 million in 1998 to $6.5 million in 1999. While this represents only a small fraction of Vermont's total exports, lower tariff barriers are likely to help Vermonters export their products beyond the Green Mountains to a quarter of the world's people. More Vermont exports mean more Vermont jobs.

I recognize the concerns of some in the labor community who believe that approving PNTR may cause the loss of some jobs in the United States. I know that many leaders of American labor organizations are motivated by their concern about their workers, and I respect them for that. Behind the statistics are real people with real families who suffer real consequences.

Some American workers will be hurt by this agreement. It is likely that some jobs will be lost as some businesses shift operations to China. However, trade experts generally agree that granting China PNTR will ultimately create a more favorable trade balance by increasing exports to China. And more American exports means more American jobs at a time when unemployment is at a historic low.

I support the strong anti-surge controls that have been included in the legislation, which will help protect American industries from a surge in Chinese imports that disrupt U.S. markets. The bill also authorizes funding to monitor China's compliance with its WTO commitments.

Mr. President, as with most trade bills that have come before Congress in the last ten years, the debate over granting PNTR for China has become clouded with simple slogans and half-truths.

Despite what we may hope for, history has proven time and again that there is no quick fix for the problems facing the Chinese people. And as it becomes harder for Chinese authorities to maintain control in the face of outside influences, the temptation to crack down on dissent may get worse before it gets better.

But we need to look beyond next month or next year. Freer trade will not in and of itself improve civil and political rights in China. It will not guarantee U.S. national security. It will not create thousands of American jobs overnight. But China's civilization is thousands of years old. It is changing faster today than ever before. With continued engagement on all fronts, we can, I believe, advance each of those important goals. For my part, I personally look forward to a much more intensive and regular dialogue with Chinese officials on these and other issues of importance to both our countries.

At the end of this debate, all of these many issues and arguments must be distilled to answer this one question: Is a vote for permanent normal trade relations with China in the best interests of the United States? The answer to that question is clearly ''yes.''

Mr. HATCH. Mr. President, this proposal has engendered one of the most serious and genuine debates we have had recently in the Senate. I have listened carefully to the pros and cons of H.R. 4444 which have been expressed over the last several months as well as here on the Senate floor in the last several weeks.

I have not come to a decision lightly and have given a great deal of consideration to all the arguments. There is no question that China is today a communist police state. There is no question that it has an abysmal human rights record.

But, the question is not the state of China today. It is what impact PNTR will have in the future, both for the United States and for China.

On balance, Mr. President, I have concluded that permanent normal trade relations with China and passage of H.R. 4444 will contribute to America's commercial prospects, enhance the spread of free market principles, and further strengthen the social and economic forces in China that will eventually sweep the police state into the dustbin of history.

Mr. President, Asia is the state of Utah's fourth largest market. While the predominant consumer of Utah exports is Japan, which buys nearly $500 million of Utah's products, as China's economy grows, so will the demand for Utah's industrial machinery, processed foods, nutritional and health food products, electronic software, and other products demanded by maturing societies.

This trade development cannot occur without PNTR, which will allow the U.S. to take China to court over unfair trading practices.

Up to now, Utah's 1,200 informational technology companies have been at a disadvantage in the Chinese market. The Chinese steal and counterfeit virtually all software, videos, and other intellectual property media entering the country. As the chairman of the Judiciary Committee, which has jurisdiction over copyrights and patents, I am most concerned with enforcing intellectual property laws both at home and abroad. China's WTO membership will place major restraints on pirating, the most important of which is our right to take China to the WTO dispute settlement panels.

It is worthwhile to note, Mr. President, that the U.S., whose economy is the most dynamic in the world, and whose producers are the most law-abiding, will be the beneficiary of the equal enforcement of the trade rules of the WTO, which we played a large role in shaping. This is not merely a prediction: To date, the U.S. has won over 90 percent of the cases we have initiated before the WTO.

If the U.S denied China PNTR, we would lose the right to go to court and would risk surrendering our market access potential in China to our competitors.

Mr. President, job-creating Utah businesses want PNTR. Utah's business community understands the prospective value of China's trade as well as the benefits of WTO. In meetings with state agricultural groups, community leaders, as well as virtually every other major job-creating business sector with export markets or export-market potential in the state, the demands have been consistent: ''Give us access to China.''

While this position is strongly held in Utah, it would be unfair to say it is unanimous. Utah's steel worker community, for example, opposes PNTR for China. But, with WTO, I believe many of their fears can be addressed, since China's current ability to dump steel products in the U.S., and anywhere else, can now be met head-on with a WTO dispute settlement judgment that would bring sanctions against the Chinese, not just from the U.S., but from the entire world.

I have worked hard to assure the steel interests in Utah regarding the passage of PNTR. We passed the Steel Trade Enforcement Act of 1999, which requires the President to consult with steel companies suffering from dumping and to get their consent as a condition for lifting dumping-related sanctions.

Finally, a third advantage is afforded the steel industry in the U.S.-China Bilateral Trade Agreement, which has a 12-year restriction on exports from China that surge into the U.S. causing sudden, often irreparable harm to this important sector of our economy.

The fact is, the American economy dominates, and has benefitted enormously from, the global marketplace. That includes Utah. Today, 5.2 percent of Utah's gross state product comes from merchandise exports. Utah sent $2.6 billion of exports into the global marketplace in 1999, and we expect an increase of about five percent in export volume for the year 2000.

Trade-related jobs in the state, especially in the manufacturing sector, are more stable, pay better, and tend to demand higher skills. International trade competition is good for Utah.

There have been, and will be, job losses, but Utah's economy has absorbed them. But, Utah also provides an excellent system for assisting workers make transitions to new positions, including education and training trade-displaced persons for new skills in new industries. I will continue to support these programs.

Utah has the right type of industrial base. We have an unmatched business climate for export-oriented companies. My state's population is sophisticated in terms of linguistic skills, cultural experience and tolerance, foreign travel, overseas living experience. Our infrastructure is in place: we have an international airport; our ports of entry are modern and automated; our freight forwarding and customs brokerage communities are highly efficient; our merchandise and commercial banking, insurance and other financial institutional base is competitive with any region in the world. We are poised for another economic take-off, and passage of PNTR so that China and the U.S. can actively participate in the WTO is essential.

Mr. President, the WTO enhances the free market principles that I have been committed to since I came to the Senate in 1977. I remain a conservative who believes that the lessons of the 20th century regarding the relationship between the free market and individual freedoms are incontrovertible.

I remain convinced of the theses presented by such great thinkers as the Austrian economist Friedrich Hayek and the American Nobel Laureate Milton Friedman. Capitalism cannot exist without expanding individual freedoms. And the growth of individual freedom is antithetical to authoritarian control.

I believe that the opportunities of a free market which have so essentially contributed to our own growth and development will also benefit societies all over the world.

From this perspective, I have been a little disappointed by the way some members have characterized aspects of this debate, particularly when they used the term greed in opposition to

national security interests. I do not believe the promotion of capitalism is synonymous with the promotion of greed. It is an excess of self-interest that can lead to greed; but greed, of course, is not limited to capitalist societies, and I wish to make clear that I believe that those who are promoting PNTR for China are doing so for honorable reasons, and not for greed.

Moreover, for individual corporations, PNTR is no guarantee of success. Companies must still manufacture and market a good product. They must still be competitive.

I have spoken at length about the commercial benefits of granting PNTR for China for Utah, as numerous other speakers have discussed the benefits to their states. But our duties here as Senators require that we always consider the national interest as well as the local interest. And, in this debate, we have revisited again, throughout the exchanges we've had on numerous amendments, the broader question of the U.S.-Sino bilateral relationship and American national security interests.

Let me be clear: I deplore the appalling human rights situation in China today, including the repression of political expression and other fundamental expressions of human conscience. I deplore the repugnant practices in forced abortion and organ harvesting. All of this is evidence of the continuing level of social backwardness and political barbarism that remains in effect in many parts of China.

But there is a relationship between barbarism and economic autarky that cannot be denied. The peak of modern China's human rights atrocities—measured on a grotesque scale in human casualties—occured during a period when China was in self-imposed economic and political isolation from the rest of the world. During Mao's reign, through the Cultural Revolution, and prior to the opening to the rest of the world orchestrated by President Richard Nixon, over 40 million Chinese were murdered or starved by their government. What a tragic reality that is, Mr. President, but reality it is.

Capitalism corrodes communism, Mr. President. Opportunity crowds out totalitarianism. We have certainly seen that occur since Deng Xiaoping realized that the only way China could develop—could, in fact, recover from nearly a quarter century of Mao's economic nihilism—was to open to the world and to engage the free market.

One thing I'm not, Mr. President, is a pollyanna. As I've said, I am aware of the political and human rights conditions in China today.

The fact is that many of the Chinese are also aware of the situation. The abortion policies, for example, are not supported by the Chinese people. Some Chinese are even becoming aware of a growing social problem called by scholars here the ''surplus males phenomena.'' Dr. Valerie Hudson of Brigham Young University has done excellent work in this area.

Orwellian population practices in China have had the effect of creating a growing demographic imbalance in Chinese society between men and women. As the demographic bulge in men moves into young adulthood, Chinese society will grapple with a surfeit of unmarried men. The potential consequences for internal and external instability should be of great concern to the Chinese authorities, as well as for us. These are the consequences of the communist control over families for the past two generations.

China has a huge population with a small percentage of arable land. The Maoist answer was to kill large segments of the population through starvation and promote the most inhumane abortion policies in the modern era. As China has opened up to the rest of the world, however, the Chinese are starting to recognize that the answer to population pressures is not a totalitarian abortion policy, but economic development that can support families.

The best example for them is Hong Kong, which has a large population on a piece of land that has virtually no natural resources, except a harbor. Capitalism provided the economic development that launched Hong Kong into the developed world, probably beating the PRC to that level of economic development by at least a century, if current predictions hold.

Mr. President, I support PNTR because I want to see an end to the barbarisms, such as the abortion policies, of the Chinese police state. Capitalism corrodes communism.

We have had a long debate on a number of amendments. Frankly, many of these amendments, all of which have been defeated on this bill, would pass the Senate as amendments to other legislative vehicles, or as stand-alone bills. Certainly the debate over China's deplorable record on proliferation, and the legislative proposal presented by the Thompson-Torricelli amendment, are worthy of further discussion and review.

While we will end the annual most-favored nation review of the PRC, nothing of this PNTR debate proscribes the Senate from future initiatives regarding the bilateral U.S.-Sino relationship.

Mr. President, sometime, I believe within my lifetime, there is going to be a change in China. There will be a transition from the current police state. I am quite certain of that.

I am somewhat less certain—as is any other analyst—about what the change will be. The analysts have parsed out the possibilities for us, including chaos and disintegration, a new Chinese fascism, or another Chinese democratic state. I say ''another,'' because Taiwan has demonstrated conclusively that there are no particular Asian values that prevent the Chinese people from developing, nurturing and robustly practicing democracy.

United States policy cannot guarantee the outcome of the transition in mainland China—it would be naive to think otherwise. But we can influence the evolution toward the most desirable outcome. That means promoting economic development and the values of the free market in China. We should plant these seeds, Mr. President.

A vote for PNTR is a vote for promoting economic markets for Utah and other American companies, for promoting economic development in China, and for promoting the rule of law in China. PNTR is a promising means of accomplishing these goals, not just for the benefit of U.S. commerce, but also for long-term U.S. strategic interests.

Mr. BIDEN. Mr. President, the issue before the Senate today is not a mundane redefinition of China's status under our trade laws. Nor does it mark a profound shift in our policy toward the most populous nation on earth.

The question before us—neither mundane, nor profound—is nonetheless of vital importance to the future or our relationship with China. Granting China PNTR and bringing China into the global trading regime continues a process of careful engagement designed to encourage China's development as a productive, responsible member of the world community. It is a process which has no guarantees, but which is far superior to the alternatives available to us.

Our decision on normalizing trade with China is best understood in its historical context. The search for a truly modern China is now more than a 100 years old. It arguably began at the turn of the last century with the collapse of the Qing Dynasty and the birth of the Republic of China under Sun Yat-sen. The search has continued through Japanese invasion, a bloody civil war, the unmitigated disaster of the Great Leap Backwards), the social and political upheaval of the Cultural Revolution, and now through two decades of economic opening to the outside world.

Viewed in this context, a vote for permanent normal trade relations says that we welcome the emergence of a prosperous, independent, China on the world stage. It also says we want China to be subject to stronger, multilateral rules of economic behavior—rules about international trade that will influence the structure of their internal social, economic, and political systems.

Granting permanent normal trade status to China is not a new direction in our relationship with China, Mr. President, but it is an important change in the means we choose to pursue it. We have the opportunity to move some, but not all, of our dealings with China into a new forum; the forum of established, enforceable international trade rules. This will take our economic relationship to a new level; a level commensurate with the importance of our two economies to the world.

As important as this legislation is to our overall relationship with China and

to our aspirations for China, we must keep our expectations in check. The reality is that extending permanent normal trade relations to China will not magically cause China's leaders to protect religious freedom, respect labor rights, or adhere to the terms of every international nonproliferation regime.

No single piece of legislation could accomplish those objectives: indeed, these changes ultimately must come from within China, with such encouragement as we can provide from outside.

Some of our colleagues disagree on this point. They would have preferred that the China trade bill be turned into an omnibus China Policy Act. I understand their objectives and their frustration with the slow pace of reform in China. But amendments offered by Senator SMITH of New Hampshire—covering such diverse issues as POW/MIA cooperation, forced labor, organ harvesting, etc.—and Senator WELLSTONE of Minnesota—conditioning PNTR on substantial progress toward the release of all political prisoners in China—pile too much onto this legislation. Moreover, those amendments would effectively hold the trade legislation hostage to changes in China which passing the trade bill would promote. This seems backwards to me.

Other colleagues have such a deep reservations about trading with China that they proposed amendments which would essentially have taken the ''Permanent'' and the ''normal'' out of permanent normal trade relations. Amendments offered by the junior Senator from South Carolina, Senator HOLLINGS, and the senior Senator from West Virginia, Senator BYRD, reflect a deep ambivalence about the benefits to the United States of trading with China. As I will discuss later, I share the Senators' skepticism about the grandiose claims some have made about the economic benefits which will flow to the United States from this trade agreement. But we are not voting on whether to trade with China. We are voting on whether to lock in concessions by China to open its market to the United States. That is why I opposed their amendments.

My opposition to efforts to turn this trade bill into an omnibus China Policy Act, and my opposition to efforts to take the ''P'' and the ''N'' out of PNTR, does not mean that I found all the amendments offered during the previous two weeks of debate without merit.

Indeed, on their own merits, I would have supported a number of the amendments offered by my colleagues. If we had considered this legislation in May, June, or July, there might have been a realistic possibility of resolving differences between the House and the Senate versions of this bill. Under those circumstances, some amendments offered here in the Senate might well have been appropriate.

For instance, Senator FEINGOLD offered an amendment to improve the Congressional Executive Commission on China to be established under the terms of H.R. 4444. The modest changes in the commission suggested by the Senator from Wisconsin are reasonable, and include making sure that the commission produces concrete recommendations for action and that it reports equally to both the House and the Senate. I hope that we might revisit this issue to ensure that the special commission on China is as effective as it can be.

Another Foreign Relations Committee colleague, Senator WELLSTONE, offered several meritorious amendments, including one endorsing the recommendations of the U.S. Commission on International Religious Freedom with respect to China policy, and another requiring the President to certify that China is in compliance with certain memoranda of understanding regarding prohibition on import and export of prison labor products.

We should seriously consider the input of the religious freedom commission and we should hold China accountable for its failure to implement agreements with the United States, and I look forward to working with my colleagues on these issues in the future.

Finally, the chairman of the Foreign Relations Committee offered several amendments, including one expressing the sense of Congress condemning forced abortions in China. No member of Congress condones the practice of coerced abortion in China or anyplace else. Senator HELMS, who opposes normalizing our trade with China, knows that, which is why he offered his amendment.

Now I share the revulsion of the senior Senator from North Carolina toward forced abortion. It is beyond the pale. But I'm concerned—as I believe the Senator well knows—that his amendment would imperil the entire bill and risk a major setback in our efforts to achieve the very goals we both seek.

Sadly, that is the predicament we find ourselves in now. By delaying consideration of this historic legislation until the last days of this Congress, the Republican leadership has effectively denied the Senate the opportunity to debate the merits of various amendments without also considering the impact that any amendment, no matter how reasonable, would have on the prospects of passing the trade bill during this session of Congress.

So, I approach the pending vote on final passage with some frustration at the process, but which considerable confidence that extending permanent normal trade relations to China is in the best interests of both the United States and the people of China.

I have listened carefully and respectfully to my colleagues on both sides of the aisle and on both sides of this question. I share with many of my colleagues a feeling of deep dissatisfaction with the many deplorable aspects of China's domestic and foreign policies.

But, for reasons I want to make clear today, I do not share the belief that by preserving the status quo in our relations with China we will see progress.

This, in a nutshell, is the question before the Senate: shall we stick with the status quo? Or shall we join with virtually every other advanced economy in the world, and endorse the membership of China in a rule-based organization that will help to encourage many of the changes in Chinese behavior that the opponents of permanent normal trade relations say they want to see?

While there are few simple answers to the many questions raised by China, one thing seems clear: If we don't like Chinese behavior now, why vote to preserve the status quo?

The answer, say some of my colleagues, is that we must preserve the annual review of China's trade status to keep the spotlight turned on China.

There are two problems with this answer, in my view. First, we have never, not once in the two decades of annual reviews of China's trade status, voted against renewal of normal trade relations. Not after the tragedy of Tiananmen Square, not after missile launches against Taiwan, not after so many other provocations, broken promises, and disappointments. Annual review of China's trade status is an empty threat—an excuse for a ritual that at one time may have served a purpose, but that no one can seriously argue today has an affect on China's behavior.

The second problem with this argument lies in the premise that extending permanent normal trade relations to China means taking China out of the limelight. I submit to you that anyone who thinks China is going to escape scrutiny by the U.S. Congress and the American people just because it enjoys normal trading privileges with us doesn't know beans about politics.

As I understand their arguments, those who will vote against normalizing our trade relationship with China believe China's foreign and domestic policies remain so objectionable under the system of annual review that we should not, as they put it ''reward'' China with permanent normal trade relations.

But if there has been no improvement in China's human rights record over the past two decades, why should we persist in the fiction of annual review, repeating the empty threat that we might withdraw normal trade relations? What has the annual review gained us?

I see the situation differently, Mr. President, I believe China is changing. China is far from the kind of country that we want it to be, or that its own long-suffering citizens are now working to build. But no single snapshot of unsafe working conditions, of religious and political repression, of bellicose pronouncements about Taiwan, will do justice to the fundamental shifts that are underway in China.

An objective assessment of China over the past two decades reveals sweeping changes in almost every aspect of life—changes facilitated and accelerated by China's opening to the world. These changes are not the result of our annual review of China's trade status. The roots of change reach much deeper than that.

China's leaders have consciously undertaken—for their own reasons, not ours—a fundamental transformation of the communist system that so long condemned their great people to isolation, poverty, and misery. They have been forced to acknowledge the failure of communism, and have conceded the irrefutable superiority of an open market economy. The result has been a marked improvement in living standards for hundreds of million of Chinese citizens.

This growing prosperity for the Chinese people, in turn, has put China on a path toward ever greater political and economic freedom. The Chinese people, taking responsibility for their own economic livelihood, are demanding a greater voice in the governance of China.

This is not just my analysis.

This is also the view of people inside and outside of China who are struggling to deepen China's reforms and to extend them into the political arena.

Dai Qing, a former Chinese rocket scientist turned political dissident and environmentalist, testified passionately in support of permanent normal trade relations before the Senate Foreign Relations Committee in July. She said, ''PNTR will help reduce governmental control over the economy and society; it will help to promote the rule of law; and it will help to nourish independent political and social forces in China.''

Wang Dan, the Beijing University student who helped lead the Tiananmen Square protests and now lives in exile, says, ''Economic change does influence political change. China's economic development will be good for the East, as well as for the Chinese people.''

And Xie Wanjun, the Director of the Overseas Office of the China Democratic Party—a party banned within China—says,

We support unconditional PNTR with China by the U.S. government. . . . We believe the closer the economic relationship between the United States and China, the more chance for the U.S. to politically influence China, the more chances to monitor human rights conditions in China, and the more effective the U.S. will be to push China to launch political reforms.

Martin Lee, Chairman of Hong Kong's Democratic Party, supports China's entry into the World Trade Organization and the granting of permanent normal trade relations. ''The participation of China in WTO would not only have economic and political benefits, but would also serve to bolster those in China who understand that the country must embrace the rule of law. . . .''

And Chen Shui-Bian, Taiwan's democratically elected President, said last spring,

We feel that a democratic China will contribute to permanent peace in this region. Therefore, we support U.S. efforts to improve relations with China. While we seek to normalize the cross-strait relationship, especially in the area of business and trade, we are happy to see the United States and China improve their economic relations. Therefore, I am willing to support the U.S. normalization of trade relations with the PRC.

It's not must dissidents and leading Chinese democracy advocates who support PNTR.

At this time, I ask unanimous consent to introduce into the RECORD recent statements by former Presidents Gerald Ford and Jimmy Carter, former Secretaries of State Henry Kissinger and James Baker, Chairman of the Federal Reserve Alan Greenspan, chairman of the Christian Broadcasting Network Pat Robertson, former National Security Advisory Brent Scowcroft, and yes, even former President of the United Auto Workers and former U.S. Ambassador to China Leonard Woodcock, all of whom support extension of permanent normal trade relations to China.

There being no objection, the material was ordered to be printed in the RECORD, as follows;

QUOTES IN SUPPORT OF PERMANENT NORMAL TRADE RELATIONS WITH CHINA

Former President Gerald Ford: ''the facts are a negative vote in the House and/or the Senate would be catastrophic, disastrous to American agriculture; electronics, telecommunications, autos and countless other products and services. A negative vote in the Congress would greatly assist our foreign competitors from Europe or Asia by giving them privileged access to China markets and at the same time, exclude America's farm and factory production from the vast Chinese market.'' [remarks at distinguished Americans in Support of PNTR event, 5/9/2000]

Former President Jimmy Carter: ''China still has not measured up to the human rights and democracy standards and labor standards of America. But there's no doubt in my mind that a negative vote on this issue in the Congress will be a serious setback and impediment for the further democratization, freedom and human rights in China. That should be the major consideration for the Congress and the nation. And I hope the members of Congress will vote accordingly, particularly those who are interested in human rights, as I am; and those who are interested in the well-being of American workers as I am.'' [remarks at Distinguished Americans in Support of PNTR event, 5/9/2000]

Alan Greenspan, Chairman of the Federal Reserve: ''The outcome of the debate on permanent normal trade relations with China will have profound implications for the free world's trading system and the long-term growth potential of the American economy . . . The addition of the Chinese economy to the global marketplace will result in a more efficient worldwide allocation of resources and will raise standards of living in China and its trading partners . . . As China's citizens experience economic gains, so will the American firms that trade in their expanding markets . . . Further development of China's trading relationships with the United States and other industrial countries will work to strengthen the rule of law within China and to firm its commitment to economic reform . . . I believe extending PNTR to China, and full participation by China in the WTO, is in the interests of the United States.'' [press statement at the White House, 5/18/2000, including quote from Greenspan letter to House of Representatives Banking Committee Chairman James Leach released 5/8/2000]

Former Secretary of State Henry Kissinger: ''The agreement is, of course, in our economic interest, since its grants China what has been approved by the Congress every year for 20 years. But we are here together not for economic reasons. We are here because cooperative relations with China are in the American national interest. Every President, for 30 years, has come to that conclusion.'' [remarks at Distinguished Americans in Support of PNTR event, 5/9/2000]

Former Secretary of State and Treasury James Baker: ''As a former Secretary of Treasury and of State, I believe that normalized trade with China is good for America on both economic grounds and security grounds. It will help move China in the direction of a more open society, and in time, more responsive government. As such, normalized trade relations with China will advance both our national interests, as well as our national ideals, in our relations with the world's most populous country.'' [remarks at Distinguished Americans in Support of PNTR event, 5/9/2000]

Pat Robertson, Chairman of the Board and CEO, The Christian Broadcasting Network, Inc.: ''If the US refuses to grant normal trading relations with the People's Republic of China, and if we significantly curtail the broad-based economic, education, social and religious contacts that are being made between the U.S. and China, we will damage ourselves and set back the cause of those in China who are struggling toward increased freedom for their fellow citizens.'' [letter to Congressman Joseph Pitts, 5/10/2000]

Brent Scowcroft, USAF Lt. Gen (ret) and former National Security Advisor: ''I'm strongly in favor of granting permanent normal trade relations to China, not as a favor to China, but because doing so would be very much in the U.S. national interest. This, in my judgment, goes far beyond American business and economic interests, as important as these are, to key U.S. political and security interests . . . This may be one of those rare occasions on an important issue where there's virtually no downside to taking affirmative action. We cannot ourselves determine the ultimate course China will take. And denying permanent normal trade relations will remove none of the blemishes that China's opponents have identified. But we can take steps which will encourage China to evolve in directions compatible with U.S. interests. To me, granting permanent normal trade relations is one of the most important such steps that Congress can take.'' [testimony before the Senate Commerce Committee, 4/11/2000]

Leonard Woodcock, former president of the United Auto Workers and former U.S. Ambassador to China: ''I have spent much of my life in the labor movement and remain deeply loyal to its goals. But in this instance, I think our labor leaders have got it wrong . . . American labor has a tremendous interest in China's trading on fair terms with the Untied States . . . The agreement we signed with China this past November marks the largest single step ever taken toward achieving that goal.'' [Washington Post, 3/8/2000]

Mr. BIDEN. Finally, I would like to point out that my support for permanent normal trade relations with China is based not just on an assessment of

the economic benefits to the U.S., not just on the prospects for political reform in China, but also on the impact on our national security. As I discussed during the debate on the Thompson amendment at some length, improving our trade relations with China will help put the overall relationship on a sounder footing. We need to cooperate with China to rein in North Korea's nuclear missile ambitions, to prevent a destabilizing nuclear arms race in South Asia, and to combat the threats of international terrorism and narcotics trafficking. We cannot work effectively with China in these areas if we are treating them as an enemy in our trade relations.

Let me quote General Colin Powell, former chairman of the Joint Chiefs of Staff: ''I think from every standpoint—from the strategic standpoint, from the standpoint of our national interests, from the standpoint of our trading interests and our economic interests—it serves all of our purposes to grant permanent normal trading relations.''

So, with all due respect to my colleagues who have brought before us the images of the worst in China today, we must keep the full picture before us and keep our eye on the ball. China is changing. We must do what we can to encourage those changes.

Can we control that change? Of course not. We know that not even those who currently hold the reins of power in China are confident that they can control the process that is now underway. What little we know of internal debate in China tells us that support for China's entry into the world Trade Organization is far from unanimous there.

It is those who are most closely tied to the repressive, reactionary aspects of the current China who are most opposed to this profound step away from China's Communist past. I urge my colleagues who so rightly and so passionately seek change in China to pause and reflect on that.

While we cannot dictate the future of China, we can—we must—encourage China to follow a course that will make it a more responsible, constructive member of the community of nations.

That is why I am proud of my sponsorship of legislation which created Radio Free Asia, and am pleased that the bill before the Senate includes increased support for the broadcast of independent news and analysis to the people of China. The opening of China—to investment, to trade, to travel, and yes, to foreign news sources—is a necessary ingredient to the process of economic reform and political liberalization.

Some of my colleagues have argued that we must not cast our vote on PNTR simply on the promise of increased commercial opportunities for American corporations. I agree, Indeed, unlike some of my colleagues—on both sides of this question, pro and con—I do not see the question of China's trade status simply in terms of the economic implications for the United States.

I do not anticipate a dramatic explosion in American jobs, suddenly created to fuel a flood of exports to China. Nor do I see the collapse of the American manufacturing economy, as China, a nation with the impact on the world economy about the size of the Netherlands', suddenly becomes our major economic competitor.

Both the opponents and proponents of PNTR, I believe, have vastly oversold the economic impact of this legislation.

For the record, let me say a few things about that aspect of this issue. First and foremost, this vote will not determine China's entry into the WTO. With or without our vote of support here, China will become a member of the only international institution—created by and, yes, strongly influenced by, the advanced industrial economies of the world—in a position to formulate and enforce rules of fairness and openness in international trade.

The issue for us is what role will we play in that process—will we put the United States on record in support of change in China's economic relations with the rest of the world? Will we put the United States on record in support of China's participation in a rules-based system whose basic bylaws will require fundamental changes in the state-owned enterprises, in the People's Liberation Army conglomerates that are the last bastions of the failed Chinese system?

Or will we put ourselves on the sidelines, and on record in favor of the status quo?

Will we accept the deal negotiated between the United States and China last year, in which China made every concession and we made none?

Will we accept the deal which opens China's market to products such as Delaware's chemical and poultry exports, to Chrysler and General Motors exports?

Or will we consign ourselves to the sidelines while other nations cherry-pick Chinese markets and are first out of the gate in building distribution and sales relationships there?

Our course is clear. China's growing participation in the international community over the past quarter century has been marked by growing adherence to international norms in the areas of trade, security, and human rights. If you want to know what China looks like when it is isolated, take a look at the so-called Great Leap Forward and the Cultural Revolution. During those periods of modern Chinese history perhaps 20 million Chinese died of starvation, religious practice was almost stamped out entirely, and China supported Communist insurgents in half a dozen African and East Asian countries.

I will cast my vote today in favor of change, in favor of closing that sad chapter in China's long history.

Mr. President, I will cast my vote with Wang Dan, Dia Qing, Martin Lee, Chen Shui-bian, and the other courageous advocates for political and economic reform in China.

Let us continue to seek change in China, to play our role in the search for a truly modern China.

Mr. THURMOND. Mr. President, I rise today to discuss my concerns and views as the Senate moves toward final passage of the bill extending permanent normal trading relations to the People's Republic of China.

I have diligently listened to the debate in the Senate and have given careful consideration to all points of view. This has been a valuable debate. It has educated the American people and has provided the international community with a statement of American values and ideals.

The intentions and actions of the Government of the Communist Party of China do give me concern. The record of China has been thoroughly discussed during this debate. There is no question that reforms are overdue to improve China's record related to human rights, religious liberty, environmental protection, and the conditions of workers. Furthermore, China's record on proliferation of weapons technology is dangerous both to the region and to the entire world. China's abuses of trade agreements has been well documented. Finally, the belligerence shown toward Taiwan has been disconcerting, if not alarming.

Many amendments were offered to this legislation to address these and other issues. I supported many of those amendments, and am disappointed that the Senate felt it could not amend this bill, strictly for procedural reasons. Nevertheless, I must emphasize to the world community in general, and specifically to China, that the rejection of these amendments does not mean the United States is unconcerned about these matters.

Given China's record, why should the United States grant permanent normal trade relations? I believe, that in the long term, Americans as well as Chinese will be better off as China joins the international economic system.

There is no doubt there will be obstacles and slow progress in the short term. It will take years for the Chinese to fully open up their economy and develop the legal infrastructure that will facilitate trade and commerce. I recognize that China has made fundamental internal economic reforms, moving away from a Marxist state run economy and centralized planning. The liberalization of external trade should provide the next step in the process of giving the individual Chinese more choices. The overall effect will be that as the Chinese economy improves, Chinese workers will be lifted from poverty. This, coupled with the development of a legal framework for commerce, will lay the foundation for democracy and religious freedom.

It is essential that China follow through on its obligations to the Chinese people to advance democratic reforms, to promote human rights, and

to create greater economic equality for all its citizens. The road to democracy is paved with free markets. Free trade is the bridge to reach out to the Chinese.

This opening of Chinese markets will be good for South Carolinians, specifically, and Americans, generally. In the long run, America's workers and farmers will benefit from improved trade with China and access to what is potentially the world's largest market. Passage of this bill will ensure a reduction in tariffs on American products. Chinese consumers will be able to obtain high-quality U.S. agricultural and manufactured goods and business services.

With China's permanent normal trade status and eventual membership in the World Trade Organization (WTO), there will be stronger incentives for China to honor its commitments to lowering trade barriers. Finally, the United States will have access to the WTO's dispute resolution process to arbitrate trade disputes and seek enforcement of agreements. In short, China will be required to ''play by the rules.''

Again, I do not expect all of this to go smoothly. But I do anticipate that opening economic doors will open other opportunities for prosperity and freedom for the Chinese people. As China develops a vibrant free market and a more open and democratic society, the Chinese people will be better off, American security will be strengthened, and the prospects for international peace will be greatly improved.

Therefore, Mr. President, despite my many concerns, and realizing this is a long-term process, I support the extension of Permanent Normal Trade Relations with the People's Republic of China. I appreciate that the bill also establishes a framework for monitoring trade agreements and for reviewing our relations with China. I strongly encourage the next administration to be more vigilant in addressing national security issues related to China. Finally, I am hopeful that expanding trade with China will provide opportunities for resolving our differences in other areas.

Mr. DASCHLE. Mr. President, since the House vote, virtually every news account of this trade agreement has called its passage by the Senate all but certain. After months of such predictions, some people might conclude that the votes we are about to cast are a mere formality. They are not. We are making history here. The votes we cast today will have consequences. Those consequences will affect our economic interests, and our national security interests, for decades to come.

In one sense, the question before us is simple: Should we grant China the same trading status as we grant nearly every other nation in the world? Behind that question, though, is a larger question. China is home to 1.2 billion people—one-fifth of the world's entire population. What kind of relationship do we want with China? Do we want a China in which American products can be distributed—and our beliefs can be disseminated? Or do we want a China that continues to erect barriers to American goods and American ideals? Which China is better for our future? That is the question at the heart of this debate.

Someone who knew something about China answered that question this way. ''Taking the long view, we simply cannot afford to leave China forever outside the family of nations, there to nurture its fantasies, cherish its hates and threaten its neighbors.'' My friends, it was not President Clinton who said that. It was not Ambassador Barshefsky, or anyone from this Administration. Richard Nixon wrote that—in 1967. Five years later, of course, President Nixon made his historic journey to China, ending 20 years of stony silence between our two nations.

History has shown the wisdom of that journey. Six years after President Nixon visited, China opened its economy—at least in part—to the outside world. Since then, China's economy has been transformed—from a 100-percent state-owned economy to an economy in which the state accounts for less than one-third of China's output. Along with this economic change has come social and political change. China is now taking the first tentative steps toward democratic local elections. Private citizens are buying property. People are being given more freedom to choose their schools and careers. You can now find articles critical of the government in the Chinese press, and a wider selection of books in Chinese bookstores. Now, China is ready to open its door to the outside world even further. The question is: Are we going to walk through that door?

Several people deserve special thanks for helping us reach this point. First among them is the President. One reason our Nation's economy is so strong today is because this President understands the New Economy. He understand that, to win in the New Economy, we need to maintain our fiscal discipline, invest in our future competitiveness and open up new markets for the products Americans produce. Under his leadership, we have negotiated more than 300 trade agreements with other nations. Among those agreements, none is more significant than this agreement with China. And none holds more potential promise for our future.

I also want to acknowledge the President's team—particularly Charlene Barshefsky—for her extraordinary skill in negotiating this agreement. I also want to thank our colleagues in the House, SANDY LEVIN and DOUG BEREUTER, for their bipartisan efforts to further improve on the Administration's efforts. The Levin-Bereuter improvements—particularly the creation of the human rights commission—are thoughtful solutions to concerns some of my colleagues and I had about the original agreement. Representative LEVIN and I spoke frequently about those improvements during that process. I know I speak for many in this chamber when I say we appreciate the great care he took to make sure his improvements addressed our concerns, as well as the concerns of our House colleagues.

Here in this chamber, I want to thank Senator MOYNIHAN, our ranking member on the Finance Committee, for his tireless efforts to pass this agreement. His accomplishment is a fitting conclusion to an historic career. I also want to thank Senator BAUCUS, who is a real leader on trade issues; Chairman ROTH, for his bipartisan leadership and determination to pass this agreement; and of course the Majority Leader, for his cooperation and leadership as well. Finally, I want to thank my colleagues who voted against sending this agreement back to the House. Their decision to focus on our trade relationship with China and leave other important questions about that relationship for later was not an easy decision to make. But it was necessary. I thank them for making it.

We have heard many eloquent arguments for—and against—this bill. That's as it should be. Critical decisions require careful deliberation. No one who values the freedoms we enjoy as Americans can possibly condone what we have heard about human rights, workers' rights, and religious freedom in China. None of us approves of China's frequent hostility, in the past, to the rule of law. I certainly do not. I intend to vote for this agreement, however, not to reward China for its past, but to engage China and help it create a different future.

In the 22 years since it re-opened its doors to outside investors, China's economy has grown at a rate of 10 percent a year. Still, China remains—by Western standards—a largely poor and underdeveloped nation. Reformers there understand that the only way China can build a modern economy is by becoming a full and accountable member of the international trade community. In exchange for the right to join the World Trade Organization, they have therefore committed—in this agreement—to make a number of extraordinary and fundamental changes.

Under this bilateral agreement, China has agreed to cut tariffs on US exports drastically. Tariffs on agriculture products will be cut by more than half—from 31 percent to 14 percent Tariffs on industrial products will be cut by nearly two-thirds—from about 25 percent to 9 percent. And tariffs on American computers and other telecommunications products will be eliminated entirely. On our end, this agreement does not lower a single tariff or quota on Chinese goods exported to the U.S. Not one.

China has also agreed to lower or eliminate a number of non-tariff barriers that now make doing business in

China extremely difficult. Under this agreement, American businesses will be able—for the first time—to sell and distribute their own products in China. The Chinese government will no longer be the monolithic middle man in every business deal. In addition, American businesses will no longer be forced to include Chinese-made parts in products they sell in China.

To appreciate the magnitude of these concessions, you need to understand the hold the Chinese government now has on China's economy and—by extension—its citizens. Today in China, the state decides what products may be imported, and by whom. The state decides who may distribute and sell products in China. State-owned banks decide who gets capital to invest. For the more than half of China's workers who are still employed by state-owned enterprises, the state decides how much they earn, whether they are promoted, even where they live.

But the state's grip on its citizens' lives is starting to weaken and will weaken further with this agreement. Nicholas Lardy, a China scholar with the Brookings Institution, notes that ''the authoritarian basis of the Chinese regime is (already) . . . eroding. . . .'' By agreeing to let its citizens own their own businesses, and buy products and services directly from the outside world, the Chinese government is agreeing to further relax its authoritarian grip on its people. That is not just in the interests of Chinese reformers. It is in our interests as well.

None of us can know, with absolute certainty, the effect these new economic freedoms will have on China. But I had an experience a few years ago that makes me think there is reason to be hopeful. I was with two other Senators on a bipartisan trip to the republics of the Former Yugoslavia. We were there to assess what progress was being made under the Dayton peace agreement, and what help the republics might need to rebuild politically and economically.

One day, in Albania, I was talking to a man in his early 30's. As you know, until 1992, Albania was arguably the most closed society in the world. No one entered or left. And no new information was allowed in except what the government permitted. The man I talked with said that when he was a boy, if someone had a satellite dish, and they turned it to face the sea, to receive uncensored information from Italy, police would come and turn the dish around. That was for the first offense. If the police had to come a second time, they took you off to jail.

Then the communications revolution occurred—the explosion of e-mail and Internet. Suddenly, the government couldn't just pull the plug, or turn the satellite dish around. Suddenly, Albania was connected to the rest of the world.

Today, Albania is struggling to create a free society and a free economy. The man I spoke with told me he hopes the Albania of the future looks like America.

Today, fewer than 2.5 percent of China's people own personal computers. And fewer than 1 million Chinese have access to the Internet. By the end of this year, there will be 10 million Internet users in China. By the end of next year, it's expected there will be 20 million.

Recent attempts by China to police the Internet, and punish advocates of democratic reform, are troubling to all of us. They are also destined to fail. By eliminating all tariffs on information technology in China, liberalizing distribution, and allowing foreign investment in telecommunications services—the infrastructure of the Internet, this agreement will accelerate the telecommunications revolution in China. That is not just in the interest of Chinese reformers. It is in our interest as well.

Some have expressed concerns about whether China will honor the commitments it makes in this agreement, and whether this agreement is enforceable.

Their concerns are understandable. China has no history with the rule of law, as we know it. The important point is: by entering the WTO, China is agreeing—for the first time—to comply with the rules of the international trade community. It is agreeing to settle its trade disputes through the WTO, and to honor the WTO's decisions in those disputes. If it does not, it will face sanctions.

This is a fundamental change. In previous disputes with China—including our disagreements over intellectual property rights—we have had to fight alone. But there are 135 members in the WTO. Under this agreement, we will be able to work with those other nations, many of whom share our concerns. China's ability to pit its trading partners against each other will be greatly diminished. By agreeing to these terms, China is, in fact, agreeing to live by the rule of law. And while that agreement may be limited—for now—to trade issues, eventually it is likely to be extended to other areas as well—including human rights.

Rejecting this agreement, on the other hand, is likely to harm the cause of civil rights in China. Former President Jimmy Carter—one of the world's most respected human rights advocates—has said: ''There's no doubt in my mind that a negative vote on this issue in the Congress will be a serious setback and impediment for the democratization, freedom and human rights in China.''

Respected Chinese democracy advocate Martin Lee agrees. In a letter to President Clinton, Lee wrote that this agreement ''represents the best long-term hope for China to become a member in good-standing in the international community.'' Should the agreement fail, he added, '' we fear that . . . any hope for political and legal reform process would also recede.'' Clearly, it is in the interest of Chinese reformers to prevent such a failure. But it is in our interest as well.

There is another reason this agreement is in our national interest, Mr. President. It will strengthen peace and stability throughout Asia—particularly in Taiwan. Why? Because the more China trades, the more it has to lose from war. Taiwan's newly elected President, President Chen, supports China's entry into the WTO.

By passing this agreement, we would put the United States Congress on record as saying: ''If China is admitted to the WTO, Taiwan must be permitted, too—without delay.'' China has already agreed, as part of this agreement, to accept that condition.

As I said, Mr. President, under this agreement, China is lowering its tariffs; we are not lowering ours. China is reducing or eliminating its non-tariff barriers; we are not. There is another way to evaluate the benefits of this agreement. That is by comparing China's WTO commitments to those of another huge, largely poor and under-developed nation: India.

India places a 40 percent tariff on US consumer goods. Under this agreement, China will lower its tariffs to 9 percent. India places a 30 percent tariff on agriculture products. Under this agreement, China will reduce its agriculture tariffs to an average of 14 percent. In addition, China will eliminate all agriculture subsidies to its farmers. That's something not even our closest ally, the European Union, has agreed to do.

Four years ago, Congress re-wrote the rules that had governed farming in this country for 60 years. Supporters of the new rules said at the time that America's farmers didn't need a safety net any more because they would make so much money selling their products to new markets around the world. But that isn't what happened.

Instead of prospering in this New Economy, over the last four years, family farmers and ranchers in South Dakota and across the country have suffered through the worst economic crisis since the Great Depression. Obviously, the lack of new market opportunities isn't the only reason Farm Country is hurting, Mr. President. But opening new markets for American farm products is a necessary part of the solution to the farm crisis.

It's time for this Congress to keep its commitment to family farmers and ranchers. It's time—at the very least—to provide access to the new markets we said would be available when the rules were re-written four years ago. The South Dakota Wheat Growers Association is right. ''We have everything to gain by approving PNTR with China, and nothing to lose.''

One lesson we have learned from past experience is that trade agreements must be specific. That is why this agreement is painstakingly detailed. Every commitment China is making is clearly spelled out, in black and white. We also know from past experience that no trade agreement—not even one

with a nation as large as China—will solve all of our economic challenges.

Even if we pass this agreement, we will still have a responsibility to fix our federal farm policy—so family farmers and ranchers can get a fair price for their products. We will still have a responsibility to make sure all American workers can learn the new skills required by this New Economy. And we will also still have a responsibility to monitor how this agreement is enforced.

We have heard a great deal of concern during this debate—and rightly so—about how China limits the rights of its citizens to organize their fellow workers, or pray to their own God. Basic legal safeguards and due process in China are routinely ignored in the name of maintaining public order. News reports just before we started this debate told of Chinese being jailed because they practice their faith in ''non-official'' churches. Several key leaders of the China Democracy Party have been jailed because they advocated for democratic change. Workers rights are tightly restricted, and forced labor in prison facilities continues.

Let me be very clear: No one should confuse endorsement of this trade agreement with endorsement of these and other assaults against basic human rights. Such practices are abhorrent and deeply troubling to Americans, and to freedom-loving people everywhere.

As part of the Levin-Bereuter improvements, this agreement will create a high-level commission—modeled after the Helsinki Commission—that will monitor human rights in China and report annually to Congress. We have a responsibility to support that commission.

Finally, this agreement calls on Congress to help the Chinese people develop the institutions of a civil society that are needed to support fair and open trade. We have a responsibility to provide that assistance.

This is a good agreement. But it is not a panacea. And it is not self-enforcing. If we want it to work, we have to keep working at it.

In closing, there is another quote I would like to read from President Nixon. In a toast he made to China's leaders during his 1972 visit, he said, ''It is not our common beliefs that have brought us together here,'' he said, ''but our common interests and our common hopes, the interests that each of us has to maintain our independence and the security of our peoples, and the hope that each of us has to build a new world order in which nations and peoples with different systems and different values can live together in peace—respecting one another while disagreeing with one another, letting history, rather than the battlefield, be the judge of their individual ideas.''

We have made progress toward that goal over these last 28 years. This agreement will enable us to build on that progress. It is in China's interest. It is in our interest. It is in the world's best interest that we pass it. I urge you to support it.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware.

Mr. ROTH. Mr. President, we have had an excellent debate over PNTR, touching on many aspects of our complex relationship with China.

It was, indeed, important we had such an exhaustive discussion because the vote we are about to cast on PNTR will be a defining moment in the history of this Chamber and in the history of our country.

That is partly because passage of PNTR will create vast new opportunities for our workers, our farmers, and businesses. But it is also because PNTR will serve America's broader national interest in meeting what is likely to be our single greatest foreign policy challenge in the coming decades—managing our relations with a rising China.

China's accession to the WTO has been the subject of intense negotiations for the past 14 years. The market access package the U.S. Trade Representative reached with Beijing represents, in my judgment, a remarkable achievement. From the point of view of every sector of the American economy, and from the perspective of every U.S. enterprise, no matter how big or small, the agreement holds the promise of new markets and future sales.

For the citizens of my own State of Delaware—from poultry farmers to auto workers to those in our chemical and services businesses—gaining access to the world's largest country and fastest-growing market, which is what PNTR permits, offers extraordinary new opportunities.

Passage of PNTR is in our economic interest. I hope our debate has made that clear. But I hope my colleagues and the American people have come to understand why PNTR is also in our national interest.

To gain entry to the WTO, China has been compelled to move its economy to a rules-based system and to end most forms of state control within roughly 5 years. Indeed, in a number of sectors of its economy, China will soon be more open to U.S. products and services than some of our developed-country trading partners in Asia and Europe.

The results of China implementing its WTO obligations will be revolutionary. But contrary to what occurred in 1949, China will be transforming itself by adopting a fully-realized market economy, thereby returning individual property rights and economic freedom to the people of China.

Why has China accepted such a capitalist revolution? As Long Yongtu, China's top WTO negotiator and Vice Minister of China's trade ministry, said earlier this year, what is ''most significant at present [is that] WTO entry will speed China's reform and opening up. Reform is the only outlet for China.''

In other words, China has no choice. Its state-directed policies do not work; free markets and capitalism do.

Mr. Long went on to say:

> China's WTO entry would let enterprises make their own business decisions and pursue benefits according to contracts and market principles. Liaison between enterprises and government will only hurt enterprises. Contracts kowtowing to government, though they look rosy on the surface, usually lead to failure. After joining the WTO, the government will be pressed to respect market principles and give up the approval economy.

I agree with those who say that the rise of China presents the United States with potentially our biggest foreign policy challenge. But I also believe it presents us with enormous opportunities. The single most important step the Senate can take to allow the United States to respond to that challenge adequately and seize those opportunities is to pass PNTR.

We must, and we will, continue to press Beijing on the range of issues where our interests and values diverge, from human rights to proliferation to China's aggressive stance on territorial disputes.

Yet a China fully immersed in the global trade regime, subject to all the rules and sanctions applicable to WTO members, is far likelier to live under the rule of law and to act in ways that comply with global norms. Indeed, the WTO is exactly the sort of multilateral institution that can act as a reinforcing mechanism to make China's interests more compatible with ours.

As that happens, and as China's economic success increasingly comes to depend on stable and peaceful relations with its trading partners, Beijing will be more apt to play a constructive regional and global role.

Finally, if Asia and much of the rest of the world are any guide, China's economic liberalization will accelerate its path toward greater political freedom. In East Asia alone, South Korea, Taiwan, and Thailand have amply demonstrated how economic freedom can stimulate democratic evolution.

Ultimately, China's participation in the WTO means the Chinese people will be given the chance to shape their own destiny. As Ren Wanding, the brave leader of China's Democracy Wall Movement said recently, ''Before the sky was black. Now there is light . . . [China's WTO accession] can be a new beginning.''

Mr. President, when we pass PNTR, that new beginning will be for the American people just as surely as it will be for the people of China.

Colleagues, let us begin anew by joining together to pass PNTR overwhelmingly.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

Mr. WARNER. Mr. President, throughout the 22 years I have been privileged to be a Member of the Senate, I have worked very closely with our distinguished colleague from Delaware, Senator ROTH, and indeed our

colleague from New York, Senator MOYNIHAN. This has to mark one of their finest hours in the Senate. Senator MOYNIHAN has spoken with me unreservedly on this important issue and it took the strong leadership of our chairman and distinguished ranking member to shepherd this key legislation through the Senate in light of the number of challenges they faced.

I hope that not only the constituencies in their respective States but the Nation as a whole recognize the skill with which these two very seasoned and senior Senators have managed this most critical piece of legislation. Passage of this legislation is in the interest of our country economically and in terms of our security—I will dwell on the security interests in a moment—for today, tomorrow, and the future.

As we enter this millennium, China, in my judgment, is our natural competitor in economics, and perhaps the nation that could pose the greatest challenges in terms of our national security. I was very much involved, as were other Members of the Senate, indeed our two leaders, in the amendment offered by Senator THOMPSON. I subscribe to so many of his goals. Were it not for a framework of laws which adequately address the concerns of Senator THOMPSON, I would most certainly have supported his amendment. But as our two managers have pointed out, as drafted, that amendment could have imperiled the passage of this legislation.

I am pleased to join colleagues today in supporting PNTR for China. I join all Senators who have spoken so eloquently on the question of human rights deprivation in China. Indeed, I have traveled there, as almost every Member of this body has at one time, and have witnessed with my own eyes the human rights deprivation of the citizens of that nation. However, continued isolation, in my judgment, would strengthen the hands of those who inflict the abrogation of human rights on those citizens by restricting the Chinese people's contact with some of our very finest Ambassadors. I am not just speaking of the diplomatic corps. I am talking about the American people, be they traveling for business or to gain knowledge about China. The American people are among the best Ambassadors as it relates to human rights.

Our citizens, wherever they travel in the world, most particularly to China, whether it is to conduct business or for pleasure or for other reasons, bring with them the closely held and dearly valued principles of a democratic society, principles of human rights. They are unrelenting in trying to share those principles and impress upon the people of China the value of reshaping their society along the principles of human rights adopted by the major nations of this world, particularly the United States. Therefore, exposing Chinese citizens to many of the ideals that our democratic society is built upon can only help in the strengthening of human rights in China.

It is through such contacts, which will be greatly expanded with the passage of PNTR with China, that significant improvements can be made in the human rights situation in China. Not providing the PNTR status for China would also have a significant impact on both U.S. businesses and consumers.

China imports 20 percent of the U.S. wheat and timber exports, and they also are major importers of U.S. cotton, fertilizer, aircraft equipment and machinery. China supplies the United States with one-third of those wonderful gifts, particularly at Christmastime, that we share with our children. They have always had a very innovative insight into what the children want and a great deal of what we purchase comes from that nation. Ten percent of our footwear, 15 percent of our apparel, and a large percentage of our electronic products are supplied by China. Without a PNTR agreement, duties on these products might drastically increase and the costs be borne by the American consumer.

However, China's accession to the WTO will be a boon to U.S. manufacturers, farmers, and service providers. As a requirement to join the WTO, China has agreed to greatly reduce tariffs across the board. This will in turn open markets in that huge nation, thereby providing American business with great opportunities.

Let me take a minute to explain how such a reduction in Chinese tariffs will beneficially impact my State, the Commonwealth of Virginia. In 1998, Virginia's worldwide poultry and product exports were estimated at $101 million. China is currently the second leading market for U.S. poultry exports. Under its WTO accession agreement, by 2004, China will cut its frozen poultry products tariff in half, from 20 percent to 10 percent. The beautiful Shenandoah Valley of Virginia, indeed, along with other regions of the State, are the heartland of our poultry export market. They stand to benefit greatly.

In 1998, Virginia's worldwide live animal and red meat exports were estimated at $87 million. Under its WTO accession agreement, by 2004, China will reduce its tariffs 45 percent to 12 percent on frozen beef cuts, from 45 to 25 percent on chilled beef, and from 20 percent to 12 percent on frozen pork cuts, definitely benefiting Virginia's exports in these areas.

Virginia's lumber industry is the 13th largest in the Nation. China is the world's third largest lumber importer. Under its WTO accession agreement, China will substantially reduce tariffs on this import, thereby dramatically opening up the market to the American lumber industry.

Those are but a few examples of how China's accession into the WTO will provide numerous opportunities for Virginia business, particularly small- and medium-size companies which account for 54 percent of all exports from Virginia to China.

I believe it is in the long-term interest of the United States to maintain a positive trade relationship with China. I believe we can use our relationship to foster positive social, civil, and economic changes in China. Isolation tactics will only prevent the United States from having any influence over guiding China towards democratic reform.

Mr. MOYNIHAN. Mr. President, I yield such time as the Senator from Virginia may require.

Mr. WARNER. I thank my distinguished colleague. I will take but a few more minutes.

Therefore, I intend to vote loudly and strongly for this measure.

In conclusion, I am privileged to work in the Senate in the area of security, military and foreign relations as chairman of the Armed Services Committee.

In light of that, I have looked very closely at China. China is pushing many frontiers, whether it is the export of armaments or being involved in some of the most complex and fragile relationships the world over. We need only point out Pakistan and India and how Russia is on one side and China is on the other side. Let's only hope that their work with regard to that tension-filled part of the globe will be constructive and in a way to prevent any significant confrontation between those two nations.

Therefore, I think it is important that our military maintain its relationship with the Chinese. Given the tenuous situation with regard to Taiwan, and the strong principles of our Nation in trying to defend and support that democracy, I believe such a dialogue will give us a better opportunity to work on security relationships, whether regarding India and Pakistan, Taiwan or other regions of the world.

Mr. President, I think we are on the verge of a very historic moment. I commend the chairman and ranking member for their initiatives and long weeks of hard work.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I know Senator ROTH will join me in expressing great gratitude and appreciation for Senator WARNER's characteristic generosity. It comes from the chairman of the Armed Services Committee, which is doubly important.

Mr. President, we are nearly there. In a short while, the Senate will cast an epic vote. At the Finance Committee's final hearing on China this spring, on April 6, 2000, our last witness—Ira Shapiro, former Chief Negotiator for Japan and Canada at the Office of the U.S. Trade Representative—put it this way:

> . . . [this vote] is one of an historic handful of Congressional votes since the end of World War II. Nothing that members of Congress do this year—or any other year—could be more important.

This achievement—for it is a crowning achievement—caps an eventful year. All the more impressive in light of last December's ''global disaster''—as the Economist magazine on December 11, 1999, put it—that was the Seattle World Trade Organization Ministerial.

In January, it was thought that our long-standing trade policy was in serious jeopardy—the trade policy that, for 66 years—ever since Cordell Hull created the Reciprocal Trade Agreements program in 1934—has contributed so much to our nation's prosperity.

But we have prevailed. And more. In May, the Senate took up and passed—the vote was 77 to 19—the conference report on the Trade and Development Act of 2000—establishing a long overdue trade policy for sub-Saharan Africa and putting in place new trade benefits for the Caribbean Basin countries. That measure was the most significant trade legislation passed by the Congress in six years—ever since the Uruguay Round Agreements Act of 1994.

Now, just four months later, we are about to give our resounding approval to H.R. 4444, authorizing the extension of permanent normal trade relations to China. And with this action, we will have passed more trade legislation—important trade legislation—in this session of Congress than any session of Congress in more than a decade.

It has taken us a long while to reach the point of final passage of the PNTR legislation. We have most certainly not rushed this legislation through the Senate. The House approved the measure nearly four months ago, on May 24, by a vote of 237–197. The Senate, in effect, began its consideration before the August recess—on July 27th, when we invoked cloture on the motion to proceed to the bill. The vote was a decisive 86 to 12.

By the time this vote is cast, we will have completed eleven full days of debate. We have taken up and debated 19 amendments. We have considered every facet of U.S.-China relations, and we are now ready to give this measure our overwhelming approval.

And so we ought to do. We are giving up very little—the annual review of China's trade status that has had at best an inconsequential effect on China's domestic policies. In return, we are bringing China back into the trading system that it helped to establish out of the ashes of the Second World War.

For with its accession to the WTO, China merely resumes the role that it played more than half a century ago: China was one of the 44 participants in the Bretton Woods Conference—July 1–22, 1944. It served on the Preparatory Committee that wrote the charter for the International Trade Organization that was to complement the International Monetary Fund and the International Bank for Reconstruction and Development. And China was of course one of the 23 original Contracting Parties to the General Agreement on Tariffs and Trade—initially designed to be an interim arrangement until the ITO Charter would come into force. It did not: the ITO failed in the Senate Finance Committee and we were left with the GATT.

And in China, revolution intervened. The Republic of China (now on Taiwan) notified the GATT on March 8, 1950, that it was terminating ''China's'' membership. It was not until 1986 that the People's Republic of China officially sought to rejoin the GATT, now the World Trade Organization. And now, after 14 years of negotiations, China is poised to become the 139th member of the WTO.

It is elemental that China belongs in the WTO. It is in the interests of all trading nations that a country that harbors one-fifth of mankind, a country that is already the world's ninth largest exporter and eleventh largest importer, abide by the rules of world trade—rules that were, I would point out, largely written by the United States.

We, too, must abide by the WTO's rules. And thus we will approve today the legislation extending permanent, unconditional normal trade relations to China—fulfilling the most basic of our obligations under the WTO's rules—nondiscriminatory treatment.

Let me leave the Senate with the following observations from Joseph Fewsmith, an associate professor of international relations at Boston University and a specialist on the political economy of China. He writes in the National Bureau of Asian Research publication of July 2, 2000:

> Some historical perspective is necessary when thinking about PNTR. When President Nixon traveled to China in 1972, China was still in the throes of the Cultural Revolution. Mao Zedong was still in command, there were no private markets, intellectuals were still raising pigs on so-called ''May 7 cadre schools,'' and labor camps were filled with political prisoners. Nixon was treated to a performance of ''The Red Detachment of Women,'' one of only eight model operas that were permitted to be performed. Nearly three decades later—not a long period in historical terms—China has changed dramatically. Communes are gone, the planned economy has shrunk to a shadow of its former self, and incomes have increased dramatically. Personal freedoms, while by no means perfect, are greater than at any other time in Chinese history. China's opening to the United States is a major reason for these changes, a dramatic demonstration of the impact of international influence.

Mr. President, I urge my colleagues to cast their votes in support of H.R. 4444.

I would like to attenuate my remarks simply to take up the question of Taiwan and its accession to the WTO. This ought to be explicit and perhaps the last thing said in this debate.

Just as China ought to be in the WTO—will be in the WTO—so will Taiwan. Despite the bluster of senior Chinese officials, intermittently, and recently as well, Taiwan is on track to be invited to join the WTO at the same General Council session that will consider China's application.

Article XII of the Agreement Establishing the WTO provides that:

> . . . any State or separate customs territory possessing full autonomy in the conduct of its external commercial relations . . . may accede to the WTO.

In September 1992, the GATT Council—for the WTO was not yet in existence—established a separate working party to examine Taiwan's request for accession. The nomenclature was carefully chosen. Taiwan was called the ''Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.'' That is the formulation under which Taiwan will enter the WTO.

The President has confirmed this and confirmed in the strongest possible terms that the United States will not accept any other outcome. The President was adamant on this point in his letter of September 12. A copy was sent to me, and I believe a copy was also sent to our distinguished chairman. It says this:

> There should be no question that my administration is firmly committed to Taiwan's accession to the WTO, a point I reiterated in my September 8 meeting with President Jiang Zemin. Based on our New York discussions with the Chinese, I am confident we have a common understanding that both China and Taiwan will be invited to accede to the WTO at the same WTO General Council session, and that Taiwan will join the WTO under the language agreed to in 1992, namely, as the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (referred to as ''Chinese Taipei''). The United States will not accept any other outcome.

Mr. President, I ask unanimous consent that the President's letter of September 12 be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. MOYNIHAN. Mr. President, if China should attempt to block Taiwan's accession, I suggest to the Senate that there is a remedy. H.R. 4444 gives the President the authority to extend permanent normal trade relations status to China upon its accession to the WTO, but he need not do so. Indeed, if Taiwan's membership in the WTO is blocked, I would urge—and I am sure my beloved colleague, Senator ROTH, would urge, as I see him nodding—the President to simply refrain from extending PNTR to China. So we ought to put this matter to rest.

I have no doubt that there will continue to be bumps—some serious crises indeed—in our relationship with China. Neither membership in the WTO nor normalized trade relations with the United States will magically impose the rule of law in China or institute deep-seated respect for human rights. But certainly it has the potential to advance those purposes. That is why we are here and why we will shortly make this epic decision.

Finally, if I may have the indulgence of the Senate—and I know this is shared by the chairman—I want to read a short paragraph.

My only regret today is that with the final vote on PNTR for China, we must

bid farewell to our chief trade counsel, Debbie Lamb, who joined the Finance Committee staff over 10 years ago, in June 1990. Ms. Lamb has played an integral part in every major piece of trade legislation over the past decade—from the NAFTA and the Uruguay Round to our attempts to renew so-called fast-track negotiating authority to the two pieces of trade legislation that we passed this year: The Trade and Development Act of 2000, and now, at last, PNTR for China. Her knowledge and dedication to our committee's work has been exemplary. She is something that is very rare in Washington—a person with great breadth and great depth. The committee and I will miss her deeply as she leaves today to pursue the next phase of a distinctly distinguished career.

EXHIBIT 1

THE WHITE HOUSE,
Washington, September 12, 2000.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MOYNIHAN: I want to commend you for commencing debate on H.R. 4444, which would extend Permanent Normal Trade Relations to the People's Republic of China. This crucial legislation will help ensure our economic prosperity, reinforce our work on human rights, and enhance our national security.

Normalizing our trade relationship with China will allow American workers, farmers, and businesspeople to benefit from increased access to the Chinese market. It will also give us added tools to promote increased openness and change in Chinese society, and increase our ability to work with China across the broad range of our mutual interests.

I want to address two specific areas that I understand may be the subject of debate in the Senate. One is Taiwan's accession to the World Trade Organization (WTO). There should be no question that my Administration is firmly committed to Taiwan's accession to the WTO, a point I reiterated in September 8 meeting with President Jiang Zemin. Based on our New York discussions with the Chinese, I am confident we have a common understanding that both China and Taiwan will be invited to accede to the WTO at the same WTO General Council session, and that Taiwan will join the WTO under the language agreed to in 1992, namely as the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (referred to as ''Chinese Taipei''). The United States will not accept any other outcome.

The other area is nonproliferation, specifically the proposals embodied in an amendment offered by Senator Fred Thompson. Preventing the proliferation of weapons of mass destruction and the means to deliver them is a key goal of my Administration. However, I believe this amendment is unfair and unnecessary, and would hurt our nonproliferation efforts.

Nonproliferation has been a priority in our dealings with China. We have pressed China successfully to join the Nonproliferation Treaty, the Chemical Weapons Convention, the Biological Weapons Convention, and the Comprehensive Test Ban Treaty, and to cease cooperation with Iran's nuclear program. Today, we are seeking further restraints, but these efforts would be subverted—and existing progress could be reversed by this mandatory sanctions bill which would single out companies based on an unreasonably low standard of suspicion, instead of proof. It would apply a different standard for some countries than others, undermining our global leadership on nonproliferation. Automatic sanctions, such as cutting off dual-use exports to China, would hurt American workers and companies. Other sanctions, such as restricting access to U.S. capital markets, could harm our economy by undermining confidence in our markets. I believe this legislation would do more harm than good.

The American people are counting on the Congress to pass H.R. 4444. I urge you and your colleagues to complete action on the bill as soon as possible.

Sincerely,

BILL CLINTON.

Mr. ROTH. Will the Senator yield?

Mr. MOYNIHAN. Yes, of course.

Mr. ROTH. Mr. President, I only want to echo what my friend and distinguished ranking member has said about Debbie. We have accomplished a lot in the area of trade in recent years, and so much of the credit should go to the staff who have worked so hard and so long. Top among those is Debbie Lamb, who has been available not only to her side, but has been most helpful to the majority as well. Sometimes I think people don't recognize the cooperation that often exists between Members of the two parties. But I think what Debbie has done shows that bipartisanship is still alive. We would not be here celebrating today's vote if not for her splendid contribution.

Mr. MOYNIHAN. I say to our chairman, as evidenced by the fact that this measure was reported 19–1 in the Finance Committee.

I thank the Chair. We are at a moment of history and the omens are excellent.

Mr. ROTH. Mr. President, in keeping with the words of my distinguished colleague about Debbie, I want to say a few words of thanks to all those who worked so hard on this bill.

Of course, first, I have to thank my dear friend, our venerable colleague, and always gracious ranking member of the Finance Committee, PAT MOYNIHAN. It would never have been possible to be here today with the kind of vote I think we are going to enjoy if it had not been for PAT's leadership, for his knowledge and background, and his ability to bring people together. I thank him for his outstanding contributions.

I also thank Senators GRASSLEY, THOMAS, HAGEL, ROBERTS, and ROD GRAMS for helping manage the floor. We were on this legislation something like 11 days. There were times when PAT and I were called from the floor for other duties. It was most helpful to have these other individual colleagues helping manage the floor.

Again, I thank all of Senator MOYNIHAN's committee staff who are just as gracious as the Senator for whom they work. We have already talked about Debbie Lamb. But David Podoff—I want to express my warm thanks to you for bringing your expertise to bear on this legislative process. I agree with Senator MOYNIHAN. This is probably the most important piece of legislation that will be adopted this year, if not this decade. But again, it could not have happened without people such as Dave.

I would also like to thank Linda Menghetti, and Timothy Hogan, as well as Therese Lee, who I think was such a help as a member of the Senator's personal staff.

Finally, let me thank my own staff. I would like to claim that I have the best staff on the Hill. I certainly have one of the best, if not the very best.

Mr. MOYNIHAN. Sir, we have the best staffs.

(Laughter.)

Mr. ROTH. I yield to my distinguished Senator on that point. I stand corrected.

But, again, I really want to thank my personal staff, and my trade staff, whether it is Frank Polk, who is always there when you need him, and Grant Aldonas, Faryar Shirzad, Tim Keeler, J.T. Young, and Carrie Clark from the Finance Committee. I also particularly want to thank John Duncan and Dan Bob from my personal office. Dan is really one of our great experts on Asia, and on international politics in general. I owe him so much for his help during these last 2 weeks. Thank you all for a job well done.

Let me say it is an honor and pleasure to work with the ranking member.

Mr. MOYNIHAN. My honor, sir.

Mr. ROTH. I yield the floor.

Mr. MOYNIHAN. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 4516

Mr. THOMAS. Mr. President, I ask unanimous consent, notwithstanding provisions of rule XXII, that immediately following the cloture vote on the motion to proceed to the H–1B legislation, the Senate proceed to the conference report to accompany H.R. 4516, the legislative branch appropriations bill. I further ask unanimous consent that there be 2 hours for debate equally divided between the two managers, with an additional hour under the control of Senator MCCAIN, 1 hour under the control of Senator THOMAS, and 90 minutes under the control of Senator KENNEDY. Finally, I ask unanimous consent that following the use or yielding back of time, the Senate proceed to a vote on the adoption of the conference report, with no intervening action or debate. I add, provided that 30 minutes of the Democrat manager's time be under the control of Senator WELLSTONE.

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

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will