willing to serve the Bush administration with all they have to go through.

I look forward to working with my friend from Arizona to move as many of these as quickly as we can. As I told my friend on Friday, we had one person with a little problem and we just went around that, took care of everybody else. Even those we have problems with, they deserve their day in court, so to speak. So I appreciate the comments of the Senator from Arizona. I appreciate his cooperation in allowing us to have this bill on the floor.

Mr. KYL. I thank the Senator from Nevada.

Madam President, will the Chair advise me when I have gone 5 minutes. I do not want to impinge anymore on the time of the Senator from Oregon.

UNITED STATES-CHINA RELATIONS

Mr. KYL. Madam President, I wanted to speak briefly about the decision made last Friday to hold the next Olympics in Beijing, the 2008 games. Our Government was not involved in that. It is not a government-to-government kind of decision. But I am hopeful the fact that the United States did not, as a nation, weigh in on that decision—I am hopeful that did not send a signal to the leaders in Beijing that the U.S. Government either supports what that Chinese Government leadership does or does not object to many of the things which are done by that Government that violate human rights and in other ways suggest the country of China is not yet willing to join the family of nations.

I wanted to note a few of the activities of this recent Chinese Government that suggest to me the United States needs to take a very firm position with respect to China. That is why I say I am hopeful this decision that the Olympics go to China not be mistaken for U.S. support for what China has done.

As illustrated in recent press reports, China's bid for that honor has been the subject of much international attention. For example, the European Union Parliament recently passed a resolution declaring that China's bid is ''inappropriate'' and that it is ''unsuitable'' for the Games due to its ''disastrous record on human rights.''

The American government, however, chose to remain neutral on China's bid—a decision that I hope will not convey to China's leaders a signal that the United States is willing to blindly tolerate that country's continuing failure to abide by internationally-recognized norms of behavior. Consider just a few events of recent months:

The collision of our reconnaissance plane with a Chinese fighter jet—the result of a Chinese pilot's aggressive flying.

China's detention and interrogation of our plane's crew for nearly two weeks, and submission of a $1 million bill to the United States.

China's detention and arrest of American citizens and permanent residents without clear evidence of wrongdoing or illegal activity—including Gao Zhan, Wu Jianmin, Li Shaomin, and Tan Guangguang. Li Shaomin was convicted of espionage on July 14 and reportedly will be expelled from China in the near future.

China's systematic torture and murder of hundreds of members of the Falun Gong—including the recent deaths of approximately fourteen peaceful adherents in a Chinese labor camp.

China's hardening of its crackdown on this group—including a new legal directive issued by Chinese judicial authorities on June 10 authorizing courts to prosecute Falun Gong practitioners for intentional wounding or murder, or for organizing, encouraging or helping other followers commit suicide or injure themselves. Additionally, it states that followers can be prosecuted if they produce or distribute anti-government materials.

China's execution of at least 1,781 persons during the past *three months*—more than the total number of executions worldwide over the past *three years*

A former Chinese doctor's testimony on June 27 to the House International Relations Committee that his job required him ''to remove skin and corneas from the corpses of over one hundred executed prisoners, and, on a couple of occasions, victims of intentionally botched executions.''

The Chinese military's ongoing large-scale military exercises in the South China Sea aimed at preparing that country for an invasion of Taiwan.

China's shipments to Cuba of arms and explosives, the latest of which reportedly occurred in December.

China's continuing assistance and provision of military technology to rogue regimes, including the case involving the Chinese firm that helped Iraq outfit its air defenses with fiber-optic equipment.

China's continuing purchases from Russia of conventional weapons, including plans to purchase two additional Sovremenny destroyers armed with Sunburn anti-ship cruise missiles.

There is no doubt that dealing with China will continue to be a challenge.

Whatever we do, we have to make sure that we don't send signals to China that we approve of these kinds of actions. Not standing in the way of their getting the Olympic games I hope will not send that kind of a signal.

And there is no alternative. It is the world's most populous nation (and biggest potential market); it has the world's largest armed forces; and it is a permanent member of the U.N. Security Council. Its economic and military strength has grown a great deal in recent years, and is projected to continue to grow significantly in the coming decades.

There are many areas of potential disagreement with other nations, such as trade policy and human rights violations. But the one source of potentially catastrophic consequences is China's insistence that, by *negotiation* or force, Taiwan must be reunited with the mainland, and that conflict with the United States is inevitable as long as we stand in the way of that objective. We cannot ignore this very real and potentially dangerous situation. How we deal with it will dictate the course of history.

The United States must develop a more comprehensive and realistic policy toward China, one which promotes good relations while not ignoring unpleasant exigencies.

In March, two days prior to the collision over the South China Sea, I spoke on the Senate floor about the challenge of dealing with China's growing military strength. I discussed in detail China's threatening rhetoric aimed at the United States and Taiwan, and warned of that country's rapid military modernization and buildup. And most importantly, I asked the question: what if China's leaders mean what they say? To assume they do not, particularly in light of the prevalence of highly threatening public statements and military writings could mean leaving ourselves deliberately vulnerable to potential Chinese aggression, (or impotent to deal with Chinese aggression against others).

China, unfortunately, has not been a very cooperative member of the international community. Several years ago, at a New Atlantic Initiative conference in Prague, I discussed America's role in that community and our vision for a world in which the United States could work side-by-side with other democracies, stating,

> If I had to sum up in one sentence the U.S. national interest in the world, I would say that it is promoting the security, well-being, and expansion of the community of nations that respect the democratic rights of their peoples.

China cannot become a member of this trusted family until there is a serious change in the attitude of its leadership. Indeed, China's leaders systematically violate the most fundamental rights of the Chinese people. Moreover, they increasingly lack respect for the democratic rights of individuals visiting China, including U.S. citizens. The Chinese government seeks to maintain absolute control over all domestic political matters. It remains resistant to what it considers interference in its internal affairs, threatening the use of force, if necessary, to achieve its objectives, including reunification with Taiwan. And China actively pursues foreign policies that risk destabilizing the South China Sea.

In the long-term, our goal must be to live in peace and prosperity with the Chinese people; however, to do so requires that we reconcile the different aspirations of our governments. It is clear that many of the Chinese government's goals conflict with American values, and it is important that we do not to compromise these values in dealing with the communist regime.

We should, instead, encourage China to adopt a less aggressive and less threatening attitude through firm and principled interactions with that country's leaders.

Since the formal establishment of the People's Republic of China in 1949, the United States has purposely remained ambiguous about the degree to which we recognize the governments in Beijing and Taipei. Our ''One-China'' policy, dating back to the Shanghai Communique of 1972, has served U.S. strategic and economic interests, allowing the United States to peacefully retain ties with China and Taiwan.

On one subject, however, there should be no ambiguity—U.S. policy in the event China should ever attack democratic Taiwan. That is why I am pleased that President Bush made very clear to China that the United States will actively resist any such aggression. Yet even those measures ostensibly intended to eliminate any doubt of our commitment to Taiwan have not been so concrete. While we presented Taiwan with an arms package that will help that island build its defensive forces, the United States cannot ensure that Taiwan will ever receive the diesel submarines that were included since we do not build them and it remains unclear as to whether another country would be willing to provide a design for them.

Additionally, President Bush chose not to include Aegis destroyers in this arms package, though he reserves the right to sell them in the future should China continue or increase its belligerent behavior toward Taiwan. In light of China's military exercises in the South China Sea, perhaps now is the time to seriously consider this option.

We must be very clear in our own minds about our strategic intentions and just as clear in signaling these intentions to China. The object is to avoid a situation in which China's leaders miscalculate and are tempted to use force against Taiwan in the mistaken belief that they won't meet resistence from the United States.

History is replete with examples of ambiguity fostering aggression. Perceptions of American ambivalence contributed to North Korea's invasion of South Korea and Iraq's invasion of Kuwait, for example.

We have also observed instances where conflict never occurred because of the resoluteness of our stance. Our unambiguous commitment to contain Soviet expansion and defend our Western European allies during the Cold War enabled Western Europe to escape the grip of communism. And it led to one of the greatest accomplishments in history: the West's victory without war over the Soviet Empire.

There is an old saying that, ''There is nothing wrong with making mistakes. Just don't respond with encores.'' Let us not repeat the mistake—failing to signal our commitment to defend our friends and our interests—that has many times led the United States to military conflict. China should be certain that we will help Taiwan resist any aggression against it.

We should make every effort to work with China, trade with China and seek greater understanding of our mutual cultures—while, at the same time, appropriately dealing with all aspects of China's troubling behavior. This offers our greatest hope for maintaining a balanced relationship near-term and helping to bring about change in the communist regime in the longer term. While reconciling our two very different views about the relationship of a nation's people to its government requires patience, and even some short-term compromise, the United States cannot remain true to its fundamental belief in the natural rights of man without promoting respect for human rights, the rule of law, and the embrace of democracy by all governments, including the government of China.

There are five specific aspects of China's behavior that require a straightforward, firm response from United States: China's proliferation of ballistic missiles and weapons of mass destruction; its threats and corresponding military buildup opposite Taiwan; its threatening rhetoric and missile buildup aimed at the United States; its human rights abuses; and its history of refusing to play by economic rules.

China is perhaps the world's worst proliferator of the technology used to develop and produce ballistic missiles and weapons of mass destruction. Beijing has sold ballistic missile technology to Iran, North Korea, Syria, Libya, and Pakistan. It has also sold nuclear technology to Iran and Pakistan. It has aided Iran's chemical weapons program and sold that nation advanced cruise missiles. And it has sold Iraq fiber-optic cables, and assisted with their installation between anti-aircraft batteries, radar stations, and command centers.

Chinese assistance has been vital to the missile and weapons of mass destruction programs in these countries. And because of this assistance, the American people and our forces and friends abroad now face a much greater threat.

The United States needs to impose sanctions on Chinese organizations and government entities for their proliferation activities, as required by U.S. laws. Sanctions need not be the first or only tool used in the fight against proliferation. Nor, however, should this tool grow rusty from disuse. As the Washington Post noted in an editorial on July 14, 2000, ''China's continuing assistance to Pakistan's weapons program in the face of so many U.S. efforts to talk Beijing out of it shows the limits of a nonconfrontational approach.'' We must back our frequent expressions of concern with actions if our words are to be perceived as credible.

Unfortunately, the United States has all too often sent a signal to Beijing that its irresponsible behavior will be tolerated by failing to enforce U.S. laws requiring sanctions, or doing so in ways deliberately calculated to undermine the intent of the sanctions. For example, China transferred M–11 missiles and production technology to Pakistan in violation of the Missile Technology Control Regime, despite promising to adhere to that agreement. U.S. law requires sanctions to be imposed on nations that transfer technology regulated by the MTCR. In 1993, the Clinton Administration imposed sanctions on China's Ministry of Defense and eleven Chinese defense and aerospace entities for violations of Category 2 of the MTCR—despite the fact that the M–11 transfers were Category 1 violations—thereby imposing the mildest form of sanctions possible. Then, in return for a Chinese promise in October 1994 not to export ''ground-to-ground missiles'' covered by the MTCR, the Clinton Administration waived the sanctions.

After the waiver, despite a steady stream of press reports, Congressional testimony, and unclassified reports by the intelligence community that described China's continued missile assistance to Pakistan, the Clinton Administration did not impose sanctions as required by law. Assistant Secretary of State for Nonproliferation Robert Einhorn said in Senate testimony in 1997 that sanctions had not been invoked on China for the sale of M–11s to Pakistan because the Administration's ''. . . level of confidence [was] not sufficient to take a decision that [had] very far-reaching consequences.'' The Clinton Administration appeared to have purposely set a standard of evidence so high that it was unattainable.

Madam President, China has promised six times during the past two decades not to transfer missiles and missile technology—in 1988, 1989, 1991, 1992, 1994, and 2000—and six times has broken its promises without any consequences. It is no wonder that China does not take seriously its obligations.

I recently joined several of my colleagues in sending a letter to President Bush expressing concern about Beijing's continuing proliferation activities. The letter states:

> The PRC's most recent missile nonproliferation promise was made on November 21, 2000. China promised not to assist, in any way, any country in the development of ballistic missiles that can be used to deliver nuclear weapons, and to abide by the MTCR. The PRC further pledged to issue export regulations covering dual-use technologies. However, no regulations have been promulgated, and we are concerned that China has continued to transfer missile equipment and technology in contravention of both the MTCR and its November pledge.

In return for China's November 2000 pledge, the previous administration ''swept the decks clean,'' sanctioning numerous Chinese entities for their activities and subsequently waiving those sanctions. And again it appears as though China may be continuing to transfer missile equipment and technology. We do not need more empty

promises from China—we need action. It is important that the Bush Administration signal to China by imposing sanctions required by U.S. nonproliferation statutes and making them stick that the United States will no longer tolerate that country's irresponsible proliferation activities.

In addition to enforcing nonproliferation laws, we should also resist efforts to weaken controls on the export of dual-use technologies, which China can use to further modernize its military, as well as transfer to other countries. In particular, I am concerned that the Export Administration Act of 2001 would reduce the ability of the U.S. government to maintain effective export controls on such items.

An Asian Wall Street Journal op-ed published on March 19 by two researchers at the Wisconsin Project on Nuclear Arms Control described how the Chinese firm that helped Iraq outfit its air defenses with fiber-optic equipment has purchased a significant amount of technology from U.S. firms and is seeking to import more. For example, the op-ed indicated that one such firm has applied for an export license to teach this Chinese company how to build high-speed switching and routing equipment that will allow communications to be shuttled quickly across multiple transmission lines. The U.S. government should have the ability to deny exports of dual-use technology to a company such as the Chinese firm in this case.

The second of five areas of concern is China's belligerent behavior toward Taiwan. China is intent on gaining control over that island—by force if necessary—and is taking the necessary military preparations that would enable it to do so. According to an article published in the Washington Post on April 27, Wu Xinbo, a professor at Fudan University's Center for American Studies in Shanghai, stated:

> At this moment it's very difficult to argue that there's still a high prospect for a peaceful solution of the Taiwan issue . . . From a Chinese perspective there has to be a solution to Taiwan either way, peacefully or with the use of force. Given [the] change in U.S. policy . . . you have to give more weight to the second option.''

The ''change'' to which he was referring was the U.S. commitment to come to Taiwan's defense articulated by President Bush.

China's threats have been backed by rapid efforts to modernize its military. The immediate focus of the modernization is to build a military force capable of subduing Taiwan swiftly enough to prevent American intervention. According to the Department of Defense's Annual Report on the Military Power of the People's Republic of China, released in June 2000, ''A cross-strait conflict between China and Taiwan involving the United States has emerged as the dominant scenario guiding [the Chinese Army's] force planning, military training, and war preparation.''

To solidify its ability to launch an attack against Taiwan, China is increasing its force of short-range ballistic missiles opposite the island. According to an article in the Wall Street Journal on April 23, U.S. defense officials estimate that China currently has 300 such missiles aimed at the island, and is increasing this number at a rate of 50 per year.

China is also in the process of modernizing its air force and navy. The Defense Department's June 2000 report predicted that after 2005, ''. . . if projected trends continue, the balance of air power across the Taiwan Strait could begin to shift in China's favor.'' The same report warned, ''China's submarine fleet could constitute a substantial force capable of controlling sea lanes and mining approaches around Taiwan, as well as a growing threat to submarines in the East and South China Seas.''

In response to the growing threat and Taiwan's increasing vulnerability to an attack, President Bush approved the sale to Taiwan of some much-needed defensive military equipment. As noted, however, the sales are limited in practical effect and, in any event, must be accompanied by proper training and coordination with the U.S. military in order to be useful in conflict.

In addition to the Chinese military's investment in hardware, Beijing has increasingly focused on advanced training methods, demonstrating joint-service war-fighting skills in its military exercises that are steadily altering the balance of power across the Taiwan Strait. Over the past several years, these exercises have shifted from an intimidation tactic to a more serious effort intended to prepare China for an invasion of Taiwan.

Beijing's amphibious exercises at Dongshan Island in the Taiwan Strait have illustrated this increasing level of sophistication in war-fighting tactics and interoperability. A Chinese state-owned newspaper, Hong Kong Ming Pao, reported on June 1 that China's Central Military Commission proposed that these exercises be held near Taiwan ''in order to warn the United States and the Taiwan authorities not to play with fire over the Taiwan issue.'' Furthermore, according to the same article, ''the main aim of this exercise will be to attack and occupy Taiwan's offshore islands and to counterattack U.S. military intervention.'' Another article in the state-owned Hong Kong Wen Wei Po on June 4 stated that the purpose of the exercise ''not only includes capture of [the islands around Taiwan], but also how to tenaciously defend these islands and turn them into wedges for driving into the heart of the enemy.''

According to an article in the New York Times on July 11, the official Chinese publication, International Outlook Magazine, described in detail these recent ''war games''. The games reportedly occurred in three stages. The first, information warfare, was intended to paralyze enemy communications and command systems electronically. The second involved a joint navy, infantry, and air force landing on Dongshan Island. And the third, according to the Chinese publication, simulated a ''counterattack against an enemy fleet attempting to intervene in the war.'' It was also reported that this final stage incorporated Russian-bought SU–27 fighter aircraft. Thus far, military experts state that China has had difficulty incorporating these aircraft into its arsenal, and its ability to do so indicates a significant improvement in its ability to integrate military operations.

Taiwan's war-fighting skills are not nearly as advanced. For over twenty years, the United States has cut Taiwan off from the intellectual capital that should accompany the hardware we sell, thus reducing the readiness of that island's forces. Our defense officials and military personnel need to be able work with their Taiwanese counterparts to ensure that they know how to use the equipment and they will be capable of operating alongside U.S. forces. Increased interaction would better prepare Taiwan's military to defend itself in the event of a Chinese attack, reduce the possibility that the United States would need to become involved in such a conflict, and inevitably save lives.

This leads directly to the third area of concern—China's actions that directly threaten America. China's harsh rhetoric aimed at the United States is accompanied by Beijing's build-up of long-range missiles targeted at our cities, acquisition of anti-ship cruise missiles to counter U.S. carrier battle groups, and development of cyberwarfare and anti-satellite capabilities. China also understands the importance of aggressive intelligence operations against the United States.

In February 2000, the People's Liberation Army Daily, a state-owned newspaper, warned the United States against intervening in a conflict in the Taiwan Strait, stating,

> On the Taiwan issue, it is very likely that the United States will walk to the point where it injures others while ruining itself . . . China is neither Iraq or Yugoslavia . . . it is a country that has certain abilities of launching a strategic counterattack and the capacity of launching a long-distance strike. Probably it is not a wise move to be at war with a country such as China, a point which U.S. policymakers know fairly well also.''

China is, in fact, continuing to increase its capacity to launch a long-distance strike against the United States. The Defense Department's report, Proliferation: Threat and Response, states:

> China currently has over 100 nuclear warheads. . . While the ultimate extent of China's strategic modernization is unknown, it is clear that the number, reliability, survivability, and accuracy of Chinese strategic missiles capable of hitting the United States will increase during the next two decades.
>
> China currently has about 20 CSS–4 ICBMs with a range of over 13,000 kilometers, which can reach the United States. Some of its ongoing missile modernization programs likely

will increase the number of Chinese warheads aimed at the United States. For example, Beijing is developing two new road-mobile solid-propellant ICBMs. China has conducted successful flight tests of the DF–31 ICBM in 1999 and 2000; this missile is estimated to have a range of about 8,000 kilometers. Another longer-range mobile ICBM also is under development and likely will be tested within the next several years. It will be targeted primarily against the United States.''

China's military has also taken steps to improve its capability to counter U.S. carrier battle groups, in response to its encounter with the U.S. Navy in 1996. It has acquired two Sovremenny destroyers from Russia armed with Sunburn anti-ship cruise missiles, and according to an article in the Washington Times on May 4, plans to purchase two more. These weapons were designed to attack U.S. carriers and Aegis ships during the Cold War and are a significant improvement to the Chinese Navy's capabilities in this area.

In addition to its buildup of conventional and nuclear weapons, China's military is also placing an emphasis on information warfare, including computer network attacks and anti-satellite operations. In September 2000, the U.S. Navy identified China, among several others, as having an acknowledged policy of preparing for cyberwarfare and as rapidly developing its capabilities. In fact, an article in the People's Liberation Army Daily in 1999 stated that the Chinese military planned to elevate information warfare to a separate service on par with its army, navy and air force.

Also of great concern is the Chinese military's development of a broad range of counterspace measures, including an anti-satellite (ASAT) capability. According to China's Strategic Modernization: Implications for the United States, written by Mark Stokes, ''Chinese strategists and engineers perceive U.S. reliance on communications, reconnaissance, and navigation satellites as a potential Achilles' heel.'' The Defense Department's June 2000 report warned that China may already possess the capability to damage optical sensors on satellites and furthermore, that it may have acquired high-energy laser equipment and technical assistance that could be used in the development of ground-based ASAT weapons.

An article in Jane's Missiles and Rockets on May 1 confirmed the Defense Department's warning, stating that China's state-run press reports indicate that country is, in fact, developing an ASAT capability. It is currently in the ground-testing phase and will start flight testing in 2002.

In light of China's threatening rhetoric and its efforts to acquire the capabilities that could allow it to carry out those threats, we must begin to implement a broad range of measures that will safeguard our national security.

First, we need to develop and deploy a missile defense system to protect ourselves and our allies from an accidental or deliberate missile launch and to eliminate the possibility of blackmail by hostile powers. As President Bush recently stated in a speech to the National Defense University,

> We must seek security based on more than the grim premise that we can destroy those who seek to destroy us. . . . We need a new framework that allows us to build missile defenses to counter the different threats of today's world. To do so, we must move beyond the constraints of the 30 year old ABM Treaty. This treaty does not recognize the present, or point us in the future. It enshrines the past. No treaty that prevents us from pursuing promising technology to defend ourselves, our friends and our allies is in our interests or in the interests of world peace.

Second, the United States needs to develop better anti-ship cruise missile defenses. Systems to counter the cruise missile threat have lagged behind the level of that threat, despite the fact that, according to the U.S. Navy, over 75 nations possess more than 90 different types of anti-ship cruise missiles.

We must also prepare for China's potential use of information warfare. It is important that we find ways to protect our computer networks from hacking, to eliminate future lapses in security, as most recently occurred at Sandia National Laboratory in Mexico. According to an article in the Washington Times on March 16, this attack has been partially attributed to hackers with links to the Chinese government.

The United States should also develop defenses against China's ASAT weapons. As the Commission to Assess United States National Security, Space Management and Organization recently concluded:

> The present extent of U.S. dependence on space, the rapid pace at which this dependence is increasing and the vulnerabilities it creates, all demand that U.S. national security space interests be recognized as a top national priority.

With this goal in mind, Secretary Rumsfeld recently announced a reorganization of our Nation's space programs. Moreover, President Bush, recognizing U.S. reliance on our network of satellites for civilian and military uses, has stressed the need for ''great effort and new spending'' to protect our satellites from attack.

Of course, our ability to defend against China's increasing military capabilities is largely dependent on our knowledge of their development. We must do a better job of ascertaining Chinese government plans and intentions (and proliferation activities) and improve our counterintelligence vis-a-vis China.

The fourth area of concern is the Chinese government's deplorable human rights record that, according to the State Department's Country Reports on Human Rights Practices, has continued to deteriorate over the past year. The report states:

> The [Chinese] Government continued to commit widespread and well-documented human rights abuses in violation of internationally accepted norms. These abuses stemmed from the authorities' extremely limited tolerance of public dissent aimed at the Government, fear of unrest, and the limited scope or inadequate implementation of laws protecting basic freedoms . . . Abuses included instances of extrajudicial killings, the use of torture, forced confessions, arbitrary arrest and detention, the mistreatment of prisoners, lengthy incommunicado detention, and denial of due process.

According to an Amnesty International report on June 7, China has executed at least 1,781 persons during the past 3 months—more than the total number of executions worldwide over the past 3 years. Moreover, the report indicates that 2,960 people have been sentenced to death in China during this brief time period.

What is the significance to the United States of such abuses? First, they are not only directed at Chinese citizens; they are also directed at Americans. Second, if China is to become a reliable member of the international community, it must begin to adhere to accepted norms of behavior. In this regard, China's leaders seem to be oblivious to the understanding that all people deserve certain basic freedoms and that violation of such fundamental rights is an appropriate concern of the United States and the world at large. For example, when questioned by the Washington Post about China's detention of several Americans, Chinese President Jiang Zemin stated, ''. . . the United States is the most developed country in the world in terms of its economy and it high-tech; its military is also very strong. You have a lot of things to occupy yourself with . . . why do you frequently take special interest in cases such as this?''

Jiang Zemin's perplexity speaks volumes. Until the Chinese leadership understands why Americans and most of the rest of the world make such ''a big deal'' over denial of the rule of law, it will be hard to reach a reconciliation of our mutual aspirations. For example, the Chinese government's continued detention of two American citizens and two U.S. permanent residents—Gao Zhan, Wu Jianmin, Li Shaomin, and Tan Guangguang—is unacceptable, and should be much more the focus of official U.S. government attention. One of these individuals, Li Shaomin was convicted of espionage on July 14 and is expected to be deported from China. With regard to the others, China has failed to present evidence of wrongdoing or illegal activity, or indicate when their cases might begin to move forward.

President Bush addressed China's detention of Americans in a phone conversation with Chinese President Jiang Zemin on July 6, making clear that they should be ''treated fairly and returned promptly.'' These words need to be reinforced with actions. While the State Department issued a travel advisory in March to American citizens and permanent residents of Chinese descent

traveling to China who have connections to Taiwan or have openly criticized the Chinese government, we can also deny visas to Chinese officials, seek international sanctions, and continue to link an improvement in human rights to other policies, as we did with the Soviet Union and Eastern Europe.

As I mentioned earlier, I am concerned that our government's neutrality on Beijing's ultimately successful bid to host the 2008 Olympic Games may send a signal of U.S. tolerance of China's inappropriate behavior. With the Secretary of State visiting China to help prepare for the President's trip this fall, there is an opportunity to reinforce our opposition to the repressive behavior of China's leaders. While some hope otherwise, it seems unlikely that the International Olympic Committee's choice of Beijing will bring about positive change in the communist regime. In fact, I fear that the decision could serve to strengthen the standing of China's communist leaders in the world, as the 1936 Games glorified and emboldened Nazi Germany.

The only hope for a positive result of China hosting the games is a concerted effort by our government, Europeans (and others) and human rights groups using the occasion to push China's leaders. The multitude of media covering the games can also help.

During the 1980's President Reagan was a champion for human rights, standing up for freedom, democracy, and civil society. He passionately spoke of American values and universally-recognized rights, and more importantly, backed his words with action. In his 1982 ''Evil Empire'' speech before the British House of Commons, President Reagan stated:

> While we must be cautious about forcing the pace of change, we must not hesitate to declare our ultimate objectives and to take concrete actions to move toward them. We must be staunch in our conviction that freedom is not the sole prerogative of a lucky few but the inalienable and universal right of all human beings.

This is the course we must chart in the coming years. China must understand that a friendly, productive relationship with the United States can only be based upon mutually shared values. Beijing's human rights abuses are anathema to the American people, and relations cannot reach their full potential as long as the communist government continues to violate the most fundamental rights of worship, peaceful assembly, and open discourse. A failure to reconcile this most basic attitude will result in continued strained relations.

The final area of concern is that, in addition to its violation of other international norms, China has a history of failing to play by accepted economic rules, placing an extensive set of requirements on companies that wish to do business in China and imposing an array of trade barriers on imports that compete directly with products made by domestic Chinese firms. Such barriers make it difficult for U.S. companies to penetrate China's market. The result is a surging U.S. trade deficit between us, reaching $85 billion in 2000.

On June 1, President Bush submitted to Congress a determination extending normal trade relations status to China for another year, allowing that country's WTO (World Trade Organization) negotiations to continue. Not until these negotiations are completed and China has acceded to the WTO will the permanent normal trade status approved by the 106th Congress take effect.

In June, China took a significant step toward WTO accession by completing its bilateral WTO agreement with the United States. That country must now complete bilateral negotiations with Mexico and resolve several outstanding issues related to its multilateral agreement before its accession package proceeds to the WTO's Working Party, and then to the WTO's General Council, for approval.

As a member of the WTO, China will be required to play by the same rules as all other members. China's membership in this organization has the potential to improve our trading relationship, benefitting many American businesses and consumers, as long as China holds to its agreements.

Finally, we expect that China's accession to the WTO will be immediately followed by Taiwan's accession to this organization. Last September, I received a letter from President Clinton that responded to a letter I sent him in July 2000 (along with 30 other Senators), that sought assurances that his Administration remained committed to Taiwan's entry to the WTO under terms acceptable to Taiwan. In the letter the former President stated that, ''My administration remains firmly committed to the goal of WTO General Council approval of the accession packages for China and Taiwan at the same session.'' The letter went on to say that ''China has made clear on many occasions, and at high levels, that it will not oppose Taiwan's accession to the WTO.'' However, the President acknowledged that, ''China did submit proposed language to their working party stating that Taiwan is a separate customs territory of China,'' but went on to say that it had ''advised the Chinese that such language is inappropriate and irrelevant to the work of the working party and that we will not accept it.''

Further, in a September 2000 letter to Senators LOTT and DASCHLE, President Clinton stated:

> . . . I am confident we have a common understanding that both China and Taiwan will be invited to accede to 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.

We must continue to make clear to China that it would be unacceptable to the United States for China to fail to live up to its commitments not to block Taiwan's entry to the WTO as a separate customs territory, Chinese Taipei, not a customs territory of China.

Mr. President, let me briefly recap the concerns I have raised today regarding China's proliferation of ballistic missiles and weapons of mass destruction, its threats and military buildup opposite Taiwan and the United States, it human rights abuses, and its history of failing to play by accepted economic rules.

I believe our policy toward China should be one of strength and firmness, with friendly intentions, but never compromising U.S. principles. In the long-term, our goal must be to live in peace and prosperity with the Chinese people; however, to do so requires that China's leaders begin to alter their behavior. As Robert Kagan and William Kristol wrote on April 16 in the Weekly Standard, with regard to China's handling of the collision of our reconnaissance plane and China's fighter jet, ''China hands both inside and outside the government will argue that this crisis needs to be put behind us so that the U.S.-China relationship can return to normal. It is past time for everyone to wake up to the fact that the Chinese behavior we have seen is normal.'' To conduct business as usual with a communist regime that mistreats its people and threatens the security of Americans and our allies would be a dereliction of our duty as a world leader. We have no higher obligation than the protection of Americans, and the support of our friends and allies, including Taiwan, which stands to lose the freedoms it has worked so hard to sustain in face of resistance from China's communist regime.

During his ''Sinews of Peace'' address in 1946, Winston Churchill stated,

> Our difficulties and dangers will not be removed by closing our eyes to them. They will not be removed by mere waiting to see what happens; nor will they be removed by a policy of appeasement.

As it has so often been said, those who ignore history are condemned to repeat it. In the face of obvious belligerency and determination to impose a different set of rules by China's leadership, the United States must not repeat the mistakes of the past. We cannot stand idle or look away in the face of the Chinese behavior and rhetoric I have discussed.

There is no doubt that China will play a larger role on the world stage in the coming years. Our goal must be to ensure that China's leaders do not assume that this heightened stature grants them the right to attack Taiwan or be a force for belligerency and instability in the world.

Dealing with China will be a challenge, but America does not fear challenge. Our greatest hope for change remains, as it has always been, to stand firmly as a force for peace and progress, and to champion no less for

the people of other countries what we guarantee for our own citizens. I am confident that, if we make clear our friendly intentions to China and follow through with actions that reinforce our words, Beijing will, in time, respond positively, Taiwan will continue to flourish, and China can be welcomed as a peaceful and productive member to the community of nations.

I express the hope that by holding those games in Beijing, the media, human rights organizations, and others will work to hold the Chinese leadership accountable for what goes on in that nation.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Madam President, before he leaves the floor, I want to express my thanks to the Senator from Arizona. Because of his thoughtfulness, I am able to speak now. I want him to know I very much appreciate that.

PRESCRIPTION DRUGS

Mr. WYDEN. Madam President, tomorrow I intend to introduce bipartisan prescription drug legislation with the senior Republican on the Senate Finance Committee's Subcommittee on Health, Ms. OLYMPIA SNOWE of Maine. For more than 3 years, Senator SNOWE and I have teamed up in an effort to address this prescription drug issue, of which the Presiding Officer is acutely aware. It is one of the most vexing and contentious of all issues. We have been trying to address it in a bipartisan fashion. Perhaps no issue in the last political campaign generated more controversy, more attack ads on both sides, and more bitterness rather than thoughtful discussion than the question of prescription drugs for seniors.

The reason Senator SNOWE and I are moving now with the introduction of our bipartisan legislation tomorrow is that we are hopeful that when the Senate Finance Committee takes up the prescription drug legislation issue at this month, the legislation we have put together can serve as a template, a beginning, for a bipartisan effort to address this issue.

Our legislation marries what I think are the core principles that Democratic Members of this body have advocated with certain key principles that Republicans have felt very strongly about as well. I want to discuss briefly tonight how our legislation does that.

The legislation that I drafted with Senator SNOWE, for example, has a defined benefit, which is absolutely key for the Nation's senior citizens. The alternative is what is known as a defined contribution—a sort of a voucher which you hand an older person, or a family with sort of a wish and a hope that maybe they will get meaningful benefits.

What Senator SNOWE and I have done—which has been extraordinarily important to Senator DASCHLE, and correctly so, in my view—is to make sure that under our legislation every senior would get these defined benefits.

Second, our legislation ensures that the program is inside the Medicare Program. It is a part of the Medicare Program because, as the Presiding Officer of the Senate knows, the alternative is to in effect begin the privatization of Medicare and the prescription drug benefit. It is essential that this program be an integral part of Medicare. That is something that Senator SNOWE and I have felt very strongly about.

The third part of the legislation ensures that older people will have bargaining power to help make prescription drugs in this country more affordable. Older people today are in effect hit by a double whammy. Prescription drugs are not covered by the Medicare Program, of course, and they haven't been since the program began in 1965.

When an older person isn't able to afford prescription drugs and has no private coverage, when they go to a pharmacy—in effect that senior citizen is subsidizing the person who gets their prescription drugs through a group plan. An individual who is fortunate enough to have bargaining power because they have insurance coverage, in effect is subsidized by the older person who has no coverage at all.

Our legislation ensures that older people would have an opportunity to have real bargaining power. This is key for the millions of older people who spend well over a third of their income on prescription drugs.

Finally, our legislation is voluntary. We want to make sure that the message goes out far and wide that any older person who is comfortable with their prescription drug coverage today can just keep it and in no way would be required or coerced to alter the prescription drug coverage with which they are comfortable. If they have a retirement package, or in some way get this assistance, our legislation would not in any way alter what they are receiving.

Having had the privilege of working with the Presiding Officer on health care legislation over the years, I am pleased that I have a chance tonight to describe our bipartisan bill with you in the Chair.

I think we all understand that there is no one who has studied the health care system today—not a Democrat or a Republican—if they were redesigning Medicare, who wouldn't include a prescription drug benefit.

A physician in Washington County in my home State of Oregon wrote me not long ago saying that he put a senior citizen in the hospital for 6 weeks because that person couldn't afford their medicine on an outpatient basis. Medicare Part A, of course—the hospital portion of the Medicare Program—covers prescription drugs. If the older person goes into the hospital, Medicare Part A will write out that check, no questions asked. Medicare Part B, of course, has no outpatient prescription drug benefit.

What happened in Washington County, in my home State of Oregon, recently is that the Medicare Program probably paid out $50,000 or $60,000 for the costs associated with hospitalizing a patient to get prescription drug coverage rather than making this benefit available on an outpatient basis the way I and Senator SNOWE and the Presiding Officer have sought to do for so many years.

Very often, when I am out around the country, people come up to me. They say: RON, can this country afford prescription drug coverage? We are going to have this demographic sunami. Are we going to be able to afford to cover all of these older people?

I think what we have learned here is that very clearly this country can't afford not to cover prescription drugs. We can't afford to allow the repetition of what happened in Washington County in Oregon and across this country where so many older people could have, with modest prescription drug assistance, prevented much more serious illnesses. And I could cite one drug after another tonight.

Strokes are a very important health concern for older people. The cost of caring for a person who has had a stroke can be $125,000 or $150,000. But we have many drugs available that help prevent strokes that cost $800 or $1,000 a year.

So the hour is late, and I am not going to go through one example after another. But I would say, what Senator SNOWE and I are trying to do is break the gridlock on this issue. I have been at it for more than 3 years now with Senator SNOWE. We got a majority of the Senate, in the last Congress, to vote for funding a prescription drug program that, frankly, is much broader than what we are talking about now. Senator SNOWE and I were able to get over 50 Members of the Senate to vote for a tobacco tax to cover a prescription drug program.

We are not talking about that at all here. In the budget resolution we have $300 billion to start a prescription drug program. I believe a properly designed prescription drug program would cause future Congresses to make available additional funds to meet this pressing need. The challenge today is to look at some of the sensible ideas that Senator DASCHLE, the majority leader, has advocated, such as a defined benefit, ensuring that the program is inside Medicare, providing bargaining power for older people, and marrying the sensible ideas Senator DASCHLE has talked about with some of the Republican ideas that promote choice and competition.

As I have said to my colleagues on other occasions, we have a precedent for doing that. One of the accomplishments of which I am proudest is to have been the sponsor, when I was in the House of Representatives, of the Medigap legislation which really drained the swamp of so many questionable private insurers selling senior citizens policies that really were not worth the paper on which they were written.