create a high-level dialogue between U.S. and African leaders on economic issues, to start the process toward a U.S.-sub-Saharan free trade area—to help Africa develop and prosper through improved business relationships with our companies. We want these relationships to help Africa grow, to expand job opportunities, to become more market oriented as they reform economically and to become less dependent on foreign aid from other nations.

Some will say this bill is not worthy of support because it does not provide enough benefit for the United States. Fortunately we don't always pass legislation solely on what it can do for us immediately. We need to look ahead, which we don't do enough of here, but this legislation is a good example of how we should act. The more than 700 million people of sub-Saharan Africa represent an enormous market of the future for us. Right now my State of Minnesota is the 15th largest exporter to the region. We must continue to improve our export opportunities, but we can't do that if we don't allow sub-Saharan Africa the ability to export to us. If we are not there now helping them help themselves, developing the relationships needed to build friendship and trust, sub-Saharan Africans will not want to buy our products in the future. And we know how many other countries are there to step in if we are not there. Again, we can't expect to develop an export market there if we are not with them during the hard times when sub-Saharan Africans need us to give them a small edge to compete for exports into the United States. If Africa can't become strong and prosperous, it will not be able to buy our products in the future.

A strong and secure Africa will not only benefit trade, but will help us achieve our goals in areas such as drug trafficking, terrorism, human rights, and many others.

I also want to mention a statement I just read whereby AIDS activists oppose this legislation because they believe sub-Saharan African countries will spend more on business investment than on social services spending such as health care. I strongly disagree with this thinking. The Africa Growth and Opportunity Act will help countries grow and prosper. It will enable these governments, and their people to spend more on their health care needs, including the need to fight the devastation of AIDS.

Mr. President, this bill is a good one. It complements what we are doing in so many other ways to help sub-Saharan Africa. The entire package is one we should enthusiastically support. I urge my colleagues to vote for this trade package without damaging amendments.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. I ask unanimous consent that I be allowed to speak as in morning business for 15 minutes.

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

THE PANAMA CANAL

Mr. SESSIONS. Mr. President, along with Senators LOTT, THURMOND, HELMS, KYL, INHOFE, ALLARD, and TIM HUTCHINSON, I have introduced a concurrent resolution, with the House, regarding the transition of control of the Panama Canal from the United States to the Republic of Panama. I thank my colleague, the chairman of the Foreign Relations Committee, Senator HELMS, for agreeing to discharge the resolution quickly to give Congress a chance to consider it in a timely manner.

I hope we can bring this resolution before the Senate, debate it, and vote up or down on the merits. Indeed, the Senate must be heard on this issue, which is important to our national security.

In accordance with the 1977 Panama Canal Treaty, the withdrawal of the United States Armed Forces from Panama is almost complete, and with it will be the relinquishment of our control of the canal, which will take place December 31 of this year.

The canal is of vital interest, however, to the United States, and it is an invaluable world asset. Unfortunately, Panama's ability to maintain and provide adequate security for the canal is lacking. Exacerbating this tenuous situation is the growing influence of the People's Republic of China in the region.

Almost as soon as we started our pullout, a company called Hutchison–Whampoa, closely associated with the People's Republic of China, began to establish its presence and to fill the void left by the United States in Panama. Hutchison–Whampoa, Limited, holds leases for two port facilities at either end of the canal. Documented evidence shows that Hutchison–Whampoa, Limited, is closely tied to the Chinese Government.

The fears voiced by the American people when the United States negotiated this treaty in 1977 have been validated. The American people were right to be skeptical of Panama's ability to adequately maintain the operability of the canal and guarantee its independence and security. These fears were supposedly addressed in the Panama Canal Treaty's companion, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, which promises that the canal will remain open during times of peace and war. It also guarantees ''expeditious transit'' to the United States through the canal in times of conflict, generally interpreted to mean that, in an emergency, U.S. warships would be sent to the head of the line. Still not satisfied with these provisions, the Senate, under Senator DECONCINI's reservation, insisted on the right of the United States to intervene militarily, if necessary, if it appeared the canal was about to be closed or threatened. Apparently, Panamanian President Torrijos did not agree and offered his own counter-counterreservation, nullifying DECONCINI. Inexplicably, this counterreser-vation, which Panama ratified, was never transmitted to the Senate for consideration.

Consequently, in 1996, the Panama Government awarded control of two key port facilities through a questionable bid process to Hutchison–Whampoa. Under the so-called Law No. 5, passed by the Panamanian National Assembly, it appears Hutchison–Whampoa has the authority to block or delay passage of ships through the canal to meet its business needs. This Chinese company could simply declare that passage of U.S. warships could be harmful to their business and we would have a serious problem in moving ships through the Panama Canal.

I have heard from many of my constituents on this issue. Some believe China will attempt to base bombers and missiles there. The Department of Defense has asserted this scenario is unlikely. However, recent antagonistic statements by China, such as thinly veiled threats concerning Taiwan and declarations possessing the neutron bomb, are reasons for people to be concerned.

There are two legitimate security concerns related to regional spying, narcotrafficking, illegal immigration, and the creation of bureaucratic obstacles which over the long term could impede the flow of traffic through the canal. Such actions could have a significant impact on American trade.

The Panama Canal sees the transit of nearly one-third of the world's shipping each year, including 15 percent of all imports and exports of the United States, 40 percent of U.S. grain exports, and in the vicinity of 700,000 barrels of oil every day. Though prohibited by treaty, Hutchison–Whampoa, perhaps at Chinese's behest or with their influence, could impede commercial military traffic.

We hope this will not occur. There is no immediate indications that it will occur. But stopping the flow of these exports is a possible consequence of the leases that have been executed, and they could have significant devastating impacts on free trade, particularly for the United States.

The resolution I introduced was intended to address the issue of the Panama Canal security to raise the concerns of the Congress to the President, before some action is taken that could in the long term damage or threaten our security.

Panama has recently elected a new government. By reputation, President

Moscoso is a woman of the highest personal character and possesses an astute political intellect. I am confident of her ability to lead Panama into the 21st century and to positively contribute to the security and economic growth of the Western Hemisphere. I believe there is probably no better time than while this new administration is in its infancy to engage Panama in discussions to address the concerns I have described.

As this resolution calls for, the United States should request that the Moscoso government investigate the charges of corruption or improprieties related to the granting of the Panama Canal contract to operate the ports by the previous administration.

Prior to the awarding of these leases, several consortiums—some of which included U.S. bids—had submitted bids to operate the ports that were better than offers made by Hutchison-Whampoa. Without warning, Panama twice closed and reopened the bidding process, changing the rules and accepting higher bids after the bidding was supposed to have been closed. At one point, it is said that Panama asked a U.S. company to rescind its bid, citing a potential monopoly of firms in Panama. The sudden rules changes and unusual requests, at the very least, raised suspicions. Our Ambassador to Panama vigorously protested this bidding procedure and fought hard against it. The matter is even more troubling because the contracts have, by the passage of laws in Panama, extended them to the length of 25 to 50 years. It is called Law No. 5 in Panama.

Therefore, this resolution also requests that if President Moscoso, along with her government, finds illegal or improper dealing in this bidding process, they take steps to ensure a new process be undertaken; that it be transparent and fair to all parties.

The final provision of this resolution addresses the security issues. The canal, its mechanism of locks and dams, is fragile at best. By their own admission, Panama doesn't have the necessary resources to protect it. It disbanded its military after the U.S. invasion in 1989 to oust the Noriega regime. Now, as the United States has withdrawn its military forces—there are only a few hundred troops remaining today—drug trafficking through Panama has begun to increase. Panama's national police force is ill equipped by all admissions and is not prepared to counter this threat.

The Colombian civil war is spilling over Panama's eastern border and the threat of terrorism is growing daily. Russia and other organized crime groups are developing bases in the isthmus. Further, China's newfound foothold in the Americas has affected the flood of illegal immigrants who are coming in, using Panama as the staging area for their journey to the United States.

As a U.S. attorney, around 1990 I prosecuted a major international alien smuggling case involving a planeload of Chinese citizens who were brought to Panama and then secreted into the United States. They were able to be stopped, arrested, and people were prosecuted for it. Even at that time, China was using Panama as a conduit to bring illegal aliens into the United States. There is evidence that there is a Chinese role in this smuggling.

Our resolution calls for the negotiation of security arrangements to protect the canal and Panama on a mutual basis, respecting the sovereignty of each nation to protect Panama and the canal from any outside forces that might undermine it and undermine the free trade on which we have come to depend that goes through the canal.

The United States must not abrogate its leadership responsibilities when we relinquish control of the canal. We must emphasize to Panama our legitimate interest that sound security standards be maintained, and we must work with Panama to fight corruption, illegal drug activity, gun running, and illegal immigration rings. The United States must also send a clear message to China, or any other entity with designs on the canal, that we will guarantee the security and neutrality of the canal through all necessary force.

China's influence in Latin America has been expanded. We certainly don't want to see a resurgence of Communist activity in the Western Hemisphere at this time in history.

I see the majority leader is here. I thank him for his leadership and interest in so many areas, particularly in this matter.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I say to my colleague from New York, I will be brief. I have a cloture motion to file.

But I do also want to comment just briefly on the remarks of the Senator from Alabama. I thank him for his remarks. He is raising very important concerns—ones that I have discussed with the Chairman of the Armed Services Committee, and I have written to the Secretary of Defense expressing my concerns. As a result of the correspondence with the Secretary of Defense, and our worry about the Chinese involvement in the Panama Canal through a particular company having control of port facilities on both ends of the Panama Canal, our concern is about what is their relationship with the Chinese Government as well as other concerns as we move toward turning over the Panama Canal on December 31.

Narcoterrorism is of concern in the area, as well as corruption in the government. We do, at this very moment, have a hearing underway in the Senate Armed Services Committee. We have had Members of Congress testify about their concerns. We have a panel now that includes General Wilhelm, who has jurisdiction for our military over that region; Ambassador Gutierrez from the State Department, answering questions; as well as the Honorable Aleman Zubieta who is Deputy Administrator, I believe, of the Commission. That testimony is underway right now. Secretary Weinberger is there. I know they are looking forward to Senator SESSIONS returning to ask questions.

There may be no problem here, although there is clearly a problem with narco-terrorism and corruption in the government. But I think we have an absolute responsibility to ask questions and get into the law about how this is going to work.

There is a provision in Law No. 5, as it is described in Panama, that raises some questions about how U.S. military vessels would have access to the Panama Canal after December 31. To the extent they say they would have right of passage provided it didn't interfere with the operations of the Panama Canal, we need to make sure we know what is happening there. We are going to carry out our responsibilities in that effort. I thank Senator SESSIONS for his work in that also.

AFRICAN GROWTH AND OPPORTUNITY ACT—Continued

Mr. LOTT. I thank the chairman of the Finance Committee and ranking member for being here and being willing to proceed on this important legislation. I do think we have an opportunity with this CBI and African free trade legislation to be able to have better relations and trade with Central America, with the Caribbean, and with Africa. I believe it will be in the interests of all countries concerned. It is the right attitude.

There are a lot of terms being thrown around in recent weeks about isolationism. This is clearly a case where, by trading with countries in Central America, the Caribbean and Africa, we can open up not only trade but relationships and opportunities for peoples in all the countries involved, including the United States. So I am glad we have proceeded to this legislation.

The Senate has been debating the motion to proceed because there had been objection to going to the bill itself. That is as a result of the objection to its immediate consideration by Senator HOLLINGS. I wanted to see if maybe we could go ahead, get started, have some debate and amendments and then not have to debate the motion to proceed and then debate the bill itself, but it looks as if we are not able to at this time proceed in that way. Since there has been objection and this is an important trade bill, one with major implications, one I discussed with the President three times this week alone, about his interest and concern and support of this legislation, I think it is important we file cloture and try to find