

significant concessions which go most of the way to creating a commercially meaningful agreement.

The U.S. negotiators deserve immense credit for their tremendous achievements of the past months, absolutely amazing, perhaps even more for their willingness to refuse bad offers in the past years and remain firm in the commitment to strong accession in all areas.

Several issues, however, remain unresolved. I am especially and very strongly concerned that we are not accepting any rapid phaseout of nonmarket economy dumping rules or import surge provisions. We can also improve on the market access commitments in several of the service sectors. However, we should also understand that there is a point at which we should say yes. We should not set a goal of transforming China's trade regime into Hong Kong's by next New Year's Day. Rather, we should expect a good, commercially meaningful accession, and we are almost there now.

Finally, let me say a few words about the broader interests involved. A WTO accession is a set of unilateral trade concessions; in this case, made by China. As such, it is in our economic and our commercial interest. It will create opportunities while making trade fairer for our working people and farmers. But it is also a piece of a larger strategy designed to create a more stable, a more prosperous and more peaceful Asia-Pacific region.

China's economic integration into the Pacific region since the opening under President Nixon in 1972 has been immensely important to our long-term national interests. We can see that very clearly in the Asian financial crisis, for example.

When I came to Congress, China was a revolutionary power, which would have used this recent currency crisis to spread disorder, spread revolution throughout Southeast Asia and the Korean peninsula. But today it is a beneficiary of Thai, Singapore, Korean and Malay investment, and these countries are also China's markets. China has responded to the crisis by contributing to their recovery through currency stability and several billion dollars in contributions to IMF recovery packages.

The WTO accession will deepen and strengthen this process. At the same time, it will move China toward the rule of law, give Chinese working people, students and families more frequent, more open contact with foreigners and, thus, contribute to our work toward a China which has more respect of the law and more respect for human rights.

Mr. President, the U.S. negotiators thus far have done an excellent job. They have already offered American farmers a ray of hope during a very difficult year. We are very close to acces-

sions that will make trade with China fundamentally more fair for our country. It will then be up to the Senate, to our colleagues, to take the final step by making the normal trade relations we now offer to China permanent.

I thank the Chair. I yield the floor, and I suggest the absence of a quorum.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. HUTCHINSON). If the Senator will withhold, morning business is closed.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 900, which the clerk will report.

The legislative assistant read as follows:

A bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

Pending:

Sarbanes (for DASCHLE/SARBANES) amendment No. 302, in the nature of a substitute.

The PRESIDING OFFICER. The time until 12 noon shall be divided between the Senator from Texas and the Senator from Maryland, with 23 minutes for Senator GRAMM and 17 minutes for Senator SARBANES.

The Senator from Texas.

Mr. GRAMM. Mr. President, I yield 3 minutes to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. I thank the Chair.

Mr. President, I thank Senator GRAMM for yielding me the time. I have a comment or two with respect to the process that we have gone through in putting this legislation together.

I commend Senator GRAMM. I can't think of a time in my now 17 years in the Congress where I have had a chairman of a committee that has spent as much time with the other members of the committee, walking through a particular piece of legislation, each aspect of it, making sure that each of us was prepared and educated on the various issues. There are some difficult issues that face us—the whole issue of CRA, unitary thrifts, the mixing of banking and commerce, the issue of operating subsidiaries versus affiliates, all of them complicated.

I can remember not too many years ago when there was this sense in America that the model which should be followed was the Japanese banking system that people looked at and said, we ought to look at Japan, the dynamic economy they were producing in the late 1980s. I think about how much things have changed in those 10 years.

Mr. SARBANES. Will the Senator yield on that point very briefly?

Mr. MACK. I will be glad to yield for a moment.

Mr. SARBANES. I remember people would say that the Japanese had all the largest banks in the world and they were saying, look. And now look at the situation.

Mr. MACK. It is a dramatic change, and here we are. We have been talking about this legislation for all those years and we haven't made the modifications we needed to make. I hope we will be successful this time.

I rise in support of the underlying bill and in opposition to the Sarbanes substitute. We all know that legislation to overhaul the bank regulatory structure is long overdue, and I join many of my colleagues in thanking the chairman for his hard work in writing this bill and bringing it to the floor.

I will begin by quoting the words of the Senate Banking Committee report, which I believe presents a strong case for financial modernization. It states:

The argument for legislation to rationalize our financial structure is strong. Regulatory and court decisions have eliminated many of the barriers between commercial and investment banking. The barriers separating commercial banks from investment banks have been perforated in both directions. Finally, changes in the technology and practice of financial intermediation have rendered the restrictions of Glass-Steagall increasingly ineffective and obsolete.

There is nothing particularly remarkable about that language, Mr. President. In fact, those same arguments will be made by many of my colleagues here today. But what is remarkable about the statement I just read is that it comes from a committee report on banking legislation in 1991. Just as I believed those words to be significant 8 years ago, I believe them to be even more so today. Unfortunately, there was no overhaul of our banking system in 1991. And despite much hard work and a clear need for action, there has been none since. We are long overdue for this debate and I am pleased the Senate is addressing this important issue.

Freedom and free enterprise have allowed our corporate and financial institutions to respond to changing times and to adapt to a changing financial environment. But this ability has reached its limits within the confines of present law. For our financial institutions to continue to grow, to compete, and to evolve, we must give them a new legislative climate in which to operate. That is the purpose of the bill before us today.

Mr. President, our banking system is truly a model for the world. Emerging economies from Asia to Africa to Central Europe look to the United States for the blueprint and technical expertise to build an effective financial infrastructure. This is happening because we have found a remarkable balance