

\$70 billion, just taking this year's figure, would cost us 1,400,000 jobs to China with a \$70 billion trade deficit. Now, they say, oh it does not work in reverse, it just works this way. Well, tell that to people who are losing their jobs.

Now, again, I come to this floor as a free and fair trader, and I come from a city built on trade and many people there are not in support of my position. But I will tell my colleagues this: they can advocate all they want. We have the facts here, and we have a responsibility to the public interest, and we must talk about the jobs issue.

People talk, and my colleague from New Jersey has mentioned the textile issue. We have already said, textiles are low tech, they will go offshore; but that is not all that is going offshore. Many of these circuit boards, there is so much that is being done offshore in the high-tech industry. Let us take an example: aerospace. Boeing, Boeing, Boeing sets our China policy, we know that. But in aerospace, do my colleagues know that there is a province in China called Tian Province. You probably know it from the clay soldiers that are there, but there are also there 20,000 workers who make \$60 a month making parts of the Boeing airplanes, 20,000 workers. There is a book called *Job on the Wing*, and it describes this transfer of technology and production of jobs in the aerospace industry, which is one of the leading advocates for the PNTR. No wonder. Philip Condit, the head of Boeing, said when a plane flies to China, it is as if it is going home, so much of it has been made there.

So do not talk to us about this being about U.S. jobs. It is largely about U.S. investment in China; it is on platforms for cheap labor to export back to the U.S. But let us say, let us say it is about what they say it is about, that we really are going to have this good deal and it is going to create jobs, if the Chinese government complies with the terms of the agreement, which as our distinguished whip earlier spelled out, their reinterpretation already at the 1999 China-U.S. trade agreement, not to mention the fact that they have never honored any trade agreement all along the way.

Workers' rights and what workers make. Today, there was a press conference our colleagues had and a worker had just come from China. He worked in a group that made \$40 a day. Divide that up among 24 workers for this particular product. I know the product, but it is up to him to say, that worker to divulge that. Mr. Speaker, \$40 a day divided up among 24 workers for a full day's work. So workers' rights, well, they are a competitiveness issue, and although it is a human right as well, it is about jobs.

The environment is a competitiveness issue as well. I was pleased to join

our colleagues in sending a letter all around talking about the disappointment we had that this bilateral agreement, the U.S.-China bilateral agreement negotiated by the Clinton administration did not prioritize transfer and export of clean energy technology to China. It could have, but it did not. Also, it did not obtain a commitment from China that it would not use the World Trade Organization to challenge invasive species controls under the CITES, and that any trade investment agreement with China should place basic environmental obligations on U.S. corporations so that they do not escape the regulations that are in the U.S. That is a competitiveness issue.

So here we have a situation where we are helping to despoil the environment of China, where we are helping to abuse the workers' rights and, by the way, the workers in China whom I have met with have said, you are throwing us into the sea when you go down this path. Do not salve your own conscience by having some code of conduct or some other camouflage, because only we can speak for ourselves; and until we, the workers of China, can speak for ourselves and can organize, only then can you talk about trade with China lifting up workers in China.

So here we have this situation where we do not even know if the Chinese will agree to it; it is not completely negotiated. The trade representative has said the mechanism for compliance has not been negotiated yet, and for this we are squandering our values and our national security and 1,400,000 U.S. jobs.

Mr. DEFAZIO. Mr. Speaker, the gentleman from Ohio has been very patient. There is only a couple of minutes left, but I understand that the gentleman from California (Mr. DREIER) would like to yield to him during the next hour. I have another commitment, and I have to leave, but he wants to yield time to someone to debate.

Mr. DREIER. Mr. Speaker, I said I will yield to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thought the gentleman from California might yield to the gentleman from Ohio.

Mr. Speaker, I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Speaker, may I inquire as to how much time there is?

The SPEAKER pro tempore (Mr. COOK). The gentleman from Oregon has 1 minute remaining.

Mr. KUCINICH. Mr. Speaker, this is the beginning of a lively debate that will take place over the next few days.

The administration is attempting to inject this idea of this being a national security vote. Well, look at the kinds of high technology which we are buying now from China as a result of a \$70 billion trade deficit where we have forgotten the commitment that we should have to this country's security first.

We are buying now from China, not shipping there. We are buying turbojet aircraft engines, turbo propeller aircraft engines, radar designed for boat and ship installation, reception apparatus for radio, prism binoculars which are military issue, rifles that eject missiles by release of air and gas, parts for military airplanes and helicopters, parascoopes designed to form parts of machines, turbojet aircraft engines, transmitters, bombs, grenades, torpedoes, and similar munitions of war.

They are making this now and selling it back to us. What is happening with this country? We are forgetting about our own strategic industrial base.

ONE-MAN TRUTH SQUAD

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. DREIER) is recognized for 60 minutes as the designee of the majority leader.

Mr. DREIER. Mr. Speaker, I have taken out this Special Order to lead at this point what will be a one-man truth squad to try and respond to some of the things that have been said over the past hour about this issue. During that time, I am happy to yield to my friend from Oregon who refused to, I guess like the Chinese leadership, refused to yield to me when I was simply going to ask a question in response to the fact that the gentleman from Michigan referred to me.

So let me just take a few minutes to respond to a couple of those points that were made that come to mind and then talk about this general issue, and then I should inform my friends that I would love to do this over the hour, but because of the fact that my colleagues would not yield to me and because of time constraints, I have to be upstairs for another commitment in about 12 minutes. There are two television programs. I am going to be debating, in fact, the minority whip on one of the television programs where he and I will discuss this, but it was a previous commitment that my office made for me. So I hope my friends will understand. But I will try within the 12-minute period that I have to, unlike my friends from the other side of the aisle, yield to them for a question or a comment, and I will do it just as generously as I possibly can. It will certainly be more generous than my democratic colleagues did.

Let me say this: this vote that we are going to be casting the day after tomorrow is the single most important vote that we will cast, clearly, in this session of the Congress. I believe that as we look at this question, it really transcends simply the issue of job creation and economic growth. It has to do with whether the United States of America is going to maintain its role as the paramount global leader.

Why is that so important? It is very important because this building in which we are all seated or standing, happens to be the symbol throughout the world for freedom, and one of the most important freedoms that exists happens to be economic freedom.

Now, my colleagues were talking about the fact that over the past 2 decades, we have seen the United States grant Most Favored Nation status to the People's Republic of China, and look how bad the situation is. Well, Mr. Speaker, they are not going to get an argument from me about many of the problems that exist in China today. I am the first to admit that we have very serious human rights problems. In fact, I will take a back seat to no one in this Congress or anywhere in demonstrating concern about human rights. I have adopted Refuseniks, I brought wounded Mujahadine in from Afghanistan during that war, I have worked for human rights, I marched to the Chinese embassy the week after the Tiananmen Square massacre in June of 1989.

So anyone who tries to claim that those of us who believe passionately in economic freedom and want to expand that throughout China are somehow placing American business interests above the interests of our very precious American values are wrong. They are wrong in making that claim. They fail to realize the interdependence of political and economic freedom, and they fail to recognize that while over the last couple of decades we have dealt with a situation which has provided China one-way access to the U.S. consumer market, this is a vote that is unlike any in the past. This vote does, in fact, pry open that market with 1.3 billion consumers, nearly five times the population of the United States. Do they have a standard of living or a wage rate that is anything like that of the United States? Absolutely not.

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Mr. Speaker, I want them to. I want them to. I aspire to seeing economic strength throughout the world and even for the impoverished hundreds of millions in China.

Now the minority whip talked earlier about some quotes that came from Chinese leaders stating that if in the area of insurance, for example, they do not like a decision that is made, they will ignore it. They talked about the area of agriculture and some leader in China saying if they do not like exactly what is taking place in some deal that is put together, that they will just null and void it. That is the whole point of what it is we are trying to do here, Mr. Speaker.

We are trying to put into place a structure whereby the People's Republic of China, a country that, yes, has violated agreements in the past, a country that has not been forthright, a

country that has been very repressive, they will, under this agreement, be forced to live with a rules-based trading system; and, as I said, for the first time they will be forced to open up their markets.

What happens if they decide to thumb their nose at an agreement that is made? We have for the first time, Mr. Speaker, an opportunity with 134 other nations, this international organization known as the WTO, and I know many people like to criticize it, but do they know what the goal of the WTO going right back to when it was the general agreement on tariffs and trade in 1947, established following the Second World War, do they know what the goal of it was? To cut taxes; to cut taxes. That is the *raison d'être* for what was the GATT and now the WTO, because, Mr. Speaker, a tariff is a tax. A tax, unfortunately, creates a situation whereby we do not allow for the free flow of goods and services.

Let us talk about the issue of automobiles, and I will say that on the issue of automobiles we have a situation where we export about 600 cars a year into China. That tariff is 45 percent. It drops under this agreement. I cannot say that every one of the 1.3 billion Chinese will be able to buy a sport utility vehicle at \$50,000, but I will say this, that there will be an opportunity to sell more U.S.-manufactured automobiles in China.

I will say another thing. They keep saying on the other side of the aisle that we are trying to do everything that we possibly can to make sure that companies have a chance to move to China, set up operations there. Well, Mr. Speaker, they can do that today.

Guess what? They have to do it today because of domestic content requirements that exist in China. But under this agreement, those domestic content requirements are thrown out. So the incentive that many companies have to open up their plants in China today will not be as great.

I do not want to stop any company from making a business decision if they want to move to China. I do not think it is my responsibility. I do not think it is government's responsibility to block the free flow of goods, services, ideas, or businesses, but I do think that anything we can do to provide an incentive for a level playing field, whereby these companies can stay in the United States and still sell their products there, is the right thing for us to do.

Mr. Speaker, I would be happy to yield if there is a question or two to my friend from Oregon (Mr. DEFAZIO), if he would like to pose a question to me.

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding. That is generous of him, and I regret again that earlier, because of the number of Members I had here, I could not yield to him.

The gentleman seems to be mixing the issue of the WTO and rules and enforceability with the permanent normal trade relations accession by the United States. There is nothing in the WTO that says that permanent normal trade relations status must be granted before a country can accede. We can recommend and vote for their accession without giving up our right to annually review the actions of the Chinese Government in a host of areas, including conformance with trade agreements, which the gentleman admits they have violated in the past.

Mr. DREIER. If I can reclaim my time, I will explain this. Let me explain the situation as it exists. Last Friday, we saw an agreement that was struck between the European Union and the People's Republic of China. That agreement will basically seal the deal whereby, as I said, the other 134 nations that are members of the WTO will be able to have access to the Chinese consumer market, and it is absolutely essential that the United States of America, if we as a nation are going to have that same access to the Chinese market, that we grant permanent normal trade relations.

Why? Because under the Jackson-Vanik provision that exists, the constant review would, in fact, prevent us from having the consistent access that all the other countries have into the Chinese market. It seems to me that as we look at that, it is very important for us, as the world's paramount leader, to be not behind the 8-ball but, in fact, we are the ones who should be providing the leadership, and that is exactly what we have done to date. We have been encouraging the other member nations of the WTO to proceed with their negotiations with the People's Republic of China.

We had, actually, what I thought was a very good arrangement a year ago this past April; and unfortunately it was not accepted. But negotiations continued and our great U.S. Trade Representative, Ms. Barshefsky was able to put together a very good deal last November when she sealed that package, and the contingency is that we must grant permanent normal trade relations to make that happen.

Now I believe that we should continue to have some review. We do need to do everything that we possibly can to make sure that we raise tough questions about human rights policies, about other provisions. That is why we have included what is referred to as the Bereuter-Levin proposal. That proposal will allow us the opportunity to, through a Helsinki-type commission, have 14 representatives, 9 Members of Congress and 5 appointees from the executive branch, who will meet and make recommendations and observe the human rights policies that exist in China.

So when my friend said that he believes it is important that we continue

to review it, we are going to have a delegation of Members of Congress who will be part of this.

I see my friend from New Jersey (Mr. FRELINGHUYSEN) has just arrived, and I would be happy to yield to him.

Mr. DEFAZIO. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I have yielded to my friend, the gentleman from Oregon (Mr. DEFAZIO), and I think it is only fair, since I have to leave in 3 minutes.

Mr. DEFAZIO. Mr. Speaker, will the gentleman yield on that issue? I have a particular question on that issue.

Mr. DREIER. I am happy to yield to my friend, the gentleman from Oregon.

Mr. DEFAZIO. The gentleman mentioned we needed this agreement for regular relations and access to the Chinese market, but has the gentleman read the agreement signed in Beijing July 7, 1979 which says, and I quote, any advantage, favor, privilege or immunity that either of the parties grants to like products originating in or destined for any other country or region in all matters regarding shall be granted to each of the signers of this agreement?

We already have an agreement which says they must do that and we must do that with them, and they are violating it.

Mr. DREIER. I agree there have been violations of agreements. That is why we have a retaliation mechanism within the WTO. We have not had a means by which we could retaliate. That is what the WTO is all about.

Mr. Speaker, at this point I am happy to yield to my friend from New Jersey (Mr. FRELINGHUYSEN). Mr. Speaker, at this juncture I have to go upstairs. I ask unanimous consent to yield the balance of my time to the gentleman from New Jersey (Mr. FRELINGHUYSEN), and if I can come back in just a few minutes I will try to do that.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from California.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. FRELINGHUYSEN) will control the time of the gentleman from California (Mr. DREIER).

Mr. FRELINGHUYSEN. Mr. Speaker, I thank the gentleman from California (Mr. DREIER) for yielding, and I thank the gentleman from Georgia (Mr. NORWOOD) for his assistance in allowing me to precede him.

The SPEAKER pro tempore. The RECORD should reflect that the decision to yield was also with the acquiescence of the majority leader. The gentleman may proceed.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in support of extending permanent normal trade relations with China and to talk for a few minutes about

how this agreement will benefit my State, New Jersey and, of course, the Nation.

Mr. Speaker, international trade, whether with China or any other Nation, means jobs for New Jerseyans and the continued prosperity for our State. That is the bottom line.

Out of New Jersey's 4.1 million member workforce, about 600,000 people Statewide from Main Street to Fortune 500 companies are employed because of exports, imports, and direct foreign investment. Currently, China ranked as New Jersey's ninth largest export destination in 1998, an increase from 13 in 1993.

Our Garden State has exported \$668 million in merchandise to China in 1998, more than double what was exported 5 years earlier.

Mr. Speaker, for many months now I have been actively spreading the positive word about the benefits trade with China will bring to my home State of New Jersey. I found many companies that are being just as active in educating their own employees, customers, and the public about the benefits to their business and to our national economy that permanent trade with China brings about. I congratulate these firms, particularly American International Group based in Madison, New Jersey.

In Livingston, New Jersey, AIG, for example, has devoted a public policy Web site for AIG employees to learn more about the importance of trade with China. They should be commended.

Mr. Speaker, I have also written many of the large and small businesses in my congressional district to get their reaction to the need for permanent trading relations with China, and I would like to report back on what some of these companies are saying about PNTR and why it is important to them.

Bill Donnelly, President of the Morris County Chamber of Commerce said, and I quote, "This, meaning trade with China, is about more than just a transfer of products. It is a transfer of values." end of quotation.

Tommy Thomsen, president and CEO of the shipping giant Maersk, based in Madison, said, and I quote, "Our experience is that artificial trade barriers hurt all shipping companies, from the largest global carrier to the smallest niche player. Our own business and that of the U.S. exporters have excelled when companies are allowed unencumbered access and are given a chance to compete. American exporters have and will respond with ingenuity, with creative ideas and technology to make them competitive," end of quotations.

Armand J. Visioli, President of Automatic Switch Company in Florham Park, New Jersey, believes, and I quote, "The failure to provide PNTR

for China would mean our global competitors would enjoy significant advantages in the China market while American companies and farmers would see no change to the status quo." End of quotations.

The New Jersey State Chamber of Commerce, quote, "Recognizes the importance of economic engagement with China in order to not only enjoy the vastly improved trading relations with an emerging economy but also to position itself for continuing input on human rights conditions as well." End of quotation.

The New Jersey Farm Bureau said, and I quote, "Expanding agricultural trade opportunities is a solid weapon to combat the low commodity prices plaguing farmers and driving down the domestic farm economy." End of quotation.

Joe Gonzalez, Jr., President of the New Jersey Business and Industry Association, said to me in a letter, "Annual reviews of China's trade status over the past 20 years have had a negative impact on the United States-China relations by restricting opportunities for U.S. workers to compete in the global market. U.S. exports to China currently support hundreds of thousands of jobs and the Chinese market represents the most important growth market for American agriculture. U.S. firms need to be part of China's development to remain competitive and to encourage private market development." End of quotations.

The governor of my State, Christine Todd Whitman, has urged support for PNTR and said, "Because international trade and investments are integral to New Jersey's economic vitality, the outcome of debate of whether to extend PNTR to China will have unquestionable ramifications for New Jersey. We anticipate substantial export growth for both goods and services from New Jersey in the Chinese market. Continued export growth in the region will lead to increased business for our ports as well." End of quotations.

Richard Swift, chairman and president and CEO of the Foster Wheeler Corporation in Clinton, New Jersey, said, "Foster Wheeler Corporation is one of the largest exporters of power generation equipment to China. One typical Foster Wheeler boiler export adds \$10 million to \$12 million to New Jersey's economy each year. These expenditures support 1,200 jobs at our New Jersey-based suppliers, many of which are small- and medium-sized businesses." End of quotations.

Mr. Speaker, as we are aware, New Jersey is a medicine cabinet of the Nation, home to the world's major pharmaceutical companies, providing both the medicines and research that save lives around the globe.

Jack Stafford, chairman, president and CEO of American Home Products in Madison, had this to say about the

China agreement, and I quote, "The United States is the world's leader in pharmaceutical innovation, reflecting our long-standing support for a business environment that rewards competitive strength and scientific research, medical innovation and biotechnology. The United States' pharmaceutical industry first entered China 20 years ago. Today there are 19 major research-based pharmaceutical companies in China. These leading U.S. companies have about \$750 million in annual sales and 12 percent of its \$6.1 billion Chinese market."

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"The market is growing nearly 10 percent annually. U.S. research pharmaceutical companies have helped introduce innovative world class medicines greatly improving the lives of millions of Chinese patients.

"American home products investment in the Chinese market is significant, and the opportunity for growth for our company and our industry is tremendous.

"As with all foreign direct investments of U.S.-based multinational companies, this creates more jobs in our U.S.-based operations and greater resources to invest in research and development for new medication for the U.S. market and around the world."

Michael Bonsignore, CEO of Honeywell in Morristown, New Jersey, who has been a true leader through his work at Honeywell and as chairman of the U.S.-China Business Council said, "Beyond the commercial benefits that will come from this agreement, China's accession to the World Trade Organization constitutes a very positive development in the overall U.S.-China bilateral relationship. It will enhance the stability of the overall relationship by reinforcing the mutual interests and benefits. And, as the World Trade Organization is based on rule of law, China's commitment to adopt the terms of this vital multilateral organization is a powerful signal of China's desire to operate as a full member of the global community."

Richard McGinn, chairman and CEO of Lucent Technologies in Murray Hill, also wrote me and said the following, "China represents the largest single emerging market opportunity for telecommunications products and services" that we produce "in the world. Today, less than 10 percent of the 1.2 billion people in China have telephone service, and one person in 400 has access to the Internet. It is estimated that China will account for 20 percent of the global telecommunications market by the year 2010.

"Lucent's success in China means continued investment in research and development, and increased production here in the United States. It is very clear that Lucent Technologies, its employees, customers and shareholders

have a tremendous stake in making sure that our company is afforded the same trading rights with China as our foreign competitors. The only viable way", he says, "to guarantee this is through the granting of permanent normal trade relations with China."

Mr. Speaker, I urge my colleagues to vote in support of this agreement and in support of America's continued economic prosperity and our Nation's continued democratic influence on global affairs.

PERMANENT NORMAL TRADE RELATIONS FOR CHINA

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 6, 1999, the gentleman from Georgia (Mr. NORWOOD) is recognized for 60 minutes.

Mr. NORWOOD. Mr. Speaker, I am grateful for this time tonight to talk about what I think all of us have in our heart today and knowing that the China vote, the trade issues will come up this week, as early, perhaps, as Wednesday. My colleagues that have preceded me and all of us have been very thoughtful, I hope, and very concerned. I hope that we all realize that there are good people on both sides of this issue, people who are trying their best to understand what is right, people from both parties that are for and people from both parties that are against.

Now, Mr. Speaker, the President has called on us to approve trade with China, based on a philosophy that we should be, and I would quote the President "reaching out a hand, not shaking a clenched fist." Well, I agree with that philosophy. The problem is I believe that for the last 5 years, we have been reaching out a hand, while Beijing continues to shake their fist at us.

Before we even begin discussing why we should not extend new trade privileges to China, the American people need to be made aware that we are not talking about stopping trade with China. The gentleman from New Jersey (Mr. FRELINGHUYSEN) listed CEO after CEO that presently is doing business with China. If we do not approve the PNTR, it does not mean at all that we will not continue doing business with China just as they are today.

Far too many factions in this debate have attempted, I believe, to build a strawman argument by insisting that a vote against PNTR is a vote to block trade with China or isolate China or even the United States from world trade. That is simply not the case.

Here is the truth about a "no" vote on PNTR. If we vote no, China and the U.S. continue trading just as they are today with China receiving most favored nation's status, or normal trade relations, whichever way one prefers to call it. Nothing necessarily changes. Later this year, Congress will need to

approve, then, a normal trade relations for another year, just as we have done every year since I have been here, after we examine China's progress on human rights, on trade practices, and on our national defense concerns. That is the same process that we have used every year since 1979.

Supporters of PNTR claim that a "no" vote by Congress will upset the entire World Trade Organization movement with America blocked from participation. But according to Professor Mark Barenberg of Columbia University, that is just nonsense. I would like to quote the learned profession: "If China grants market-opening concessions to WTO members, then existing bilateral trade agreements between China and the United States require that China grant those same concessions to the United States, even if Congress does not grant PNTR to China." That is through our existing bilateral trade agreements.

Mr. Speaker, I will offer Professor Mark Barenberg's statement for the RECORD.

So if we vote no, nothing about our existing or future trade with China really changes. The only thing that really changes will be the monitoring of Communist China's records on human rights, fair trade, and military expansion. It stops.

These, then, bring up for me three powerful reasons that we should oppose bringing China into the WTO and extending permanent normal trade relations at this time. Many people are going to vote no Wednesday who might, under different circumstances, be very ready to vote yes a year from now. But at this time we should not extend permanent normal trade relations. We have normal trade relations with China. We are asked to do it permanently.

The first reason is trade itself. China has normal trade relations with us today, and they simply do not keep their agreements with us at all. For instance, they do not let us sell tobacco to them under the false pretense that our tobacco has blue mold spores. Now, we know that the Chinese Government simply made that up to keep us from exporting tobacco.

They agree to ship a limited amount of textiles to America each year, and we agree with that, with that bilateral trade agreement. Yet they still tranship millions of dollars of textiles beyond that agreement through Africa.

They can currently, today, buy all the cotton and chickens that they want from America. But they do not do it. Why should they do that? They have a surplus of cotton, cheap cotton that they produce with slave labor. Why would they buy ours?

They currently export chickens to America, probably not to my home State of Georgia. We grow a few, too. But we are not going to send them any