

proposals to reduce class size which will dramatically improve education.

We also understand you cannot learn in schools that are in functional disrepair. No wonder there is disrepair in the schools. They were built 50 or 60 years ago, after World War II, when we had soldiers coming back, having families, and building schools for their children all across the country. Many of these schools are still in use today and are in desperate need of repair and remodeling. If anyone doubts that, take a trip to the Ojibwa school on the Turtle Mountain Indian Reservation or the Cannon Ball Elementary School, south of Bismarck, ND. Take a look at those schools and ask yourself whether those schools need help.

The third grader who walks through the classroom door in the Cannon Ball School ought to be able to expect the same opportunity for a good education as all kids in this country. Yet these children don't have the same opportunity. We know that. Yet legislation to improve and modernize our schools languish in this Senate because some people don't believe it is important, or some people believe they cannot do it because if they did, somebody would declare victory for a public policy that makes sense.

Let's declare victory for a little common sense in all of these areas: Education, health care, agriculture. There are so many areas. The agenda in this Congress is the agenda we establish. If we are a Congress of underachievers, that is our fault, not something we blame on anybody else.

I wish I were in the majority here, but I am not. The majority establishes a schedule; we don't. I accept that. We have a right, and insist on the right, between now and the 5 weeks when this Congress wraps up its business, to try to bring to the floor of the Senate once again a real Patients' Bill of Rights and have another vote. We have a right to try to push these policies to get them done. We have a right to try to push education policies that we think will enhance and improve education in this country. We have a right to try to push policies that say we want to add a prescription drug benefit to the Medicare program. We have a right to insist that the American consumer pay prices for prescription drugs that are fair—not the highest prices of anyone in the entire world.

We have a right to address all of those issues, and we should. There is time. It is just a matter of will. Will the Members of the Senate who do the scheduling, who plan the agenda, exhibit the will to do what is right in the final 5 weeks and pass this kind of legislation?

As I said when I started, when people sit down at the dinner table and talk about their lives, they are talking about things that matter to them. All of the things I have talked about are things that matter to them: Are our kids going to good schools? Do grandpa and grandma have the opportunity to

get decent health care when they are sick? Are the neighborhoods safe? Do I have a decent job? Does it pay well? Does it have security? All of those are things that are important to the American people. All of those are things they should expect this Congress to address in the coming 5 weeks.

I yield the floor.

Mr. GRAMS. Mr. President, what is the order of business pending before the Senate?

The PRESIDING OFFICER. The Senate is debating the motion to proceed on the permanent normal trade relations with China.

Mr. GRAMS. Mr. President, I would like to talk about my support for H.R. 4444, but I just want to respond briefly to one comment of the Senator from North Dakota, Mr. DORGAN. I think he was bragging a little bit, maybe, about his uncle who is 80 years old and running in a marathon. I just congratulate him. How great that our senior citizens, because of the advances of medicine, can do that. I have a friend retiring at the age of 65. He wanted to retire to spend more time playing golf with his dad. Another is an uncle who was 85 last year who got his first hole-in-one, Ray Sandey. I just wanted to put that into the RECORD and congratulate them on their achievements.

Mrs. LINCOLN. Mr. President, I wish to comment on the comments of my two colleagues who have spoken about the important issues facing our aging populations in this Nation. They both commented on the 83-year-olds and the 84-year-olds. I think I have them beat. My husband's grandmother will turn 103 on the last day of this month.

So the issues for the elderly in Arkansas are extremely important to us, a No. 1 priority, and something I hope we will address in the context of a prescription drug piece for the elderly, as well as reauthorizing the Older Americans Act, not to mention the importance of solidifying and preserving Social Security and Medicare.

TO AUTHORIZE EXTENSION OF NONDISCRIMINATORY TREATMENT TO THE PEOPLE'S REPUBLIC OF CHINA—MOTION TO PROCEED—Continued

Mr. GRAMS. Mr. President, I rise in strong support of H.R. 4444, which grants permanent normal trade relations—PNTR—to China. We should have passed this in early June, and I deeply regret the delay and hope we can expedite the House bill without amendments.

I believe this is a no brainer. China negotiated a WTO accession agreement with the United States—an agreement in which China has committed to improve market access for most U.S. products and services to China. In exchange, the one thing we are required to grant them is PNTR—the same treatment all WTO members afford each other.

The U.S.-China WTO agreement is a good one. China has made commit-

ments in nearly every sector of our economy—agriculture, goods and services. Strong enforcement measures were included which allow us to not only continue use of our strong trade remedy laws, but China has agreed to allow us to use a tougher safeguard standard than our current "201" law and continued use of tougher anti-dumping laws. This will help us enforce the agreement and generally allow us to use very tough trade remedy laws to address dumping and import surges.

U.S. competitiveness will also be protected since China has dropped its requirement that U.S. companies transfer technology in order to export or invest in China. Exports to China will no longer require Chinese components or performance requirements. China will allow competition through imports for the first time. U.S. exporters can sell directly rather than using a government distribution system. It has made commitments on intellectual property enforcement as well.

For the first time, China will be subject to the multilateral trade disciplines of the WTO. Any WTO member can enter into the dispute settlement process with China if China does not live up to any of its bilateral commitments. We can still use our trade remedy laws against China if necessary, and the Administration has tripled resources to monitor and enforce the U.S.-China WTO accession agreement.

Some may say this week that we can continue our annual Jackson-Vanik review of China and still receive the benefits of the U.S.-China agreement—or they will say the 1979 U.S.-China Bilateral Agreement will provide the same benefits as the 1999 agreement. They will claim we need the annual review to achieve progress on human rights, nuclear proliferation and other areas of differences we have with China. However, virtually none of the concessions achieved in the 1999 agreement are covered in the 1979 agreement. And we will not receive the benefits under the 1999 agreement if we do not grant China PNTR. The annual review is not responsible for the progress we have made in China—so it is time to end it.

Let's examine what PNTR will mean to U.S. farmers and workers. A Goldman Sachs estimate indicates U.S. exports to China will increase by \$14 billion per year by 2005. In 1998, U.S. exports to China exceeded \$14 billion, which supported over 200,000 high-wage American jobs. Therefore, exports will more than quadruple by 2005—and the potential is enormous as China continues to grow in the future. USDA projects China will account for over one-third of the growth in U.S. ag exports in the next ten years. It will spend over \$750 billion for new infrastructure projects.

Since the benefits for Minnesota my home state are particularly important to me, I want to use that as a reference, but I think it represents other States and their opportunities as well. Minnesota's exports to China in 1998

tripled the 1996 volume. China is now Minnesota's 12th largest export destination, up from 22nd in 1993. We are now exporting 25 product groups compared to 21 in 1993. There are many farmers and workers who will benefit from the projected growth in agriculture and infrastructure project sales in China.

Overall, America's farmers will prosper with an end to corn export subsidies, increased corn and wheat quotas, reduced tariffs from an average of 31 percent to 14 percent with greater decreases on soybeans, beef, pork, poultry, cheese, and ice cream. For example, my home State of Minnesota is the third largest soybean producer in the country, and China is the largest growth market for soybean products. Minnesota is the fourth largest feed corn producer, and the tariff-rate quota for corn will expand by 2004. China consumes more pork than any other country and will lower its pork tariffs and accept USDA certification. This is a huge boon for Minnesota pork producers. Cheese tariffs will be reduced from 50 percent to 12 percent, which will benefit Minnesota dairy farmers. Potato product tariffs will also be cut in half benefiting Minnesota's potato farmers and processors. Vegetable producers will see their tariffs drop up to 60 percent by 2004. And fertilizer and all ag products can now be distributed without going through a Chinese middleman.

Tariff reductions will help other Minnesota workers export more in the areas of ag equipment, forest products, medical equipment, scientific, and measuring instruments, computers, pumps, machinery of all kinds and environmental technology equipment. PNTR will open markets for our banking, insurance, telecommunications and software services. In fact, the Coalition of Service Industries states:

It will enable U.S. service industries to begin to operate in one of the world's most important—and until now, most restricted—markets in the world.

Minnesota's largest exports to China now are industrial machinery, computers, and food products. And exports from small- and medium-sized businesses will expand. Right now Minnesota exports 55 percent of its total exports to China from small and medium businesses. Crystal Fresh, American Medical Systems, Inc., Image Sensing Systems, Inc., Minnesota Wire & Cable, ADC Telecommunications, Brustuen International, and Auto Tech International are among Minnesota's smaller companies with success stories to tell. Their China markets are expanding, and the 1999 agreement will only increase their potential. Of course we have long-time exporters such as Honeywell, 3M, Cargill, Pillsbury, Land O'Lakes, and many others who will be able to expand their exports to China as well.

You have heard that the 1999 agreement will not produce overnight results, but I believe it will produce some

short-term positive results. And the best benefit will be the longer term prospects. It is important to continue building commercial relationships for the future in order to reap those longer-term benefits. If we are not there early on, we may miss out on important future gains. As China develops and more of its citizens improve their earning power, they will demand more food products, goods and services. PNTR will allow U.S. firms the opportunity to compete for their business.

I would now like to address some of the concerns of our labor union friends who believe PNTR will result in huge job losses in the U.S. That is curious to me since the U.S.-China WTO accession agreement is one sided. Union leaders cite an Economic Policy Institute—EPI—study alleging at least 872,091 jobs will be lost between 1999 and 2010, but the EPI study assumes every Chinese import displaces domestic production. However, a CATO analysis shows most of our imports from China substitute for imports from other countries or are inputs used in the U.S. to produce final U.S. products. If a rising trade deficit causes job losses, why are our unemployment rates the lowest they have been in 30 years?

The Institute for International Economics also indicates that most of the growth of the U.S.-China trade imbalance is due to China taking market share from other East Asian economies rather than from U.S. producers.

The bilateral agreement includes greater protections against unfair imports than we currently have and it will eliminate many Chinese practices that have helped it stimulate its own exports as well as forcing many U.S. companies to invest in China. Any "giant sucking sound" we may have seen in the past will be reversed under the U.S.-China WTO agreement. China will be forced to abandon many of its policies which did force or encourage U.S. companies to invest there. The agreement will grow U.S. jobs by allowing us to export more of our products from the U.S. rather than selling through U.S. investments in China.

Union leaders also speculate that U.S. companies want to shift production to China to take advantage of labor rates "as low as 13 cents an hour." The average production worker wage at U.S. companies in China is \$4 an hour and \$9.25 for higher skilled workers. The World Bank indicates average Chinese wages grew by 343 percent between 1987 and 1997, mainly due to China's engagement with other countries. I believe approving PNTR and allowing more trade with China would continue the trend toward higher wages for Chinese workers.

A group of 12 academicians recently commented on China's low wages and stated that PNTR would help improve China's labor standards. They discussed China's poverty as the main reason for low wages and often poor working conditions. They concluded child labor often is necessary to help fami-

lies survive. They believe China's entry into the WTO will help it enforce and improve its own laws, and that opposing PNTR undermines China's efforts to improve its labor rights. They concluded by stating:

Whoever may benefit from a sanctions approach to trade with China, it will certainly not be Chinese workers or their children.

You will also hear claims that the U.S. is being flooded with products made by Chinese forced labor. Both our trade laws and the WTO prohibit forced-labor imports, and the U.S. Customs Service vigorously enforces our law.

Union leaders also talk about PNTR as a reward to China, yet it is hard to see how the bilateral agreements negotiated by China to enter the WTO are a reward. Many, many concessions were made, and those commitments are binding and will be vigorously enforced bilaterally and through the WTO.

I hope union members, who will benefit from the U.S.-China WTO agreement, will listen to their elder statesman Leonard Woodcock, who stated recently:

I have been startled by organized labor's vociferous negative reaction to this agreement . . . in this instance, I think our labor leaders have got it wrong. . . . American labor has a tremendous interest in China's trading on fair terms with the U.S. The agreement we signed with China this past November marks the largest single step ever taken toward achieving that goal.

In my State of Minnesota, Governor Jesse Ventura, in his March testimony before the Ways and Means Committee, also sent union leaders a message. The Governor said:

They (unions) better modernize themselves and realize that opening up China to our trade is going to create more jobs here. . . .

I have spoken to union members and others who are also concerned about labor and environmental practices in China. While China, as a developing country, has a way to go on these issues, they certainly have made some progress as well. And I am proud that American companies investing in China have created better jobs, higher wages and better working conditions and have begun to serve as a model for their Chinese counterparts. Many U.S. companies have "best practices" of environmental, health, and safety standards which provide good job opportunities for many Chinese citizens. Housing, meals, insurance, and medical care are often included in their employment.

Here is what a Chinese employee of one American company in Shanghai stated:

I, a common girl, with no power and no money, could hardly imagine all these things could be done several years ago . . . don't let the friendship become cool (U.S.-China). Many of the Chinese people are longing for knowledge, techniques and culture from western countries, especially U.S.

An employee of another American firm in China stated:

. . . when our local company merged two years ago, my salary was increased five or six times . . .

Another worker said:

After I joined the company, my family's life and living standard improved, I have some deposit in the bank and bought a new apartment which is big enough for my family.

You will hear a lot during this debate about how we are pandering to U.S. companies who want to trade with China, ignoring all of our concerns with China. However, as noted previously, there are many examples of how American companies are helping Chinese citizens improve their lives, and as China privatizes more of its state-owned industries, the new owners will look to our companies as an example of how to succeed. I strongly believe American companies care about their employees and that they do not invest abroad to exploit local workers and ruin the environment. I believe American companies help bring about positive changes in China and other nations, and the exposure to Western ideals and values they bring to China includes a better work experience for those they hire. In fact, American companies are taking their responsibility seriously by setting up programs in their Chinese subsidiaries addressing issues from fair labor practices and environmental standards to community involvement.

For those concerned about human rights, I again ask why they believe human rights would be aided by isolating ourselves from China. Maintaining relationships with the Chinese people through trade and other contact I believe is the best way to help the Chinese people help themselves. They are the ones who will promote changes from within that will improve their lives. Even Martin Lee, the Chairman of the Democratic Party of Hong Kong, who has long fought for human rights in China, recently stated:

The participation of China in the WTO would not only have economic and political benefits, but would also serve to bolster those in China who understand that the country must embrace the rule of law.

The Dalai Lama, also long critical of China's human rights practices, especially in Tibet, states:

Joining the World Trade Organization, I think, is one way (for China) to change in the right direction . . . I think it is a positive development.

Some believe granting PNTR will help promote hardliners in China's leadership. However, a Washington Post story earlier this year noted that China analysts have found hardliners, including PLA officials, worrying that WTO membership will privatize more of China's economy and import more western ideas about management and civil society which they see as a threat to those who want to ensure the longevity of the one-party Communist state.

The U.S. should be part of this, through the granting of PNTR. While China will become a member of the WTO with or without us, I would certainly prefer the U.S. have a part in

using our improved trade relationship as a way to make progress on our differences with China.

Many human rights activists support China PNTR. Former political prisoner Fu Shenqi says:

I unquestionably support the (view that NTR and the human rights question be separated because) the annual argument over NTR renewal exerts no genuine pressure on the Chinese communists and performs absolutely no role in compelling them to improve the human rights situation . . .

The China Democracy Party, founded two years ago, issued a statement including:

. . . We declare hereby to support the Unconditional PNTR to China by the U.S. government.

Zhou Yang, Executive director of the China Democracy and Freedom Alliance, states:

Granting PNTR to China is a positive force in promoting China's recognition of world human rights and in improving the human rights situation of the Chinese people.

Noted Chinese human rights activist Bao Tong was more direct, saying: "Pass permanent normal trade relations with China . . ." and adding, "But in the U.S., the 'Seattle coalition . . . have combined their lobbying firepower to oppose the move (PNTR). From here in China, their intellectual counterparts are looking on in dismay . . . it doesn't make sense to use trade as a lever. It just doesn't work." There are many others with similar advice.

Included in the definition of human rights is religious persecution. While religious leaders remain concerned about the recent report from the U.S. International Religious Freedom Commission, which points out China has a long way to go toward religious freedom, they point to progress as well. A letter signed by 13 religious organizations concluded:

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

As you know, the House has attached a Commission on China to PNTR, which would monitor human rights progress with an annual report. It would set a U.S. objective to work to create a WTO mechanism to measure compliance, and requires an annual USTR report on the PRC's compliance with the 1999 agreement and also authorizes additional staff to monitor China's compliance. It also includes sense-of-the-Congress language that China and Taiwan should enter the WTO at the same time.

The bottom line is PNTR is easy. China had to do all the heavy lifting. We gave up nothing in these negotia-

tions, and PNTR doesn't force us to give up anything. I urge my colleagues to oppose all amendments offered in an attempt to either slow down or kill PNTR. While the amendments point out problem areas we have with China, these matters should be, and are, addressed separately in high-level contact between our two countries. I address them as well in contact I have with Chinese officials.

Particularly, I urge you to oppose the Thompson-Torricelli amendment. While I will have a much longer statement once that amendment is offered, I will only say now that this amendment in any form will drive a wedge through our efforts to improve our relationship with China. It will foster a relationship of mistrust that will not help us improve China's proliferation record or its record on any other differences. The amendment is counterproductive. The amendment will not accomplish its goal of reducing proliferation, and it will create hostility between our countries. As Henry Kissinger stated:

If hostility to China were to become a permanent aspect of our foreign policy, we would find no allies. Nationalism would accelerate throughout the region. Just as American prestige grew with the opening to China, most Asian nations would blame America for generating an unwanted cold war with Beijing.

This amendment will force us on the path of a cold war most of us never want to see again. Also, there have been so many drafts of this amendment, I am not sure any of us will really know what we are voting on. An amendment as controversial as this one deserves to go through the usual congressional committee process, and not be offered in a highly politicized matter on the Senate floor.

There has been progress with China and proliferation, human rights and other issues. Let's work with China toward further progress—and use the laws we already have, if necessary, to address lack of progress. Above all, let's not use trade as a weapon. Let's pass PNTR to provide our workers and farmers the benefits of the U.S.-China WTO agreement. This should be one of the easiest trade votes we will ever take. Let's vote on H.R. 4444 without amendment now—this week—not 2 weeks from now.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Arkansas.

Mrs. LINCOLN. Mr. President, I, too, am here to speak on the issue of permanent normal trade relations with China.

In order to be successful in today's global economy, every industry must market its products overseas. And in order for the United States to continue the unprecedented economic growth we have seen during the last few years, we must adopt policies that open international markets for farmers, small businesses, manufacturers and service industries.

On November 15 of last year, our Government successfully negotiated an

historic trade agreement with the People's Republic of China that will bring China into the World Trade Organization. The potential impact of this arrangement cannot be overstated. China is home to one-fifth of the world's population and is growing by 7 percent each year. Access to China's enormous population will help sustain American economic growth.

But before the United States and Arkansas can reap the full benefits of this agreement, Congress must vote to grant China Permanent Normal Trade Relations status. The WTO requires that its members extend normal trade relations to all other members.

There is a lot at stake depending on whether or not the United States grants PNTR to China. Since February, I have been urging the Senate leadership to bring this issue up for a vote as soon as possible. I had hoped that we would approve this legislation prior to the August recess, but nevertheless, I am anxious to finish work on this bill as soon as possible and get it on the President's desk for signature. There are so many things at stake. We must not lose this opportunity.

China will join the WTO regardless of the congressional decision on PNTR, so a decision to deny this new status to China will only give China license to keep its markets closed to U.S. services and agriculture, and to keep its high tariffs in place on U.S. goods and services while opening it up to all other WTO members.

All sectors of our economy, especially agriculture, will benefit from increased trade with China. Likewise, all sectors of our economy will suffer if we don't trade with China. Chinese accession into the WTO could mean \$2 billion more a year in national agricultural exports to China by the year 2005.

On U.S. priority agricultural products, tariffs will drop from an average of 31 percent to 14 percent. China will also expand access for bulk agricultural products, permit private trade in these products, and eliminate export subsidies. In my home State of Arkansas, rice, poultry, soybean and cotton producers will stand to reap enormous benefits from opening markets with China, including lower tariffs and increased trade. For instance, under its WTO accession agreement, China will cut tariffs on rice to 1 percent. Also, China is already the second leading market for U.S. poultry exports. If Congress approves PNTR status, it will cut tariffs in half from 20 percent to 10 percent by the year 2004 for frozen poultry cuts.

In addition to the agricultural changes, China's tariffs on American industrial goods will fall from an average of about 25 percent to less than 10 percent within 5 years. Industries including telecommunications, banking, insurance, reinsurance, and pensions will all gain expanded market access. In information technology, tariffs on products such as computers, semiconductors and all Internet-related

equipment will decrease from an average of 13 percent to zero by the year 2005.

In exchange, the U.S. gives up nothing; our trade policies remain the same. The economic reasons make so much sense and are themselves a very powerful reason for passage of PNTR.

But the opportunity we have as a nation to make an impact on the humanity of China only exists if we are engaged with the country and its people. We cannot build a relationship that is effective if we turn our backs on China and isolate them.

Is China a perfect country? No.

I too share the concerns about human rights abuses in China and believe that a greater international presence in the country, fostered by free trade, will help to improve the lives of Chinese workers and citizens. WTO membership will strengthen the forces of reform inside China by exposing the Chinese to better paying jobs, and higher labor and environmental standards.

Finally, permanent normal trade relations with China will force the Chinese to play by the rules in the international marketplace.

Only under this agreement with their accession into the WTO will we have the proper recourse to be able to question their practices.

The WTO's dispute settlement system will force China to explain its actions if other member countries question them. In addition, the WTO's trade policy review mechanism will allow all other members to review a country's entire trade system. This type of scrutiny of China is virtually unprecedented in history.

If we do not approve PNTR status for China, the missed opportunities will be tremendous, not to mention the devastation it could have on our strong economy today. Our producers and industries will not be in a position to openly access the 1.3 billion people who live in China. The United States will not have the ability to challenge China's trade practices or demand better human rights practices. In short, the United States stands to gain enormously if we grant PNTR status to China, and we stand to lose enormously if we do not.

Certainly once China does enter the WTO, there will still be many challenges ahead for all of us, but congressional approval of PNTR for China is a critical first step. It means so much to this Nation and to my home State of Arkansas. We must take this first step in passage of a good, clean PNTR bill in the Senate. Having China in the WTO is a good deal for Arkansas and a good deal for this Nation.

I encourage my colleagues to approve the House-passed bill granting permanent normal trading relations with China—soon, not later—and that we send it to the President to be confirmed so we can continue building a relationship which will benefit both countries.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. FEINGOLD. I rise today, Mr. President, to express my opposition to granting permanent normal trade relations to the People's Republic of China.

The recent history of U.S.-China relations has been a study in self-delusion. The administration and this Congress do not lack for evidence or information about the nature of the Chinese government. But I am afraid the siren song of vast Chinese markets has deafened too many ears to the news of oppression and abuse inside China. Too often, the U.S. has chosen to ignore the realities before us and, as in this trade debate, has engaged in political and intellectual contortions to compartmentalize and seal off a host of important issues so that the promise of vast profits can stand alone and unencumbered.

But I urge my colleagues to remember today—the mythological sirens' song served to lure sailors onto the rocks that crushed their ships. And refusing to look at the whole picture of U.S.-China relations in the single-minded pursuit of trade is, I submit, both foolish and dangerous. I fear that this country will find its policy in shambles unless we force ourselves to see the facts before us.

The fact is that China continues to be one of the most oppressive states in the world.

The State Department acknowledges that the human rights situation in China has deteriorated over the past year—a year in which the U.S. has extended normal trade relations with China, casting doubt on the claims that trade will lead to greater openness and therefore greater civil and political rights in China.

The list of abuses committed by the Chinese government is so lengthy, so encompassing, as to be numbing. Thousands of political prisoners remain in prison—many sentenced after unfair trials or no trial at all. Torture is regularly used to extract “confessions” from detainees. Authorities continue to use the brutal *laogai* system of “re-education through labor” to detain dissidents and others deemed dangerous to this paranoid state. Religious freedom does not exist in China; from global faiths like Catholicism to more obscure sects, the leadership in Beijing has sought to force its will and its agenda on spirituality. Nowhere is this more egregious than in Tibet, where thousands of monks and nuns still are arbitrarily detained, where something termed “patriotic education” is forced on Tibetans at their monasteries, where individuals have been arrested and sentenced to imprisonment for activities such as displaying the banned

Tibetan flag, where an entire culture is at risk. And forced abortion and forced sterilization are realities in the PRC.

The Chinese government has waged a campaign to destroy all sources of dissent. Leading members of the China Democracy Party have been sentenced to lengthy prison terms for "conspiring to subvert state power." Activists in Xinjiang have been the target of a campaign of arrests, substandard trials, and executions. Leaders of laborers and peasants daring to call for worker's rights are detained. Expression, in virtually all of its forms, is restricted. The government of China has zealously launched into a campaign to monitor and control content on the internet. According to Human Rights Watch, "last fall, local newspapers and magazines were put under Communist Party control. And the State Press and Publications Administration banned foreign investment in wholesale book publication and distribution, and limited the right to distribute textbooks, political documents, and the writing of China's leaders to a handful of enterprises."

My colleagues, this is the state that seems so promising to the supporters of PNTR. This is the China with which we are urged to engage. This is to be our full partner.

That very abbreviated list of abuses sounds awfully bad, doesn't it? But the Administration's material on PNTR sounds so good. It is full of promises and optimism. How, I wonder, do they imagine getting from here to there—to that promised land in which our relationship with China is all about good news and profits?

I would suggest that the influence of money in politics goes a long way toward explaining the peculiar nature of this debate and U.S. policy toward China more broadly.

The push for PNTR legislation is one of the most expensive lobbying campaigns in history. Business interests are pitted against labor unions, as they make PAC and soft money contributions, and wage huge lobbying campaigns on television and in the halls of Congress. So before we go any further with this legislation, I would like to call the Bankroll on the PNTR issue, to give my colleagues and the public an idea of the spending spree that has gone on to lobby us on this bill.

Labor unions have donated heavily to the parties as they have fought against Permanent Normal Trade Relations with China. The Center for Responsive Politics estimates labor's overall soft money, PAC and individual contributions at roughly \$31 million so far in this election cycle in a May 24th report. In particular, the AFL-CIO and its affiliates, which have campaigned hard against PNTR, have given \$60,000 in soft money through the first 15 months of this election cycle.

And then there's the other side of the debate. On the side of PNTR we find corporate America, which, according to a New York Times report, engaged in its "costliest legislative campaign

ever" to win this fight—including an \$8 million advertising campaign. The "costliest legislative campaign ever" by corporate America—now that's saying something.

As we know, corporations typically spend the most in the political money game, and often win as a result. And it looks like PNTR will be no exception, Mr. President.

For example, take the Business Roundtable, a well-known business coalition eager to get this bill passed. The Center for Responsive Politics' May 24th report put the collective contributions of Business Roundtable members at \$58 million in soft money, PAC money and individual contributions so far in the election cycle. And that is in addition to the Roundtable's \$10 million dollar advertising campaign to push PNTR, according to the Center.

Business Roundtable members are corporations like Boeing, Philip Morris, UPS and Citigroup. These are heavy hitters who regularly write checks to the political parties for \$50,000, \$100,000, even a quarter million dollars. These companies have to ante up to stay in the game, Mr. President—PNTR is a high stakes game, and the ante is bigger than ever.

I will quickly run down the soft money contributions of these companies, Mr. President. These are huge numbers, and they are just through the first 15 months of this election cycle: Boeing has given more than \$465,000 in soft money through the first 15 months of the election cycle, including 10 contributions of \$25,000 or more.

UPS, its subsidiaries and executives have given more than \$960,000 in soft money through March 31st of the current cycle. That includes two contributions of a quarter million dollars.

Citigroup, its subsidiaries and executives gave more than one million dollars in soft money through the first 15 months of this election cycle, including six contributions of \$50,000 or more.

And of course who could forget Philip Morris, Mr. President? Long known as the granddaddy of political donors, Philip Morris and its subsidiaries have given more than \$1.2 million in soft money through March 31st of the election cycle, including more than eight donations of \$100,000 or more.

Since I've mentioned Philip Morris' contributions here, let me take a moment to discuss the impact of contributions of large multinational corporations with many legislative interests. Some might argue that is unfair to mention Philip Morris in this calling of the bankroll because its main interest is tobacco legislation.

That is exactly the beauty of soft money contributions from the point of view of the corporate donor. They buy access for the company that makes them. They aren't payment for a particular piece of legislation. No, they are more powerful than that because they are so large, and so sought after by the parties. They further the interests of that company on all pieces of

legislation. There can be no doubt that Philip Morris has an interest in PNTR.

China is a huge untapped market for cigarettes. So Philip Morris's soft money contributions open the doors for its lobbyists on this issue, just as they open the doors for its anti-tobacco control arguments.

Everyone knows that PNTR is the very top legislative priority for the business community in this country. There is absolutely no dispute about that. The lobbying effort has been extraordinary. And Philip Morris's legislative and lobbying muscle, supported by their huge campaign contributions, have been put at the service of that priority, as well as of its own particular interest in tobacco legislation.

Mr. President, corporations such as Philip Morris, and the other members of the Business Roundtable pay to play—they get visibility in the debate, and they get their voices heard loud and clear. The shape of the PNTR debate so far is exactly what we should expect from a campaign finance system that is rigged to value money above all else.

So it is clear that some people do stand to gain from PNTR and China's accession to the World Trade Organization. But I think that camp has vastly overstated its case. These forces, which have paid to pipe the siren song into the halls of the Senate for months now, claim, for example, that America's farmers will benefit greatly from PNTR for China. They wave impressive graphs, they promise access to vast markets. But I for one, as a Senator from a very important agriculture state, am not convinced that those claims are more than just empty promises. China's Vice Minister of Trade has already noted publicly that market-opening promises for U.S. wheat exporters are only a theoretical opportunity—not an actual one. The fact is that China's promises to import more agricultural products conflict with internal Chinese political and cultural dynamics—dynamics that are affected by longstanding fears about dependence on foreign food and by employment-creation imperatives. China has produced a glut of agricultural goods for years. Beijing now has massive stockpiles and a three-to-one ratio of exports to imports. Chinese prices will likely continue to be lower than American ones for years. I am not convinced that there is a big pay-off in store for American agriculture.

Ask Wisconsin's ginseng growers about the Chinese commitment to rule-governed trade. They will tell you that the Chinese have continued to mislabel their ginseng as "Wisconsin-grown ginseng." As a result of this misleading practice, the price paid to actual American ginseng farmers has steadily declined. Recent press reports even suggest that the Chinese are now smuggling ginseng containing dangerously high levels of harmful pesticides and chemicals into U.S.—again inaccurately labeled as Wisconsin ginseng.

I concede, Mr. President, that profits are within the reach of some. And I recognize that the business community is responsible to its shareholders. Seeking profitable opportunities is their very purpose, and there is nothing wrong with that. But this Senate is responsible to all of the citizens of the United States, to the core values of this country, and to future generations of Americans. And the United States of America does not stand only for profit. Even if I were convinced that Permanent Normal Trade relations with China and Beijing's accession to the WTO would bring significant new economic opportunities to a large number of Americans—and I am not convinced of this fact—I still believe it is my responsibility to weigh that factor against others—including the fact that the Chinese government's human rights record is unquestionably appalling. I still believe that certain economic gains are not worth their moral price. I still believe that the prosperity we all seek for our great country should never be a prosperity that also brings shame.

But de-linking trade from human rights and prohibiting an annual debate on this issue suggests that I do not have the right to weigh these factors, that I cannot consider the totality of U.S.-Chinese bilateral relations when matters of trade arise. Apparently, we are all simply supposed to follow the music.

I argue that to compartmentalize our national values is to cordon off our national identity, to subordinate what we stand for so completely that it no longer affects how we behave. That is dangerous. I think it is an abdication of the responsibility I accepted when I took this office.

So apart from the question—and it is a good question, a question not answered nearly so easily as the Administration would like—of whether or not a significant number of Americans will reap economic benefits from PNTR for China—and apart from legitimate questions grounded in the historical record about whether or not China will stick to its trade-related commitments—apart from these issues, we are debating whether or not to draw a sharp, impenetrable division between one of our interests—economic gain—and what we believe and who we are. That is the question that has been evaded in the mountains of pro-PNTR literature and the countless pro-PNTR briefings that have become a fixture on Capitol Hill in recent months. I cannot support such a division. I will not abdicate my responsibilities in the hopes of avoiding tough choices and decisions. I cannot support this bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. SMITH of New Hampshire). Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, in making opening comments relative to permanent normal trade relations with China, I feel compelled to sort of qualify as a witness in that we have over the years in these particular debates about international trade made very little progress, whether with Democratic administrations or Republican administrations.

My rising in opposition and my amendments will be to the thrust of not having permanent and not having normal trade relations with anybody because our normal trade relations are a \$350 billion to \$400 billion trade deficit which is destroying the middle class in our society, weakening our democracy, and diminishing our influence in world affairs. With all of the pep talk about the wonderful economy, we are actually, on this particular score, in tremendous decline.

I say "as a witness" in a sense because I can remember when southern Governors started computing. People up in New Hampshire and other places say that they are from down south and that they are blind protectionists; they do not understand the importance of manufacturing and international trade and exports. So I hearken back to the day when I represented the northern textile industry from New Hampshire as well as the southern textile industry. I appeared before the old International Tariff Commission. Who ran me around the room? None other than Tom Dewey. This was back in 1960. The subject was textiles—that 10 percent of the American consumption of textiles in clothing was represented in imports, and if this continued at the pace that it was going, before long we would be out of business.

By the way, they told me at that particular hearing: Governor, what do you expect? For those emerging Third World countries in the Pacific rim and everywhere else, what do you expect them to make? Let them make the shoes and the clothing, and we will make the computers and the airplanes.

Fast forward 40 years: They are making the shoes. They are making the clothing. They are making the airplanes and they are making the computers. They are making all of it. Actually, we have high tech. I want to get into that in a minute. High tech—they think that is saving us. We have a deficit in the balance of trade with the People's Republic of China in high technology.

This Congress doesn't have any idea where we are on this particular score. Everybody is outside talking about the new economy. True it is, we are all proud of that new economy, particularly on this side of the aisle. They were afraid to say they raised the Social Security tax in 1993 when Clinton came into office. But I wasn't afraid. I brought it in line with all other pension plans. We are afraid to say we

raised gasoline taxes. But we did. We cut spending \$250 billion. The taxes that were supposed to be \$250 billion are now up to \$370 billion. Then we cut some taxes very minimally. We reduced the size of government by some 377,000 Federal employees.

They have the new economy. But the new economy has a private side and a public side. The private side is doing extremely well. High employment, low unemployment, low interest rates, booming economy, booming stock market, strong bank system—but the public side is almost a disaster. I say that advisedly. The reason I say it is so that, for one thing, they are talking surplus, surplus. Everywhere, someone cries "surplus."

The public debt to the penny according to the U.S. Treasury Department shows that, as of September 1, the debt is \$5.676 trillion. At the beginning of the fiscal year of September 30, 1999, it was \$5.656 trillion.

I ask unanimous consent to have this printed in the RECORD.

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

THE PUBLIC DEBT TO THE PENNY

	Amount
9/01/2000	\$5,676,516,679,692.56
Prior months:	
8/31/2000	5,677,822,307,077.83
7/31/2000	5,658,807,449,906.68
6/30/2000	5,685,938,087,296.66
5/31/2000	5,647,169,888,532.25
4/28/2000	5,685,108,228,594.76
3/31/2000	5,773,391,634,682.91
2/29/2000	5,735,333,348,132.58
1/31/2000	5,711,285,168,951.46
12/31/1999	5,776,091,314,225.33
11/30/1999	5,693,600,157,029.08
10/29/1999	5,679,726,662,904.06
Prior fiscal years:	
9/30/1999	5,656,270,901,615.43
9/30/1998	5,526,193,008,897.62
9/30/1997	5,413,146,011,397.34
9/30/1996	5,224,810,939,135.73
9/29/1995	4,973,982,900,709.39
9/30/1994	4,692,749,910,013.32
9/30/1993	4,411,488,883,139.38
9/30/1992	4,064,620,655,521.66
9/30/1991	3,665,303,351,697.03
9/28/1990	3,233,313,451,777.25
9/29/1989	2,857,430,960,187.32
9/30/1988	2,602,337,712,041.16
9/30/1987	2,350,276,890,953.00

Source: Bureau of the Public Debt.

Mr. HOLLINGS. Mr. President, that shows that the debt has increased \$20 billion—no surplus. They don't want to say where they get the surplus from. I can tell you where they get the surplus from. We had an increased measure of taxation over the years. When we had the 1983 Social Security settlement, we wanted it to increase to build up a trust fund to take care of the baby boomers in the next generation—which is now. In 1992, the Social Security surplus was \$50 billion; now the Social Security surplus is \$150 billion.

Over the last 8 years—because of what we did back in 1983—we have an additional \$100 billion surplus, if you please, for the Social Security trust fund. We voted it here—section 13-301 of the Budget Act—that you shall not use Social Security surpluses in your budgets. Section 12 of the Greenspan commission said it should be set aside. It took us from 1983 until 1990 in order

to get that done, but we finally got it done. Ninety-eight Senators voted for it. Almost all the Members of the House voted for it. It was signed into law on November 5, 1990, by President George Bush.

But all of them are running around saying we are going to save Social Security while they are spending it with all kinds of monkeyshine plans—invest a little, invest a lot, do this, or do that to save Social Security. They set up the straw man in violation of the law—the policy of the Greenspan commission and talking about surpluses when there is not any surplus. The debt is increasing. If there is a surplus, why has the debt increased \$20 billion? With all the wonderful income tax from which we had revenues on April 15, with all the good corporate tax revenues in June, we are still increasing the debt some \$20 billion.

All of them say tax cut, tax cut, but if you cut the estate taxes, you have increased the debt. All tax cuts are increasing the debt. They are all saying pay down the debt, pay down the debt. It is Alice in Wonderland. It is double talk. They are not talking sense with relation to what is actually going on.

Everybody says we are paying down the debt. But they are for all of these taxes. Whether it is middle class, or targeted, or estate, or gasoline, or capital gains, or marriage penalty, any of those tax cuts under present circumstances obviously amount to an increase in debt. They talk about surplus that doesn't exist, and they talk about paying down the debt as they regularly increase it. They don't mention waste.

As a result of this charade, interest costs have gone up to \$366 billion for this fiscal year. I remember when we balanced the budget in 1968 and 1969 under President Lyndon Johnson. The interest cost on the national debt was less than \$1 trillion; the interest cost was only \$16 billion. That was the cost of all the wars from the Revolution, to the Civil War, the Spanish-American War, World War I, World War II, Korea, Vietnam. We had a debt of less than \$1 trillion and they had interest costs of only \$16 billion. Now we are up to \$5.7 trillion, with \$1 billion a day being spent. Wait until the whopping payment is made in September.

I ask unanimous consent to have printed in the RECORD the interest expense as of this minute.

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

INTEREST EXPENSE ON THE PUBLIC DEBT OUTSTANDING

The monthly Interest Expense represents the interest expense on the Public Debt Outstanding as of each month end. The interest expense on the Public Debt includes interest for Treasury notes and bonds; foreign and domestic series certificates of indebtedness, notes and bonds; Savings Bonds; as well as Government Account Series (GAS), State and Local Government series (SLGs), and other special purpose securities. Amortized discount or premium on bills, notes and bonds is also included in interest expense.

The fiscal year Interest Expense represents the total interest expense on the Public Debt Outstanding for a given fiscal year. This includes the months of October through September.

INTEREST EXPENSE—FISCAL YEAR 2000

	Amount
July	\$19,332,594,012.00
June	75,884,057,388.85
May	26,802,350,934.54
April	19,878,902,328.72
March	20,889,017,596.95
February	20,778,646,308.19
January	19,689,955,250.71
December	73,267,794,917.58
November	25,690,033,589.51
October	19,373,192,333.69
Fiscal Year Total	321,586,544,660.74

AVAILABLE HISTORICAL DATA—FISCAL YEAR END

	Amount
1999	\$353,511,471,722.87
1998	363,823,722,920.26
1997	355,795,834,214.66
1996	343,955,076,695.15
1995	332,413,555,030.62
1994	296,277,764,246.26
1993	292,502,219,484.25
1992	292,361,073,070.74
1991	286,021,921,181.04
1990	264,852,544,615.90
1989	240,863,231,535.71
1988	214,145,028,847.73

Mr. HOLLINGS. It is \$321 billion without the August and September payments. When we get those particular payments, it will go up, up, and away. And that is under low interest rate circumstances.

We have the worst waste of all. I served on the Grace Commission under President Reagan. We were going to cut out waste, fraud, and abuse. Now we have caused the greatest waste of all.

After President Clinton early this year made the State of the Union Address, the comment was made by the distinguished majority leader that it was costing \$1 billion a minute. The President talked for 90 minutes; that is \$90 billion. Governor Bush wants to give a \$90 billion tax cut. We could give President Clinton \$90 billion in spending. We could give Governor Bush \$90 billion in tax cuts and still have \$170 billion left for all the increases to the Department of Health, for class size reduction and school construction and any and every kind of research at NIH that we wanted.

The point is, we are spending the money and we are not getting anything for it and we don't talk about it on the campaign trail. What do they avoid talking about? The \$350 to \$400 billion—and it will probably be nearly \$400 billion—deficit in the balance of trade. The economists say that costs us at least 1 percent on our GNP. Instead of 4.1, we would have 5.1, and more jobs.

This is ignoring the failure of the United States to compete in international trade. I emphasize that for a reason, for those who say we are blind protectionists, that we don't understand the global economy, the global competition and do not want to compete and want to start a trade war. No. 1, we have been in a trade war and we have been losing. They don't under-

stand that. No. 2, on globalization, I don't want to sound like the Vice President, but I helped invent it 40 years ago. I went as a young Governor to Europe. I have that Deutsche Telekom bill that they talked about in the paper the other day. The truth is, I called on the Germans in Frankfurt. Today we have 116 German industries in the little State of South Carolina. I will never forget calling on Michelin in downtown Paris in June of 1960 with 11,600 Michelin employees. We have Hoffman-LaRoche from Switzerland. And Honda broke ground a few years ago. I was amazed to hear that Honda produced and exported more vehicles than General Motors.

I have been in public service 50 years. I have been debating this issue in all five textile bills that passed here. Four of them passed the House also and were vetoed by Presidents over the years. When we come to trade and globalization, I think it behooves me not to talk about permanent, not to talk about normal, but use this opportunity to sober up the Congress and the leadership of the United States, making them realize that we are in a real competition, but not for profit. That is, the American multinational. They could care less. They don't have a country. Boeing came out the other day and said in the United States, we are not a U.S. company but an international company. Caterpillar has been holding in Illinois. But they were international. They think it is fine. The Chamber of Commerce has forgotten about Main Street America and gone with the multinationals. NAM and the Business Roundtable—we are in the hands of the Philistines. We are losing our manufacturing base because we don't understand that the global competition is not for profit but for jobs and market share.

Let me talk a minute about jobs. At the fall of the wall, 4 billion workers came from behind the Iron Curtain, ready to work for anything, anywhere, at any time. In the last 10 years, with computerization and satellites, you can transfer your technology on a computer chip, you can transfer your financing by satellite. You can produce anything anywhere that you please. That is the global competition and international trade.

While our American producers for the so-called profit want to manufacture, say, in the People's Republic of China, for 10 percent of the labor costs than it is paying in the United States, we have been losing, losing, losing. In manufacturing, they say 30 percent of volume is in the cost of labor. Or you can save 20 percent of your volume by moving the manufacturer of your product offshore or down to Mexico. Simply put, you can maintain your executive and your sales force here but put your manufacturing elsewhere. If you have \$500 million in sales, at 20 percent, before taxes, you can save \$100 million. Or you can continue to work your own people and go broke because your competition

is headed that way. That is the job policy of the U.S. Congress today. It is to accelerate the exodus and the export of jobs.

I will never forget when they told us that NAFTA was going to create 200,000 jobs. I just looked at the figure from the Bureau of Labor Statistics. It is more than just that 38,700 figure, but in textiles alone we have lost 38,700 jobs since NAFTA; in North Carolina, 90,000. I will never forget when they came down to Charlotte and said they wanted to talk about the digital divide. They are the ones dividing it. You think if you lost a job you are going out and buying a \$2,000 or \$3,000 computer? "It's the economy, stupid." That is where we are. You just can't understand we are here, when they think it is a productivity thing on jobs: Productivity, productivity, productivity—We have global competition.

The U.S. industrial worker was the most productive industrial worker in the world, all during the 60s, all during the 1970s, all during the 1980s, all during the 1990s, and is today still the most productive industrial worker. They are not the highest paid. They pay much more in Germany and a bunch of other countries—and I will have a word to say about that, where the rich are getting richer and the poor are getting poorer and the middle class is disappearing. But the point is, we are losing our manufacturing strength and capability. We are losing our economy.

America's security and strength is like a three-legged stool. You have the one leg which is the values of a nation, and that is unquestioned. We commit for freedom in Somalia and down in Haiti, Bosnia, Kosovo. There are nine peacekeeping missions currently and we are adding four more around the world. People admire the United States of America and its high principles and values.

The second leg is one of the military, and that is unquestioned.

But the third leg is a fraud—intentionally so. You see, after World War II we had the only industry, so with the Marshall Plan, that really started globalization. We not only sent the money, we sent the technology and the expertise—and capitalism has defeated communism. In the People's Republic of China, which is the present subject, they are tending more every day towards capitalism. That is a wonderful thing.

The question is, Can we afford to give away the store? We have sacrificed and sacrificed so that now Boeing of Seattle, WA is moving production of airplanes—the most prominent of export industries—out of the country. Why do you think the machinists at Boeing led the strike not to break up in Seattle last December? That was a crowd that came out of Oregon, if I remember correctly, the Ruckus Society, or something like that. But the AFL-CIO march, at that WTO meeting in Seattle in December was led by the Boeing ma-

chinists. Why? Because 70 percent of the Boeing 777—McDonnell 90-10 is made overseas. In order to sell the Boeing plane in the People's Republic of China, according to Bill Greider, 50 percent of the Boeing 777 is made in downtown Shanghai.

So we are losing the best, the best of the jobs. We know about jobs. We know about globalization. We are looking at this constant drain, so to speak, over the 50-year period. At the end of World War II we had 41 percent of our workforce in manufacturing. Last month, we lost another 69,000 manufacturing jobs. Go to the Department of Commerce—ask them.

So we have gone from 41 percent down to 12 percent. Akio Morita, the former head of Sony said: Wait a minute, that world power that loses its manufacturing capacity ceases to be a world power. That is why we stand opposed to permanent normal trade relations with China.

I know full well—I live in the real world—we are going to have trade with China. I am not opposed to trade with China. I am opposed to permanent, normal. When I say "permanent," that is exactly what these CEOs of the Fortune 500 companies want. Because they know if they go over and invest in China and it has been permanent, they can come back appealing, "Don't change anything," and they can get a foothold there and they can really make a wonderful profit. But, of course, that puts us more and more in jeopardy because we cannot shout "productivity" to the most productive industrial worker while at the same time saddling him with all the penalties.

What are the penalties? What are the costs of productivity? We, the Congress of the United States, say: Before you open up the XYZ manufacturing company you have to have a minimum wage, Social Security, Medicare, Medicaid, clean air, clean water, safe working place, safe machinery, plant closing notice, parental leave. We might add on prescription drugs. Everybody is for prescription drugs. That is the cost of doing business.

You can go down to Mexico for none of that, 58 cents, \$1 an hour. You can go, for 10 percent of the cost, to China. We run around here like we understand something when we are totally off base, operating in the dark, on one of the most important issues confronting the United States. They think: Technology, high tech, high tech. Let's talk about jobs. High tech jobs? Do you know that a third of Microsoft's workers are part time? At one time they were all full time and lower-level workers sued and said: We are going to get some of these stock options and other benefits. And they won the case in court. So Gates and Microsoft turned around and gave them a 364-day contract. They are part time; 40 percent of the employees in Silicon Valley are part time. They don't give them any jobs. Gates has 22,000 up there in

Redmond, WA and Boeing has 100,000. But what jobs they do have don't produce anything to export.

We had a deficit balance of trade in advanced technology products with the People's Republic of China of \$3.5 billion in 1999. This year it will be almost \$5 billion. So don't give me anything about high tech—the high tech is going to save us. That is not going to save us at all. Advances in technology has spurred productivity. We all acknowledge that. The Japanese, after all, are the ones that taught us that with their advances in robotics in the early 80's. The BMW plant in Spartanburg, SC has been able to incorporate cutting edge technology and machinery. That is why over half the employees came off the farms within 50 miles and the other little textile industries and have been able to produce very efficiently. The quality of the Spartanburg plant exceeds the quality of Munich BMW. As a result, BMW is doubling the size of its operations at the Spartanburg plant.

Open your eyes. The most productive automobile plant in the world, according to J.D. Power, is not in Detroit, it is down in Mexico—the Ford plant. We know about productivity and we know about jobs. While we lost 69,000 manufacturing jobs this August, we took on some 127,000 service jobs. We are going just the way of England.

At the end of the war, they told the Brits: Don't worry; instead of a nation of brawn, this will be a nation of brains; and instead of producing products, we will provide services. Instead of creating wealth, we will handle it and be a financial seller. And England has gone to hell in an economic hand basket. Even Land Rover is leaving there now, and there is some question with the BMW plant there.

I am not anti-British. I love the Brits. But London has become a downtown amusement park. I like to go there like everybody else. What I am talking about here is economic strength. The British Army is not as big as our Marine Corps. We are running around here puffing and blowing about the world's superpower. You cannot use and you would not use the hydrogen bomb. They couldn't care less now about the 6th Fleet or our military superiority.

So what counts? Money. Money talks in international affairs. I will never forget when in the U.N. there was a resolution to examine China with respect to human rights and they were preparing to set up the hearings. This was 1993.

The last time I checked 5 years later, 1998, they did not have the hearings. Why? Because the Chinese are the best diplomats. The Chinese are the best negotiators. They are the best business people. They have the best commercial minds. They went all around Africa, down into Australia and everywhere else. They never called for the hearings. Why? Because everybody wants to get into that rich market of \$1.3 trillion. At the moment, we have the richest market in the world, and we refuse

to use it and whine: Be fair, fair trade, level the playing field.

Come on. Trade is not Boy Scouts. There is no morality to trade—be fair. I know what they are talking about. I know the word “trade” itself. “Free trade” is an oxymoron, but they hope there will be no barriers, no tariffs, no limitations.

As we shout for free trade, the same thing we shout for is world peace. I do not believe we are going to get either one in my lifetime. Maybe in Strom’s. The fact of the matter is, the father of this country said the best way to preserve the peace is to prepare for war. The best way to get free trade is to compete, raise the barriers and then remove them. The Chinese do that. They use their market.

Some come to the floor and talk at length with respect to how the agreement is so good and it will not do this and it will not do that. I will touch on one thing this afternoon because I am limited in my time. My colleagues will remember, they said there would not be any more forced technology transfers. That is what Qualcomm thought when it invested in China. Ambassador Barshefsky, the Special Trade Representative, said:

The rules put an absolute end to forced technology transfers.

This was November of last year after they had the agreement. I have an article from the Wall Street Journal with regard to “Qualcomm learns from its mistake in China”:

U.S. mobile phone maker listens to Beijing’s call for local production.

This is dated June 7 of this year. The Ambassador is telling us the agreement does one thing, but the reality is quite another. Qualcomm, trusting it would not have to transfer, has to have local production before it can sell. So it is with all of these other industries.

I am not anti-Chinese. I am anti this policy. I have been against this particular policy for years on end. We had a GAO report—about which I could go on at length—that the agreement is indecisive and complex. When we negotiate, we find out again and again it is normal trade relations; namely, you have to give before you can take. You have to give the Chinese the technology, and move production to China. I do not fault China. The Chinese are doing only what we did to build this great United States of America.

In the earliest days, we had just won our freedom, and the Brits corresponded with the fledgling Colonies and said: Now that you have won your freedom, why don’t you trade with us what you produce best, and we will trade back with you what we produce best—the doctrine of comparative advantage these economists will tell you about.

Alexander Hamilton had the wisdom, outlined in the Report on Manufactures. There is one copy left at the Library of Congress. That little booklet in a line told the Brits to bug off: We are not going to remain your colony.

As a result, the second bill that ever passed Congress—the first being the Seal of the United States—was a protectionist measure passed on July 4, 1789, a tariff bill of 50 percent on 60 different articles. From there we began to build our own economic strength, our own industrial capacity, carried on by President Lincoln. When plans were being made to build the transcontinental railroad, some said buy the steel from London. Lincoln said: Oh, no, we are going to build our own steel plants, and then when we get through, we will not only have the railroad, we will have a steel capacity.

Again, that crowd that comes around here whining about free trade, getting all the protection you can possibly imagine—the farmers—are solid for this. They are going to learn a lesson—be careful what you wish for. Maybe I will get on to that in a minute.

It was Franklin Delano Roosevelt who instituted marketing quotas, protective import quotas, price supports—protectionism that built up. Yes, I am for the farmer and we are the greatest agriculture producer in the world. But do not tell me about free trade. There have not been any price supports for my textiles and my 38,700 textile workers who have lost their jobs since NAFTA. Incidentally, I remind people just exactly what happened. Yes, they are having to turn to service jobs if they can.

I remember Onieta Industries in Andrews, SC. They made T-shirts. Everybody can understand it. They closed the plant in the early part of last year. There were approximately 480 employees with an average age of 47. Do it Washington’s way; do it the way Congress lectures: Education, education—we have to reeducate. They sound like a bunch of Mao Tse-tungs. So we reeducate, and tomorrow we have 487 expert computer operators. Are you going to hire the 47-year-old or the 21-year-old?

Those 47-year-olds are out of a job. The average employer is not going to take on the pension costs and health costs for the 47-year-old when they have relatively none to consider for the 20-year-old. So they are sidelined. And that is the anxiety explored recently in Business Week: “The Backlash Behind the Anxiety of Globalization.”

President Clinton, himself—this is from the Los Angeles Times in May of this year. I quote:

So Clinton asked rhetorically, why are we having this debate on PNTR? Because people are anxiety ridden about the forces of globalization.

I just finished reading David Kennedy’s “Freedom from Fear,” the legacy of Franklin Delano Roosevelt. The legacy of William Jefferson Clinton is fear and fear itself. Global anxiety. Why? Because that 47-year-old who worked at a plant for 25 years was saving his money, making his home payments, his car payments and had a little boat down on the Black River—now he is high and dry. At best, he is trying to get a job at McDonald’s or at the

laundry or somewhere else in the service economy that doesn’t pay.

Talking about those jobs, I think we ought to really emphasize the fact that we are separating, if you please, the society. In Fortune magazine, dated September 4 there is the article entitled, “Are the Rich Cleaning Up?” It is by Cait Murphy:

Blue-collar workers make less than they did a generation ago while the earnings of professionals have soared.

Mr. President, I ask unanimous consent to have this article printed in the RECORD.

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

[From Fortune, Sept. 4, 2000]

ARE THE RICH CLEANING UP?

(By Cait Murphy)

The average price of a Manhattan apartment south of Harlem has hit more than \$850,000—at a time when two-fifths of New York City’s residents make \$20,000 or less a year. In Silicon Valley teachers struggle with the rent while dot-com-rich parents wonder how to cope with “affluenza”—the perils of new and great wealth. (Hint: Just don’t buy that helicopter.) In leafy suburbs nurses and cops commute from 50 miles away: They cannot afford to live near their work.

This dichotomy—between new wealth and the not-so-wealthy—has lately become something of an academic and political obsession. Economists and social scientists have turned the study of income inequality into a thriving cottage industry. And while the rich-poor gap has not cropped up explicitly in the presidential campaign, it is the subtext for a number of front-burner issues like tax cuts, educational reform, and the “digital divide.” When a politician uses the word “fairness” in an economic debate, that’s often shorthand for “inequality.”

Why the concern about inequality? Basically, because there’s more of it. From 1977 on, the cash earnings of the poorest fifth of the U.S. population fell about 9%, estimates the Center on Budget and Policy Priorities; middle-class earnings rose 8%; and upper-income earnings, 43%. The exact numbers are hotly contested, but it is clear that the distance between the top and the bottom tiers of the income distribution has grown strikingly since the 1970s. By some measures, Americans’ earnings are more unequal today than at any time in the past 60 years; at best, even after the past several years, when income has grown throughout the income distribution, the gap has plateaued at or near record levels.

Of course, no serious person would argue that everyone should get the same-sized piece of the economic pie. That would be unfair to those who work hard, as opposed to those who watch reruns of *Gilligan’s Island* all day. And if spectators want to pay more to watch a baseball game than, say, a badminton match, there is no reason both sets of athletes must be paid alike. At the same time, no serious person would deny that inequality can hit such levels (think medieval societies) that it comprises both an ethical problem and a threat to social peace (the peasants revolt). Finally, there is little disagreement about whether inequality has increased. It has. But there is also massive mud-wrestling about how much it has grown, why, and what it all means.

FORTUNE will spare you the arcane details—for now, anyway. But the fundamental argument about inequality is simple. The

pessimists contend that income distribution has grown so lopsided that all society is worse off. Richard Freeman of Harvard speculates that there is a link between inequality and crime. He notes that high school dropouts fill the nation's jails—and that these men have lost the most ground economically. Edward Wolff of New York University contends that if young men had a better shot at earning a stable living they might be more willing to marry and stop having children on a freelance basis. Robert Greenstein of the Center on Budget and Policy Priorities argues that earnings disparities are one of the reasons that almost one in five children lives in poverty. America's lowest-paid workers make less, as a percentage of the median wage (the point at which 50% are above and 50% below), than their counterparts in any other country (38%, compared with 46% in Britain and Japan and more than 50% in France and Germany). This means that many low-skilled parents just cannot earn enough to escape poverty. "If there were somewhat less inequality," Greenstein concludes, "more would have a better standard of living."

There is also considerable (but contentious) literature that more-equal societies are healthier. And there is the inchoate but deeply felt belief that inequality at current levels is simply un-American. It gives the rich too loud a voice. It makes it too hard for those at the bottom to rise to prosperity. And it allows the wealthy to separate themselves from society through private clubs, private schools, and gated communities.

The optimists respond to that critique with a polite yawn. Or perhaps a rude word along the lines of "Rubbish!" Sure, inequality has grown, but so what? As long as people at the bottom have not become absolutely worse off, goes this set of arguments, it doesn't matter that the rich got richer faster. And no, the poor are not worse off. Though men's earnings seem to have fallen since 1973 (and maybe they haven't), women's have clearly risen. That trend and smaller households mean that family income and income per head have increased all along the income distribution. Housing quality and access to medical care have improved markedly for the poor since 1973.

Besides, people don't necessarily stay in the same position. They move up and down the income ladder: Horatio Alger was not just making stuff up. Today's income distribution is the result of long-standing economic forces and social trends. Nothing is broke, so don't fix it.

Those are the broad outlines of a debate in which the devil is most definitely in the details. What follows is a primer of the arguments, followed by a suggestion about how to get out of this thicket.

What are people so concerned about? Students of inequality use several tools in their trade. One is the Gini coefficient; a 0 coefficient is perfect equality (everyone has exactly the same share of the economic pie). A coefficient of 1 is perfect inequality (Bill Gates gets it all). In America the coefficient has risen from 0.323 in 1974 to 0.375 in 1997, according to the Luxembourg Income Study, higher than in any other rich country. Britain's is 0.346, Germany's 0.300, Canada's 0.286, and Sweden's 0.222.

Matters naturally are not quite that straightforward. Alan Greenspan has pointed out that while the Gini coefficient is comparatively high for income, when applied to consumption it is about 25% lower. In other words, poorer people are spending more like the rich; they are, for example, almost as likely to own such things as dryers and microwave ovens. So the economic distance between the top and the bottom may be narrower than the income numbers suggest. And

Europe's greater equality may simply reflect the widely accepted premise that while America has adapted to economic change by allowing inequality to rise, Europe has adjusted by allowing higher unemployment. Which is better?

Another favored analytical tool for measuring inequality is to divide the population into fifths, or quintiles, and see what share of the nation's earnings each fifth took home. According to the Census Bureau, in 1998 the bottom 20% earned only 3.6% of total income (4.2% in 1973), compared with more than 49% for the top 20% (44% in 1973).

But wait a minute. The Heritage Foundation points out that the Census defines quintiles in terms of households—and households in the bottom quintile are much smaller than those at the top. Therefore, while there are 64 million people in the richest quintile, there are fewer than 40 million in the poorest one. Adjust for population, and the share of the bottom fifth grows. Also, many Americans have income that is not in the form of wages or cash transfers—food stamps and housing subsidies for the poor, realized capital gains for the better-off. Adjust for that, and the distribution narrows again, as it does after accounting for taxes. Should the adjustment include Medicaid and Medicare? If so (and that is debatable), the gap shrinks further still; put it all together, and Heritage figures that the bottom quintile takes in 9.4% of national income, and the top 39.6%.

There is, then, no consensus on how to measure inequality. There is, however, broad agreement that it has indeed grown. Since the early 1970s the cash incomes of the rich have indeed risen faster than those of the poor, with the middle class hanging in there; the higher up the income ladder, the faster the growth. That may help explain why the poverty rate, now 12.7%, has still not dipped to 1973 levels (11.1%). Median household income (the point at which 50% are above and 50% below) has grown grudgingly, rising about 9% in real terms from 1973 to 1998 and passing its 1989 peak only in 1998.

Men have had a particularly dismal time. The median income of men is significantly lower than in 1973 (\$27,394 then vs. \$25,212 in 1997, in 1997 dollars). Men under 45 are making less now, in real terms, than they did in 1967, and blue-collar workers have taken the biggest hit. Blacks and women, however, have seen their earnings rise.

Why is inequality increasing? Income inequality is increasing because wage inequality is. The U.S. economy has evolved to reward highly educated people even more than in the past—a trend that social scientists, in a flight of whimsy, call "skill-biased technological change." This means that demand for labor has shifted toward the skilled and away from the unskilled. Brains beat brawn—hands down.

That explains the rise in the college premium—the extra income college graduates can expect to earn compared with those who finish only high school. The premium rose much faster in the U.S. than in Europe because the supply of graduates in the U.S. did not rise as fast in the 1980s and 1990s as the demand for them; Europe came closer to matching demand and supply. It sounds like a tautology, and perhaps it is: Income shifted toward the more highly skilled because employers would pay more for their services. But it really is that simple.

Of course, that by itself doesn't explain the income gap. Another significant factor has been family structure. Weighing on the downscale side of income distribution has been the burgeoning number of single-parent families, particularly those headed by never-married mothers; overall, single-parent families earn about half as much as two-parent

households. On the upscale side, there has been an increase in families in which both spouses make lots of money. To put it another way, there are almost 2½ times as many people working in the richest fifth of households as in the poorest fifth. Less than a third of the people in the bottom quintile live in households headed by a married couple; the rest are single (55%) or in single-parent families. In the top quintile some 90% live in married-couple families.

Changes in family structure account for more than a third of the increase in income inequality since 1979, figures Gary Burtless of the Brookings Institution, making it a slightly more important factor than the widening wage gap. Lynn Karoly of the Rand Institute in California calculates that the wage gap is a bigger deal, but no matter: No one disputes that both factors are crucial.

Other suspects in the inequality lineup are the declining minimum wage (lower in real terms than in 1973), declining unionization among men (accounting for as much as 20% of the gap, estimates Freeman), deregulation (protected industries kept wages high), immigration (which can depress wages), and trade (that giant sucking sound). Higher levels of entrepreneurship may also be associated with higher inequality.

All those things probably count, but to a minor degree compared with the changes in earnings patterns and family structure. Immigrants, for example, can drive down wages in local labor markets, particularly among the low-skilled, but that effect is muted across the country as a whole. When it comes to trade, the effect is even more difficult to identify. While some companies have certainly shipped jobs to cheaper climes, most U.S. trade is with other rich countries, and most low-paid jobs are domestic, such as cleaning or food service. Remember, too, that to critique immigration and trade strictly in terms of their impact on inequality is to look through a cracked mirror: Doing so ignores the contributions immigrants make to America and the opportunities wrought by freer trade.

What is more important than any of these individual factors, Karoly notes, is how all of them have reinforced one another. At the same time, there have been few countervailing forces. The U.S. could have tried to slow these trends, as Europe has done, through high minimum wages or centralized wage bargaining or protective trade barriers or high taxes. It chose not to.

What can be done? The primary rule of economic policy should be like that of medicine: First, do no harm. And the problem with many of the knee-jerk policy responses to inequality is that they cannot pass that test. Looking at the list of culprits responsible for the run-up in inequality, for instance, one could argue for less technological change, less trade, more regulation, and less entrepreneurship. Would America really be better off with such an economic blueprint? To ask the question is to answer it.

Even the more plausible approaches carry side effects worth thinking about. Take unions. Unions are an essential part of a free society, and they do an excellent job of raising wages for members. But they can also be associated with not-so-good things, such as protecting their workers at the expense of those trying to get into the labor market—an important factor in the high level of European unemployment. In July, Alan Greenspan contended that it was America's greater labor-market flexibility that had allowed it to take advantage of information technologies faster and more fully than Europe; tech-led productivity has been the bedrock of America's recent wage and productivity surge. In this context, the case for actively encouraging more unionization begins to weaken.

What about raising the minimum wage? That's plausible too, and the increased minimum wage probably played a role in steadying inequality in the past few years. Moreover, countries like France, which has a high minimum wage, have seen inequality grow much less. America may be robust enough to swallow the proposed minimum-wage increase to \$6.15. But there is clearly a point where a minimum wage can become burdensome, killing job opportunities, as has happened in Europe. And raising the minimum wage is an awkward way to lessen inequality. Most minimum-wage workers do not live in low-income households (think of suburban teens), and many poor households have no workers at all. So most of the gain from a higher minimum wage goes to families that are not poor. Worse, the Organization for Economic Cooperation and Development has documented a connection between the minimum wage and youth unemployment: the higher the wage, the more idle youngsters. That has to be a large part of the reason a quarter of France's under-25-year-olds are out of work.

Is all this simply an argument for complacency? Not quite. It is really an argument for looking at the issue from a different perspective. Let's face it: Normal Americans do not fret about rising Gini coefficients or quintile displacements. They do however, worry if hard-working people, even professionals, cannot find a home of their own that fits their means. They don't want children suffering, even if their parents made bad choices. They believe that opportunity is available to all and that government should not hinder people's ability to take care of themselves. Americans, in short, are hapless at class warfare (perhaps because they are so absorbed in racial and ethnic issues). If they were better at it, they would be howling, say, at the proposed death of the death tax, which applies to only a tiny share of estates. Instead, most people want it killed. The attitude seems to be, "Hey, that might be my estate someday."

Given such attitudes, a plausible list of goals for government might go something like this: Enhance the prospects of poor children, improve living conditions, reward work, bolster family responsibility, keep taxes from impoverishing people and ensure mobility.

And surprise, surprise: American social policy in the 1980s and '90s has done almost precisely that. The Reagan Administration can take credit for the 1986 tax reform, which released many lower-income Americans from federal income-tax liability. The earned-income-tax credit (EITC), also a Reagan-era initiative, supplements the pay of low-wage workers with children through a refundable tax credit of up to 40% of earnings. The Bush and Clinton Administrations expanded the EITC (the latter in the teeth of strong Republican opposition). Both also expanded the provision of support services for poor children outside the home—child care, foster care, Head Start, and so on. Child-support enforcement expanded under all three (with, it has to be said, spotty results), and health insurance and child-care subsidies for poor children expanded under Bush and Clinton. The welfare reform of 1996 (in the teeth of strong Democratic opposition) explicitly connected working to the receipt of benefits. Overall, these policies make up a broadly consistent approach that Americans are in tune with—and that has delivered real improvements.

Perhaps, then, the way to remedy inequality is not so much to try to lessen the Gini coefficient—through redistributive taxation, for example—but to ameliorate the problems of those snagged at the bottom. One such problem is clearly housing. There is a gap be-

tween the growing numbers of low-income renters (10.5 million in 1995) and the shrinking numbers of low-cost rental units (6.1 million). A record 5.4 million households spend more than half of their income on rent or live in substandard housing. The feds can and should do more in this regard by boosting the number of housing vouchers. (Congress eliminated new housing vouchers for four years in the 1990s; the 2000 budget envisions expansion.)

But inequality begins at home. It is not coincidental that two cities with massive affordability problems—New York and San Francisco—may also have the most tortured housing markets in the country. Byzantine regulations suppress new construction and raise its cost. Insiders—those who have scored a price-controlled apartment—benefit at the expense of outsiders, who pay prices exaggerated by the artificially induced constraint in supply. So while rent decontrol rarely makes the egalitarian to-do list, it deserves to be on it. And Silicon Valley and other wealthy communities should take a hard look at regulations—two-acre zoning and the like—that put up a keep out sign for the unrich.

Expanding the EITC further—by increasing the credit (particularly to families with three or more children) and extending it to childless full-time workers—would also help. The EITC is first-rate social policy. Essentially it promises parents that if they work, their income will exceed the poverty line. In 1998, EITC supplements lifted almost five million people out of poverty, and that money has proved an important carrot to get former welfare recipients into the job market. A further expansion would put more dollars in low earners' pockets and reduce the ranks of the working poor, without the scattershot effect of the minimum wage. It also makes perfect equity sense in the context of the tax cuts both parties are fiddling with. Don't believe the fluff: Tax cuts would benefit the better-off most, for the very good reason that they pay the lion's share of taxes. The top 1% of earners, for example, pays almost a fifth of all individual federal income taxes, according to the Congressional Budget Office, and the top fifth almost 60%. The bottom two quintiles contribute 8%. An expanded EITC, in combination with tax cuts, would spread tax largesse all the way up and down the income distribution. Along the same lines, states that are considering cutting taxes would do well to cut sales taxes, which hit the poor hardest, rather than income taxes. Or they could start or expand their own versions of the EITC, as more than a dozen states have already done.

Third, surely a country as rich and talented as America can figure out some way to ensure reasonable, regular health care at a level of access that, say, Ireland provided in the 1960s. There has been expansion of guaranteed medical provision for poor children, but about 15% still slip between the cracks. A system with fewer gaps could also promote mobility; it is scary for low-income people in a job with health coverage to try to improve their position by moving to a new job without it.

Fourth, let's remember that not every problem comes with a ready solution, from government or anywhere else. For example, it would be an unambiguously good thing for America as a whole if families formed more readily and stayed together more reliably. This would also narrow wage inequality and boost family income. It's just far from obvious how to get there from here.

Social policy is not a field of dreams; miracles are rare. Across the rich world, estimates Ignazio Visco of the OECD, the long-term poor are some 2% to 4% of the population. But at any given time, these families

make up half of the population living in poverty—everyone else moves up and out. The major problem in such homes is not lack of money but disorganization, illness, lack of social skills, and general cluelessness. In her book *What Money Can't Buy*, Susan Mayer of the University of Chicago argues that after basic needs are met, additional income has little effect on children's prospects. Using a form of regression analysis that only a social scientist could love (or indeed understand), Mayer estimates that doubling the income of the poor would reduce high school dropout rates by one percentage point, increase education by a few months, have no effect on teen pregnancy, and possibly worsen male idleness. "Any realistic redistribution strategy," she concludes, "is likely to have a relatively small impact on the overall incidence of social problems." Enhancing living standards to provide dignity and reasonable comfort is a social good in itself. But humility is warranted in terms of the long-range benefits of doing so.

In the long run, because so much of inequality is connected with the higher returns on skills, it is crucial that Americans learn the things they need to know in order to succeed. Which brings us to education, the most important component of the mobility that is the bedrock of the American dream. Poor people in poor communities are educationally short-changed, and the problems begin early. That Americans of almost any intellectual level can find a college to accept them does not excuse the lack of basic skills too many high school graduates demonstrate. Money may be part of the answer, but only part. Cash can be spent wisely or stupidly; there is, at best, an ambiguous correlation between spending and achievement. But evidence indicates that increased attention to education in early childhood brings enduring and positive results. It's clear that there has to be more emphasis on accountability and outcomes—what children actually learn—as opposed to how much is being spent. That's beginning to happen. And it's hard to believe that competition—vouchers, charter schools, and the like—would not be a goad to improvement.

Finally, let's remember that nothing good is going to happen if the economy goes into the tank. Tight labor markets have done more to make welfare reform work than any aspect of its design; productivity has driven up wages since 1993 faster than any transfer program could have done. Remedies to inequality that hurt the economy as a whole will hurt the poor first and worst.

Laura D'Andrea Tyson, former head of the Council of Economic Advisors under President Clinton, offered a striking way of looking at these issues at a Federal Reserve conference in 1998. Imagine the income distribution, she suggested, as an apartment building in which the penthouse is more and more luxurious, and the basement, in which a number of dwellers (and their children) are stuck year after year, is rat infested. What to do? Well, some social critics, offended by the presence of wealth amid such distress, would like to pillage the penthouse. Tyson simply notes, "We need to do something about that rat-infested basement." Taking care of the rats and making sure people can climb out of the cellar: That seems about right.

Mr. HOLLINGS. You begin to understand—when we talk about jobs, when we talk about pay, when we talk about our society, when we talk about our economic strength, when we talk about the middle class—that the strength of our democracy is disappearing.

So, yes, we are going to trade with China. But if you make it permanent

and you make it normal and you want to compete with China, you are going to be in one heck of a fix, is all I have to say.

Let me say a word about market share. Japan has been practicing this for a long time. They have a society that sacrifices at the home market in order to take on the international market, the market of the United States. There is no question about it.

That Lexus that costs \$34,000 in the United States costs \$40,000 to \$44,000 in downtown Tokyo. That camera that sells for \$300 here—a Japanese camera—sells for \$600 to \$1,000 in downtown Tokyo. That Handycam that sells for \$640 in the United States—made in Japan—sells for almost \$2,000 in downtown Tokyo.

We do not have that kind of society. This is a spoiled society. We are supposed to give you tax cuts even though we have hardly any taxes to cut. And they can't be punitive, because look at the economy. By the way, we are paying down the debt, but we do not tell them we are increasing the debt at the same time.

I really have not had but one person ask me about the estate tax. Nobody has asked me about the Social Security tax because we put it in line with all other pension plans. Nobody has bothered about gasoline. Overseas, they regularly sacrifice \$4.20 for a gallon of gas. When we get to \$2 a gallon, we go ape and hold Federal investigations, TV shows, and everything else.

So the competition in globalization is one of sacrifice. In China, they call it communism; sacrifice, in Japan, in Korea, and even in France and Germany. They have all kinds of rules and regulations. Try to buy a year 2000 Toyota in France. They keep it at the Port of Le Havre and inspect it a year or so, and you can buy the year 2000 model on January 1, 2001.

They have all kinds of barriers and different tricks. We talk about globalization and productivity as if we know something about it and that all we have to do is reeducate and get more engineering graduates. Come on.

I am talking about middle America, the blood and guts of this society, the blood and guts of this democracy. That is what keeps us a strong country. That Fortune magazine article that came out the day before yesterday will tell you about that divide, will tell you that the take-home pay of that industrial worker is less than what it was 20 years ago, adjusted for inflation. It is a devil of a trend, but they are not talking about that or even mentioning trade. But when it comes to market share, the Japanese set the pace.

What is going on in telecommunications?

I have a bill which is a reminder because the law is there. I am going to testify tomorrow that it is nothing more than a reminder. No communications bill is going to pass unless they put it as a rider on one of these appropriations bills. Because they do not want to debate these things.

All you have to do is look at Deutsche Telekom's SEC reports and know they call themselves a monopoly and that the German government is in control.

When you are a country in control, you can print money. We know that better than anybody. We have been running deficits since 1968, 1969 under Lyndon Johnson; now the debt is \$5.7 trillion. So we know about governments printing money.

Deutsche Telekom had its stock at \$100 earlier this year, in March. Now it is down to \$40. Do you think Ron Sommer, the CEO of Deutsche Telekom, is worried? He could care less. He says: I have \$100 billion.

He just had a bond issue of \$14 billion. Everybody got into it. We could not get a \$14 billion bond issue going in this country. But a government-controlled company can easily get it because that company can't go broke. It is bound to win.

Sommer says: I have \$100 billion. And I am ready to buy AT&T or MCI or Sprint or VoiceStream or any telecom company I please. If his stock was down in the regular market to \$40, and he had \$100 billion, there would be a footrace between Boone Pickens and Carl Icahn. They would be in there in a flash. There would have been a take-over long ago. You see, they can come in with all kinds of capital and distort the competitive market.

That is why we deregulated telecommunications from U.S. Government control in 1996. We certainly did not do it to put it under German Government control. That is why we have the World Trade Organization, in order to get competition, not to set up government-controlled companies to take over in the private market.

But why do they do that? Who does offer the highest price, they tell me, per subscriber in one of these communications entities. Previously the highest bid was \$12,000 per subscriber. Deutsche Telekom comes in with \$21,000 to \$22,000. Money is nothing to them. Why? Because they want market share. They battle. And the whole fight in globalization is for either jobs on the one hand, market share on the other hand, or both.

That is the globalization. That is the trade. And we do not have a trade policy.

They talk about free trade, and they get together. Unfortunately, our Democratic leadership gets together with the Republican leadership on this score.

They put out the white tent and they fixed the vote. The New York Times wrote the article about it. The New York Times put in there that they got the NAFTA vote by giving our friend, Jake Pickle, a culture center; another Congressman two C-17s; another one a golf match. They had 26 gimmies to fix the vote. So they fixed the vote here in the Finance Committee and fixed the vote with the leadership, and they have the unmitigated gall to come and say:

No amendments, don't discuss it, when can we vote, let's get this thing over with, free trade, free trade, free trade.

I am going to join my friend, our leader from West Virginia, Senator BYRD, and others, and hope we bring some sobriety to this crowd up here in Washington. Let's start competing and let's start being productive. Congress berates the U.S. industrial worker. You must become productive. But we can't pass an increase in the minimum wage. We can't pass a patients' bill of rights. We can't pass gun control. We can't pass campaign finance. We can't do anything.

Remember, we are competing with ourselves. I think that is one of the main points to be understood. I will never forget those industrialists who traveled all the way to Europe and back with jet lag to implement the Marshall Plan. Now with the profit the corporations make, they don't mind the jet lag. They don't mind moving for a while to Japan and Korea and other places. And as of 1973, the banks—Citicorp and Chase Manhattan—made a majority of their revenues and profits outside of the United States. They became more or less multinational. Then, of course, the corporations themselves started traveling over there and they organized in order to support this so-called free trade, which they knew historically was a bummer. They organized the Trilateral Commission and the Foreign Policy Association. If you run for President, the first thing you do is get a gilded invitation to go up and pledge on the altar of almighty free trade your loyalty and your fealty to free trade. So you become sophisticated. You become knowledgeable. Yet you don't know what you are talking about.

Then they give the contributions to the college campuses so that you not only have the companies and the banks, but you have the campuses. There was a Ms. Jacobson who put out a study back in the 1980s where the majority of the contributions, I think, on the Harvard campus were Japanese. So you get all the campuses. You get the consultants. You get the Washington lawyers. We don't hear too much from our friend Pat Choate. I wish he would run again. Pat Choate wrote "The Agents of Influence."

The agents of affluence were our special Trade Representatives, whether it was Eberly or Brock or Strauss, those representing us immediately went to represent the other side. It would be like General Powell going to represent Saddam Hussein and Iraq. But that is what has been going on. To Mickey Kantor's credit, he has not done that. But I have been here long enough to watch all of them. Carla Hills, who gets all of these awards and everything else, represented the other side, the competition.

Then you have the retailers. We used to debate a bill, Mr. President. I would go down to Bloomingdale's, and I would get a lady's blouse made in Taiwan and

one made in New Jersey because they are trying to fill up the order. They were never the same price, and the American manufacturer wasn't the lower price. I went to Herman's and got a catcher's mitt, one made in Michigan, one made in Korea—the same thing, the one from Korea was cheaper. So they make a bigger profit, the retailers. And the retailers pay the newspapers through advertisements. That is the source of the majority of newspapers' profits. The business manager of that newspaper says you have to be for free trade because the retailers are their clientele.

I just heard the distinguished Senator from Arkansas talk about free trade. She was very much for this particular bill. Their biggest industry? Wal-Mart, import industry. They are going to sell a few chickens in Arkansas. Tyson hopes he can sell a few chickens. But they are not producing anything else there. So we have to go over to the retailers.

We have the banks, the corporations, the consultants, the societies, the campuses, the lawyers, special trade representatives and, yes, the lawyers. The Commerce Committee does not consider a bill that your office does not fill up with this crowd. In fact, these folks are confusing the Deutsche Telekom bill that my distinguished colleague cosponsored with me, running around the whole month of August trying to figure out how to get this vote and how to get that vote.

Section 310(a) says you cannot license a foreign government in telecommunications. It has been that way since 1934. We argued and debated it in the 1996 bill. We ultimately left it alone. In spite of the White House and the FCC and all the other legal shenanigans they have ongoing, the law is still there, but they are trying to confuse that.

It is like Spain with the fifth column. We have the enemy within, like Bobby Kennedy wrote about. I mean, I am not worried about China. I would run it the same way they are running it. They have a \$68 to \$70 billion plus balance of trade. We have got \$70 billion minus balance of trade and it has been growing each year. It is going to continue to grow.

This is not about jobs in the United States. It is about jobs in China. The Wall Street Journal had a big headline that said investors are racing now to invest in downtown Beijing, get a foothold there and then get the protection of the WTO—because you know who the WTO is going to rule in favor of. Fidel Castro can cancel your vote, Senator, my vote, the U.S. vote. I mean, come on, the WTO setting our trade policy?

I have introduced a bill in each of the last sessions of Congress and I will introduce it again next year. I am trying to get the 28 Departments and the Agencies coordinated in a department of trade and commerce so that we can have a coordinated assault on the

needs of this Nation. At the present time, it is all spread around, disparate. You have the policy from the Trade Representative. No, it is the Commerce Secretary. No, it is the Secretary of Defense. No, it is the White House. No, it is some other ruling that the administrative body, the FCC, has made. That is why we have these booming 60,000 lawyers at the bar in the District of Columbia—not 6, 60,000. I believe 59,000 of them are communications lawyers.

If we could just coordinate and get one trade policy for this country and get competitive like the old Yankee trader; otherwise, we are losing our jobs, our manufacturing. We are in economic decline. We are losing our middle class. Unfortunately, we are losing the strength of our democracy. I really believe that.

My friend, the Senator from New York, says this is a most important vote. Well, I think it is just as important for the exact opposite reason, that we kill it, not pass it, kill this thing, have regular trade, not normal, because we have been losing. I want to start competing. I certainly don't want a permanent trade agreement. Don't have one Congress try to bind the other Congresses. "Permanent" was put in there by the NAM Business Roundtable and the downtown lawyers. They are trying to get predictability to that investment over there, and they want to come back and tell ensuing Congresses: Look, you told us it was permanent and so we have our money over there.

And so just like the Senator from Arkansas protects Wal-Mart, which he should, maybe I would be here trying to protect a textile company that wants to produce in downtown Beijing.

The PRESIDING OFFICER (Mr. GREGG). The time under cloture has expired.

Mr. HOLLINGS. I thank the Chair and yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. CRAIG. Mr. President, I come to the floor of the Senate this afternoon to discuss a motion to proceed on what many of us believe to be a very important issue, and that is Permanent Normal Trade Relations (PNTR) for China.

While this issue has been a long time in coming to the floor of the Senate, its time has come. Our Nation, for a good number of years, has pursued a relationship with mainland China to improve the trade and commerce flows that are critical to this country. The agreement that we are here to ultimately get to final debate and passage on, is an agreement that allows an unprecedented access to the China market.

I support PNTR for China because it will seal the deal on the U.S.-China Bilateral Agreement and finally allow U.S. business and farmers the access to Chinese markets that the Chinese have to our market. In other words, America has had a relatively open market to China while China's market has been, for all intents and purposes, closed—except by category and by definition. Passage of PNTR will help pave the way for China's eventual membership in the World Trade Organization.

I think, as you would probably agree, all of these are critical in our relationship to this very large country and the role that it will inevitably play in our future world. This deal cuts the barriers to trade that U.S. farmers and businesses have unfairly encountered for decades. It serves Idaho because it slashes tariffs on exports critical to Idaho's economy.

Let me give a couple of examples. On U.S. priority industry products, tariffs will fall to 7.1 percent. Tariffs will fall on several products that are critical to my State, including wood and paper, which are critical to my State; chemicals, a growing industry in my State; and capital and medical equipment. In information technology—now a very important part of Idaho's economy—the tariff on products, such as computers, semiconductors, and all Internet-related equipment will fall from an average of 13 percent to zero by the year 2005.

On U.S. priority agricultural products, tariffs will be reduced from an average of 35.1 percent to 14 percent by January of 2004, at the latest. It will also expand market access for U.S. corn, cotton, wheat, rice, barley, soybeans, meat, and other products.

I think we all know the current state of the agricultural economy, and while we will set policy, to hopefully help production agriculture, we have always known that knocking down trade barriers and expanding the world marketplace for our producers in agricultural products remains critical. We have long since passed the day when we are the consumers of all that we produce. Now, well over 50 percent of everything a farmer or rancher produces on his or her property has to be sold in world markets to maintain current economies and to improve the profitability of those individual operations.

China, without question, is struggling today to determine what it will do in agriculture. Without question, it will want to feed itself and to continue to do so. Any nation worth its own gravity wants to provide food and fiber for its own citizens. But as that economy improves—and it is improving—the ability of disposable income in the hands of the mainland Chinese means that they will want to buy more of a variety of products that our tremendous agricultural economy produces. This is merely a step, and that is why I say dropping tariffs from 31.5 percent to 14.5 percent by the year 2004 is significant. As we work with them, those

tariffs could actually drop more rapidly in that area with additional agreements. There is no question that future Administrations in this country will continue to pressure the Chinese to move in the direction of even lower tariffs, but that significant drop of over 15 percent will rapidly enhance agricultural opportunities for sales to China.

The United States needs this deal. We are the strongest economy in the world and, as a Senator, would I stand here and say we need this deal? Yes, because we do. The U.S. trade deficit with China is large and continuing to widen. The deficit surged from \$6.2 billion in 1989 to nearly \$57 billion in 1998. And it continues to rise.

That statement alone is proof that our economy has been a largely open economy and theirs has been a relatively closed economy. This agreement, however, rapidly moves them toward a much more open economy and, therefore, spells in very simple language an opportunity for American business and industry and America's working men and women to expand the products they produce to sell into the Chinese markets.

In addition to reducing barriers to trade, it will also force China to play by the rules.

There is, I guess, a bit of a saying that when you deal with the Chinese on the mainland, you sign the contract, and then you begin to negotiate. In this country, when you sign the contract, you have made the agreement. The negotiation is complete. That is why bringing them on line with PNTR and into WTO means that not only will they have to ultimately play by the rules, but there will be a learning process for them as well. In working with the dispute mechanisms of the WTO they will obviously learn that as they move more aggressively into world markets, there is a rule of law that we have all trading nations of the world play by; that is, a rule of fair trade based on the standards established and negotiated within the agreements.

Let me give you an example of the problems we face today.

Idaho is known for its beautiful orchards. Of course, the State of Washington—our neighbor—is known for more orchards and that fine red apple that many of us see on the shelves of the produce markets and supermarkets of our country. Today, many of those orchards that produce those marvelous apples in Idaho and Washington are being pulled out and replaced by other crops. Why? Because the Chinese have flooded the United States market with concentrated apple juice—that when you buy apple juice in the marketplace, the apple juice could well be produced from a Chinese concentrate shipped into our markets, then processed and bottled and sold into the American market.

The only way we can control the Chinese flow of concentrated apple juice into our market today would be to ei-

ther openly threaten or close down our markets—close down our borders to the Chinese. That makes very little sense when you are working to expand markets because they then would counter by closing down access to another portion of their markets only to hurt another segment of our agriculture.

If they were in the WTO—if we accept this agreement—then they come under entirely new standards so that they have to regulate the flow of their concentrated apple juice into our markets, and without question, substantially improve the overall economy of the fresh fruit industry of this Nation and of the State of Idaho, and the State of Washington.

PNTR also means better opportunity for Idaho business-people and for the Idaho workforce.

For several years now Idaho has exported to China on a growing basis. We are 1.2 million strong in the State of Idaho. We are not a large State—at least population-wise.

In 1993, my State exported just about \$2 million worth of goods and services to China. But by just 2 years ago, in 1998, that number had grown to \$25 million. That is a 1,000-percent increase in the flow of goods and services leaving Idaho and going to mainland China, which just shows you the tremendous expansiveness in the marketplace that still remains relatively closed. This agreement rapidly opens that market and allows us greater access.

This last year, in December of 1999, I had the opportunity to lead an Idaho trade mission to China. I asked 13 different businesses and industries to go along with me and my wife, Suzanne, and some of our staff. Representatives from agricultural companies and building material companies and the high-tech community went along with us. We were all united, not only in our recognition of the importance of China's entry into the WTO, but all of these companies that went along went to look for opportunities to expand the marketplace of products built in Idaho for expanding the economy of my State and expanding the workforce and the job opportunities that exist in my State.

While we were there, we had the distinct privilege of meeting with President Jiang Zemin. President Jiang gave us the courtesy of nearly an hour of his time in a direct discussion with myself and the trade delegation. During that time, he talked about China's future and he expressed it this way. He said China is serious about a transition to a more market-based economy, although the President made it very clear that China was not going to fall for the Russian model. In other words, they weren't going to throw out the old and assume that the new would just naturally take its place.

What they recognized and what they are doing at this moment is a progressive step-by-step approach for greater access in the marketplace, greater flexibility in the marketplace, without

collapsing their economy, and without destroying the job base they currently have. There is no question that China is eager to gain the economic benefit and the political prestige of a WTO membership.

During that tour, we also went to an area and a province to the coastal city of Xiamen. There you can see firsthand what happens when an economy that was once guarded, protected, and limited by state-owned companies and by political control is turned, relatively, loose to join the world economy. Xiamen is one of six free-trade zones in China that was created by Premier Deng Xiaoping a good number of years ago. Their gross domestic product is phenomenal with average GDP of 20 percent, and job creation of the kind that is tremendously significant in giving the workforce of China the kind of upward mobility that all of us seek for all peoples of the world.

While we were there, we toured a brand new Kodak plant that was built on about 19 acres of ground. It was once a rice paddy for water buffalo and cobra snake. In just 19 months, this rice paddy was transformed into a very modern company that met all of the building codes, standards, and safety requirements as if they were built in my backyard, or in your backyard, or anywhere in this Nation. It was the home of thousands of workers, working for a much higher wage given the kind of power that a higher wage gives, and even given the opportunity to buy and own their own apartment.

If we really want to see China change, we must help give their workforce this kind of an economy, give them more money in their pockets, a chance to own private property, and then we will watch, over the years, a political change that will take place.

PNTR for China will improve the standard of living for many Chinese who have endured very poor standards of living.

PNTR isn't just a good deal for the farmers of Idaho, or the business men and women of Idaho. It is a good deal for the Chinese people who have suffered poverty beyond compare, and who are now beginning to experience through the marketplace, the opportunity of upward mobility, and the opportunity of private property ownership that truly begins to transform the political base and the landscape of a country.

Over the last year, as this issue developed and certainly over the last 6 months as we have known and as the Nation has known that we would ultimately debate the issue of permanent trade status for China and debate their entry into the WTO, I have received a multitude of letters from Idaho from all kinds of constituents who for one reason or another see the issue of permanent trade status the same way I do. While we agree that some of the human rights issues in China, and some of the other kind of concerns that we have are important, we also agree that our

Nation must be continually engaged with the Chinese to change the world and to change their role in the world. Building a wall or turning our backs on this huge population base is no way to gain those kinds of ultimate changes or benefits.

These letters, and letters from my Governor, Dirk Kempthorne, I think note, at least for the moment, that I share them with you. Let me give you a couple of examples.

Here is one from David Sparrow, of Boise, ID.

He writes:

DEAR SENATOR: As a constituent and a member of the agricultural community, I continue to urge your strong support of PNTR legislation with China.

He goes on to say:

PNTR for China is vital to the farmers and other agricultural interests in our district. Your vote is critical.

Another one is just a simple one-liner from a gentleman in America Falls, when he said:

Support trade with China. Nothing to lose except a market to other countries.

That is exactly right. If we don't compete effectively, then our producers and our American workforce will be the loser as other economies of the world continue to increasingly engage the Chinese marketplace in their bid for consumer products and a role in the world markets.

Doug Garrity from Blackfoot, ID, wrote this Senator:

DEAR SENATOR: As your constituent, I urge you to vote in favor of Permanent Normal Trade Relations with China. Congress must approve PNTR this year in order to secure unprecedented access to world markets for my company and others across America.

He was talking about a company in American Falls, ID, that is an agriculture-based company.

When the Idaho trade delegation and I met with President Jiang Zemin it was very clear from what he was saying that they believed this time, it was their turn to make the concessions. He openly talked about why they had made these concessions, why they were lowering their trade barriers, why they would phase them in over a period of time, and openly discussed even freer markets than the kind that are proposed in the current agreement Ambassador Charlene Barshefsky negotiated in late October and early November. President Jiang Zemin recognizes that the strength of his country in the future is not going to be based on the strength of a government but the strength of an economy and the right of his people to share in that economy, both individually and collectively as a country. He spoke very openly about that.

It was an amazing experience to visit for well over an hour with a man who had walked behind Mao in the great revolution. He did not mention that once, but instead talked in terms of open and free markets and talked about China's role in a world economy and our role and our companies' roles

and our national economy's influence over them and their economy. It was a dialog I would not expect to have. Yet it is a dialog that is now pursued nearly every day of the week in China by U.S. companies who are openly and actively gaining a piece of that market.

Another letter from Marlene Sanderlin of Lewiston, ID, which is a forest products and agricultural town. It is the location of our seaport where ocean-going barges come all the way up the Columbia and Snake Rivers into the heart of Idaho to take out Montana and Idaho grain, forest products, paper, and coal from Montana. All of that is moving out to the Pacific rim and some of it ultimately going to China. The vitality of that seaport, in the heart of Idaho, is in large part connected to the vitality of our trade in the Pacific rim and China. And China's economic growth, without question, is an opportunity for that seaport and for every seaport in the United States and the men and women who work in the maritime industries.

As your constituent, I urge you to support PNTR legislation for China. This legislation benefits real people: Me, my family, and my country. It guarantees economic growth for America and promotes the growth of democracy in China.

She speaks from my experience and my limited exposure in China, and the absolute truth when she says it addresses the growth of the democracy or the democratic actions within China itself.

Potlatch Corporation happens to be a company that is a large paper and fiber producer in Lewiston, ID. They write, asking that we support this. Why? Because of the thousands of workers they have at Potlatch and the products they can supply into the Pacific rim and into the Chinese market.

I have a good many letters from Idaho. We have received thousands. I know that nearly every Senator has received phenomenal communiques from their State in support of this particular issue that is now before the Senate itself. Establishing a permanent trade relationship with China means establishing a permanent, but also growing and developing relationship with the most populated country in the world. Without question, it is a vast opportunity for the sale of our products, and for an ongoing and working relationship with those Chinese people that can do nothing but help improve the ongoing relationship.

We will have some important tests in the coming days as other votes on other issues directly related to China come up. I will take a serious look at some of them because we need to make very clear, straightforward statements to our friends in China as to what we can and will expect and what we don't expect as it relates to their role in the world community and our role along with theirs.

If PNTR were voted down, the real losers would be the American business person, the American farmer, and the

American workforce. We have a vibrant economy today, and our economy is vibrant because we can sell in an ever-opening world market. It has not cost us jobs, it has continually improved and built a stronger economic base and a greater job opportunity for nearly every citizen in our country who seeks it. While that economy is strong, in the agricultural communities of Idaho and across the Nation, it is weak. It is weak because nearly 20 percent of the world market is off limits or in some way restricted to direct access for our production agriculture.

This is a quantum leap forward to not only gaining greater access but improving the economy of hometown, smalltown America. Idaho, my State, has a good many of them. PNTR is a critical link in providing that business economy, jobs, and growth relationship with China and China's future. Rejecting permanent normal trade relations would, in my opinion, have a dramatic impact on the economy for all the opposite reasons I have expressed that passage would have a positive impact.

Lastly, if we reject this, we largely freeze our relations with China. We can't afford to do that as a country. We can't afford to do that as a world leader. I, along with a lot of my colleagues, have been very stressed in the last several months with some of the utterances coming from China and some of what appear to be their activities here. Shame on us if we ignore this and if we ignore all of those other utterances. Full engagement is the only way we can deal with the Chinese. Full engagement economically, full engagement in trade, dealing with defense matters, openly stating our positions in unequivocal ways as to how we will deal with our friends, neighbors, and potential adversaries around the world.

It is that kind of leadership that is incumbent upon this country, it is that kind of leadership that is asked for in the Senate now in the passage of a permanent normalizing trade relationship with mainland China. I hope as we move to this vote we can get there, pass it, pass it as cleanly as possible, and get it to the President for his signature.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. CRAIG). Without objection, it is so ordered.

Mr. BYRD. Mr. President, the Senate is presently considering the extension of permanent normal trade relations status, or PNTR, to the People's Republic of China contingent upon China's accession to the World Trade Organization, WTO. Earlier this year, it appeared that China might seek to join the WTO this fall, but now, in the first blush of autumn, that possibility has

receded. And so has the urgency for us to consider granting PNTR on a permanent basis or on a temporary basis to China. Yet, here we are, with but a scant handful of days left in this Congress and a large number of must-pass appropriations bills awaiting our attention, discussing the merits or demerits or lack of merits of forevermore foregoing our annual ritual of reviewing and extending normal trade relations to China.

It might be worthwhile for the Senate to so consume its time, if we were taking this debate seriously. After all, it is quite a significant vote, the outcome of which may have long-lasting effects on our economy, on American jobs and on American workers. Proponents of extending PNTR to China note with some alarm that, should China join the WTO, the United States could be subject to sanctions by China because we do not currently treat it exactly the same as we do other trading partners, both in the WTO and outside the WTO. And that is true. We do not treat China the same as, say, the United Kingdom or Japan. We put conditions on our trade with China, human rights conditions and labor conditions and nonproliferation conditions. We do so out of concern for those issues with respect to China.

Our annual debate and vote to extend for another year normal trade relations, with conditions or without conditions, allows us, here in Congress, to comprehensively review our relationship with China. The annual vote on NTR is important to China, more important, perhaps, than any other single piece of legislation might be. The United States is a huge market, an attractive market, and an important market for Chinese goods. The competitive advantage of NTR tariff rates is consequential. It is both a carrot and a stick to persuade China to alter its behavior with regard to issues near and dear to Americans, such as religious freedom, such as nonproliferation.

I would be happy to spend many hours on this debate, and discussing this important trade and security relationship. I consider it an important debate. But I am somewhat dismayed to read news accounts about a cabal among Senators to stifle one of the most important rights granted by the Constitution to the Senate. That is the right to offer and have debate on and votes on amendments. In the House, the rule guides debate and the number and content of amendments that might be offered to a bill. That is perhaps necessary in a body with 435 Members. But the Constitution says: Each House may determine its own rules. The framers made the Senate a place where minority views, and small States, had an equal voice.

Thus, West Virginia, a State consisting of 24,000 square miles—as a matter of fact, 24,231.4 square miles—is not a very large State when placed beside, on a geographic map, the great State of New York, which is so ably represented

and which has been so ably represented by the senior Senator from New York, Mr. MOYNIHAN.

I oppose this legislation with due apologies to my friend. And he is my friend—a man of great wit, of great stature, a man of natural grace, a student, a scholar, a teacher—PAT MOYNIHAN. I apologize to him for having to vote against this bill, but I shall do it with gusto.

The framers established the Senate as a forum for unlimited debate and unlimited amendment. Or did they? They certainly did so with respect to unlimited amendments. But for several years, there was the previous question here in the Senate by which debate could be limited. But when Aaron Burr completed his tenure as Vice President of the United States and made his farewell address to the Senate, in early March of 1805, he recommended that the previous question be dropped from the rules. It had only been used 10 times in the previous years from the inception of the Republic. When the rules were revised in 1806, the previous question was dropped. It was then that unlimited debate reigned pure and undefiled and unchallenged in the Senate of the United States. So this is a precious birthright.

By the way, there were no limitations placed upon debate from that time—1806 or 1805—until 1917, when the present rule XXII—not exactly the present rule; it has been changed some since then—but a rule providing for the invoking of cloture was adopted in the Senate in 1917.

But this group of Members—I do not know who they are, and I am not sure that such a group exists, but I will take rumor for truth at this point because it very well could occur to some Members to want a “clean” vote, up or down.

This group of Members, I read, want a “clean” vote, up or down, on the House-passed bill. They, and a number of House Members, do not want a conference. And they do not want a second vote in both Houses on a conference report. So these Senators—well-intentioned, well-meaning—are determined to defeat every amendment, I hear, to this bill, regardless of merit. So having heard it, let me accept it as the truth and proceed accordingly. I am embarrassed to read that. I hope that it is not true, that Members of this body would relinquish a critical Senate prerogative, especially over so important an issue. Perhaps they would say: Well, it isn't exactly relinquishing a prerogative. Other Senators may call up amendments, but we will vote them down. They shall not pass.

If it is true, then we are just spinning our wheels here, are we not, by trying to fulfill our Constitutional role of regulating foreign commerce? We are just spinning deep ruts in the Senate floor by attempting to offer amendments to improve this bill before we close off our opportunity to annually review and affect our relationship with China.

I have reviewed the House bill, somewhat cursorily, I admit. It is not that

the House-passed bill is a bad bill. It contains a number of reporting requirements that attempt to assuage concerns about human rights and labor rights in China. But without the goal of an annual renewal of NTR status behind it, what force does a report have to affect behavior in China? How can a report protect American workers whose jobs are in jeopardy because of unfair actions in the trade field by China? How can a report protect American missionaries in China or Chinese citizens who wish to practice their religious beliefs? How does a report turn back a shipment of missile technology? How does a report turn back threatening words and actions directed at another nation like Taiwan?

The goal of this administration, and of the past few administrations—and I say this most advisedly; I have been in Congress now 48 years—and every administration since I came to Washington, Democratic and Republican, has been the same way, always singing the same old tune, and is guided, it seems to me, by the State Department.

The goal of all of these administrations, including the present one, has been to, bit by bit, eat away at the constitutional powers of this body to regulate foreign commerce. This is the message behind limiting mechanisms such as fast track. The argument is that our trading partners do not like agreements to be amended so it is take it or leave it for the Senate. But the Senate must make judgments based on our national interest.

Trade is a matter of increasing national interest. No one would dream of making the argument that we cannot vote for reservations or changes in arms control treaties because it would upset our negotiating partner. The Soviets promptly renegotiated the changes we made with respect to the INF treaty, a very fundamental change on the question of the very definition of the missiles that were the subject of the treaty. So are we to conclude that we can amend arms control treaties but not trade agreements, or even legislation dealing with trade agreements?

Trade has now become a varsity sport in America, especially here in Washington. It is very important to our well-being, important to millions of workers, important to the quality of our environment, important to the world's environment. It is important to large industrial and service sectors, a matter of such importance that we should at least pay careful attention to our constitutional responsibilities. The final product will be more in the national interest and Senators will have done their duty to their constituents and to our Nation, as it was envisioned by our Founding Fathers, if we debate this matter at length and if we offer amendments, debate them in good faith, and have votes up or down on them and let the chips fall where they may.

Is it not possible that we might improve this legislation by the vote of a

majority here in the Senate? Suppose one were to offer an amendment vital to our security interest. It is not germane, but there is no rule of germaneness in the Senate except under rule XVI with respect to appropriations bills or when time agreements obtain or when cloture is invoked. So why not? Why not offer subject matter that is important to our national security interest?

If there is a group of Senators who have, by tacit understanding, by a wink and a nod, or by words openly declared that they will oppose any and every amendment regardless of its complexity or its complexion or whether it is good or bad or in between—if there is such a group of Senators, why not abstain from that and let us vote? Let us have a vote up or down and have a vote based on the subject matter of the amendment without any prior agreement, without any wink or nod, if there be such. Let us see where the chips fall.

Are we to say that this particular bill is the acme of perfection and we should not have any further amendments of any sort regardless of merit? I don't think that would be the right way to commence.

Once granted, PNTR will be difficult, though not impossible, to retract. Any attempt to withdraw PNTR status in the future, if it is granted now, will cause an uproar, and not just in China. The diplomatic crowd in the aptly named Foggy Bottom here in D.C. will bleat that rejecting PNTR will upset delicate negotiations with the Chinese. The big business crowd will complain about lost opportunities to sell or invest in China. The Administration at the time will prate erroneously about Congress interfering with their sovereign right to conduct foreign affairs. And even in Congress, bills might be introduced, only to die an unremarked death in some committee or on some calendar. I have been here a long time. I have seen a lot of bills die and I know a thing or two about how to kill them. So I know that undoing a thing is much harder to do than doing it in the first place. It will be much harder to undo PNTR than it will be to grant it.

So why are we apparently so gung-ho to have this sham debate and vote now, this year, this week or next? There is no great urgency. The bill will not even take effect until China's accession to the WTO is voted upon. Why do it now, just weeks after a damning report has been issued about China's role in the proliferation of missiles and missile technology? Why do it now—why not next week sometime or next month or next year sometime—mere weeks after Chinese authorities conducted another raid on a so-called Christian sect that resulted in three Taiwan-born American citizens and approximately 100 Chinese citizens being arrested for meeting in worship? Why do it now, just months after Chinese officials have made still more threatening gestures toward Taiwan?

Why do it now, before the final negotiations on the bilateral U.S.-Chinese trade agreement, particularly the trade subsidy portions, have been ironed out?

Perhaps someone was listening to that advertisement I have heard on the TV so many times: Do it now, do it here. Well, we don't do it now.

China's record on trade agreements is not stellar. Since 1992, six trade agreements have been made—and broken—by China. In the last two years, we have seen the effects of dumping on the U.S. steel industry, as well as on the apple industry. So why are we rushing this vote? Why now? Why are we rushing this in such haste that we will not even seriously consider amendments that might improve the legislation? It is hardly perfect, sprung like Minerva, fully formed, from the forehead of Jove, or like Aphrodite from the ocean foam.

In that vein, I have several amendments prepared which I believe could improve this agreement. One concerns prospective U.S. investments in the Chinese energy sector. This amendment, if adopted, supports the market for clean energy technology in China's admittedly booming economy. I believe this amendment would pass the Senate. I think it would command a decided majority in the Senate, if left to its own merits. Sales of such clean technology helps U.S. firms, of course, but also provide a mechanism for the Chinese to improve their air and water quality, a necessary step if China is ever to step up to what should be leadership role for her among the world's developing nations with regard to climate change.

Now I am all for dealing with global warming. I am for the Kyoto Protocols, if China will get on board. So why not have an amendment to that effect. Let's have a vote here in the Senate.

After all, by the year 2015 at the latest, China is expected—let's see, I will be serving in my tenth term; that will be my tenth term. After all, by 2015 at the latest, China is expected to surpass the United States as the world's leading emitter of greenhouse gases. For her own sake, as well as for the future of all of us, China needs to step up to the plate and tackle her role in addressing the global issue of climate change. The United States would also benefit from this effort, as increased volume of clean technology sales helps to reduce prices and make the best technology more affordable to retrofit on existing U.S. facilities.

My other amendments are perhaps somewhat more specific in nature. In light of China's less-than-sterling record of abiding by previous trade agreements, these amendments are focused on increasing the transparency of Chinese Government subsidies made to China's many state-owned enterprises, and on improving existing U.S. procedures for acting on dumping complaints. China has made vague promises about not dumping and about not providing unfair subsidies to her enter-

prises. Yet China has also staked a verbal claim to the status of developing nations, which would exempt her from any sanctions with regard to subsidies made to Chinese industries. My amendments would require reports on China's state-owned enterprises—what's wrong with that?—and the advantages they enjoy, which would better enable us to determine if China's actions are fair.

Another of my amendments would add certainty to the sometimes excessively lengthy process used to determine if such subsidies have adversely affected U.S. companies and U.S. workers. These amendments will help us better to protect American manufacturers, American jobs, American workers, and American families from unfair trade practices.

American trade negotiators have crowed that, in the U.S.-China Bilateral Trade Agreement, the United States has given up nothing, while the Chinese have made substantial concessions and have offered to significantly lower tariff rates on certain goods. But I argue that the United States is giving up something substantial, though not directly through the U.S.-China Bilateral Trade Agreement. We are making our part of the bargain now. We are giving up our annual review and extension of normal trade relations with China in favor of a permanent normal trade relations status. And we are doing it now, before China has to make a single concession as a result of the bilateral agreement, which, like PNTR, is contingent upon China's accession to the WTO. But I suspect that the Chinese may also be gambling on the fact that having once made the plunge in granting PNTR to China, the United States will give it to them even if they never make it to the WTO, or even if the details of the bilateral change are ignored. That is the way we are, and the Chinese know it as well as I do.

We have an obligation to our constituents and to the citizens of our great Nation to look out for their best interests. The Constitution gives us a role. Yes, it does. This is the Constitution that I hold in my hand for all to see through that electronic eye. This is the Constitution. Article I, section 8 gives Congress the power to regulate interstate and foreign commerce. So why don't we utilize that power? Why don't we utilize it? The Constitution gives us a role in regulating foreign commerce. I am not sure that we perform that obligation very well. We grant—I don't—fast-track authority to the Executive to negotiate massive trade deals and leave ourselves without the ability to amend. We take away the Senate's right under the Constitution to amend. We grant fast-track authority to the Executive to negotiate massive trade deals and leave ourselves without the ability to amend them, as we did with NAFTA and GATT, both of which I voted against—proudly, I voted against both.

My State certainly did not benefit from those actions. West Virginia lost

jobs and lost a lot of the diversity in its manufacturing base. China is an enormous potential market, perhaps, but she is also an enormous labor pool competing for jobs and competing at a price advantage. Our economy is strong, but we cannot all sit at computer keyboards and be information age technology wizards. As a Nation, we also need to actually make things and grow things. Production and farming are important. But I would not invest in planting a new apple orchard right now, with Chinese apples and apple juice flooding the U.S. market. I would think twice about establishing a new assembly plant or some factory right now that faces competition from lower-paid workers in China, who do not have the same labor protections that workers in the United States enjoy and deserve. The future is uncertain and cloudy.

Who will get the prize? Chinese or American workers? Will China be rewarded despite a history of broken trade agreements, weapons proliferation, religious repression, poor labor protection, and aggressive foreign policy statements? Will China be rewarded before the final trade issues concerning subsidies have been inked in? Or will American workers enjoy a respite? Will American concerns for security, human rights, and fair trade hold sway for a little while longer? I say to my colleagues, let it wait. Let it wait. This debate, this vote, can wait until we have the leisure and the will to do it right. If we persist in this misguided charade of a debate with no intention of considering any amendments on their merits, I will fulfill my obligations. I will offer amendments—good amendments, useful amendments, not dilatory amendments. I hope they will not be tabled simply to avoid a vote up or down, to avoid going to conference.

At this time, I believe it would be extremely unwise to simply rubber stamp the House bill and approve PNTR with China without amendments.

Granting PNTR to China with no amendments and no conditions signals that the U.S. Congress has given up on putting worker rights and environmental standards on the international trade agenda. Coupled with the rhetoric of the President, the Vice President, and the U.S. Trade Representative in support of PNTR, congressional acquiescence will reduce American credibility on labor and environmental issues to virtually nothing.

At this time, it is not known whether China will actually apply for membership in the WTO. But one thing is clear; the Chinese Government has not wavered in its absolute opposition to any consideration of labor rights and social standards in the WTO. Despite claims that a market economy is bringing democracy to China, the U.S. State Department's 1999 human rights report on China concludes that the Chinese Government's "poor human rights record deteriorated markedly throughout the year, as the government inten-

sified efforts to suppress dissent, particularly organized dissent." Documented human rights violations include torture and mistreatment of prisoners, forced detentions, denial of due process, and extra-judicial killings. Violent repression of all efforts to organize independent union activity continues.

Given such a record, it would seem unbelievable to many that the United States Congress would grant a green light to PNTR with China, without so much as even a nod toward conditions or amendments.

Are we to turn a blind eye to every deeply held principle we have as a people about justice, freedom, and right and wrong for the pie-in-the-sky promises of economic gain? I hope not. For that would be much, much more than a sell-out. That would be a shame.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise with deference and not a small measure of awe at the continued erudition of my colleague from West Virginia. The first decision I made when I came to the Senate was to support him for majority leader, and I have not made one of equal consequence since. None has given me greater pleasure.

I say on the question of amendments that it is a point of significance. When the Finance Committee reported a measure on its own, it was a two-page bill. It was not a complicated matter. It was just agreed to. It will allow us to reap the benefits of an agreement that was reached between two countries.

Now, I must say with absolute openness—and I hope always to be such. Yes. It is the hope of the managers of the legislation that the Senator from Delaware, the chairman of the Finance Committee, and the ranking member, that we not amend the House bill. We have agreed to take up H.R. 4444, because if we amend it with a semicolon, it will require us to go back. The bill will go back. I do not have to tell the Senator. It will have to go to conference and pass the House again, and then come here and pass the Senate. Time has run out. This would have been a wholly acceptable and sensible approach in May, but here we are in September of an election year in the last weeks of the Senate.

So the Senator from West Virginia is right. He said he has read it in the newspapers. I stand here to tell him that it is the case. I hope we made no effort to conceal this. It is simply our judgment and the administration's judgment.

I would like to say one last thing about fast track. The Senator could not be more correct—that we have given up our right to amend the trade agreements. But we did that in the aftermath of the disastrous experience, which was the Smoot-Hawley Tariff Act of 1930. If you were to make a list of five events that led to the Second World War, Smoot-Hawley would be

one. We raised our tariffs to the 60-percent level by trading on the floor in the most normal political process that works very well in most matters. But in trade it can be ruinous. We reached a level of tariffs of 60 percent. We were in that early stage of a sharp market crash. The economy was down. But it came back up. But with Smoot-Hawley, indeed imports dropped by two-thirds. And exports dropped by two-thirds. The British went off free trade into commonwealth preferences. The Japanese went to the Greater East Asian Coprosperity sphere.

In 1933, with unemployment rates of almost 33 percent, Germany elected Hitler chancellor.

So under Cordell Hull, that great statesman from Tennessee, and Secretary of State under President Roosevelt, we began reciprocal trade agreements. We gave the President the authority to negotiate reciprocal reductions in tariffs without coming back for the formal approval of the Congress. This was the predecessor of, the precedent for, the fast track procedures that were established in the Trade Act of 1974. In effect, the Congress itself said we will deny ourselves this temptation, if you like. We can always take it back.

Indeed, right now the President has no fast-track authority. It expired in 1994. He could not get it in the atmosphere of the divided parties.

It is that atmosphere, too, that leads us to believe that we should not send this measure back to the House. It had been thought that the permanent normal trade relations bill might pass by two or three votes. It was more, but not overwhelming. As the Senator from West Virginia knows, here in the Senate Chamber 86 votes were cast in July on the motion to proceed.

I want to be open about this matter, if I can, and as I am. There is nothing more to say than what I have said, save that I believe I have more time—possibly 3 hours—apportioned to me in this debate. If the beloved President pro tempore—and all of those things—would wish more of my time to speak further, he would only have to ask.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the very distinguished senior Senator from the State of Alexander Hamilton, New York. Alexander Hamilton was the only one of the New York delegation who finally signed the Constitution. He was one of the truly great statesmen in the early life of this Republic. He helped guide the people of that delegation at the Convention to a resolution concerning this great document, and one who helped, along with John Jay and James Madison, to write those, if I might use the word, "immortal" papers, the Federalist Papers. He helped to win the approval of the State of New York for the Constitution.

There is no one with whom I would rather, very honestly, discuss this particular subject in the Senate than the

Senator from New York because I am so opposed to the view that he has just expressed. I am so opposed to it. I could with much greater passion say that if it were someone else.

I respect the Senator. I admire him. I know he was and is the great teacher. I wish I had had the good fortune to sit in a class and listen to Senator MOYNIHAN speak as a Professor.

I am proud to say that I had much to do with Senator MOYNIHAN's being a member of the Finance Committee, as he also had to do with my becoming majority leader.

But I am very, very much opposed to this approach. I am very, very much opposed to and somewhat chagrined and disappointed, I say with due apologies to my friend, at the philosophy which seems to govern the Senate at the moment with respect to this legislation, with respect to not adopting amendments.

The distinguished Senator has had no hesitancy whatever. He is not doing something behind closed doors or under the table or under the desk, but sitting it on front of the desk: This we are doing and this is why we are doing it.

He honestly believes that is the best for his country. I admire that. I respect the Senator for that forthrightness. He would not be otherwise but forthright. I respect his reasons, therefore. However, I cannot agree with him. I am totally, absolutely, unchangeably, unalterably set in my viewpoint that this is not the right thing to do; it is not in accordance with the Constitution of the United States; it is not in accordance with the wishes, the intentions of the framers. So be it. I am not going to argue that point. We will just disagree and be as great friends as we have ever been. And the Senator will win when we cast our final vote on this. His conscience will be clear and mine will be clear.

My State has lost under these trade agreements—GATT. Our country has lost under NAFTA. It is my understanding that we have lost 440,000 workers in this country as a result of NAFTA. Those are the statistics my staff has been able to get from the administration.

As I say, I will not belabor the point further. I thank the distinguished Senator for leadership that he has given the Senate. He is a man who has always enjoyed the respect of his colleagues whether he agrees or disagrees in a particular matter. He doesn't go out of this Chamber and carry it with him. We all love him, and we will all hate to see him go. But I will say to him, of his illustrious words that have been spoken in the Senate so many times, I have very carefully listened to them, and they will never dim from my memory.

The PRESIDING OFFICER. The Senator from New York's time has expired.

Mr. MOYNIHAN. I ask for an additional 1 minute to thank my illustrious, incomparable colleague for his remarks.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

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

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

Mr. BYRD. Mr. President, inasmuch as no Senator seeks recognition, and there is a little time remaining before the Senate goes back to the appropriations bill dealing with energy and water, I ask unanimous consent that I may speak for not to exceed 10 minutes without the time being charged against time under the rule.

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

FAITH AND POLITICS

Mr. BYRD. Mr. President, I rise today to congratulate Vice President GORE on his particularly fine choice of a running mate for the coming Fall election.

JOE LIEBERMAN is an able Senator. More importantly, he is a sincere and thoughtful Senator. He really fits no ideological sleeve, although some are already busily trying to label him. JOE LIEBERMAN is his own man, I believe. He follows his own conscience, I am confident of that, as even these early days of the Presidential campaign have already demonstrated.

Senator LIEBERMAN has firmly gripped the national political steering wheel, and he is bravely addressing one of the more fundamental issues before this Nation, namely the erosion of faith-based values from public life and public policy and the consequences of that regrettable loss.

On July 17, I took this Senate floor to express my own general concern and alarm over the direction this nation seems to be taking when it comes to spiritual values. My speech on that occasion was aimed in particular at a recent Supreme Court decision regarding voluntary prayer at a high school football game, but my remarks reflected my long-held general view that the Supreme Court has gone too far on such matters, and has increasingly misinterpreted the Framers' intent regarding the establishment clause and perhaps more to the point the free exercise clause of the first amendment.

During my remarks, I called for a Constitutional amendment which might help to clarify the Framers' intentions. I even wrote to both Presidential candidates, with the hope of focusing attention on the matter, and thereby starting a national conversation about the proper place of religion in our public life, in our political life, in our country's life.

My friend, JOE LIEBERMAN, has done this Nation a great service by making his belief that faith-based principles and religion must and ought to have a

place in our national policy and in our discussions about directions and priorities.

To my utter amazement, however, JOE LIEBERMAN has been misunderstood, and even maligned by some.

My colleague, now a candidate for the second highest office in the land, is not trying to force his religion or any religion down the throats of any unwilling recipient. Nor is JOE LIEBERMAN claiming, at least I do not read his remarks in this way, that a person cannot be moral if that person is not religious—even though I have to say that George Washington made it clear that without religion, morality cannot prevail; George Washington, in his Farewell Address. So, upon that authority I would rest my case. JOE LIEBERMAN is simply saying that in trying to assure that no one is coerced into embracing any one religion, or any religion, for that matter, the pendulum may have swung too far. JOE LIEBERMAN is simply expressing his own, and many other people's views, that it sometimes appears that persons of religious faith are not allowed their full freedom to practice and live their various faiths as their consciences dictate. He wants to have a national conversation about that, and I applaud his courage, for it is a subject easily misunderstood.

Political correctness gets in the way of all too many things in this country of ours. I am not a subscriber of political correctness by any means, shape or form. It has gotten in the way of an honest and open dialogue about how to allow for the open expression of faith-based values and practices for those who want those things in their lives, without infringing on the rights and beliefs of those who don't.

In my humble opinion, we must, as a Nation have this dialogue. The pendulum has swung too far. The Framers did not intend surely for a totally secular society to be forced on the populace by government policy. They only wished for individuals to be free to embrace whatever faith they wished, or none at all, if they desired none.

Prayer abounds throughout the speeches of our great men. References to God virtually drip from our public buildings, and invocations of the Creator's blessing crop up at every important public gathering throughout our history. We have wandered off the Framers' track on this, and we need to work toward a better understanding of what was intended, what was to be protected and why.

I hope that our fine colleague, Mr. LIEBERMAN, continues to try to further the conversation. Not to do so would be detrimental. I fear that the misunderstanding about this issue is huge and growing. There is a new sort of intolerance about religion that I find most disturbing. It has become the thing we don't talk about, because it is not politically correct, so many of us are driven into a closet. It is seen as a divider in our culture, instead of the