

Possession of firearms during the commission of seditious conspiracy;

Transport of firearms with intent to commit seditious conspiracy;

Possession of firearm without a serial number;

Conspiracy to make destructive devices.

Let there be no mistake, these were not people merely exercising their first amendment right of freedom of speech. They are responsible for the deaths of six Americans and the injury of at least 84 others.

One has to wonder why the administration will not simply enforce existing law. The record shows the Clinton-Gore administration has not enforced Federal gun laws, and more disturbing, they have conveniently forgotten the law if it suits their political ends. I believe the President's efforts for these terrorists were just that.

Mr. CRAIG. Mr. President, I thank my colleague from Oklahoma. He so clearly spells out the frustration Americans have when we are going to be tough against terrorism and then see a President offering clemency.

In 1982, the FALN detonated four powerful bombs in New York's financial district and demanded better treatment for 11 of their jailed comrades and members. One year ago this week, President Clinton freed 8 of those 11, shredding the longstanding policy of the United States of not granting concessions to terrorists.

Any reasonable American has to ask, Why would the President do it? What is he doing setting violent terrorists free to once again roam the streets of America? None of these terrorists contested the evidence brought against them at trial. None of these terrorists apologized to their victims. In fact, at least one of the freed terrorists stated that he felt no remorse whatsoever for his crimes. None of these terrorists were ever asked to be let out of prison. The FBI asked the President not to do it. The Federal Bureau of Prisons asked the President not to do it.

Had he bothered to ask the victims of the FALN and their families, they would have begged him not to do it. He did it anyway, and we are not quite sure why.

Internal White House documents tell us, "The Vice President's Puerto Rican position would be helped," clearly demonstrating an impulse to jeopardize public safety for political gain. Political gain by setting terrorists loose.

A former political adviser to President Clinton put it this way:

Anyone who doesn't believe the timing, and the likely substance of [President Clinton's] decision was linked to the [First Lady's] courtship of New York's large Puerto Rican [community] is too naive for politics.

If there is one thing this administration has accomplished in its 8 years, it is to shatter my naivete or my trust that when the President stands up and speaks, that there is not some political or clandestine motive behind his very actions.

One year later, what do we have? Eleven violent terrorists at large on our streets; two more to be released this coming year. True, there have not been any killings that we can link to the terrorists since that time, but they are loose on the streets of America demonstrating at least that this President has violated a cardinal rule in our country: the United States does not make concessions to terrorists.

For that action, one year ago today, Democrats and Republicans stood on this floor and condemned this deplorable act. Interestingly, when I began to look into this, I saw that AL GORE's running mate Senator JOE LIEBERMAN stood up to the President and condemned his actions. Even the First Lady stood up to the President and condemned his actions. Just about the only politician in Washington who has yet to stand up to Bill Clinton is Vice President AL GORE.

As Vice President of the United States, AL GORE could have intervened. He could have talked to the President, said that this is madness to let terrorists loose after they have been convicted, to shred gun control laws. But AL GORE did not lift a finger to protect the FALN's next victims. All he said was, quote:

I'm not going to stand in judgment of his decision.

Not going to stand in judgment? When a madman killed 168 people in a single bombing in Oklahoma City, AL GORE said, and I quote:

[T]o those of you who doubt our resolve in America, listen closely. If you plot terror or act on those designs, within our borders or without, against American citizens, we will hunt you down and stop you cold.

I guess what he is saying is: Bomb innocent Americans, and AL GORE will stop you cold. But if you use small bombs, and you only kill a few Americans, and you fit our political needs, then we will release you.

Mr. Vice President, maybe it is time you stand up and clarify for America what you really believe.

Mr. Vice President, how hard is it to say: "Violent terrorists belong in jail"? How hard is it to say: "I will not reward terrorism"? How hard is it to tell the American people: "I will not release violent terrorists from prison for political gain"?

AL GORE is going to be in Manhattan today. I hope he will visit the corner of Pearl and Broad Streets where Bill Newhall was maimed, and where Frank Connor, Alex Berger, Harold Sherburne, and Jim Gezork lost their lives to an FALN bomb. Perhaps that will help AL GORE make up his mind.

Or perhaps AL GORE should ask his running mate, Senator JOE LIEBERMAN, how to stand up to Bill Clinton. Maybe Senator LIEBERMAN could convince his running mate to stand up for the rights of innocent Americans against those who perpetrate violence. Maybe then AL GORE can prevent the President from putting more American lives in jeopardy.

Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CRAIG. Mr. President, I yield the floor.

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

The PRESIDING OFFICER. The Senate is on H.R. 4444. The time is under control.

Who yields time?

Mr. HOLLINGS. Controlled time?

The PRESIDING OFFICER. Six hours evenly divided.

AMENDMENT NO. 4134

Mr. HOLLINGS. Mr. President, I call up amendment No. 4134.

The PRESIDING OFFICER. There is 1 hour on this amendment equally divided.

Mr. HOLLINGS. Mr. President, I have tried, in my feeble ability here over the years, to get the Senate to pay attention to the lack of a competitive trade policy. I had hoped on this PNTR, permanent normal trade relations, with China that we might have a good debate with respect to our trade policy—whether or not the American people approve of it and whether there are some adjustments that should be made. Meanwhile our trade deficit goes up, up, and away.

I was a Senator here in the early 1980s when we had a positive balance of trade. I remember when it reached a \$100 billion deficit in the balance of trade; and there were all kinds of headline articles back in the 1980s, that—Chicken Little—the sky was going to fall, and everything else like that.

Now we have been numbed. It has gone to \$100, \$200, \$300 billion, and it approximates to a \$400 billion deficit in the balance of trade. They don't even discuss it in the Presidential campaign. And they absolutely refuse to discuss it in the world's most deliberative body. They refuse to deliberate.

They bring a fixed bill to the floor. And it is terribly tough to talk to a fixed jury. But that is the way it is. The jury is fixed. The legislation is fixed. There are no amendments. We send this to the President.

The National Chamber of Commerce, the Business Roundtable, the Conference Board and the National Association of Manufacturers are continuing their export of the industrial backbone of this Nation. Obviously, they make a bigger profit. They could care less about the country.

In fact, years back, the chairman of the board of Caterpillar said: We are not an American company, we are international.

Not long ago, earlier this year, the head of Boeing said: Oh no, we are not a United States company, we are an international company.

And the best of the best, Jack Welch of GE says: We are not going to buy

from our suppliers unless they send those jobs down to Mexico.

There is a good, wonderful Business Week article about that—we are limited in time or I would read it—but that is exactly what he said. Unless his subcontractors went to Mexico, he was going to do business with those who had gone. So we are in one heck of a fix.

They do not understand trade. Free trade is, of course, an oxymoron. Trade is an exchange for something. It is not to give something for nothing. It is not aid. But we have been treating foreign trade—free trade—as foreign aid.

They just ipso facto in those polls: Are you for free trade?

Oh, I am for free trade, obviously.

Obviously, they are trying to say: I am for trade without restrictions and barriers.

But mind you me, we are all for world peace, but we do not disband the Pentagon. As the father of the country said: The best way to preserve the peace is to prepare for war.

The best way to obtain free trade is not to roll over, as we have for the past 50 years, and plead and cry and moan and groan: fair, fair, fair, fair.

Whoever heard of anybody in business being fair? In America, business, unfortunately, is solely for profit. Do not give us any of these “fairness doctrines” of the board of directors of corporate America. You have to be able to raise a barrier in order to remove a barrier. You have to compete. All we need is a competitive trade policy.

In that light, let me say at the outset, I am not against China. All of these amendments have been very good ones with respect to the human rights in China, with respect to weapons of mass destruction, with China not keeping its commitments, and so forth. Why should they keep their commitments? Japan never has. Come on. Korea knows that. China learns. Monkey see, monkey do. They said: All you have to do is puff and blow. We'll get together. And America—the United States—will roll over.

So don't come around here berating China. Buy yourself a mirror and look in it. It is the Senate. Article 1, section 8, of the Constitution says: The Congress shall regulate foreign commerce—not the President, not the Supreme Court, not the Special Trade Representative, but the Congress of the United States. And although the Trade Representative is running around trying to forge new agreements that contradict our laws, even those, if they are to take the force and effect of law, have to be in the form of a treaty ratified by this Senate.

So we are way out of kilter and acting with total disregard. We have gone, from the end of World War II, from 41 percent of our workforce in manufacturing down to 12 percent. The Department of Commerce just reported this last month of August, we lost 69,000 manufacturing jobs.

I will never forget the exchange with the former head of Sony in Chicago.

He was lecturing the Third World, the emerging nations, and said for them to become a nation-state, they had to develop a manufacturing capacity. Somewhat afterward, pointing at me, he said: By the way, Senator, that world power that loses its manufacturing capacity will cease to be a world power.

The security of the United States is like a three-legged stool. The one leg, of course, is our values. We are respected the world around for our commitment to freedom and human rights. The second leg, obviously, is the military, the superpower. But the third economic leg has been fractured over the past 50 years, as we have made a very successful attempt to conquer communism with capitalism. We sent over the Marshall Plan. We sent over the technology. We sent over the expertise. But we rolled over with respect to actually enforcing any kind of trade policy.

I testified, some 40 years ago, before the old International Tariff Commission. Tom Dewey ran me around the room. The argument was: Governor, what do you expect these emerging countries, coming out of the ruins of the war, what do you expect them to make? Let them and the Third World countries, let them make the shoes and the clothing, and we will make the airplanes and the computers.

Now I stand on the floor, and our global competition, they make the shoes. They make the clothing. They make the airplanes. They make the computers. They make it all. And we are going out of business.

And as we go out of business, they say this particular initiative, PNTR, is good for business. It is good for their profit, but not, in the long run, good for business, no. They have to have employees. And don't worry about the productivity of the U.S. industrial worker. We have been for 30-some years now rated not only by the Bureau of Labor Statistics but by the international economic section of the United Nations as having the most productive industrial worker in the entire world.

They are working harder and harder and longer hours and are getting paid less than they are in Germany, paid less than they are in Japan and several other countries. The U.S. industrial worker is not overpaid, and he is not underworked. He works more hours than any other industrial worker.

Here we are, in the Senate, blabbing, be fair, whining, be fair, be fair. We continue to heap on the cost of doing business—Social Security, Medicare, Medicaid, minimum wage, safe working place, safe machinery, plant closing notice, parental leave. You can go right on down the list of all of these things we think up, and we, on a bipartisan basis, support them all. That goes into the cost of doing business. So since NAFTA, 38,700 jobs have left the little State of South Carolina and gone down to Mexico where none of those conditions I just mentioned are re-

quired, and they have the audacity to stand in the well and say NAFTA worked.

They told us at the time of the NAFTA vote it was going to create jobs; 200,000 is the figure they used. The Chamber of Commerce, the NAM, Business Roundtable, the Secretary of Commerce, the President of the United States: We are going to create 200,000 jobs.

We have lost 440,000 textile jobs alone since NAFTA. I don't know how many jobs they have lost up in New Hampshire, but I am confident I can go over to the Department of Labor and find out. Jobs are our greatest export. Export, export, from those who have never really been in trade—I practiced customs law—they keep hollering, export, export. The biggest export we have is our jobs.

I am not against China. I am against us. That is who I am trying to awaken with these amendments, trying to engage in a debate so we can learn from a country with a \$350- to \$400 billion trade deficit, costing 1 percent of our GNP. They keep saying: Watch out, that dollar is going to have to be devalued. You watch it, when that happens, interest rates go up. Then they will all be whining around here.

I remember the little \$5 billion we put in some 25 years ago—we were trying to create jobs—\$5 billion for the highways, just to advance highway construction, just to create jobs. Five billion? We have lost billions of dollars just this last month, way more than \$5 billion in jobs; I can tell you that.

The idea is, as President Lincoln said, and there is no quote more appropriate:

The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew. We must disenthrall ourselves, and then we shall save our country.

That was in his annual message to the Congress back in December of 1862. We must disenthrall ourselves. We must act anew, think anew, disenthrall ourselves, and try to save us, the great Yankee trader from New Hampshire, and all of those other Northeastern States. We had all this agriculture down South, and we believed in all that international trade. That was the Civil War. That famous Yankee trader has rolled over now, and he has gone overseas.

We are definitely not against China. I could talk at length about their human rights policy. Their first human right is to feed 1.3 billion. The second is to house 1.3 billion. The third is to educate 1.3 billion. The fourth is one man, one vote. But, of course, the politicians are running around on the floor of the Congress: We want one man, one vote. You travel there. I was there in 1976 and 1986 and 1996. You go there and you see the progress towards capitalism.

I am for continued trade. I have offered to cut out the “permanent” so I

could continue this dialog with my colleagues on the floor to try to get something going of a competitive nature.

We certainly don't go along with Tiananmen Square and everything else such as that, but it works for the Chinese. Suppose you were the head of China. If you let one demonstration get out of hand, another one gets out of hand. You have total chaos, with a population of 1.3 billion. Then nothing gets done. So there has to be some kind of traumatic control; let's be realistic. Don't berate them about their environment right now. It took us 200 years, and we still don't have these waste dumps cleaned up. We still don't have clean air in certain States. Workers' rights, we haven't gotten all of our workers' rights. They don't have a right to a job because they are fast disappearing. That is what it is all about. And it is not against business.

Jerry Jasinowski, the distinguished head of the National Association of Manufacturers, put an article in yesterday's New York Times, entitled "Gore's War on Business." I ask unanimous consent to print the article in the RECORD.

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

[From the New York Times, September 13, 2000]

#### GORE'S WAR ON BUSINESS

(By Jerry J. Jasinowski)

I've known Al Gore and Joseph Lieberman for years. They are smart, capable men who have a pretty good handle on what makes our economy tick. But judging from their comments in recent days, I'm a bit bewildered. In his speeches, Mr. Gore attacked "big oil," "the pharmaceutical companies," "big polluters"—in short, corporate America in general.

He seems quite willing to play the populist card even if it distorts the record of corporations, fosters antagonism between company leadership and workers and encourages the very stereotyping that, on other fronts, the Democratic Party claims to be against.

Suddenly business is the enemy. Why, I'm not sure, since the Clinton-Gore team takes such great pains to boast about the economic achievements of the past eight years, including the 22 million new jobs generated by the free enterprise system. Consider the words of Mr. Lieberman in his recent book, "In Praise of Public Life": "We New Democrats believe that the booming economy of the 1990's resulted more from private sector innovation, investment and hard work than from government action."

Mr. Lieberman got it right. The men and women who make things in America, from skilled workers on the factory floor to innovators in the company lab, have fueled these achievements.

And these workers have been duly rewarded. Today's manufacturing jobs provide an average yearly compensation of \$49,000 per worker, nearly 17 percent higher than in the private sector overall.

But great success of business in creating good jobs seems to be lost in this campaign. Mr. Gore and Mr. Lieberman are creating an atmosphere of division between employers and employees at a time when workers and their employers are partners as never before. The newfound angry populism of the Gore-Lieberman ticket distorts the true picture of the American economy and fosters resentment rather than cooperation.

As another centrist Democrat, the late Senator Paul Tsongas, said in his speech at the 1992 Democratic Convention, "You cannot redistribute wealth you never created. You can't be pro-jobs and anti-business at the same time. You cannot love employment and hate employers."

This year's Democratic ticket would do well to heed these wise words.

Mr. HOLLINGS. These workers, he says, have been duly rewarded. Not at all. He talks about the manufacturing pay is less than their competition, that they are working long hours. They haven't been duly rewarded. What is the unease, the anxiety that they are talking about? The anxiety they are talking about is having the job. The great success of business in creating good jobs seems to be lost. He should have read the release put out the day before.

I ask unanimous consent to have this NAM report on manufacturing trade printed in the RECORD.

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

#### NEW NAM REPORT ON MANUFACTURING TRADE FINDS NAFTA RESPONSIBLE FOR HALF OF U.S. EXPORT GROWTH IN 2000

Washington, D.C., August 29, 2000—The National Association of Manufacturers today released the first in a new series of quarterly reports on manufactured goods exports and imports based on Commerce Department data. Manufactured goods dominate U.S. trade, comprising 90 percent of U.S. merchandise exports and 85 percent of merchandise imports.

The new data, which analyze detailed U.S. manufacturing trade by both industry and geographic region, show that NAFTA member countries accounted for an astonishing 54 percent of total manufactured goods export growth for the first half of the year.

"The fact that exports to Canada and Mexico are contributing more to export growth than exports to Asia, Europe and the rest of the world combined clearly shows NAFTA is a big plus to U.S. manufacturers, and underscores the importance of further trade liberalization to the future vitality of American industry," said NAM President Jerry Jasinowski.

Manufacturers' exports to and imports from NAFTA both were up 18 percent over the first half of 1999, Jasinowski said, noting that Mexico accounted for most of the U.S. export growth, and Canada for the bulk of the import growth from NAFTA.

For the first half of 2000, US manufactured exports overall are up 12 percent compared to the first six months of 1999, Jasinowski said. "This is a significant turnaround. This time last year, U.S. exports were down by 2 percent. At the same time, strong domestic demand is pulling in imports at a rate of around 20 percent. This is more than double the pace of last year."

Of the total \$228 billion U.S. merchandise trade deficit so far this year, 77 percent has been in manufacturing. While the expanding trade deficits in recent years have been due, in part, to a slowdown in economic growth abroad, the trade imbalance in 2000 is fueled primarily by a very robust domestic economy and a strong dollar.

Manufactured goods trade highlights for the first half of 2000 include:

#### GEOGRAPHIC TRADE

Manufactured goods exports to NAFTA rose 18 percent in first half of 2000, accounting for more than half of manufactured

goods export growth to the world. Exports to Mexico alone increased by 30 percent during the first six months of 2000, and have accounted for nearly one-third of total U.S. manufactured goods export growth so far this year.

Imports from NAFTA have contributed 28 percent of manufactures import growth thus far this year. The majority was from Canada; Mexico accounted for only 13 percent.

Asia contributed 26 percent of U.S. manufactured goods export growth in the first half of the year. Two-thirds came from exports to the Asian Newly Industrialized Economies (NIEs—Hong Kong, South Korea, Singapore and Taiwan). Asia, however, supplied 43 percent of U.S. manufactured goods import growth for the first half of the year.

Although the European Union (EU) normally accounts for about 22 percent of U.S. manufactured goods exports, exports of manufactures to the EU are up only 4 percent so far this year, and the EU accounted for an anemic 8 percent of U.S. manufactures export growth during the first half of 2000. Manufactures imports from the EU, on the other hand, were up 16 percent in the first half of the year, with Germany and the United Kingdom accounting for about half.

#### INDUSTRIAL COMPOSITION

Durable goods contributed 69 percent of manufactures export growth so far this year. The bulk was composed of computers and electronic products, which have grown by 17 percent through June and alone have been responsible for a third of U.S. manufactures export growth. Forty percent of these exports went to four markets (Canada, Mexico, Japan, and South Korea.)

Durable goods imports constituted 68 percent of manufactures import growth in the first half of 2000. Reflecting strong domestic demand for information processing equipment (which now makes up 47 percent of nonresidential fixed investment), computer and electronic product imports rose by 25 percent through June and have contributed to 28 percent to the growth in overall manufactured goods imports this year.

Non-durable manufactures contributed 31 percent of export growth through June. Half of non-durable export growth has been in chemicals. About 44 percent of these products were shipped to the top four export markets (Canada, Mexico, Japan and Belgium).

Non-durables accounted for a third of import growth through June. The largest product groups were chemicals, apparel, and petroleum and coal products.

Mr. HOLLINGS. You have to read this one line, quoting Jasinowski:

Of the total \$228 billion U.S. merchandise trade deficit, so far this year 77 percent has been in manufacturing.

That is a deficit in manufacturing. Can you imagine that, Mr. President? So the leaders of business and the head of manufacturing say get rid of the manufacturing. He seems to be proud of it. If I had found that statistic in my research, I would have secured it and stuck it, or deep-sixed it, or whatever you call it because you didn't really want to publicize the fact that you are losing the manufacturing jobs.

With respect to understanding the need to have a competitive trade policy, the President of the United States was up in New York just last week, and he had his counterpart from London there, Tony Blair. They were talking. The news reports said Tony Blair was worried about 1,000 cashmere jobs. Why? Because we were going to put

some heavy duty tariff on cashmere. For what? For bananas. We don't even produce bananas. Good Lord, have mercy. That is how far out the leadership of this country has gone. We don't even produce bananas. But Europe is not taking some other country's bananas, so we go and say we are going to start a trade war.

The Prime Minister is worried about 1,000 jobs, and here I am worried about at least 800,000 jobs. Tell Tom Donohue of the Chamber of Commerce—he says he is going to create 800,000 jobs. I bet you we will lose that number of jobs with this PNTR. He knows it and I know it. They are all begging for jobs, and the President is worried and everything else of that kind, and even the media don't know what protectionism is. That is what you will soon listen to—protectionism. I hold up my hand to preserve, protect, and defend the Constitution of the United States.

I ask unanimous consent that an article entitled, "Beware Plausible Protectionists" be printed in the RECORD.

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

[From The Washington Post, Sept. 12, 2000]

#### BEWARE PLAUSIBLE PROTECTIONISTS

Sen. Ernest Hollings of South Carolina is known for his crude defense of textile protectionism, which impoverishes bone-poor workers in developing countries. But his current efforts at telecom protectionism are more subtle. He has backed a measure that would block government-owned telephone companies from buying American ones, and inserted it into the Commerce, Justice and State Department spending bill. The provision would torpedo the proposed takeover of VoiceStream, a fast-growing wireless company, by Deutsche Telekom, which is 58 percent owned by the German government.

Mr. Hollings points out that U.S. local phone companies have been restricted from entering the long distance market until they opened their own networks to competitors. He then suggests that government-owned foreign phone companies, which he says enjoy monopolistic profits in their domestic markets, should likewise be forced to open up their home territory before being allowed into the United States. On top of that, the senator suggests that foreign government ownership of American telephone firms raises concerns of privacy and national security. Phone companies can eavesdrop on subscribers, and (in the case of mobile callers) monitor their whereabouts. Should a foreign government be allowed to do that?

Mr. Hollings has assembled a powerful coalition in Congress that shudders at this prospect. But the outrage is unwarranted. The automatic link that Mr. Hollings implies between government ownership and monopolistic profits is too simple: In Germany, Telekom's Deutsche rivals have captured two-fifths of the market for long distance voice calls and nearly half of the market for international calls. Under pressure from World Trade Organizations rules and U.S. negotiators, Germany's government has been encouraging telephone competition as well as gradually reducing its stake in Deutsche Telekom.

Moreover, if Deutsche Telekom or any other firm can be shown to have "dominant-carrier benefits" in its home market, the Federal Communications Commission is already empowered to impose conditions on

the way it does business here. Equally, the FBI and other law enforcement agencies are empowered to examine mergers and ensure that their phone-tapping powers are not compromised. The privacy issue is addressed by existing law, which protects phone users no matter who owns the phone network. The Hollings legislation is therefore unnecessary.

In an ideal world, all phone companies would be privatized: This would eliminate the danger of anti-competitive subsidies completely. But existing policy grapples sensibly with the real world in which state-owned firms remain part of the landscape: It builds in safeguards against abuses while not depriving U.S. consumers of the benefits of foreign investment. VoiceStream, the wireless firm that Deutsche Telekom hopes to purchase, is itself an illustration of those benefits. With the help of \$2.2 billion from partners in Hong Kong and Finland, it has expanded rapidly, creating more than 8,000 jobs for American workers and bringing wireless phone and messaging services to 2.5 million consumers. To preserve that kind of gain, the administration promises to veto any spending bill containing the Hollings language. It would be right to do so.

Mr. HOLLINGS. They said, "Hollings' crude defense of protectionism." They don't know what protectionism is. When you get the Government out of the competition, you do get free capitalistic activity, as Adam Smith said. Followed on by David Ricardo and his so-called comparative advantage, which said when you put the Government in, the Government has the right to print money. The Government certainly is not going to let the industry fail.

Deutsche Telekom had a bond issued earlier this year and got \$14 billion. Their stock has gone from 100 down to 40. The fellow brags in the newspaper: I have \$100 billion in my back pocket. I am going to buy AT&T, MCI, Sprint, or any of them—they are all subject—and I want total control.

So what he has told you in plain, bold language is that the German Government, which owns Deutsche Telekom, says: Heads up, I'm coming in to buy your companies and get total control.

That is a distortion of the free market. That would be protectionism. I am trying to avoid that and keep the Government out of the market. I was one of the leaders in the 1996 act deregulating telecommunications. So we got the U.S. Government out, but certainly not to put the German Government in. But here they go writing these editorials about I'm a protectionist. They have no idea what's going on. That is how far off we have gotten with respect to trade.

So let's get to the point. What we do is that we trade more. We export more to Belgium. We export more to the city-state of Singapore than we do to the People's Republic of China. We've got a good, viable trade partner there. We don't have any exports. I will get to the technology on another amendment. They said that high-tech is going to do it. The truth is, high tech doesn't create the jobs. I will put it in one line: We have a deficit and a balance of trade in high technology with the Peo-

ple's Republic of China. So mark you me, this is not going to do it whatsoever. So my amendment, which ought to be read simply so we can find out who is telling the truth and find out what the imports and exports are and what the jobs are and where they are going. Here it is:

The Securities and Exchange Commission shall amend its regulations to require the inclusion of the following information in 10-K reports required to be filed with the commission.

This is just information.

The number of employees employed by the reporting entity outside the United States directly, indirectly, or through a joint venture or other business arrangement listed by country; the annual dollar volume of exports of goods manufactured or produced in the United States by the reporting entity to each country to which it exports; the annual dollar volume of imports of goods manufactured or produced outside the United States by the reporting entity with each country.

So we will find out with these reports just exactly where we are and what the competition is, whether they are increasing jobs in the U.S. rather than decreasing. The opposition to this amendment is telling everybody to forget about it, it is another one of those Hollings amendments and we have to send it to the President and we have other more important business—there is no more important business than what is going on on the floor of the Senate—10-K reports.

I don't want to belabor or compound the record itself, but I have in my hand the Boeing 10-K report. For example, Boeing, on its 10-K report, says "the location and floor areas of the company's principal operating properties as of January 1, 2000." I wish you or somebody who is really interested could look at that 10-K report. They have every little item about the square footage.

They know how many employees. They know generally how many employees they have, but they do not say where and what country.

That is all we are asking for—the number of employees; then, the dollar volume of imports and exports, and from whence. That is all.

That is all we are asking for in this particular amendment so we can get that to the Department of Commerce and finally find out.

Back in the 1970s when we were debating trade, the Department of Commerce gave me this figure: 41 percent of American consumption of manufactured goods was from imports. That was 20-some years ago. I know that over half of what you and I consume is imported. We are going out of business. We don't have a strong nation. High-tech is not strengthening whatsoever—temporary employees and software people and Internet billionaires, as Newsweek wrote about the other day. But they are not really the automobile workers and parts workers or industry workers. We have the so-called "rust belt" in the United States. Talk how exports—that is the parts they are still

making up there and sending down to Mexico to come back into finished automobiles. The most productive automobile plant in the world is not Detroit. It is down in Mexico at the Ford plant, according to J.D. Powers.

I have the Bell South 10-K report. As of December 31, 1999, they employed approximately 96,200 individuals; 64,000 were employees of the telephone operation, and 55,000 represented the communications workers. They have a lot of detailed information. But all we want is the number and which country. That is all we are asking for with respect to those employees—their imports and exports.

Why did the Boeing machinists lead the parade last December up in Seattle at the World Trade Organization? The premium showcase export industry of the United States was leading the parade against WTO because their jobs have gone to China.

All you have to do is continue to read the different articles.

We have one with respect to our friend Bill Greider, who put out a very interesting article. He wrote when President Clinton promoted Boeing aircraft sales abroad—boy, that was wonderful. He had gotten Boeing. For instance, he did not mention that in effect he was championing Mitsubishi, Kawasaki, and Fuji, the Japanese heavies that manufacture a substantial portion of Boeing's planes; or that Boeing was offloading jobs from Seattle and Wichita to China as part of the deal.

There it is. We are exporting our jobs.

This book is nearly 6 years of age.

But let me retain the remainder of my time. I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I yield 10 minutes to my distinguished colleague from Pennsylvania.

Mr. SPECTER. Mr. President, I thank the distinguished chairman.

(The remarks of Mr. SPECTER are located in today's RECORD under "Morning Business.")

Mr. ROTH. Mr. President, I yield 10 minutes to the Senator from Tennessee.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Tennessee.

(The remarks of Mr. FRIST are located in today's RECORD under "Morning Business.")

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself such time as I may use.

Mr. ROTH. Mr. President, I rise in opposition to the amendment of my distinguished colleague. The 10-K reports filed annually with the SEC are designed to inform investors about the operating conditions of publicly-held corporations offering their securities for sale on American exchanges. The 10-K reports are expressly designed to inform investors about the prospects of companies turning to U.S. securities

markets and form a bulwark against misrepresentations that might mislead or defraud U.S. investors. They are, in fact, one of the bulwarks that make American capital markets function precisely because of their focus on information that is relevant to a publicly-held company's predictions of its economic conditions.

The information that the amendment of my friend would require U.S. publicly-held companies to provide at some additional cost is largely irrelevant. For example, what difference does it make to the potential purchaser of IBM's stock precisely how many foreign employees it has and where they are employed? Would a single error in IBM's 10-K report regarding the number of employees in Botswana affect the investor's decision to hold IBM stock? How would it benefit the U.S. investor to know the precise dollar volume of U.S. Steel's exports and imports of manufactured products listed by product and importing country? Would the misstatement of U.S. Steel's imports of semi-finished steel products on its 10-K report actually mislead investors as to the economic condition of U.S. steel or allow the investor to better evaluate U.S. steel's economic prospects relative to other issuers of securities on American exchanges?

Furthermore, SEC rules already require IBM or U.S. Steel to provide that information when relevant to the investor—in other words, where such information would affect the bottom line. My point is that my friend's amendment would not materially advance the interests of U.S. investors, but would add a potentially costly new reporting requirement on U.S. issuers. More fundamentally, to the extent that my friend's amendment succeeds and we are unable to pass PNTR as a result, the damage done to the economic prospects of American publicly-held companies and to the interests of U.S. investors vastly outweighs any hypothetical benefit to investors that would accrue from collecting this information on an annual basis. In my view, the number that U.S. investors are most likely to be interested in is the \$13 billion in new U.S. exports that are likely to flow from the ground-breaking agreement negotiated by Ambassador Barshefsky. That is the number that is likely to affect the bottom line in which American investors are interested. Furthermore, to the extent my friend wants to collect the date to illustrate that American companies are investing abroad simply to export back to the United States, that information is likely already to be reflected in the investment and import data that the U.S. Commerce Department already collects.

But, it is also worth questioning what those numbers are likely to reveal if we do pass PNTR and China does join the WTO. I have no doubt that what they will show is an increase in U.S. exports to China and, to the extent that we see an increase in imports from China, that those imports come

at the expense of other foreign companies exporting to the United States. The International Trade Commission's report on China's accession reflects that fact. Now, it is important to remember that the ITC's report on the quantitative impact of China's accession was restricted to the effects of tariff changes under the bilateral market access agreement with China. It did not even purport to address the quantitative effects of China's removal of non-tariff barriers on trade in manufactured goods or agricultural products, much less the dramatic opening of China's services markets.

Nonetheless, what the ITC found was that the accession package would lead to an overall improvement in the U.S. balance of trade and, where China did export more to the United States, those gains would come at the expense of other foreign exporters. Given that we already know the affect of China's accession, is there any real reason to collect the date required by my friend's amendment? And, if we are debating the economic impact of China's accession to the WTO, would there be any reason to collect this date with respect to every country in which an American company either buys components or sells its wares? The answer is no. The amendment serves no practical purpose, particularly in the context of this debate. Therefore, I oppose the amendment and urge my colleagues to do so as well.

I yield the floor to my distinguished colleague.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I have a simple proposition to make, after discussions with the Treasury Department, which is simply to say the amendment is burdensome in the extreme and would discourage U.S. listings. The amendment would place an enormous, costly, and pointless regulatory burden on publicly traded companies in the United States. Firms would be required to list every single one of their overseas employees as well as every single employee of any foreign company with which they do business. They would also be required to calculate the total value of all their exports and imports.

Such a regulatory burden would be a nightmare for both such firms planning to go public—for most firms planning to go public. On the other hand, it would not discourage foreign firms from listing in the United States. This is not a regulation we want to impose on American business—startup businesses, small cap businesses. I hope we will not approve this.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I had the privilege and experience of running a corporation myself. In fact, it was before Manny Cohen was the Commissioner of the Securities and Exchange Commission. At that time, I set a

record getting approval in 13 days. I know how it works. I know how detailed it is. That is why I brought up Boeing. They even have the square footage in different countries. They do have the total amount and the number of employees. They just break it down by country.

Exporters and importers have to keep books. They have to have the value. They want to know themselves. I want it reported in their 10-K. It is not at the Department of Commerce.

By the way, they say the information does not affect the bottom line. It most positively does. You can get your labor production costs and manufacture for 10 percent of the United States cost.

I am not here for stockholders or against them. I am for stockholders, nonstockholders, for the people of the United States, for the Senate, and for the Constitution in conducting trade.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. ROTH. Mr. President, I yield back the remainder of our time and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to amendment No. 4134. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA), the Senator from California (Mrs. FEINSTEIN), the Senator from Nebraska (Mr. KERREY), and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mrs. FEINSTEIN) would vote "no."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 6, nays 90, as follows:

[Rollcall Vote No. 247 Leg.]

#### YEAS—6

Byrd	Helms	Mikulski
Feingold	Hollings	Wellstone

#### NAYS—90

Abraham	Craig	Hutchinson
Allard	Crapo	Hutchison
Ashcroft	Daschle	Inhofe
Baucus	DeWine	Inouye
Bayh	Dodd	Jeffords
Bennett	Domenici	Johnson
Biden	Dorgan	Kennedy
Bingaman	Durbin	Kerry
Bond	Edwards	Kohl
Boxer	Enzi	Kyl
Breaux	Fitzgerald	Landrieu
Brownback	Frist	Lautenberg
Bryan	Gorton	Leahy
Bunning	Graham	Levin
Burns	Gramm	Lincoln
Campbell	Grams	Lott
Chafee, L.	Grassley	Lugar
Cleland	Gregg	Mack
Cochran	Hagel	McCain
Collins	Harkin	McConnell
Conrad	Hatch	Miller

Moynihan	Roth	Specter
Murkowski	Santorum	Stevens
Murray	Sarbanes	Thomas
Nickles	Schumer	Thompson
Reed	Sessions	Thurmond
Reid	Shelby	Torricelli
Robb	Smith (NH)	Voinovich
Roberts	Smith (OR)	Warner
Rockefeller	Snowe	Wyden

#### NOT VOTING—4

Akaka	Kerrey
Feinstein	Lieberman

The amendment (No. 4134) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I was wondering if I could make about 5 to 10 minutes' worth of statements on other issues relating to my home State.

Mr. MOYNIHAN. Mr. President, we would be honored if the distinguished Senator from Utah would proceed, as he will do, and at what length he chooses.

Mr. BENNETT. I thank the Senator for his courtesy and friendship and the scholarship with which he addresses all of these issues.

I understand the President pro tempore wishes to make a statement on the Boy Scouts first. I ask unanimous consent that following his statement I be recognized as in morning business for up to 10 minutes.

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

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

(The remarks of Mr. THURMOND are located in today's RECORD under "Morning Business.")

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Thank you, Mr. President.

(The remarks of Mr. BENNETT are located in today's RECORD under "Morning Business.")

Mr. MOYNIHAN. Mr. President, seeing no other Senator seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the Senate now consider, in the following order, division I of my amendment, to be followed by division IV, and following the use or yielding back of the time, the amendments be laid aside with votes to occur at a time to be determined by the leader.

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

#### AMENDMENT NO. 4129, DIVISION I

Mr. SMITH of New Hampshire. Mr. President, at this time I now call up division I of my amendment.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will occur by a rollcall vote.

Mr. SMITH of New Hampshire. Yes. A rollcall vote on division I and division IV.

Mr. President, as you know, last Thursday, I offered an amendment that would require the Congressional-Executive Commission, which is created under the permanent normal trade relations bill on China, to monitor the level of Chinese cooperation on the POW/MIA issue and to pass this information to the American people as part of an annual report that the commission will issue.

I have long been an advocate of the POW/MIA issue. I believe the U.S. Government should make every effort to account for any missing American servicemen from any of our Nation's conflicts. I am sure you all agree that we have a solemn obligation to these brave Americans and their families. There are over 10,000 unaccounted-for American soldiers, sailors, airmen, and marines from Korea, Vietnam, and the cold war, not to mention many from World War II.

The fate of many of these unaccounted-for Americans, especially from the Korean war, could be easily clarified by the People's Republic of China. This is an undisputed fact, that the Chinese continue to deny that they have any information that could help us account for our missing.

I have been to North Korea and have talked to the North Koreans on this issue. I have talked to the Russians. Both the Russians and the North Koreans indicated to me, in private discussions, that the Chinese had volumes of information on American servicemen, especially during the Korean war because, as we know, the Chinese were heavily involved. They maintained the camps in Korea during the war.

So all I am asking for in this amendment is that we can include this language so the commission can monitor and put some pressure on the Chinese to provide information. It is humanitarian. It is basic humanitarian information about our missing service men and women.

I do not think this is unreasonable. I do not think it is going to delay anything. It would simply go back to the House. The House would add the amendment, and off it goes: We have now made a statement to the Chinese Communists that we care about our American POWs and MIAs.

I would be astounded if anyone would even consider voting against this



amendment, drawing the conclusion that somehow it is going to mess up the permanent normal trade relations deal.

It would take about 5 minutes to get it approved in the House, another 5 minutes for the President to take a look at it and sign the bill, and we are moving on and now have some attention on it. We have now said to the Chinese Government: Not only do we care about our missing, we want you to help us find some of our MIAs and POWs from those conflicts.

I would like to share with my colleagues just a small fraction of the information that I have—and, believe me, it is a small fraction. I pored through many intelligence files, and I am only giving you a smattering of these files. But I can tell you, the Chinese deny any information, when, in fact, our own intelligence community has volumes of information to the contrary, that they could answer about what happened to our POWs and MIAs, especially from the camps in North Korea, at the end of the war. But it is precisely the type of information I am going to share with you that makes it all the more important that we say to the Chinese: You have to cooperate with us on this humanitarian issue.

For example, there are numerous declassified CIA intelligence reports from the 1950s that indicate the Chinese have knowledge about American POWs from that war—numerous, numerous declassified intelligence reports, and many classified that we cannot talk about here.

I did this the other day when I offered the amendment. I believe I put these in the RECORD yesterday. I will check that. If I did not, I will enter them. But I believe they are in the RECORD.

Here is a good example of one. This is a Central Intelligence Agency Information report dated in May of 1951. So we were at the height of the Korean war in May of 1951. The subject matter is: "American Prisoners of War in Canton," China. Some of the information is blacked out because of sources and methods. Even today, 40 years later, it is still blacked out. But, again, it is a reference to prisoners of war held by the Chinese in the Korean war.

If the Chinese held prisoners, clearly they would know what happened to the prisoners or at least could share some information on the records they maintained in the camps.

Here is another one: 27 June 1951, another intelligence report right here, entitled, "Subject: American Prisoners of War in South China." I will just cite a couple of paragraphs from it:

A staff member of the State Security Bureau in Seoul [Korea] on 12 February stated that all American prisoners of war were sent to camps . . .

And then they list several cities in Manchuria where they were put to hard labor in mines and factories.

So that is another CIA intelligence report.

Why would we not want to say to the Chinese: Look, here is our own intelligence. We know you held our prisoners in the war. All we want you to do is help us provide answers for their loved ones.

Yet I regret, sincerely regret, to say that people are going to come down to this Senate floor shortly, before the end of the afternoon, and they are going to vote no on this amendment. I believe so many will vote no that it will fail. The reason they are going to give for that vote—and that is what they are going to tell their constituents—is: Of course we would like to get information on our POWs and MIAs. Of course we would like to have the Chinese cooperate. But we are not willing to put it in the permanent normal trade relations because—you know what?—we might make them angry, and we will not be able to sell them corn and wheat.

That is what we are saying. Maybe we can look our veterans in the eye and the families of these people in the eye and say: That's all right. But it is not all right with me. My conscience will be clear. I know how I am voting on this amendment. I would appreciate the consideration of my colleagues. It is not asking very much to send this back to the House with this one amendment that says we care.

It is interesting; there are many groups who oppose permanent normal trade relations with China. But I will tell you, the veterans groups oppose it. What does that tell you? The American Legion opposes it. Many veterans groups oppose it. They are the ones who made the sacrifice. I guarantee you, the families of these individuals who are missing would sure love to see this language put in this bill.

I could go on and on. I will not cite many, but here is another one: "U.S. Prisoners of War in Communist China, 11 Aug. 1951." It is a CIA report. This is one of just thousands that we have had—classified and unclassified—just like this.

On 2 August fifty-two US prisoners of war from Korea, who had been held in the Baptist church . . .

And they name the location—left Canton by train for [another location] under guard. . . .

This is very detailed stuff. This is not just somebody who makes a general statement. These are specific eyewitness sightings of prisoners being moved around in China during the war and who never returned.

I am not maintaining that these people are alive. It would be nice if they were, but I am not maintaining that. But clearly, the Chinese, if they would sit down with us with these documents, we could talk to them, and we could trace this information. We could talk to the people in these provinces, and maybe we could get some information. Perhaps where were these prisoners buried? How were they killed? What kinds of information do we have on them? Are there personal effects, anything like that?

Another report, September 1951, title: American Prisoners of War, Communist China, CIA. On and on and on.

All I am asking my colleagues is to say that that is not acceptable, that we will give permanent normal trade relations to China and not ask them to at least help us account for our missing. I say to those of you who might be skeptical, if you want me to provide you these documents in detail, I will provide the documents in detail. I can send you to the proper locations in the U.S. Government where the classified documents, which are far more specific than this, will give you even more specific information.

I went to North Korea. I sat down in Pyongyang with the North Korean officials several years ago, the first American Senator to visit North Korea. I talked to the North Koreans about those camps that were run during the war. They showed me photographs of the Communist Chinese guards who guarded those troops, our troops, our prisoners, American prisoners, during the war. They know what happened to those people. They can provide us information. Why is that asking so much—to say we want to monitor this to say to the Chinese, every time PNTR comes up for discussion, we want you to help us find answers?

I wrote a letter to the Chinese Government on this and got a blunt response: We don't have any information. We are not going to share any information with you.

We know that is not true. Yet why should they give us information if we say to them, you don't have to give us information because we are going to give you what you want, which is trade and credibility and recognition on the international plain?

This is just basic human rights—basic. Senator HELMS and others, Senator WELLSTONE and others, have offered amendments, over and over again, about human rights violations—all defeated, including mine. We talked about abuse in orphanages. We talked about forced abortions, women forced to have abortions at 9 months—all ignored, all voted down—all in the name of profit, all in the name of saying we don't want to risk antagonizing the Chinese. We don't want to take a few minutes to have this on the other side, to go back over to the House where they might have to add an amendment to send it to the President. That is the reason for this.

As you can imagine, it is difficult to investigate reports that are 50 years old. That is exactly why we need the Chinese to cooperate. You look at a report such as this; it goes back 50 years. We need the people on the ground. We need the Communist Chinese archives—not classified top secret Chinese secrets, that is not what we want. We want basic humanitarian information. They could give it to us, a lot of it. And probably we could clarify the fate of hundreds, perhaps even thousands, of American POWs and MIAs.

I will give one example. On my last trip to Russia, we were able to access some archives. The Russians were very cooperative. They provided 10,000 documents that helped us to identify flyers, American pilots, who were lost in the Korean conflict because the Russians—Soviets then—flew aircraft; they actually saw the shootdowns. They made notations about the tail number of the aircraft, how many pilots, did the pilot parachute out, did the plane go down in flames—very personal, firsthand accounts, very helpful; 10,000 documents.

These documents will help us to be able to go to the families of these men and be able to say to them, this is what happened to your husband or your father, your brother, whomever, as best we know based on the testimony of the Russians.

The Russians, to their credit, are being cooperative. Why can't we ask the Chinese to do this? Why is that asking too much? This is the thing that disturbs me so much, that just basic humanitarian issues are thrown aside in the name of somehow taking a little more time. What is another day, if we are going to give the Chinese permanent trade status? What is another day to include this kind of language?

Secretary Cohen, to his credit, at my request raised this issue with the Chinese during his recent visit to China this last summer. Once again, the Chinese simply brushed it aside. They said: we don't have any information—when in fact our intelligence files and our own information flat out knows and says the opposite.

But let's not forget what the real issue is here. The Chinese stand to make billions from trade with the United States. Shame on us if we fail to demand that in return for those billions, we ask for basic humanitarian information on our servicemen. Shame on us.

All we can do is call this to the attention of our colleagues. I can't make colleagues vote the way I want them to vote, nor should I. It is up to them to make that decision. But I urge them to make the decision to ask for this basic information.

I have worked on this issue for 16 years, as a Senator and a Congressman. I know what I am talking about. I have been to China. I have been to Cambodia. I have been to Laos. I have flown a helicopter over the Plain of Jars. I landed in the Plain of Jars. I went into caves looking for American POWs. I scoured the hillsides and countrysides of Cambodia and Laos and Vietnam and Russia. They have all been relatively cooperative, some more than others, not cooperative enough. But the Chinese have done nothing—no access, zero, zip. Yet here we are, giving them permanent status. It is wrong.

My concern extends beyond Chinese knowledge of Americans missing from the Korean war. We know approximately 320,000 Chinese military personnel served in Vietnam from 1965 to 1970. So moving now from the Korean

war to the Vietnam war, it seems to me highly likely that many of these Chinese troops would be knowledgeable about the fate of some 2,000 Americans still unaccounted for from the Vietnam war. It also impacts the Vietnam war. It also impacts the cold war.

I am personally opposed to PNTR. I will vote against it. But it certainly would be nice if those who are going to vote for it, since I know it is going to pass, would be willing to at least have this basic noncontroversial amendment which would help to account for missing Americans.

Let me tell you what else it would do. It would provide a lot of solace to American families who for 50 years have waited for some word about their loved ones. Yet Senators don't want to vote for this amendment because to vote for it means it might have to go to conference. They don't want to short-circuit the legislative process. Did anybody ask these folks before they went off to war whether they cared about short-circuiting the legislative process? They went. They served. They were lost. They deserve this amendment. They earned this amendment.

My amendment would merely expand the scope of the commission in the permanent normal trade relations bill to include the monitoring of Chinese cooperation on the POW/MIA issue. It is about as noncontroversial as anything we could do. Not only should we vote for this amendment, we have an obligation to vote for this amendment. Anything less than that is wrong. You can rest assured that the 10,000 missing Americans from the Vietnam and Korean wars didn't fight so that the Senate could short-circuit the legislative process. That is not what they fought for. Ask the families what they fought for. I have a father who died in the Second World War. I know what my family suffered.

I know what it is like to grow up without a father. I knew what happened to my father. He was killed serving his country. Many sons and daughters out there have no idea what happened to their loved ones. Wouldn't it be nice if the Senate said we would like to try to find out and that we are willing to attach this to PNTR? This is the least we should do.

#### AMENDMENT NO. 4129, DIVISION IV

Mr. SMITH of New Hampshire. Mr. President, I know Senator HOLLINGS is waiting. I just have one more amendment, the so-called division IV. I call up division IV at this time and ask for the yeas and nays on my amendment, division IV.

This amendment deals with the environment. Again, this is commission language that simply calls for the commission to report on the progress, or lack thereof, that companies and the Chinese Government are making in China regarding environmental laws.

Our companies in America are under strict environmental regulations, yet there are no regulations in China. All

this amendment asks is that we monitor these regulations so we can find out what kind of progress is being made on these issues.

Over the past 30 years, we have heard a steady stream of arguments that strong environmental protections are necessary, and that punitive sanctions are indispensable, because corporations will sacrifice the long-term public interest in preserving the environment for the sake of short-term profits.

For the past 8 years, the Clinton administration has added its voice to that stream. The administration has consistently told us that the American business community cannot be trusted to deal with the environment in a responsible manner unless two conditions are met: First, we must have strong environmental laws on the books. Second, we must ensure that those laws are vigorously enforced—that individual firms can and will be aggressively sanctioned whenever they stray from what those laws allow.

To be sure, the Clinton administration has told us that economic progress can neatly coexist with environmental protection—that swords can be turned into plowshares without ruining the land to be tilled. But the administration has not suggested that we should exempt any business or State from compliance with Federal law.

Today, we have chance to implement those principles. I offer today an amendment to H.R. 4444 that would require the Commission established by the bill to report on the progress of China in the implementation of laws designed to protect human health, and to protect, restore, and preserve the environment.

Let me tell you why we need that amendment:

China's environmental record to date is grim:

It has been said that China is home to half of the world's 10 most polluted cities.—See [www.SpeakOut.com](http://www.SpeakOut.com), 5/17/00, Pages 1-2; Friends of the Earth—World Trade, [www.Foe.org/international/wto/china.html](http://www.Foe.org/international/wto/china.html), Page 1.

One source, however, says that the situation has worsened since 1995 and that China now has 8 of the 10 most polluted cities in the world.—See Foreign Broadcast Information Service (FBIS), July 30, 2000, "China Expert Chen Qingtai Warns of Deteriorating Eco-System," Document ID CPP20000730000042, Page 2.

Yet another source now puts the number at 9 out of 10.—See China Focus, May 2000: China's Environment, [www.virtualchina.com/focus/environment/index.html](http://www.virtualchina.com/focus/environment/index.html).

"By the Chinese government's own standards, two-thirds of the 338 Chinese cities for which air quality data are available are polluted. Two-thirds of those are rated 'moderately'—though still seriously—or heavily polluted."—See Michael Dorgan, "China gets serious about cleaning up its air," Knight Ridder/Tribune News Service, August 1, 2000.



The Chinese capital of Beijing is one of the those top 10 cities with the world's worst air quality. In Beijing, the annual sulfur dioxide levels are twice the maximum set by the World Health Organization, and the particulates are four times the maximum WHO level.—See House Republican Policy Committee 2 (July 6, 1998).

In 1999, "on one day out of four—Beijing's air quality—reached Level 4—out of 5—when even nonsmokers feel they have the lungs of the Marlboro Man, or Level 5, when it's so toxic that a few breaths can leave a person dizzy and nearby buildings seem lost in a filthy fog."—See Michael Dorgan, "China gets serious about cleaning up its air," Knight Ridder/Tribune News Service, August 1, 2000.

An estimated 2 million people die each year in China from air and water pollution.—See Friends of the Earth—World Trade, [www.Foe.org.international/wto/china.html](http://www.Foe.org.international/wto/china.html), Page 1.

Water pollution in China is widespread and toxic. In fact, 80 percent of China's rivers are so polluted that fish cannot live in them.—See [www.SpeakOut.com](http://www.SpeakOut.com), 5/17/00, Page 2.

"[T]he 25 billion tons of unfiltered industrial pollutants that the Chinese sent into their waterways in 1991 gave Communist China 'more toxic water pollution in that one country than in the whole of the Western world.'"—See House Republican Policy Committee 2 (July 6, 1998), quoting Gregg Easterbrook.

A recent report from the Ministry of Water Resources of the Chinese Government states that the water supply to as many as 300 million people in China fails the Chinese Government's health standard.

In addition, according to the China Economic Times, Chinese Ministry of Water Resources report said that 46 percent of China's more than 700 rivers were polluted, meaning that they fell within Grade 4 or 5 of the Chinese Government's 5-Grade water quality rating system. Under that rating system, Grade 1 is deemed clean and suitable for consumption, while Grade 5 is considered undrinkable. Ministry experts explained that industrial pollution was the main source of contamination. Those experts estimated that factories produced about 60 billion tons of waste and sewage each year and that 80 percent of that waste and sewage was discharged into rivers without treatment.

Ninety percent of the water sources in China's urban areas are severely polluted.

Acid rain degrades forest and farm land, and imposes an annual cost of an estimated \$1.8 billion in economic losses.—See

[www.greenpeace-china.org.hk/press/19991101\\_pr\\_00.html](http://www.greenpeace-china.org.hk/press/19991101_pr_00.html).

China is the world's largest producer of chlorofluorocarbons, the chemicals that are said to be responsible for destroying the ozone layer.—See [www.SpeakOut.com](http://www.SpeakOut.com), 5/17/00, Page 2.

China already consumes more coal in energy production than any other nation. Energy planners expect that China's coal consumption will double, if not triple, by the year 2020. If China's coal use increases as expected over the next two decades, that growth alone will increase global greenhouse gas emissions by 17 percent—all but dooming efforts by the rest of the world to reduce a 50–70-percent reduction in greenhouse gas emissions. See Mark Hertsgaard (July 19, 2000).

By 2020, China will become the world's largest emitter of greenhouse gases.—See [www.SpeakOut.com](http://www.SpeakOut.com), 5/17/00, Page 3.

Why is the environmental such a disaster in China today? The answer is simple—the people of China do not enjoy political and economic freedom. Per capita emissions in China are 75 percent higher than in Brazil, which has an economy of similar size. The difference is that the autocratic, Communist government in China robs the people of that nation of the ability to seek both a prosperous economy and a healthy environment.

A free people will not consent to the type of environmental degradation seen today in China. Since 1970, in this nation we have been unwilling to put up with a far less dangerous state of affairs than China has today. We have enacted and enforced strong environmental protection laws, and we have supported environmental preservation in our decisions as consumers and as contributors to charitable causes.

Moreover, prosperity not only is compatible with a clean environment, prosperity also is a precondition for it. A rich people will have the ability to recognize the long-term benefits of preservation. Mature free market economies make increasingly efficient uses of resources, while leaving a smaller footprint on the air, the water, and the land.

Under our current law, we can urge China gradually to improve its environmental performance as a condition to being granted normal trading privileges. We lose that option if we pass H.R. 4444. For that reason, this bill is our only, and last best, chance to exercise leverage in order to influence China's decision in the environmental field.

We believe that laws such as the Clean Air Act are necessary for the health of this nation. Why should we expect less for anyone else—particularly China? We believe that enforcement is necessary for law to be meaningful in this nation? Why should we expect anything different across the Pacific? We believe that a sound economy and a healthy environment can and should be attained from the Atlantic to the Pacific? Why should we expect less from Pacific to the South China Sea?

There also is no good reason why, in the name of environmentalism, we should impose a greater burden on American citizens than we expect other countries to impose on themselves.

China now has 20 percent of the world's population, so what China does environmentally greatly affects everyone else. All that this amendment does it to require the Commission created by this legislation to monitor and report on China's efforts to protect the environment.

Former U.N. Ambassador Jeanne Kirkpatrick once criticized my colleagues across the aisle for their tendency to "Blame America First"—that is, for their belief that there must be something wrong with this great Nation that causes the world's ills. Keep that in mind when you consider this amendment. If laws such as the Clean Air Act and the Clean Water Act are necessary for the environmental health of this Nation, then those laws—or something analogous—are necessary for China, too. That is, they are necessary unless you believe in a policy of "Restrict America First, Always, and Only." There is no good reason for us to give up our opportunity to ensure that annually we can encourage, cajole, or prod China into improving its environment, for its sake and for everyone's, until we are sure that China no longer will be the world's superpolluter.

You might ask why China is such an environmental disaster. The same reason the Soviet Union was. The answer is, the people of China, as in the Soviet Union, don't enjoy political and economic freedom. Per capita emissions in China are 75 percent higher than in Brazil, which has an economy of similar size. They don't have a choice. They don't care. The Government doesn't care. They don't have a choice to clean it up. We could make a difference if we monitored this, talked about this to the world, brought this out each year in the commission report on PNTR. A free people would not consent to this kind of stuff, as we haven't—to this type of environmental degradation. Moreover, prosperity is not only compatible with a clean air environment, but a precondition for it.

So I hope we can move forward on this amendment and allow for the commission to monitor these environmental disasters, where we apply one standard to our Government and no standard to a government making huge profits as a result of our trade.

Again, this is a very noncontroversial amendment but one I think all of my colleagues who say they are pro-environment ought to support. I guess I am going to draw the conclusion that if you can't vote for this, you are pro-environment for America but not the rest of the world—especially China. That is kind of sad. I hope I will have support on this amendment, as well as the other amendment.

I ask for the yeas and nays.

THE PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SMITH of New Hampshire. That completes any discussion I have on the amendments.

At this time I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

AMENDMENT NO. 4136

Mr. HOLLINGS. Mr. President, I call up my amendment No. 4136, and I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, right to the point here, there are two surprising features with respect to the globalization, global competition, international trade. I continue to try to get the Senate and the Congress itself, charged under the Constitution, article I, section 8, to fulfill its responsibility.

The eye-opener has to do with agriculture, and the eye-opener has to do with technology. This particular amendment deals with the technological argument that we hear about the wonderful opportunity we have that "you just don't understand, Senator." That is what we hear—that we have gone from the smokestack to post-industrial to high-tech. Everybody is running around talking about high-tech and the wonderful economy. Well, I wish high-tech did contribute that much to the economy. But the fact of the matter is there are not that many jobs, and the few jobs that are there just don't pay.

Let me summarize this amendment. I ask, as a result, that the balance of trade with China in advanced technology projects be reported by the President to the Congress each year. That is in advanced technology products in an amount in excess of \$5 billion. We now have a deficit in the balance of trade with the People's Republic of China of \$3.2 billion, as of the end of 1999.

Now I have heard from the best of sources that that deficit could become an approximate \$5 billion. So I am asking the President that if it exceeds \$5 billion, we not only report it, but request a negotiation with the People's Republic of China to see if we can eliminate that imbalance. That is all the amendment calls for. It is all permissive requests, asking the President to do it. There is no burden whatsoever, but it is certainly in the context of global competition that we talk about it.

Let's start acting as if we know something about the competition. I say that the jobs don't pay and there are not that many of them. Right to the point, by comparison, for example, in Redmond, WA, Microsoft has 21,000 jobs when Boeing down the road has 100,000. There are many more jobs at General Motors, Ford, the auto parts industry, and otherwise, than there are in high-tech.

There is a lot of money in software, and therein you find these Internet billionaires trying to get market share—not profit. They haven't come out with

a profit yet. But there has been a foot-race on the New York Stock Exchange to get market share and invest in those who are winners. That is understandable. That is fine. That is the American way. We applaud it. However, when you look at the number of jobs, you can go to Oracle, you can go to America Online. They now have their employees in the Philippines. Microsoft has several thousand of its employees offshore.

In 1992, a suit was brought by the so-called "part-time temporary" employees claiming they ought to share in these stock options, other health benefits, and otherwise. They are really working full time. They won the suit. Now they have changed them to temporary employees so they are not allowed to work over 364 days a year to comply with the law.

This is an article from around the beginning of the year. In Santa Clara, the heart of Silicon Valley, the number of temporary workers has jumped to 42 percent of the workforce this year, from 19 percent in the 1980s. With respect to Microsoft, temporary workers have accounted for as much as one-third of its roughly 20,000-person workforce in the Puget Sound area. In May, it stood at 5,300.

I know the industrial workers at BMW, for example, have benefits and earn \$21 to \$22 an hour in Spartanburg, SC. We enjoy that. We appreciate it. It doesn't call for necessarily a computer expert or college graduate. There are many college graduates, of course, in the workforce. But these are jobs for high school graduates—the majority of our working population.

These are the jobs for the seniors in the middle class of our democracy. Everybody is running around as if there is joy in the world on money. But they are not thinking of the strength of the democracy economically and the strength the middle class brings to our democracy, with jobs for high school graduates and not just high-tech college degrees. Of course, it is said that the technology industry now has a shortage. There is no shortage. If they only gave them full-time work, they would be there. What they are really applying for are the college graduates out of India and other countries to come in under the immigration laws. They don't want to have to pay the temporary workers even around \$35,000 a year when they can get Indian workers for \$25,000 a year—any way they can cut costs. Even Chinese-trained workers and others come in. They would like to change the immigration laws to cut back the permanent high-paid workforce and put in this low-paid temporary work practice. That is an eye opener to me because I just couldn't understand why they couldn't find skilled workers.

The truth is, I have proof. The proof of the pudding is in the eating. It is not just bragging. It is true, as they say. We have the best in technical training in South Carolina, and we are for high tech. There isn't any question about

that. We are attracting Hoffman-LaRoche, Hitachi, Honda—go right on down the list—Michelin, and all the rest of the fine industries from afar. We are proud of it. We are proud of these foreign investors. At the same time, we have to compete and maintain the strength of our economy.

Look at the People's Republic of China and the comparison of exports to imports in advanced technology. The parts of advanced machinery deficit is \$18.23 billion; parts and accessories of machinery not incorporating, \$7.74 billion; parts of turbojet or turbo-propeller engines \$4.01 billion; turbojet aircraft engines, \$3.74 billion.

These are all deficits with the People's Republic of China.

Parts for printers, \$3.52 billion; cellular radio telephones, \$3.2 billion; videocassette cartridge recorders, \$2.32 billion; display units, \$1.64 billion; optical disk players, \$1.64 billion; medical and surgical instruments and appliances, \$1.22 billion; transistors, \$740 million; facsimile machines, \$670 million; television receivers, \$57 million; laser printers, \$480 million.

I could keep going down the list. The point is that we have had a great relationship with the People's Republic of China. But in the required transfers of technology, that plus balance of trade has now resulted in a deficit in the balance of trade.

Advanced technology products represent a rare consistent source of earnings for the United States. During the last decade alone, the surplus in global sales was \$278 billion. But during the same period, U.S. trade deficits with China totaled \$342 billion. It is worsening every year.

That has occurred in spite of the numerous agreements with China to end the obligatory transfer of technology from U.S. companies to their Chinese counterparts to protect intellectual property and to ensure regulatory transparency and the rule of law. Failure to implement these agreements goes a long way in explaining why the total U.S. deficit with China has doubled from \$338 billion in 1995, to \$68.7 billion by the end of 1999.

The United States also lost its technological trade surplus with China in 1995 and has suffered deficits in this area every year since then.

Last year, U.S. technology exports to China failed by 17 percent while the imports soared by 34 percent. The record \$3.2 billion technology trade deficit in 1999 may reach \$5 billion. This year, technology imports now cost twice as much as the falling U.S. exports.

Quite simply, China is developing its own export-driven, high-tech industry, and with U.S. assistance.

A recent Department of Commerce study found that transferring important technology and next generation scientific research to Chinese companies is required for any access to the Chinese cheap labor force or its market.

Three of the most critical technology areas are computers, telecommunications, and aerospace. The United

States lost its surplus in computers and components to China in 1990, and now pays seven times as much for imports as it earns from exports.

Compaq: Another foreign computer company that once dominated the Chinese market a decade ago has now been displaced by a local company.

After 20 years of normal trade relations with China, no mobile telephones are exported from the United States to China. Indeed, the United States trade with China in mobile phones involves only the payment for rapidly rising imports that now cost \$100 million a year. China has total control of its telephone networks. It recently abrogated a big contract with Qualcomm, Motorola, Ericsson, and Nokia and sold 85 percent of China's mobile phone handsets until recently. Last November, China's Ministry of Information imposed import and production quotas on mobile phones, producers, and substantial support for nine Chinese companies.

Now, this agreement doesn't disturb those quotas. It does not open up that market. The People's Republic of China expects the nine companies to raise their market share from the current 5 percent to 50 percent within 5 years.

The United States now has a large and rapidly growing deficit with China in advanced radar and navigational devices. Nearly half of all U.S. technology exports to China during the 1980s were Boeing aircraft and 59 percent were in aerospace. But according to the SEC filings, Boeing's gross sales to and in China have generally fallen since 1993.

Incidentally, that is easy to report. It is being reported by Boeing and we just asked all of the companies to do what Boeing is doing.

Boeing MD 90-30 was certified by the U.S. Federal Aviation Administration

last November with Chinese companies providing 70 percent of local contents.

That is a Chinese airline, and they wonder why the Boeing workers led the strike in Seattle last December.

More troubling, with the help of Boeing, Airbus, and others, China has developed its own increasingly competitive civilian and military aerospace production within 10 massive state-owned conglomerates.

China is a valuable U.S. partner in many matters, but it is also a significant competitor. Experiences in the United States with deficits worsening after tariff cuts and other agreements show this is not the time to abandon strong U.S. trade laws, but rather to begin to apply them fairly and firmly, since 42 percent of China's worldwide exports go to the United States.

The Chinese know how to compete. In 1990, we passed in the United Nations General Assembly a resolution to have hearings with respect to human rights in the People's Republic of China. I will never forget, they fanned out over the Pacific down into Australia, Africa, India and everywhere else, and of course they are very competitive. What do they do? The Chinese focus their diplomatic efforts on separating West European governments from the United States by offering them token political concessions and hinting they would retaliate economically against any country that supported the resolution in Geneva.

A vote after 7 years, each year, and the 7th year it was turned down again by a vote of 27-17. They know how to use their valuable, mammoth 1.3 billion population market. But we, with the richest market in the world, don't want to use it. Be fair, we whine; we continue to be fair and whine.

Now, with that \$68 to \$70 billion deficit in the balance of trade, that is their 8-percent growth. We could say

we are just not going to continue this one-sided deal and we are not going to continue to import their articles. We will just stop them as they have stopped us, and with the growth they have to have, they will come to the table and talk turkey. There is no chance in the world with these children here who are in charge of our trade policy. They keep going up there to talk and talk.

Again, Ambassador Barshefsky testified at the hearings: "The rules put an absolute end to forced technology transfers." That was after the WTO agreement with the People's Republic of China. "The rules put an absolute end to forced technology transfers"—but fast forward a few months. This is what they had in the Wall Street Journal, from Wednesday, June 7 of this year: "Qualcom Learns from its Mistakes in China, U.S. Mobile Phone Maker Listens to Beijing's Call for Local Production."

They report that after losing a lucrative deal to supply off-the-shelf cellular phones to China, Qualcomm is mapping a new strategy to sell next-generation products in the world's fastest growing mobile phone market.

In other words, to send over their technology.

They talk about these agreements, but as John Mitchell, the former Attorney General said: Watch what we do, not what we say.

Look at what they actually do and it is a disaster.

Mr. President, I have a few pages of the deficits and balance of advanced technology trade with the People's Republic of China. I ask unanimous consent this be printed in the RECORD.

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

US ADVANCED TECHNOLOGY TRADE LOSSES WITH CHINA  
[Even In Advance Technology Products: The US Now Imports 65% More Than It Exports]

HS Code	(1999: Dollars)	US Export	US Import	1999 Balance
	ADVANCED TECHNOLOGY PRODUCTS* TOTALS .....	\$5,007,198,994	\$8,216,991,682	(\$3,209,792,688)
0000305000	PTS & ACCESSORIES OF MACH OF HEADING OF 8471, NESOI .....	0	1,540,659,071	(1,540,659,071)
0000301000	PRTS OF ADP MCH, NOT INCRPRING CRT, PRT CRCT ASSEM. ....	0	1,235,882,818	(1,235,882,818)
0000990045	OPTICAL DISC (INCLUDING COMPACT DISC) PLAYERS .....	0	567,322,116	(567,322,116)
0000704065	HARD DISK DRIVE UNT, NESOI, W/OUT EXTNL POWR SUPPLY .....	29,987,116	391,325,747	(361,338,631)
0000408020	CAMCORDERS, 8MM .....	58,716	176,379,994	(176,321,278)
0000704035	FLOPPY DISK DRIVE UNT, NESOI, W/OUT EXTNL POW SPY .....			
0000209070	CELLULAR RADIOTELEPHONES FOR PCRS, 1 KG AND UNDER .....			
0000900000	VIDEO RECORDING OR REPRODUCING APPARATUS EXC TAPE .....			
0000200020	URANIUM FLUORIDE ENRICHED IN U235 .....			
0000100080	SEMICONDUCTOR DIODES NOT PHOTOSENSITIVE >0.5 A .....			
0000210000	FACSIMILE MACHINES .....			
0000404000	DIGITAL STILL IMAGE VIDEO CAMERAS .....			
0000408085	STILL IMAGE VIDEO CAMERA, VIDEO CAMERA RECORDR, NESOI .....			
0000400095	HYBRID INTEGRATED CIRCUITS, NESOI .....			
0000309060	TELEVISION CAMERAS, EXCEPT COLOR .....			
0000124000	TURBOJET AIRCRAFT ENGINES, THRUST EXCEEDING 25 KN .....			
	REC TV, COLOR, FLAT PANEL SCREEN, NESOI, DIS N/O 34.29 .....			
	REC TV, COLOR, FLAT PANEL SCREEN, NESOI, DIS N/O 33.02 .....			
	PHOTOSENSITIVE DIODES .....			
	SEMICONDUCTOR DIODES NOT PHOTOSENSITIVE<=0.5 A .....			
0000224000	TURBOPROPELLER AIRCRAFT ENGINES, POWER EXC 1100 KW .....			
0000408050	CAMCORDERS (OTHER THAN 8 MM), NESOI .....			
0000198001	CHIPS & WAFERS ON SILICON, DGTL MNLTHC IC, BIMOS .....			

Mr. HOLLINGS. I reserve the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. Whose time is used under the quorum?

Mr. HOLLINGS. The other side.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative 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. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 9½ minutes.

Mr. HOLLINGS. Mr. President, the fact of the matter is, I know the managers of the bill have very important business to engage them, but what we are seeing here is really not just an insult to the issue at hand and this particular Senator, but what we are seeing is an insult to the Senate as the most deliberative body in the world. What they do, with respect, rather than engaging in debate, is go into the morning hour and talk about prescription medicine and Wen Ho Lee or anybody else they want to talk about—anything except trade. They know they have the vote fixed.

We have had the requirement, under the Pastore rule, that you address your comments to the subject at hand. I never have wanted to call that rule on the colleagues, but I will be forced to if we are going to come back and just have morning hours.

I was in a caucus earlier here at lunch. People are trying to get out of town tomorrow. I am trying to cooperate with respect to having early votes. I am willing to yield back the remainder of my time on this one. If I can hear any disputed evidence or testimony from the other side, I will be glad, then, to debate it. But if that is what they want to do, I will move on to the next amendment. I hope they get the message so we get somebody to the floor and move the amendments just as expeditiously as we can.

I suggest the absence of a quorum and charge the other side because they don't care. I mean they are not even using the time.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative 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. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I rise in opposition to Senator HOLLINGS' amendment. This amendment would authorize the President to initiate negotiations with the Chinese to eliminate the trade deficit in advanced technological products if the balance of trade does not shift to surplus in these products. To be frank, I am not sure why this amendment is being offered to the China PNTR legislation.

After all, by passing PNTR, we will increase our access dramatically to the Chinese market once that country enters the WTO. The commitments that China has made as a part of its WTO accession negotiations with regard to high technology products are truly significant. For example, China has committed to eliminate quotas on information technology products at the date of its accession to the WTO and to eliminate tariffs for these products by January 1, 2005. Moreover, China has agreed to open its telecommunications and internet to United States investments and services.

In addition, U.S. high technology firms will gain the right to import into China, and to engage in distribution services, including wholesaling, retailing, transporting, and repairing. This will allow our businesses to export to China from here at home, and to have their own distribution networks in China. Without these commitments, U.S. companies would be forced to set up factories there to sell products through Chinese partners.

There is nothing about the grant of PNTR that will alter China's access to our market. To the contrary, China has specifically agreed to allow us to put in special safeguard mechanisms aimed at addressing disruptive market surges from China. We will also be maintaining special methodologies under our unfair trade laws that will help domestic industries in antidumping cases.

Ironically, this amendment is not aimed at eliminating any trade barriers or unfair trade practices. It simply dictates that if the balance of trade in certain products is not in surplus, then the President has to use his authority to work with the Chinese to intervene in the market to achieve a certain outcome. I'm not sure how my colleague from South Carolina would envision this happening. Would the Chinese government begin to void contracts that were freely entered into by U.S. importers, until the balance of trade moves into surplus? Would our government have to do this? I don't know what the answer is to that question and, frankly, I would hope that we never have to find out.

As my colleagues well know, I have opposed all amendments that have been offered to PNTR. I have done so because of my concern about how amendments would affect the chances of passage of this legislation. I want to repeat my concerns now. A vote for this amendment will do nothing to increase opportunities for our workers and farmers. Indeed, it will have the opposite effect. As such, I urge my colleagues to vote against this amendment.

Mr. HOLLINGS. Mr. President, I understand from the other side, now I can yield back our time; they would yield their time, and move to the next amendment.

That being the case, I yield back my time and I understand the other side yields back its time.

The PRESIDING OFFICER. All time is yielded.

#### AMENDMENT NO. 4135

Mr. HOLLINGS. Mr. President, I call up amendment No. 4135. Mr. President, the other eye opener in international trade is the matter of agriculture. I have always had a strong agricultural interest, support, in my years in public office. I willingly support price supports and quotas on agricultural products. America's agriculture is allegedly the finest in the world. We produce enough to feed ourselves and 15 other countries. But we only have 3.5 million farmers and there are 800 million farm-

ers in the People's Republic of China. They are not only now producing to the extent where they have a glut—mind you me, I said that advisedly—a glut in agriculture, they will continue to expand upon their agricultural production once they solve the transportation and distribution problem, and start feeding the entire world.

It is very difficult to understand how any of my farm friends here—who are always calling us protectionists when we have never asked for any kind of subsidies or protection whatsoever—but if people lose their jobs, 38,700 who have lost their textile jobs, they are supposed to be retrained, you know, and get ready for high tech and the global economy. They are supposed to understand it.

Agriculturally, if a few thousand farms lose out here with the bad weather, be it a storm or be it a drought, we immediately appropriate the money to take care of it. I will never forget this so-called Freedom to Farm measure that was put in here 3 years ago. Each year, now, we have gone up and increased—rather than the freedom, the subsidies: Some \$7 to \$8 billion.

In contrast now, with the People's Republic of China, we have a deficit in a lot of items. The total agricultural trade balance is \$218 million for the year 1999.

Fish and crustaceans, \$266 million; dairy products, \$14 million—\$266 million.

Dairy produce; Birds' Eggs, Honey; Edible—\$14.8 million.

This is how they list it and that is why I read it this way.

Products Of Animal Origin, Nesoi—\$93.7 million.

Live Trees And Other Plants; Bulbs, Roots—\$3.7 million;

Edible Vegetables And Certain Roots, Tubers—\$55.8 million;

Edible Fruit And Nuts; Peel Of Citrus Fruit—\$30.6 million;

Coffee, Tea, Mate And Spices—a deficit of \$43.1 million;

Lac; Gums; Resins And Other Vegetable Saps—\$44.9 million;

Edible Preparations Of Meat, Fish, Crustaceans—\$69.9 million;

Sugars And Sugar Confectionary—\$7.8 million;

Cocoa And Cocoa Preparations—\$15.2 million;

Preparations of Cereals, Flour, Starch Or Milk—\$23.1 million;

Miscellaneous Edible Preparations—\$17.1 million.

Listen to this one: Cotton.

Here I am struggling in South Carolina, the South, cotton—I am importing cotton from the People's Republic of China. I have a \$12.3 million surplus in cotton, not carded but combed.

It would be unfair to talk, with this particular amendment, about the deficit and all of these things because we already have a deficit. We do have a plus balance of trade in wheat, corn, and rice. It is listed under cereals, is the way they list it at the Department of Agriculture. We have a plus balance

of trade in wheat, corn, and rice, and a plus balance of trade in soybeans.

That is why I made this amendment to read "wheat, corn, rice, and soybeans." I wanted to start off, as in soybeans, I have a plus balance of trade of \$288.1 million. So we are happy.

We have a plus balance of trade of wheat, corn, and rice of \$39.6 million.

I am looking at that particular category and whereby 4 years ago we had a plus balance of \$440.7 million, it is down to \$39.6 million. It promises maybe next year to go to a deficit.

I have all the farm boys saying: Wait a minute, wait a minute, we have to export. We have to export agriculture, export agriculture. We are not exporting agriculture, on balance, to the Peoples' Republic of China. We have a deficit. We are importing it now. If this continues, we will definitely have a deficit, in the sense—let me tell you what this agreement calls for. We are trying to really improve the competitor. These are the kind of agreements we make when we send Barshefsky and that crowd abroad.

I read:

China and the United States agree to actively promote comprehensive cooperation in agriculture, in the field of high technology, and encourage research institutes and agricultural enterprises to collaborate in high-tech research and development.

Do not for a minute think the Chinese are not coming. They are going to come for those high-tech items, go to our agricultural colleges, go to our experimental development stations, and they are going to collaborate on all the high-tech research and development. Mostly, they will be taking; they are not giving any.

Reading further:

China and the United States agree enterprises should be urged to make investment in each country to produce and do business in high-tech agricultural products.

They will have to make investments in that country to produce and do business in high-tech agricultural products. They agree with the content provision in agriculture, and yet my colleagues say: Whoopee, this is a wonderful agreement.

I think I will be around here long enough for these farmers to go out of business. Watch them. That wheat, as I said, is going from 440 million in a 4-year period down to just 40 million bushels.

Reading further:

Review and technical assistance—the United States will review its technical assistance programs in China to consider ways to increase the efficacy of these programs. The United States will create special educational symposiums specific to China's needs in cooperation with the U.S. land grant universities for Chinese officials and producers.

Ambassador Barshefsky is a wonderful negotiator for the Chinese. She is agreeing to have special symposiums when we already have a deficit in agricultural trade. We have to set up a symposium to increase the deficit.

Continuing:

The United States will provide opportunities for young Chinese leaders to visit the U.S. farms, ranches, and universities to study management systems and production technologies.

The United States will arrange opportunities for the Chinese officials and business leaders to study U.S. marketing and distribution of agricultural products in China and the United States.

As a means to implement the principle of technological cooperation and exchange, China and the United States will implement specific projects listed below.

The U.S. livestock industry will provide free registration and enrollment for select Chinese officials, and Cattlemen College classes during the NCBA convention and summer conferences.

The U.S. livestock industry will provide free registration and enrollment for select Chinese officials and producers at the world pork symposium; strengthening cooperation and conservation of genetic resources for livestock, poultry, and forage grass; strengthening cooperation in selection and utilization of new breeds and varieties; technical assistance on quick testing, monitoring, and management of major animal diseases; technical assistance on environmentally sound production practices; waste disposal techniques.

The United States will provide technical assistance in water conservation and management for China to further its work in identifying and conserving key water resources.

It goes on and on. This is an agreement to put ourselves out of business. They come to the floor and say: Oh, we have so much more fertile, arable land than they have, so many millions of acres. They have more land under irrigation than the United States. It is an offset now, but they will be getting more irrigation, in addition to the advanced productivity we already have. But we politicians in Congress say: You don't understand; global competition, globalization; you are just resisting globalization; that is yesteryear's politician; you have to modernize; we are for change; we are global.

We are globally going out of business. That is why I have this amendment. That is, if this exceeds \$5 billion in those four categories, it is only \$3.5 billion now, but if we start losing on wheat, corn, and soybeans, we are goners in agriculture.

This amendment provides that if this occurs and this was misrepresented to us—the Senate is charged under the Constitution, article I, section 8, to regulate foreign commerce—if we were misled, we can say: Please renegotiate and see how we can right this situation.

We do not have this in advanced technology. We do not have this in electronics and manufactured products. We do not have a plus balance of trade in agricultural products. But the little bit we have left, my farmers realize if you are voting against this amendment, you vote against America's most productive farmer.

We are agreeing to make the Chinese more productive. If you think an American farmer can outwork a Chinese farmer, you are whistling "Dixie." They are the hardest working people in

the world. They are like us in the South. We are still hungry. That is why the BMW plants not only produce more but they produce better quality. That is why we are doubling the size of the BMW plant from Munich, Germany, and we will continue to compete.

Generally speaking, the rest of the country, up in your neck of the woods, I say to the Presiding Officer, they have gotten spoiled.

We started the globalization in Rhode Island. We started 50 years ago trying to move every industry that was in Rhode Island because you had them and we did not have them. We moved them down to South Carolina. Now they have been moved from South Carolina to Malaysia, Mexico, and now to China under this particular agreement. That is what is really happening. We know how to get the industry, and we know how to lose the industry. We have experienced it. We are talking from a brute measure of experience. This ought to be understood in the Senate.

I reserve the remainder of my time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

Mr. ROTH. Mr. President, I rise in opposition to Senator HOLLINGS' amendment.

As my colleagues well know, I have opposed all amendments because of the impact that they could have on passage of PNTR. I want to restate that concern now. Any amendment that is adopted could doom PNTR and end our ability to gain access to the Chinese market once that country joins the WTO.

Let's not forget, we are not voting on whether China will enter the WTO. China will get in, regardless of what occurs in the Senate with regard to this legislation. What we are voting on is whether we will give our workers and farmers the same access to the Chinese market as every other WTO member will get once China accedes. The decision before us is that stark and that simple.

That is why I support PNTR so strongly, and that is why I have opposed all amendments, including some that I thought had great merit.

That is also why virtually every major agricultural organization has supported PNTR and supported my opposition to all amendments.

Mr. President, I have with me today a letter that I would like to enter into the RECORD from over 65 agricultural organizations. I ask unanimous consent it be printed in the RECORD.

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

SEPTEMBER 12, 2000.

The Honorable  
U.S. Senate, Washington, DC.

DEAR SENATOR: It is critical to American agriculture that H.R. 4444, the China Permanent Normal Trade Relations (PNTR) legislation, moves forward without amendment. Any amendments would require another vote in the House of Representatives and send China and our competitors the message that the United States is not serious about opening the Chinese market to U.S. products.

The Thompson amendment would require the President to implement sanctions under various circumstances. Unilateral sanctions have the effect of giving U.S. markets to our competitors. While there are efforts to exempt food, medicine and agriculture from the existing language, American agricultural producers, regardless of exemptions, would be put at risk. If the United States sanctions or even threatens sanctions for any products, agriculture is often first on the other country's retaliation list.

Additionally, further consideration of the China Nonproliferation bill should not delay action on a vote for PNTR. The U.S. agriculture industry continues to face depressed prices. Agricultural producers and food manufacturers should not face burdens erected by their own government such as unilateral sanctions or failure to pass PNTR.

We urgently request your help in achieving a positive vote on PNTR without amendment.

Thank you for your help and we look forward to working with you on these important issues.

Sincerely,

AgriBank, Agricultural Retailers Association, Alabama Farmers Association, American Crop Protection Association, American Farm Bureau Federation, American Feed Industry Association, American Meat Institute, American Seed Trade Association, American Soybean Association, American Health Institute, Archer Daniels Midland Company, Biotechnology Industry Organization, Bunge Corporation, Cargill, Inc., Cenex Harvest States, Central Soya Company, Inc., Cerestar USA, CF Industries, Inc., Chocolate Manufacturers Association, and CoBank.

Distilled Spirits Council of the United States, DuPont, Farmland Industries, Inc., Grocery Manufacturers of America, IMC Global Inc., Independent Community Bankers of America, International Dairy Foods Association, Land O'Lakes, Louis Dreyfus Corporation, National Association of State Departments of Agriculture, National Association of Wheat Growers, National Barley Growers Association, National Cattlemen's Beef Association, National Chicken Council, National Confectioners Association, National Corn Growers Association, National Council of Farmer Cooperatives, National Food Processors Association, National Grain and Feed Association, and National Grange.

National Milk Producers Federation, National Oilseed Processors Association, National Pork Producers Council, National Potato Council, National Renderers Association, National Sunflower Association, North American Export Grain Association, North American Millers' Association, Pet Food Institute, Pioneer Hi-Bred International, Rice Millers' Association, Snack Food Association, Sunkist Growers, The Fertilizer Institute, United Egg Association, United Egg Producers, USA Poultry and Egg Export Council, U.S. Canola Association, U.S. Dairy Export Federation, U.S. Rice Producers Association, U.S. Rice Producers' Group, U.S. Wheat Associates, Wheat Export Trade Education Committee, and Zeeland Farm Soya.

Mr. ROTH. Just let me point out, these organizations know, as I do, that

passage of PNTR is vital. It is vital to our farmers and our agriculture sector. These include the National Chicken Council and the USA Poultry and Egg Export Council, both of which represent farmers from my home State of Delaware.

But it also includes national organizations and companies such as the American Farm Bureau Federation, National Grange, Cargill, Farmland Industries, the National Cattlemen's Beef Association, and many others.

Importantly, this list also includes groups that this amendment is ostensibly intended to help, including the National Corn Growers Association, the National Oilseed Processors Association, the American Soybean Association, the U.S. Rice Producers Group, the U.S. Wheat Associate, and the Wheat Export Trade Education Commission.

This is a long list, but it is worth emphasizing for all my colleagues to realize how much is at stake and how much will be lost if this or any other amendment were to be adopted.

After all, China is already our eighth largest market for agricultural exports. In fiscal year 1999, U.S. farm exports to China were about \$1 billion, with an addition \$1.3 billion of exports going to Hong Kong.

While China is already a huge agricultural export market, the potential for the future is even greater with WTO accession. China has agreed to slash tariffs for virtually every agricultural product, and to establish very high tariff rate quotas for key products, including those covered by my colleague's amendment.

As importantly, China has agreed to abide by the terms of the WTO SPS Agreement, which requires that animal, plant, and human health import requirements be based on science and risk assessment.

It would be particularly ironic if PNTR were to fail because of the amendment before us now. This amendment, at best, is unnecessary. After all, the President is authorized to negotiate with any country about any issue at any time.

Such negotiations would be entirely appropriate and necessary if there were concerns about market access or unfair trade practices that needed to be addressed. But this amendment would urge the President to work with the Chinese to intervene in the agriculture market to achieve a certain balance of trade.

It is because we have rejected these types of statist economic policies that our economy is as strong as it is today. Going back down the road of having the Government meddle unnecessarily in the market is simply not the answer.

In the end this amendment would do nothing to enhance our access to the Chinese market for our farmers. It would, in fact, threaten the potential gains that will become available to us with the passage of PNTR.

That is why I oppose this amendment and urge my colleagues to vote against it. There is too much at stake to do otherwise.

Mr. President, I am ready to yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, I am ready, if I may, to just respond, if you don't mind, for a couple minutes.

How much time do I have?

The PRESIDING OFFICER. Fifteen and a half minutes.

Mr. HOLLINGS. I will not take that long.

My distinguished colleague, the chairman of our Finance Committee is really is one of our outstanding Members. I have every respect for his leadership—but on this particular score, he talks about the great market we have and that this amendment would require the President to intervene to obtain a certain balance of trade. Not at all. What I am trying to do is avoid a deficit in the balance.

As they say, they are a great market. As long as the soybean association is right, as long as the wheat association is right, and the other 63-some-odd associations are right, you will never hear any more about this amendment. It will be dead on the books because nothing will have to be triggered. I am taking their word for it.

I know otherwise. I have been in the agricultural business. When you mention the American Farm Bureau, I almost have to laugh. They have to do with everything but with farming. It is an insurance company. They have many times come out against the interests of the farmer.

I have taken an agriculture case, on the dairy score, all the way to the Supreme Court. I learned that my dairy farmers put their milk out on the stoop, that on the first of the month it is picked up, and they don't learn for 30 days—or sometimes 2 months—whether that is going to be classed grade A, class I grade A, or whether it is going to be class III grade C. There is a tremendous difference in price. It is up to the processor to determine whether it is going to go into processing ice cream, cottage cheese, or whether it is going to be pasteurized and put on the stoop as class I grade A.

So the poor farmer keeps his mouth shut because he has to get along. In short, the farmer is in the hands of the processor and the distributor in most instances. That is why you have these organizations and Archer-Daniels-Midland, Cargill, everybody else. They can run around and easily get these resolutions.

But the hard, cold fact is, I am here for the wheat farmer, for the soybean farmer, for the corn farmer. All I am saying is, you are telling me I am going to be able to expand this wonderful market. Well, I am looking, and seeing it has contracted, and overall we have a deficit right now.

I know 3½ million cannot outproduce 800 million. I know I am obligated under the agreement to bring the 800



million up to snuff with the 3½ million. So I am saying: Wait a minute here. Let's not go pell-mell down the road and ruin the one great thing we have, and that is America's agriculture. You ruined the manufacturing. Now you want to ruin its agriculture. So that is why my amendment is here.

Oh, yes, there is one other point. China will gain access to the WTO. The distinguished Senator and I agree on that. But he thinks that, ipso facto, it opens the market. Japan, for 5 years has been a member of the WTO. Try to get some of these things into Japan.

For those who are solely unknown, for those who have not studied the case, if you think being a member of the WTO opens markets, you are wrong. Japan is the best example, and China is going the same way. Since they have signed this agreement, and since Ambassador Barshefsky said we did not have to have any more technology transfers in order to do business, Qualcomm and many others have learned otherwise since that testimony before the Finance Committee.

AMENDMENT NO. 4137

Mr. HOLLINGS. Mr. President, I yield back the remainder of my time on amendment No. 4135, and I call up amendment No. 4137 on the Export-Import Bank and the Overseas Private Investment Corporation.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, this is the dilemma we are in. We not only don't know what we are doing, we are causing great damage to the workers in America. We are all running around America saying: I am fighting for working families. Well, we are eliminating working families here on the floor of the Congress.

Over the past 6 years, Congress appropriated \$5 billion to run the Export-Import Bank of the United States. It subsidizes companies that sell goods abroad. James A. Harmon, President and Chairman put it this way:

American workers have higher quality, better paying jobs, thanks to the Eximbank's financing.

But the numbers at the bank's five biggest beneficiaries—AT&T, Bechtel, Boeing, General Electric, and McDonnell Douglas, which is now a part of Boeing—tell another story. At these companies, which have accounted for about 40 percent of all loans, grants, and long-term guarantees in this decade, overall employment has fallen 38 percent. Almost 800,000 jobs have disappeared. We are taxing the American public to pay for the elimination of these fine jobs.

What does my amendment say: It says, notwithstanding any other provision of law, in addition to the requirements—and there are all kinds of requirements at Exim and OPIC—neither the Export-Import Bank or the Overseas Private Investment Corporation can provide risk insurance after December 31 of this year unless the applicant certifies that it has one, not

transferred advanced technology to the People's Republic of China or, two, has not moved any production facilities until after January 1, 2001, from the United States to the People's Republic.

I want to cut out the "P" from PNTR. I can see the lack of knowledge and certainly maybe sometimes the disregard, but to actually come in here and raise taxes to finance the Eximbank and OPIC to, in turn, finance the export of these jobs or the elimination of over 800,000 jobs, we have lost over a million manufacturing jobs in the last decade. There is no question about it. We are just going out of manufacturing entirely. We are going into making hamburgers and handling the laundry, and there are a few software folks buying the stock, making themselves some money, but even the software employee is part time. The construction worker today now has been put off as an independent contractor. He is not under health care. The department store workers are also either independent contractors or part time workers. We have taken and decimated the workforce. And they are wondering why there is malaise or anxiety.

Here is the President back in May:

Clinton asked rhetorically: "So why are we having this debate, because people are anxiety ridden about the forces of globalization."

They tell us we just don't understand the forces of globalization.

After that one, I have a cover article. I ask unanimous consent to print this article. It is very interesting, "The Backlash Behind the Anxiety of Over Globalization," in *Business Week*, dated April 24.

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

[From *Business Week*, Apr. 24, 2000]

BACKLASH: BEHIND THE ANXIETY OF OVER

GLOBALIZATION

(By Aaron Bernstein)

Ask David K. Hayes about the impact of globalization on his life and you'll hear the story of a painful roller-coaster ride. The Goodyear Tire & Rubber Co. factory in Gadsden, Ala., where he has worked for 24 years, decided to shift most of its tiremaking to low-wage Mexico and Brazil early last year. The plant slashed its workforce from 1,850 to 628. The 44-year-old father of two was lucky and landed a job paying the same \$36,000 salary at another Goodyear plant 300 miles away. Hayes's wife didn't want to quit her \$30,000-a-year nursing job, so Hayes rented a small apartment in Union City, Tenn., seeing his family on weekends. Then in October, Goodyear reversed course and rehired nearly 700 people in Gadsden, including Hayes. It's good to be home, he says, but he is constantly fearful that the company will switch again. "It has been nerve-wracking," he says. "We try to be cautious on spending, because I don't know if I'll have a job in six months."

Such stories of anxiety are part of what's fueling a second wave of protests against globalization that kicked off in Washington, D.C., on Apr. 9. Echoing the demonstrations that erupted late last year at the World Trade Organization (WTO) meeting in Seattle, the AFL-CIO brought some 15,000

members to Capitol Hill on Apr. 12 to lobby against granting Normal Trade Relations Status to China. Environmental and human-rights protesters planned to disrupt meetings of the World Bank and the International Monetary Fund (IMF) four days later.

The outpouring once again raises the question: Why are so many people so angry about globalization—a term that has come to encompass everything from expanded trade and factories shifting work around the world to the international bodies that set the rules for the global economy? Political and business leaders across the spectrum were caught off guard by the strong feelings expressed in Seattle last fall. Although they're better prepared this time, they remain perplexed.

After all, the U.S. economy is in the midst of a heady boom that's being fueled in no small part by globalization. Open borders have allowed new ideas and technology to flow freely around the globe, fueling productivity growth and helping U.S. companies to become more competitive than they have been in decades. Expanded trade has helped to keep a tight lid on U.S. consumer prices, too. As a result, many U.S. families are doing better than ever. What's more, polls have shown for years that a solid majority of Americans believe that open borders and free trade are good for the economy.

So it the hostility aired in Seattle and now in Washington just the raving of fringe groups? Or does it express a more widespread anxiety that decision-makers have ignored until now? Fringe groups do play a role, but there is mounting evidence for the second conclusion, as well. The protesters have tapped into growing fears that U.S. policies benefit big companies instead of average citizens—of America or any other country. Environmentalists argue that elitist trade and economic bodies make undemocratic decisions that undermine national sovereignty on environmental regulation. Unions charge that unfettered trade allows unfair competition from countries that lack labor standards. Human rights and student groups say the IMF and the World Bank prop up regimes that condone sweatshops and pursue policies that bail out foreign leaders at the expense of local economies. "Are you allowed to make your own rules, or is someone else going to do it? Those are fighting words to a lot of people," says Robert C. Feenstra, a trade economist at the University of California at Davis. DIVIDED. A BUSINESS WEEK/Harris poll released on Apr. 12 finds that while Americans agree in principle that globalization is good, they disagree with policies for carrying it out. Just 10% describe themselves as free traders, while 51% say they are fair traders. Some 75% to 80% say their priorities are to prevent unfair competition, environmental damage, and job loss. The goals of the Clinton and prior Administrations, including boosting exports and keeping consumer prices low, rank lower (page 44).

At the same time, 68% of Americans believe globalization drags down U.S. wages. Respondents split fairly evenly on whether global integration is good for creating jobs and the environment. The result: a gnawing sense of unfairness and frustration that could boil over in the future. "A strong majority [of the U.S. public] feels that trade policies haven't adequately addressed the concerns of American workers, international labor standards, or the environment," says Steven Kull, director of the University of Maryland's Center on Policy Attitudes, which on Mar. 28 released an extensive poll entitled "Americans on Globalization."

Americans' divided views have broad implications for U.S. policies and companies. Ever since the North American Free Trade Agreement (NAFTA) squeaked through Congress

in 1993, its opponents have blocked most major trade initiatives, including President Clinton's request for fast-track authority to negotiate new trade pacts. Now protesters hope to thwart the Administration's pledge to extend Normal Trade Relations to China as part of its entry into the WTO. Some 79% of Americans don't want to give China normal trading privileges, according to the BUSINESS WEEK/Harris poll. After the Apr. 12 rally, the AFL-CIO plans to mount a grass-roots effort to defeat the measure when Congress takes it up in late May.

And there's more to come. College students around the country are holding weekly sit-ins to pressure companies to agree to sweatshop monitoring, and they're scoring surprising victories with Reebok, Nike, and other apparel makers. Unions plan to keep pressing for labor standards that can be incorporated into the world trading system—a battle that could drag on for years. Meanwhile, the Washington demonstrations are likely to spur reform at the World Bank and the IMF (page 46). Of course, global integration is a juggernaut that's not easily stopped, but all the political turbulence could make the free-trade agenda more difficult to achieve.

Finding common ground among competing constituents will be a nightmare for policymakers and politicians. While it may be possible to redesign procedures at the lending agencies, for example, it's far more complex and controversial to set labor and other standards worldwide. Already, China's WTO entry has become a flash point for Vice-President Al Gore, who's depending heavily on union support in his Presidential quest. Somehow, the Administration must balance all this while maintaining friendly relations with trading partners around the globe. The task is all the more difficult because to some degree, helping U.S. workers could hurt those in low-wage countries, since shifting U.S. factories and technology abroad helps to lift living standards there.

It's a paradox that while globalization brings big gains at the macroeconomic level, those losses are often eclipsed in the public eye by all the personal stories of pain felt by the losers. But that pain remains mostly hidden, as economists and politicians emphasize the upside while downplaying or omitting altogether the drawbacks (table). The Economic Report of the President, for example, released in February, barely mentions trade-related job losses, yet Commerce Dept. statistics imply that something like 1 million workers lose their jobs every year as a result of imports or job shifts abroad. THREATS. Indeed, there are millions like David Hayes who live in fear of a layoff and whose families share the emotional and financial disruption. Even in today's red-hot job market, workers who lose a job earn 6% less on average in the new one they land. Others face pressure to take skimpy raises or pay cuts from employers that threaten to move offshore.

Even service and white-collar workers are no longer exempt. True, many professionals are hitting it big on the Internet and thriving in export-oriented companies. But as global integration advances, engineers, software writers, and other white-collar employees are seeing jobs migrate overseas. "Workers used to feel safe when the economy was doing well, but today they always feel they can be laid off, and globalization is part and parcel of that," says Allan I. Mendelowitz, executive director of the U.S. Trade Deficit Review Commission, set up by Congress in 1998.

The point isn't that globalization creates more losers than winners. After all, free trade is a net gain for the country. What worries many is that the U.S. does little to

help those who lose out. "You want to make sure that the benefits of trade are fairly shared," says William R. Cline, a trade expert at the Institute of International Finance Inc.

Of course, with jobs plentiful today, losing one is less disastrous than it was back in 1992. But it's still a traumatic experience. About 25% of all job-loser still aren't working three years afterward, according to Princeton University economist Henry S. Farber, who analyzed government survey data through 1997, the latest year available. Some simply retire early. The 75% who do get another job still face that 6% gap, plus the income lost if they're unemployed until they find new work.

What was once seen as a blue-collar phenomenon is now spreading to the service sector. U.S. data-processing companies are using high-speed data lines to ship document images to low-wage countries such as India and Mexico. Some 45,000 people work in these and other service jobs in maquiladoras, twice the number in 1994, when NAFTA took effect. They do everything from processing used tickets for America West Airlines Inc. to screening U.S. credit-card applications for fraud. And the work is getting more advanced. As U.S. companies tap bilingual Mexicans, "we have people getting on the phone and calling customers" in the U.S., says Ray Chiarello, CFO of 2,800-employee Electronic Data Management International in Ciudad Juarez. SWEATSHOPS? Global competition is also battering the theory of comparative advantage, which holds that free trade will prompt the U.S. to import goods made by low-wage, low-skilled labor and export those made by the highly skilled. But companies are undermining that construct by shifting even the most skilled jobs and technologies to low-wage countries.

At General Electric Co., for example, CEO John F. Welch has for years been pushing his operating units to drive down costs by globalizing production. At first that meant moving appliance factories to low-wage countries such as Mexico, where GE now employs 30,000. Then last year, GE's Aircraft Engines (AE) unit set up a global engineering project that already has increased the number of engineers abroad tenfold, to 300, with sites in Brazil, India, Mexico, and Turkey. "We just can't compete globally with a primarily domestic cost base," says AE commercial engines General Manager Chuck Chadwell in a recent AE internal newsletter. An AE spokesman agrees that GE is shifting low-end engineering jobs offshore but says high-end design work is staying in the U.S.

Brian and Mary Best are on the losing end of GE's globalization drive. Both have worked for 25 years as planners at GE's jet-engine plant in Lynn, Mass. But the unit has been shedding planners, who design and help build tools used to make engines, leaving 140 in Lynn, down from 350 a decade ago and 200 in 1999. In February, Brian was laid off from his \$50,000-a-year job, and Mary hopes she's not next. "Our jobs are going to places like Mexico and Poland, where labor is cheaper," says Mary, who has a BA in business administration. Says Brian: "GE's only allegiance is to its shareholders."

Globalization also helps push down U.S. wages. Trade accounts for roughly one-quarter of the rise in U.S. income inequality since the 1970s, studies show. Imports shift demand from low-skilled workers to educated ones. Yet economists have never found a way to measure direct wage pressures from globalization.

Mike Spaulding knows about that pressure. Spaulding, 55, works at Buffalo's Trico Products Corp., a maker of windshield wipers, purchased by Tomkins PLC in 1998. Trico began shifting 2,200 jobs to Mexico in

the mid-1980s. Then in 1995, management said the 300 remaining jobs could stay if employees slashed costs. So Spaulding and his colleagues swallowed a \$2-an-hour cut, to \$12.50, where his pay remains today. "We've had to cut back on our lifestyle—forgo some vacations and going out to dinner," he says.

Demands like Trico's have lowered pay across the auto-parts industry. One-third of U.S. auto-part employment migrated south to Mexico between 1978 and 1999, according to Stephen A. Herzenberg, an economist at the Keystone Research Center in Harriburg, Pa. The result: Wages in the U.S. auto-parts industry plunged by 9% after inflation, he found.

Some companies use the mere threat of overseas job shifts against workers who try to unionize to raise their pay. In February, Yvonne Edinger and some colleagues tried to form a union at a Parma (Mich.) factory owned by Michigan Automotive Compressor Inc., a joint venture of Japan's Denso Corp. and Toyota Automatic Loom Works Ltd. The 425 workers at the plant, which makes car air conditioners, earn \$12 to \$14 an hour—vs. \$16 to \$18 for parts makers in the United Auto Workers. But when the organizing drive began, "Japanese coordinators sent over to troubleshoot the line told people that the plant would be moved if they voted in the UAW," says Edinger. That scared so many workers that the organizing drive has been put on hold. A company spokeswoman says it has heard no allegations of threats by its coordinators. Yet such threats are routine. According to a 1996 study by Cornell University labor researcher Kate Bronfenbrenner: 62% of manufacturers threaten to close plants during union recruitment drives.

For nearly a decade, political and business leaders have struggled to persuade the American public of the virtues of globalization. But if trade truly brings a net gain to the U.S. economy, why not use some of the extra GDP to compensate the losers and diminish the opposition? True, this wouldn't address wage cuts and threats of moving offshore, much less qualms about the environment and the supranational role of global trade, and finance bodies. Still, if the decision makers don't start taking Americans' objections seriously, the cause of free trade could be jeopardized.

#### THE PROS AND CONS OF GLOBALIZATION

##### PLUSES

—Productivity grows more quickly when countries produce goods and services in which they have a comparative advantage. Living standards can go up faster.

—Global competition and cheap imports keep a lid on prices, so inflation is less likely to derail economic growth.

—An open economy spurs innovation with fresh ideas from abroad.

—Export jobs often pay more than other jobs.

—Unfettered capital flows give the U.S. access to foreign investment and keep interest rates low.

##### MINUSES

—Millions of Americans have lost jobs due to imports or production shifts abroad. Most find new jobs—that pay less.

—Millions of others fear losing their jobs, especially at those companies operating under competitive pressure.

—Workers face pay-cut demands from employers, which often threaten to export jobs.

—Service and white-collar jobs are increasingly vulnerable to operations moving offshore.

—U.S. employees can lose their comparative advantage when companies build advanced factories in low-wage countries, making them as productive as those at home.

Mr. HOLLINGS. That anxiety over globalization is real. The average American working in manufacturing is not part of this wonderful economy. On the contrary, they are on the edge of losing completely. Just look at the fact that 28,700 manufacturing jobs in the State of South Carolina have been lost since NAFTA.

Let me tell you what happens. They say: Reeducate. I go right to Onieta, simple plant, making T-shirts. We brought it to Andrews, South Carolina some 30-some years ago. At the time it closed, last year and re-located to Mexico, they had 487 employees, and the average age was 47 years of age—all loyal, wonderful, productive, everything. So let's do it Washington's way, reeducate. They sound like Mao Zedong—reeducate, get ready for global competition. So tomorrow morning we have the 487 workers out of a job. They are now reeducated and they are expert computer operators.

Are you going to hire a 47-year-old computer operator or a 21-year-old computer operator? You are not taking on the pension, the retirement cost. You are not taking on the health care cost of the 47-year-old. You are going to hire the 21-year-old. So even Washington's way, they are high and dry. Deadline, go to the town of Andrews and some other places such as that where they have closed down these plants. We have high employment in Greenville, Spartanburg, but go to Williamsburg, go to Marlboro, go to Barnwell and you will see what has been occurring.

So we traveled the State. We have worked for jobs. And don't let the Tom Donahue and the Chamber of Commerce, come up here and start telling me about jobs. I have to sort of make a record. He has gone from representing Main Street and jobs in America to the multinationals, money makers, who can make far more by transferring their production outside of the United States.

I have gotten every Chamber of Commerce award. Bobby Kennedy and I were the tin men back in 1954. I have gotten it from every county Chamber of Commerce, the National Chamber of Commerce, any Chamber of Commerce. But on account of this trade debate, Donahue had them endorse and finance my opponent the year before last. Then do you know what he did, January of last year, after I came back from reelection? He gave me the award. He sent me some good government award or American leadership in commerce. I told him to stick it. Come on. What is going on around here? The unmitigated gall. That crowd has left.

I know the Business Roundtable. I refereed the fight between Secretary of Commerce Luther Hodges and Roger Blough, President of U.S. Steel and head of the Business Roundtable. Because when Secretary Hodges was appointed by President Jack Kennedy, there were 12 on both sides. It was all about the Business Roundtable. They

did their manufacturers census and everything else and gave it to the Business Roundtable. The poor Secretary didn't even have control of his own office so he ran them out. And we had to referee that fight and get some of them back in, but at least put the secretary in charge of his own office. But CEO's are arrogant. I know them. They are arrogantly greedy, and they could care less about the country. Jack Welch, the best of the best, says I am not going to add a supplier unless that supplier moves to Mexico. Read the Business Week. The head of Boeing said, "I'm not an American company, I'm an international company." Caterpillar is saying it too. They take pride that they don't have a country.

Well, I happen to represent a country, and I am not going to take it sitting down. They ought to be embarrassed. I appreciate the distinguished chairman of the Finance Committee being here now, but the way they have treated this debate in violation of the Pastore rule, and they bring on morning business and talk about every other subject, they could care less about this debate. The vote is fixed. So we don't learn anything. I can learn from my fellow Senators if I am mistaken or in error. Fine, let's learn and understand what the situation really is. My figures are the Government's figures—the Department of Commerce, the Department of Labor figures, Department of Agriculture statistics.

We are not doing well at all in our deficit balance of trade. I can tell you here and now, Strom and I are going to get by. We are not paying our bills. The distinguished Chair is going to have to pick up my bills because I am spending money the government does not have. Mr. President, it is wonderful and since we have a little time you might indulge me. They ought to understand that the Department of Treasury, under the law—I know they would like to avoid this discussion. The Fed hasn't paid the large August payment on the interest cost. It is going to run around \$70 billion. As of 9/12/2000, the national debt is \$5,684,118,446,519.63. At the beginning of the fiscal year, it was \$5,656,270,901,615.43. So in round figures, the debt has increased around \$28 billion. The debt has gone up already. We spent \$28 billion more than we took in. We had wonderful receipts on personal income on April 15, and again in June for corporate. But even with those, we now have spent \$28 billion more than we took in. We have a deficit and we have had a deficit since Lyndon Johnson balanced the budget in 1968–1969. Yet they all talk surplus.

We don't have a federal surplus. We don't have a surplus in trade. We don't have a surplus in agricultural trade. We don't have a surplus in technology trade. Where are the surpluses? We have a surplus in campaign contributions. Maybe that is the name of the game. Forget about the country. Use the Government to reelect ourselves and promise those things that we don't

have. That is the biggest campaign finance abuse—using the Government and the budget. We call something a surplus when we have a deficit, and we promise so much in tax cuts and spending and everything else. Then when it comes to this important subject, either we say nothing or we don't even debate it.

I reserve the remainder of my time on the amendment.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I rise in opposition to the amendment of my friend. The amendment is not only irrelevant to the underlying bill normalizing trade with China, it would unnecessarily limit the support Congress has directed Ex-Im and OPIC to provide to U.S. exporters worldwide.

First, and most importantly, I want to remind my colleagues that the point of this bill is to ensure that American workers, American farmers, and American businesses reap the benefits of an agreement that it took 3 Presidents of both parties 13 years to squeeze out of the Chinese. Those benefits would be forfeit if this amendment were to pass and thereby hinder our ability to see H.R. 4444 enacted into law.

Thus, the amendment would not only limit the actual assistance that Congress directed Ex-Im and OPIC to provide our exporters, the amendment could have the effect of denying them real export opportunities that are likely to equal \$13 billion annually.

Second, the bill ignores the realities of how our exporters do business—pursue markets abroad. Generally, exporting does require you to invest abroad in some form even if only in the form of a representative office, and the available economic analysis suggests that American investment abroad enhances our exports.

The so-called "benchmark studies" of the Emergency Committee for American Trade or ECAT have amply detailed that effect. This past year, as part of the Finance Committee's review of U.S. trade policy, we heard from the Cornell professor who completed the study for ECAT. His testimony was compelling, he found that U.S. investment abroad increased U.S. exports and, pointedly, did not find any substance to the argument that trade represented a highway for run-away American plants, as some claim.

The obvious reason for that phenomena is that our market is already open with very few exceptions. If American firms were interested in moving production to China simply to export back to the United States, they could already have done so for many years. One thing this lengthy debate has made clear is that our market has remained open to the Chinese, while the Chinese market, until the agreement of this past November goes into effect, remains largely closed to U.S. exporters. Firms that simply wanted an export platform to the United States could have been exporting to the U.S. for the past 20 years.

In fact, what passage of PNTR promises is that U.S. companies will no longer have to move to China simply to produce for the Chinese market. Under the November agreement, our exporters can produce in the United States, export to China, and for the first time sell directly to the Chinese consumer without the interference of some state-owned trading company. In other words, passage of PNTR is the best way to halt any alleged erosion of our manufacturing base because you can make the goods here and sell them in China.

Third, this amendment would have a chilling effect on normal business practices that yield export sales. The amendment does not, for example, define what it means by a production facility or what constitutes "moving" such a facility to the People's Republic of China.

Thus, for example, would the Ex-Im Bank be required to deny any support to a U.S. exporter if it closed any facility in the United States or even reduced production in such a facility while it opened a sales office in China? Would OPIC be required to oppose any form of risk insurance for a U.S. company establishing a facility in China manufacturing goods for the Chinese market if the company had closed or merely reduced production in a U.S. facility manufacturing a completely different product?

Those are just a few of the complications that would arise for the Ex-Im Bank, OPIC, and most importantly for American exporters for whom Congress created those programs if this amendment were to pass.

Congress certainly did not intend that the Ex-Im Bank and OPIC be hamstrung in providing support to our exporters. To the contrary, the explicit intent of Congress in creating those programs was to enhance our exporters' competitiveness, not to hobble it.

I oppose this amendment for all of the foregoing reasons and ask my colleagues to do so as well.

Mr. GRAMM. Mr. President, I ask unanimous consent to speak in morning business.

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

(The remarks of Mr. GRAMM and Mr. MOYNIHAN are located in today's RECORD under Morning Business.)

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I have a unanimous consent request. I ask unanimous consent that at 4:45 today the Senate proceed to a series of roll-call votes in relation to the following amendments in the order mentioned:

Division I of Senator SMITH's amendment No. 4129;

Division IV of Senator SMITH's amendment No. 4129;

Hollings amendment No. 4136;

Hollings amendment No. 4135;

Hollings amendment No. 4137.

I further ask unanimous consent that any remaining divisions of amendment No. 4129 be withdrawn and the Feingold

amendment regarding the Commission be withdrawn from the list of eligible amendments.

Finally, I ask unanimous consent there be 2 minutes of debate, equally divided in the usual form, prior to each of the votes.

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

Mr. ROTH. I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, of course, our chairman, in opposition to the amendment, has said three Presidents have worked 13 years and found the best way to stop the erosion of our manufacturing base was this particular PNTR agreement. If that is the case, I am a happy man. I have my grave doubts because I have been around here and, as John Mitchell said years ago: Watch what we do, not what we say.

So I put in amendments with respect to the matter of jobs. They say it is going to create jobs. I say there is going to be a loss of jobs. On this particular score, since we lost 69,000 manufacturing jobs just last month, and the NAM, the group in charge of manufacturing, the private entity, says we have a \$228 billion deficit in the balance of manufacturing trade, then I think what we ought to do is look at this thing very closely; certainly not finance it.

Companies say it is too much of a burden to report. Not at all. They have to just make a statement that they have not used the monies of exports to adulterate the cause; namely, instead of creating jobs in America, to lose the jobs. The same with the Overseas Private Investment Corporation.

Obviously, people looking at the record wonder why we have gotten ourselves in such a situation. I have watched it over the years and participated, obviously, in it, again and again. What really has happened is much like in the early days before World War II, the Spanish war, where they had the fifth column. We have, in international trade, the fifth column in the United States. Let me tell you how it is comprised.

Yes, after World War II the United States had the only industry. We had the Marshall Plan. We sent over our technology, our expertise and, bless everybody, it has worked. Capitalism has defeated communism. And the tax is still to favor the investment overseas. The Senator from North Dakota, Mr. DORGAN, was voted down earlier this year on an amendment to stop financing it. That is exactly what this amendment says: Just don't—Export-Import Bank, OPIC—finance your demise.

But at that particular time the manufacturers in America had all kinds of trouble traveling to the Far East and elsewhere. They didn't like it. Air travel was a burden. Now it is a pleasure.

What happened is that the banks who were financing, like Chase Manhattan

and Citicorp, started making most of their money, as of 1973, outside the United States. They saw their opportunity for expansion in financial trade and obviously sponsored all these foreign policy associations—the Trilateral Commission and everything else. So the best and the brightest crowded in from the Ivy League into these particular entities. They started talking about free trade, free trade, the doctrine of comparative advantage—and it is 50 years later, all power to them—free trade when there is no such thing. The competition is not for profit. It is not free. It is controlled trade and the competition is for market share and, in essence, jobs.

The next thing you know, they started actually investing. I will never forget it. These countries, starting with Japan, began to invest in the United States. Back in the 1980s, we had the independent study about the Japanese contributions to Harvard University. The Japanese-financed academics had tremendous influence over the business model being taught in leading business schools. So they began to take over, and with their investments and contributions to the outstanding campuses of America—the next thing you know, we had everyone in America making profits from their investments, buying into the principle of lean manufacturing and lower costs. We had influence in the banks, we had the Trilateral Commission, we had the campuses, and before long we had the retailers who made a profit, a bigger profit out of the imported articles than what they did on the American-produced article.

Then you had the retailers, the Trilateral Commission, the banks, the campuses, the consultants, and finally the lawyers. Ten years ago Pat Choate wrote in "Agents of Influence," that Japan had 110 lawyers, paid way more than we were paying them here—the consummate salary of the House and Senate by way of pay. Japan was better represented in the United States than the people of America by their Congress.

You get all these lawyers who come in and move into the Business Roundtable and the Chamber of Commerce—the Main Street merchant is forgotten. As the distinguished farmers have to realize, the U.S. Farm Bureau is now an insurance company. They have lost the American farmer. We have a deficit in the balance of agriculture with the People's Republic of China.

With respect to wheat, corn, and soybeans, if we lose the positive balance of trade that we have now, and start to get a deficit, let the President simply report it to the Congress and renegotiate and see if we can get better terms. That is what is called for. Otherwise we are going to sell out agriculture.

Overall, the Department of Agriculture shows a deficit in the balance of trade, particularly in cotton. We actually import more cotton from the

People's Republic of China than we export. We have a deficit in the balance of trade with the People's Republic of China in cotton.

I can see it happening, going from 440 million dollars down to 39 million dollars in the last 4 years. It is diminishing rapidly. Obviously, 800 million farmers can do better than 3.5 million in America. We are committed under this agreement to make the 800 million just as productive as the 3.5 million. We have to bring them over here, put on the seminars, carry them through our experimental stations, show them our technology under this agreement.

Once they have a glut in agriculture, once they solve their transportation and distribution problems, we are going to be in the soup in this country. We do have the greatest agriculture in the entire world, but trying to maintain it with the Export-Import Bank, the financing of our sales overseas, the research—we have the fifth column working against us. We are financing our own demise.

The fix is in on all of these votes. They will not even debate them. The legacy of President William Jefferson Clinton is one of fear. I just finished reading a book by David Kennedy, "Freedom from Fear," about Roosevelt, about his leadership. It was true leadership. It was not taking the popular side of a public poll. On the contrary, he was always climbing uphill, all during the thirties and early part of the forties at the beginning of the war. He was fighting to get his policies and programs through. They were not popular ones at all. He led. He said: 'The only thing we have to fear is fear itself. That was his legacy, freedom from fear.

Now we have global anxiety that President Clinton talked about—the fear of the worker and the farmer in America. They do not know how long they will be able to continue to produce, how long they will have a job, how long they will have a family, how long they will have financial security. My amendments are not against China. They are against the United States and its failure to compete in international trade. Congress has the fundamental responsibility—article I, section 8 of the Constitution—the Congress, not the President, not the Special Trade Representative, but the Congress shall regulate foreign commerce. But we have been abandoning this responsibility. We do not debate it in the elections. We are now up to a \$350 billion, almost a \$400 billion deficit, costing us 1 percent of our GNP.

We are in bad shape, but nobody wants to talk about it. They just want to vote and get out of here. If my colleagues debate my amendments, I will be glad to show them the statistics I have corralled.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes 20 seconds.

Mr. HOLLINGS. I will be glad to relinquish that time if the other side is

ready to vote. We are going to vote at 4:45 p.m., within the half hour. I want to be able to answer my colleagues, so I retain the remainder of my time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The senior assistant 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. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on the remaining Hollings amendments. I think they may have been ordered on one. I ask unanimous consent that it be in order to ask for the yeas and nays on the other two.

The PRESIDING OFFICER. Is there objection to it being in order to seek the yeas and nays on both amendments?

Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 4129, DIVISION I

Mr. HOLLINGS. The question is on agreeing to amendment No. 4129 of the Senator from New Hampshire. The yeas and nays have been ordered.

The clerk will call the roll.

The senior assistant bill clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 30, nays 68, as follows:

[Rollcall Vote No. 248 Leg.]

#### YEAS—30

Ashcroft	Hollings	Sessions
Bunning	Hutchinson	Shelby
Campbell	Inhofe	Smith (NH)
Collins	Jeffords	Snowe
Conrad	Kennedy	Specter
DeWine	Kohl	Thompson
Dorgan	Leahy	Thurmond
Feingold	Mikulski	Voinovich
Hatch	Santorum	Warner
Helms	Sarbanes	Wellstone

#### NAYS—68

Abraham	Edwards	Lott
Allard	Enzi	Lugar
Baucus	Feinstein	Mack
Bayh	Fitzgerald	McCain
Bennett	Frist	McConnell
Biden	Gorton	Miller
Bingaman	Graham	Moynihan
Bond	Gramm	Murkowski
Boxer	Grams	Murray
Breaux	Grassley	Nickles
Brownback	Gregg	Reed
Bryan	Hagel	Reid
Burns	Harkin	Robb
Byrd	Hutchison	Roberts
Chafee, L.	Inouye	Rockefeller
Cleland	Johnson	Roth
Cochran	Kerrey	Schumer
Craig	Kerry	Smith (OR)
Crapo	Kyl	Stevens
Daschle	Landrieu	Thomas
Dodd	Lautenberg	Torricelli
Domenici	Levin	Wyden
Durbin	Lincoln	

NOT VOTING—2

Akaka

Lieberman

The amendment (No. 4129, division I) was rejected.

Mr. ROTH. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, can I have order, please?

The PRESIDING OFFICER. The distinguished Senator will suspend. Will Senators please cease audible conversation.

Mr. ROTH. Mr. President, I ask unanimous consent that the next votes in the series be limited to 10 minutes each.

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

AMENDMENT NO. 4129, DIVISION IV

Mr. ROTH. Mr. President, I yield my minute. My understanding is that the author of the amendment yields back his time as well.

The PRESIDING OFFICER. In accordance with the unanimous consent agreement, the question is on agreeing to amendment No. 4129, division IV. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 24, nays 74, as follows:

[Rollcall Vote No. 249 Leg.]

#### YEAS—24

Ashcroft	Helms	Reed
Byrd	Hollings	Sarbanes
Campbell	Inhofe	Smith (NH)
Collins	Jeffords	Snowe
DeWine	Kennedy	Specter
Edwards	Kohl	Thompson
Feingold	Lautenberg	Torricelli
Harkin	Mikulski	Wellstone

#### NAYS—74

Abraham	Enzi	Mack
Allard	Feinstein	McCain
Baucus	Fitzgerald	McConnell
Bayh	Frist	Miller
Bennett	Gorton	Moynihan
Biden	Graham	Murkowski
Bingaman	Gramm	Murray
Bond	Grams	Nickles
Boxer	Grassley	Reid
Breaux	Gregg	Robb
Brownback	Hagel	Roberts
Bryan	Hatch	Rockefeller
Burns	Hutchinson	Roth
Chafee, L.	Hutchison	Santorum
Cleland	Inouye	Schumer
Cochran	Johnson	Sessions
Craig	Kerrey	Shelby
Crapo	Kerry	Smith (OR)
Daschle	Kyl	Stevens
Dodd	Landrieu	Thomas
Domenici	Leahy	Thurmond
Dorgan	Levin	Voinovich
Durbin	Lincoln	Warner
	Lott	Wyden
	Lugar	

NOT VOTING—2

Akaka

Lieberman

The amendment (No. 4129, division IV) was rejected.

Mr. ROTH. I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. I have a suggestion. Maybe we should lower the amount of time on a vote to 5 minutes because then we could do it in 15 or 20. If we are going to have 10-minute votes, I respectfully suggest we do that. People are coming up to everybody saying: We have places to go, things to do, and these votes are taking too long.

I will not take any more time because we have an order in effect that the votes are supposed to be 10 minutes, but I hope we could get people here to do that.

AMENDMENT NO. 4136

The PRESIDING OFFICER. In accordance with the unanimous consent agreement, the question now occurs on the Hollings amendment No. 4136.

Who yields time?

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 1 minute.

Mr. HOLLINGS. Mr. President, at the present moment we have a \$350 billion deficit in the balance of trade with the People's Republic of China, and it promises to increase. But proponents of the bill say: No, this is going to open the market in China for advanced technology.

At the moment, we do have a deficit in the balance of trade in advanced technology, according to the Department of Commerce, of \$3.5 billion. So this amendment says, after January 1, from thereafter, if it exceeds \$5 billion, that the President try to renegotiate and get better terms. This is only a request on behalf of the President.

This amendment ought to be adopted, really, by a voice vote. We can do away with the rollcall, if you want to.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I rise in opposition to the Hollings amendment. What this amendment would do is to urge the President to negotiate with the Chinese whenever there is a deficit in advanced technology products, even when there are no allegations of unfair trade practices. It is unclear what the result of these negotiations would be. Will the President urge the Chinese to prevent U.S. companies from transacting business in China until the balance of trade in these products moves into surplus? Or will the President raise barriers to imports into our own market, until the desired balance is achieved?

Whatever the intended result, the price to our farmers and workers would be too high if this amendment were

adopted. Let's not forget what is at stake here. With China joining the WTO, the passage of PNTR will enhance dramatically the access of American products—including high technology products—to the Chinese market. That is why I urge my colleagues to vote against this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. All time has expired on the amendment.

The yeas and nays have been ordered.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I ask unanimous consent the yeas and nays be vitiated and this be a voice vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The question is on agreeing to amendment No. 4136.

The amendment (No. 4136) was rejected.

Mr. ROTH. I move to reconsider the vote.

Mr. L. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4135

The PRESIDING OFFICER. The question now occurs on Hollings amendment No. 4135. There are 2 minutes equally divided.

Who seeks time?

Mr. HOLLINGS. Mr. President, I want a rollcall on this one because it deals with agriculture. At the present time, surprisingly, we have a deficit in the balance of trade overall in agriculture with the People's Republic of China. We do have a plus balance of trade in wheat, corn, rice, and soybeans. We want to maintain that trade. We want to help that wheat farmer in Montana.

So this amendment simply says, if we get to a deficit in the balance of trade for America's farmers in wheat, corn, rice, or soybeans, that the President is requested to see if he can negotiate a better term. That is all the amendment calls for.

I am sure the farmers want a recorded vote on this one. They want us to show we are supporting America's agriculture.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I rise in opposition to this amendment. This amendment is both unnecessary and, with all due respect to my good friend, misguided.

The amendment is unnecessary because the President already has—

Mr. BYRD. Mr. President, may we have order.

The PRESIDING OFFICER. The Senator from West Virginia is absolutely correct. The Senate will be in order. We will suspend until the Senate is in order.

Will the Senators to the Chair's right please take their conversations off the floor.

The Senator is recognized.

Mr. ROTH. I thank the distinguished Senator from West Virginia for his courtesy.

The amendment is unnecessary because the President already has the authority to negotiate with any country about any issue at any time. The proposal is misguided because it seems to urge the President to take actions to eliminate a deficit in certain products, even if the balance of trade is not the result of any market barriers or unfair trade practices. What does this mean as a practical matter? Will the President urge the Chinese to void existing contracts until the balance of trade is in surplus? We just don't know. In the end, this type of intervention in the market is unwise and, ultimately, counter to our own interests.

I would also note that many of the agriculture groups that this amendment is intended to help support my decision to oppose all amendments. This includes groups representing rice, corn, wheat, and soybean farmers. For these reasons, I urge my colleagues to vote against this amendment.

I yield the floor.

The PRESIDING OFFICER. The time allotted to the Senator has expired.

All time has expired.

The question now occurs on agreeing to Hollings amendment No. 4135. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Utah (Mr. HATCH) is necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. HATCH) would vote "no."

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 16, nays 81, as follows:

[Rollcall Vote No. 250 Leg.]

YEAS—16

Byrd	Hollings	Shelby
Campbell	Hutchison	Smith (NH)
Dorgan	Inhofe	Specter
Feingold	Mikulski	Wellstone
Harkin	Sarbanes	
Helms	Sessions	

NAYS—81

Abraham	Craig	Inouye
Allard	Crapo	Jeffords
Ashcroft	Daschle	Johnson
Baucus	DeWine	Kennedy
Bayh	Dodd	Kerrey
Bennett	Domenici	Kerry
Biden	Durbin	Kohl
Bingaman	Edwards	Kyl
Bond	Enzi	Landrieu
Boxer	Feinstein	Lautenberg
Breaux	Fitzgerald	Leahy
Brownback	Frist	Levin
Bryan	Gorton	Lincoln
Bunning	Graham	Lott
Burns	Gramm	Lugar
Chafee, L.	Grams	Mack
Cleland	Grassley	McCain
Cochran	Gregg	McConnell
Collins	Hagel	Miller
Conrad	Hutchinson	Moynihan



Murkowski	Rockefeller	Thomas
Murray	Roth	Thompson
Nickles	Santorum	Thurmond
Reed	Schumer	Torricelli
Reid	Smith (OR)	Voinovich
Robb	Snowe	Warner
Roberts	Stevens	Wyden

## NOT VOTING—3

Akaka	Hatch	Lieberman
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The amendment (No. 4135) was rejected.

Mr. ROTH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## AMENDMENT NO. 4137

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. This amendment deals with the Export-Import Bank. James Harmon, president, stated that the principal beneficiaries under the Export-Import Bank had a 700,000 job loss or more during the past 10 years. What we are doing, in essence, is financing our own demise. So the amendment simply states that when you apply for this particular subsidy, you must certify that you haven't moved your manufacture overseas or that you haven't sent your advanced technology abroad.

Many of my colleagues have been trying to catch a plane. I wish they would take me with them. As a result, I ask unanimous consent to vitiate the order for a rollcall vote.

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

The question is on agreeing to the Hollings amendment No. 4137.

The amendment (No. 4137) was rejected.

Mr. ROTH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Ms. MIKULSKI. Mr. President, today's vote will set the course for America's relationship with China into the future.

The debate is about whether the United States should grant China Permanent Normal Trading Relations, PNTR status or continue the annual review of China's trade status.

It is not a debate on whether we should trade with China.

Granting PNTR to China will establish China as a full partner—not just in trade, but in every aspect of international relations.

It will end our ability to review and challenge China's trade status on an annual basis.

Denying PNTR to China will maintain our national sovereignty in our dealings with China.

It will retain our right to annually review America's trade relationship with China.

It will retain our right to exert pressure on China to improve on various fronts—from human rights to nuclear proliferation.

This is an exceptionally difficult decision for me.

I have studied the issue for many months.

I have weighed the pros and cons of granting China PNTR, and I acknowledge that there are strong arguments on both sides.

I will oppose PNTR for China.

I believe we should engage China—but not embrace China.

We all want to increase trade with China.

I want to see the United States not only win Nobel Prizes but also win new markets.

I want the United States to reap the rewards of great new American ideas by developing new American products and exporting those products around the world.

I want U.S. industries which can benefit from lower trade barriers in China—such as high tech companies and agricultural producers—to reap the rewards from this agreement.

Ambassador Barshefsky and the administration did a great job in negotiating a trade agreement to bring down China's trade barriers to the United States.

Although China's trade barriers to the United States still remain much higher than U.S. trade barriers to China, this agreement is a big step forward.

Yet I cannot ignore so many other factors in making this crucial and far-reaching decision.

I believe that the downside of this agreement has been significantly dismissed and the benefits have been greatly exaggerated.

So even though I believe and support trade, I do not believe we should grant permanent trade privileges to countries—such as China—at any price.

Instead, we should trade with China but not grant it PNTR status.

We should continue to review our trade relationship with China on an annual basis.

Since 1980, Congress has had the legal right to review the President's annual decision to grant China Most Favored Nation, MFN Status.

Unfortunately, we have rarely taken advantage of this right.

For the most part, Congress has rubber stamped the President's decision to give China full trading rights and access to the U.S. market without asking for concessions.

I voted against granting China MFN after the Chinese Government massacred thousands of Chinese citizens at Tiananmen Square in 1989.

The majority of my colleagues also voted to deny China MFN and together we took a firm stand against China's brutal massacre.

I wish President Bush had not vetoed our decision.

If he had upheld our vote, China would have learned that its behavior could jeopardize its access to the U.S. market.

Instead, President Bush taught the Chinese Government that it could literally get away with murder.

We should use the annual review as it was intended—to actively debate and question whether China deserves continued access to the U.S. market.

If we had ever used the annual review to deny China access to our market, it could have exerted pressure on China to improve its behavior.

It could even have worked to exert pressure if China had ever believed that its access to our market was in jeopardy.

I believe we should retain and strengthen our annual review because it is a practical and prudent tool.

Otherwise, it will be much more difficult to raise the numerous concerns we have about China.

There are at least 6 key factors that lead me to oppose PNTR for China.

## U.S. NATIONAL SECURITY WILL BE JEOPARDIZED

I am worried that by transferring our wealth and technology to China it will enable Beijing to build its war machine with more smart weapons and technological developments.

Media reports indicate that China uses U.S. computers to develop its nuclear arms—such as illegally using U.S. supercomputers to simulate warhead detonations without actual underground tests.

This and other practices lead me to believe that China's use of U.S. technology to build its war machine will only increase if we grant it PNTR status.

Taiwan already lives in fear that efforts to declare independence from China will result in military action from Beijing.

This fear will only increase if China's military might is strengthened and it continues to break every nuclear non-proliferation agreement it claims it will respect.

I cannot ignore China's continued blatant disregard for international nuclear non-proliferation agreements.

Despite its repeated commitments to such agreements, China remains one of the key suppliers of nuclear technology and expertise to several rogue countries.

Who are they?

Pakistan, Iran, North Korea and Libya.

As recently as July of this year, the United States learned that China continues to assist Pakistan in building long-range missiles that could carry nuclear weapons.

This dangerous irresponsible behavior cannot be ignored especially because Kashmir remains such a volatile area.

China continuously avoids its international obligations.

It flagrantly jeopardizes international security at a time when its trade relationship with the United States is still undecided.

So the American people can be sure it will take even more egregious steps if its trade relationship with the United States becomes permanent.

# CHINA'S POOR RECORD OF COMPLIANCE WITH EXISTING INTERNATIONAL AGREEMENTS

How do we have fair trade with a country that has not fairly lived up to its previous international agreements?

China has made efforts at the national level to improve its compliance record.

Yet these efforts mean little in practice, because they are so often ignored at the local and provincial levels.

For example, Beijing repeatedly promises to comply with intellectual property agreements.

But factories throughout China continue to turn out pirate videos and CDs—with a wink and a nod from the local government.

The effect is a failure to protect against infringement of U.S. copyrights, trademarks and patents.

Will China improve its record of compliance once it joins the WTO?

Unfortunately, there's no reason to think it will.

The WTO simply doesn't have strong enforcement mechanisms.

The WTO is a multilateral, bureaucratic institution.

We cannot expect it to adequately resolve our battles with China.

If we grant China PNTR status and it joins the WTO, we will still have to fight our own trade battles with China.

## THE POTENTIAL BENEFITS OF THIS AGREEMENT HAVE BEEN SIGNIFICANTLY OVERSTATED

We're told that when China opens its markets, we will increase our exports and decrease our staggering trade deficit with China.

But open markets does not mean that China will actually buy our goods.

Evidence indicates that China will resist abiding by its agreement with the United States by maintaining barriers to U.S. products and investment.

Chinese leaders have stated that the concessions they made are just expressions and theoretical opportunities rather than binding commitments.

They have also indicated that they will look to trade remedies to limit U.S. goods from entering into China.

## CHINA NOW DUMPS ITS CHEAP PRODUCTS INTO OUR MARKETS AND WILL INCREASINGLY DUMP MORE

China's persistent practice of predatory dumping jeopardizes U.S. jobs and threatens to reduce wages of hard-working Americans.

I have spent my entire life trying to save jobs, save communities and help people who are trying to help themselves.

I am a blue collar Senator.

My heart and soul lies with blue-collar America.

My career in public service is one of deep commitment to working-class people.

I have fought and continue to fight for economic growth, jobs and opportunities in America, in particular in my own State of Maryland.

I have heard from the working people of Maryland. Most fear for their jobs and security if we grant China PNTR status.

Their fear stems, in part, from the fact that U.S. industries trying to compete with dumped products from other countries often reduce workers wages or cut the workforce to reduce costs.

Some estimates indicate that China's continued dumping of cheap imports into the United States will eliminate over one million jobs by 2010.

I share their concern and the facts back it up.

There is also the legitimate fear that American jobs will be lost because U.S. companies will move their production to China.

Why would not the U.S. companies move to China when they can pay their workers \$10 a day—rather than \$10 an hour?

Why wouldn't they move to China when they can take advantage of China's exploited workers who are used to poor working conditions, long hours and poor pay?

Why wouldn't U.S. companies move to China where they don't need to comply with America's stringent labor and environmental regulations.

Corporate profits would soar, but American production would plummet.

How can we claim that American workers won't suffer if these fears are realized?

It is likely that many will either lose their jobs or see lower pay checks.

The minimum wage here is already too spartan.

I can only envision what it will become if we grant China PNTR. It could be reduced to an even lower global minimum wage that is tied to the Chinese yen rather than the U.S. dollar.

How can we turn our backs on American workers simply for short-term corporate gain?

In addition, continued dumping by China will lead to irreparable damage to important U.S. industries.

For example, China will dump even more cheap steel into the U.S. market and further harm the U.S. steel industry.

China is the largest producer of crude steel. Its already huge industry continues to grow at nine to ten percent a year.

To be profitable, it will have to sell this steel to markets outside of its borders.

So if we grant China PNTR status, we can expect that much more Chinese steel will be dumped into the U.S. market.

Despite the fact that the U.S. steel industry has won many anti-dumping disputes, steel imports are up 23 percent this year from last year.

Why?

Because the Administration fails to apply antidumping duties to the extent it should to protect this vital U.S. industry.

This will lead to continued suffering for the U.S. steel industry, which has already been forced to reduce salaries and cut its workforce in order to remain competitive.

We cannot lose the American steel industry.

It's not just a jobs issue—it's a national security issue.

During times of war, we cannot rely on foreign steel.

Steel won't be the only industry that suffers if China continues to enjoy its current access to our markets.

If we grant China PNTR, other vital U.S. industries will be harmed by China's dumping of cheap products.

China's continued dumping of cheap goods has contributed to our inflated trade deficit with China.

The United States is already too dependent on Chinese imports—which is the main reason for our extraordinarily high trade deficit with China.

Continued dumping of cheap products by China will further increase this deficit which today is over \$68 billion and by 2010 is estimated to increase to \$131 billion if we grant China PNTR status.

## CHINA'S ABYSMAL TREATMENT OF ITS OWN PEOPLE

Even ardent supporters of granting China PNTR agree that China has a horrendous human rights record.

In fact, the State Department has recognized China as one of the worst offenders of human rights in the world.

Over the last 50 years, China has persecuted 80 million people.

The government continues to arrest political activists, suppress ethnic minorities and prohibit freedom of speech and religion.

The same leaders who negotiated this trade agreement, will not allow Chinese Catholics, Christians or Tibetan Monks the freedom of worship.

Even as we debate this agreement, China has plans to "settle" over 58,000 people in Tibet in an effort to further weaken the religion and culture of Tibet.

I agree with a statement that was recently brought to my attention by Cardinal William H. Keeler, the Archbishop of Baltimore.

He informed me that the United States Commission on International Religious Freedom in their assessment of China PNTR stated the following:

While many Commissioners support free trade, the Commission believes that the U.S. Congress should grant China permanent normal trade relations only after China makes substantial improvement in respect to religious freedom.

I believe that China must also make substantial improvements to respect other fundamental human rights, whether it is gender equality or labor rights.

The evidence indicates that it has a long way to go on these fronts as well.

It is well known that China treats women as property rather than as individuals with fundamental human rights.

Family planning officials impose forced abortions or sterilizations on women to limit China's population growth.

China also fails to apply its domestic laws to protect women and children from being sold within China or to prevent them from being trafficked to

other countries, such as Thailand, Taiwan, Japan, Canada and even the United States.

It is also common knowledge that China exploits its workers.

Chinese workers are prohibited from forming or joining labor unions.

They cannot bargain collectively to improve their wages or their working conditions.

They are prohibited from advocating for workers' rights for themselves or on behalf of others.

Those Chinese workers who attempt to exercise any of these rights are often beaten and/or thrown in political prisons.

My colleagues in the House worked hard to create a Human Rights Commission in this legislation to maintain pressure on China to improve its human rights record.

Although this Commission could be useful in monitoring China's human rights record, it lacks enforcement power to ensure that China's record actually improves.

So long as China has permanent trade privileges with the United States it will lack any incentive to improve its human rights record.

We would have much more leverage over China if it sincerely believed that its trading privileges with the United States could be jeopardized each year because of its appalling human rights violations against its own citizens.

GRANTING CHINA PNTR STATUS WILL RESULT IN UNITED STATES ADOPTING AN INDEFENSIBLE DOUBLE STANDARD BOTH IN OUR RELATIONSHIP WITH OTHER COUNTRIES AS WELL AS IN OUR OTHER DEALINGS WITH CHINA

I've heard many of my colleagues say that trade will lead to democracy.

If this is true in China, why isn't it true in Cuba?

Many of the same people who support granting China PNTR status oppose every effort to increase trade with Cuba, even the sale of food and medicine.

Another serious inconsistency is in our treatment of family planning in China.

On the one hand, supporters of PNTR argue that granting China PNTR status will help improve China's human rights record.

But on the other hand, we deny funding for vital programs to improve the human rights situation in China for women.

For example, since 1979 we have either denied or limited our contribution to the United Nations Population Fund, UNFPA because it works with China.

We rightly criticize China's one child policy which results in forced abortion or sterilization to limit women to having only one child.

But we refuse to contribute to valuable efforts aimed to combat these barbaric practices.

We actively choose not to fund UNFPA programs that provide reproductive health and family planning education as well as improve the eco-

nomic status and gender equality of women in China.

How can we consider granting China PNTR status and argue that it will help improve the human rights situation in China when we refuse to support efforts to protect and promote the fundamental human rights of women in China?

Mr. President, I believe in free trade as long as it's fair trade.

I've supported trade agreements that represents our national interest and our national values.

But this agreement does not meet these criteria.

Trade in itself does not yield democracy, human rights or stability.

These goals would best be achieved by a robust annual review.

In fact, access to the freedom of ideas on the Internet will do more to achieve these goals than a trade agreement ever could.

I will oppose granting China PNTR status.

I cannot support trade at any price—especially when the price is American security, American jobs and American values.

Mr. McCONNELL. Mr. President, it is an honor to rise today in support of H.R. 4444, a bill granting permanent normal trade relations to China. While there is considerable and legitimate debate on this measure, for this Senator it is a simple choice.

At its base, this is a common sense issue—does the United States want its businesses, its farmers, its manufacturers to have the same advantages that every other member of the World Trade Organization will enjoy? Or, because of our desire to score political points, do we wish to shut out American interests and bar them from beneficial interaction with this enormous market?

As has been pointed out several times during the course of this debate, China already has full access to American markets. However, U.S. businesses do not have reciprocal access to Chinese markets. It's a one way street. A vote against H.R. 4444 would serve not to punish China for behavior we find distasteful but, rather, would forbid American industry and farmers from taking advantage of the agreements our Government worked for 13 years to secure. Let me repeat that.

Defeating PNTR would in no way force China to alter its behavior, it would however single out U.S. interests as ineligible from benefitting from hard-won concessions. That is an unacceptable alternative.

We all agree that our relationship with China is complex and evolving. The United States must remain strong and active in its pursuit of increased security and improved human rights in China. But, we will not be able to accomplish any of our goals if we decide to erect our own Great Wall, and refuse to interact with the Chinese people. Rather, by taking advantage of hard-won access we will be able to export not only American products, but, per-

haps more importantly, American ideas and ideals.

The approach of merely wielding the stick has not proven effective and, therefore, it is time to engage with China on a different level. A level that will allow us new opportunities to improve not merely the bottom-line of American farmers and entrepreneurs, but the rights and freedoms of the Chinese citizens as well. In the end, I believe strongly that this will be the enduring legacy of this new relationship.

In all honesty, I do not enter this debate armed solely with high-minded objectives for improved relations and greater freedoms for the Chinese. No, I am blessed to be a U.S. Senator solely because the citizens of Kentucky have allowed me to hold this office, and, thus, I confess that it is also for parochial reasons that I am enthusiastic about our improving trade relationship with China.

Kentucky is home to more than 125,000 jobs that are supported by exports. That number has increased by 15,000 since the implementation of the North American Free Trade Agreement. I might add as an aside, Mr. President, that during debate of that historic agreement we heard many of the same sky-is-falling arguments which are being used during this debate. Well, they were wrong then, and they are wrong today.

Those 125,000 Kentucky workers were responsible for more than \$9.6 billion in exported goods in 1999, a figure that has grown by \$6 billion since 1993.

Yet, despite those impressive statistics, there is incredible room for growth in Kentucky's export economy. The latest available statistics show that Kentucky exported a mere \$69 million worth of goods and services to China in 1999. By way of contrast, Kentucky export totals were more than \$336 million to the Netherlands, \$295 million to Belgium and \$137 million to Honduras. It is astonishing that three countries whose total population is just over 30 million purchase more than 11 times the amount of goods from Kentucky than do China's 1.3 billion citizens. In short, a country with 124 times the population of Belgium should not be purchasing \$200 million less in Kentucky products. Clearly, the United States must aggressively alter our relationship with China in order to reverse this perverse trend, and that is exactly what we propose to accomplish.

Kentuckians are calling for these changes and they have been outspoken in their support and clear in their understanding of what is at stake. I want to share with the Senate some of the persuasive arguments they have offered in support of action I hope we will shortly take.

I have heard from countless Kentuckians describing how normalizing our trade relations with China will improve their businesses. I heard from folks like Alan Dumbis. Alan is the plant manager of PPG Industries which manufactures coatings, glass chemicals and

fiber glass products. Here is how he framed the debate:

Here at the Berea, Kentucky facility, 140 associates work together to satisfy our customers while contributing over \$6 million to the local economy. We believe that PNTR is good for PPG and good for our facility. . . . Without PNTR, PPG Industry's competitors will have preferential access to Chinese markets.

It is clear to me that Alan Dumbris understands this issue, and he's right on the mark. He sums it up clearly and concisely; if we refuse to grant PNTR to China, Americans will be forced to operate at a severe disadvantage from their international competitors. That is common sense, and that is why Alan agrees that we should send this bill to the President.

I also heard from Ronald D. Smith, President of Gamco Products Company in Henderson, KY. Gamco employs nearly 400 people in Henderson which is a small town on the banks of the Ohio River in western Kentucky. The employees at Gamco produce zinc die casting, which is used on faucets and other products. Here is how Ronald Smith of Henderson stated his support:

U.S. manufacturers, like us, deserve a fair chance at securing a portion of this business. The current business structures impede our success. China's accession to the WTO would have very positive benefits to our organization in the years ahead.

Again, I say that Kentuckians understand the issue clearly. What is at stake here is fundamental fairness and opportunity for Kentucky and American businesses.

But it is not merely manufacturers that contacted me with their unequivocal support for PNTR. The agriculture sector has been consistently enthusiastic in calling for improved access to Chinese markets for their products. And, as anyone who has followed the difficulties our farmers have faced over the last several years knows, the clearest opportunity for improving agriculture's bottom-line lies in expanding our exports.

Here, I would like to quote another Kentuckian. Steve Bolinger is the President of the Christian County Farm Bureau Federation, and he hits the nail on the head when he states:

This could be an excellent opportunity for Christian County considering we raise over 17,000 head of beef cattle. These farmers will surely benefit from the trade agreement as China has agreed to cut tariff rates from 45 to 25 percent on chilled beef. . . . Granting PNTR for China will not just benefit farmers in Christian County, it will benefit all of America and China.

I cannot improve on Steve's assessment.

There is a final, but vitally important issue relating to U.S.-China trade that I would like to take a few minutes to discuss. Kentucky's tobacco farmers are in desperate need of new markets for their product. I think its clear that China provides such a market—in fact, one might say there are 1.3 billion reasons for this Kentucky Senator to support PNTR. This potential market is

music to the ears of my farming families who have been caught in the cross-hairs of an unprecedented legal and political assault for the past seven years.

The importance of tobacco to Kentucky's economy cannot be overstated. I have been on this floor defending my tobacco farmers every year since I first came to the Senate 16 years ago. And, let me tell you, I long for those times when tobacco was not the pariah it has been shaped into over the past few years by an Administration bound and determined to put these farmers out of business.

And, as we all know, there is a lot of debate about the legacy of President Clinton and Vice President Gore. But, I think it is clear that their national war on tobacco has achieved devastating results. Just ask my tobacco farmers in Kentucky. In fact, for the very first time tobacco will not be Kentucky's largest agricultural money maker.

The past 7 years have been devastating to Kentucky's tobacco economy and farm families. The cold political calculations which went into demonizing tobacco during the previous Presidential campaign made clear that this Administration was not interested in what might happen to the impacted farmers. As a result of their efforts, quota has been cut so much that Kentucky's farm families are only growing one-third of what they produced just three years ago. This translates into real loss of income—not just low prices that will bounce back—quota cuts mean many Kentucky farmers won't be able to pay their bills.

That's why you saw me down here in 1999 and again this year, fighting to make sure tobacco farmers were, for the first time in history, included in our most recent agriculture economic assistance packages. Tobacco farmers are just farmers—it's not their fault that this Administration decided that they were politically dispensable and that their crop was now politically incorrect. Thanks to the Clinton-Gore Administration and their trial lawyer friends, 15,000 Kentucky tobacco farmers are now out of business. Again, that has had a real impact on Kentucky's rural communities. No money to buy tractors. No money to buy fertilizer. No money to buy seed. And even more devastating, in many cases, no money to pay the rent or buy the food or put shoes on a child's feet for school. Yet, despite this harsh reality, during the past seven years there has not been one request in any of the Clinton/Gore budgets for one dime to aid tobacco farmers. Regardless of one's opinion on tobacco, that fact is disgraceful.

But Kentuckians are optimistic by nature, and we haven't lost hope. We are looking for ways to move forward. We're looking east—we're looking Far East. China is one market that has the potential to buy our crop—and lots of it. And I'm doing all I can to get that market open and keep it open.

On June 6th of this year I met with Chinese Ambassador Li, and we dis-

cussed PNTR and the possibility of selling American tobacco, particularly Kentucky burley tobacco, to China. We are working through tough issues and the Chinese have now agreed to buy American tobacco. Through my relationship with Ambassador Li, I was able to arrange a meeting on June 16 between the Chinese Trade Minister/Counselor here in Washington, D.C. and representatives of the Burley Tobacco Grower's Cooperative Association, the Council for Burley Tobacco, the Kentucky Farm Bureau Federation and my staff.

I have encouraged the Burley Tobacco Growers Cooperative and the other Kentucky representative tobacco organizations to strongly pursue the Chinese market by meeting with representatives of China's tobacco interests. In fact, earlier this month, I joined the Burley Tobacco Grower's Cooperative and Kentucky's Farm Bureau in a meeting with members of China's Inspection and Quarantine Office who were in Kentucky to look over our tobacco crop.

Finally, I intend to help our Burley Tobacco Growers Cooperative arrange a trip to China for later this year. I plan to arrange meetings with government officials and tobacco buyers in China to establish the business relationships necessary for us to sell our product to China down the road.

Mr. President, if I might, I would like to quote one more Kentuckian. Donald Mitchell is a 38-year old, lifelong tobacco farmer from Midway, Kentucky whose family has been in the tobacco business for generations. He accurately sums up the potential of the Chinese market when he says:

I think voting for PNTR for China is an excellent chance to market our burley tobacco to the world's largest tobacco consumer. And, today we need every opportunity—and this is a major one.

Is Donald Mitchell suggesting that exporting tobacco to China is a guaranteed solution for Kentucky's farmers? No. But, he is correct in recognizing that this is an incredibly important first step. And I predict that once the Chinese get a shot at American tobacco, they are going to want more. This is the best new market in the world, and we're going to be in this for the long haul. We must work each year, first to begin, and then to increase, our sales there.

So, Mr. President, I close where I began. I recognize that there is room for legitimate debate on the subject of granting China Permanent Normal Trading Relations—but to this Senator—the issue is clear. I am going to support passage of this measure, because I am convinced it will provide Americans a level playing field that they have not yet enjoyed. Further, I am going to do everything in my power to take advantage of this improved relationship to assist Kentucky's tobacco farmers as they work to gain access to China's market.

Mrs. LINCOLN. Mr. President, I came to the floor earlier this week to express

my strong support for passage of the permanent normal trade relations legislation currently before the Senate. During the course of debate on this issue we have heard several points of view and have considered several amendments to the underlying legislation.

I would like to be abundantly clear for the RECORD that I am joining several of my colleagues that support passage of PNTR by voting against all amendments to this vital legislation. This does not mean that I do not support some of the amendments and initiatives that have been presented before this body. It is unfortunate that our time in the Senate has not been managed in a way that provides us with the adequate time to appropriately debate and amend a vital piece of legislation without running the risk of its complete demise.

I, along with many others, have been calling for Congress to take up and pass PNTR legislation since February of this year. We are nearing the end of this legislative session and, unfortunately, time is a precious commodity. We have a backlog of appropriations bills that must be completed prior to October 1st and any successful amendments to this bill could force a conference committee that would further stall and likely doom passage of this essential legislation.

Several of my colleagues have submitted a letter from over 60 agricultural related associations and corporations. I, too, received this letter and the same sentiment has been expressed to me by countless companies and associations, including Federal Express, Wal-Mart, United Parcel Service, Microsoft, the U.S. Chamber of Commerce, and many, many more industries concerned with expanding our market opportunities. In addition, I have heard from many of my constituents in Arkansas including rice farmers, wheat farmers, pork producers, soybean growers, and various other industries from across my State. All of them have urged the Senate to pass PNTR as soon as possible.

Many of us have worked to keep this bill clean in order to guarantee its passage and expedite its signature by the President. I am proud that we have achieved this goal, and I am proud that we are now positioned to take advantage of China's continually growing markets. I have no illusions about the rigid, Communist regime of China and I, along with others, want nothing less than to improve the quality of life for citizens of China. I know, however, that the surest way to encourage internal reforms is to open this country to western influence, private enterprise, and the opportunities that come with good old American capitalism.

Ms. COLLINS. Mr. President, international treaties and trade agreements are among the most complex issues to come before this body. Their complexity is increased by an order of magnitude when the country in question

has a value system and history that are so unlike our own.

Despite the fact that China is a country old enough that its history is counted by centuries rather than by decades, I believe that there is still much that we do not understand about that nation—and that lack of understanding appears to run both ways. For instance, I simply cannot understand the attitude of the Chinese leaders on issues that we consider to be basic human rights—like religious freedom. Nor can I understand their previous reluctance to comply with the terms of international trade agreements.

As a result, I have found the decision on whether to vote to establish permanent normal trade relations with China to be one of the more difficult decisions I have made as a Senator. Ultimately, after much deliberation, I have decided that the opportunities afforded our nation by expanding the global marketplace and by supporting China's membership in the World Trade Organization make PNTR in the best interests of our nation. For the first time, this agreement will help ensure that China reduces trade barriers, opens its markets to American goods and services, and follows the rules of international trade.

Nevertheless, this is a close call. I remain deeply concerned about China's record on human rights and its involvement in creating instability in the world through the proliferation of weapons technology. Consequently, I supported numerous amendments such as Senator WELLSTONE's amendment on religious freedom and Senator HELMS' amendment relating to human rights. I was also proud to be a cosponsor and debate on behalf of Senator THOMPSON's nonproliferation amendment. Regrettably, the Senate did not adopt these amendments, but I hope that the lengthy and impassioned debate sent a message to China that we have not forgotten its record on human rights and nuclear proliferation.

I have also been concerned about the impact that granting PNTR would have on American jobs, particularly those in my home state of Maine. I have considered very carefully the concerns of those who have suggested that granting PNTR for China would have an adverse effect on some of our domestic manufacturers. In fact, I wrote to U.S. Trade Representative Charlene Barshefsky to express these concerns and to inquire about the import surge protections included in the U.S.-China bilateral agreement. Ambassador Barshefsky's reply, which I will enter into the RECORD, discusses the measures in the bilateral agreement that will provide vulnerable U.S. industries with protection from surges in Chinese imports. Were it not for these protections, which are stronger than those in place with other WTO members, I would likely have opposed passage of this legislation.

The agreement contains a textile-specific safeguard that provides protec-

tion from disruptive imports for our domestic producers three years beyond the expiration of all textile quotas in 2005 under the WTO Agreement on Textile and Clothing. I would also point out that, were we not to pass PNTR for China, our existing import quotas on Chinese textiles will expire at the end of the year with no hope of renewal through future negotiations with China.

Those on both sides of this issue have published reports that attempt to project the impact on jobs of granting China PNTR. Given the vast and completely conflicting findings, it was particularly difficult to judge the validity of these reports. An Economic Policy Institute analysis suggests that Maine would lose 20,687 jobs by 2010 were Congress to approve PNTR for China. Closer inspection of the EPI projections for Maine, however, reveal fatal flaws in the analysis, as the University of Southern Maine's respected economist Charles Colgan has pointed out. For example, the EPI numbers for Maine, when broken down by industry, project that Maine will lose 18,091 jobs in the shoe industry over the next ten years. Yet, according to Maine Department of Labor figures, Maine has only 5,800 jobs in the entire industry. This one discrepancy alone reduces by more than 12,000 the projected number of Maine jobs affected, an inaccuracy that calls into question the validity of the entire EPI analysis.

Conversely, the administration and industry groups have suggested that substantial export and job growth opportunities will accompany passage of PNTR. While these projections may be overly generous, I believe that PNTR represents, on balance, a net gain for my State. According to the International Trade Administration, Maine's exports to China increased by 58 percent from 1993 to 1998. Moreover, small and medium-sized businesses account for 63 percent of all firms exporting from Maine to China.

Maine Governor Angus King put it well when he said, "The potential for increasing Maine's already dynamic export growth—and creating more and better jobs here at home—will only increase if we can gain greater access to the Chinese market."

Maine's best known export may be our world-renowned lobster, but the lobster industry is but one of many natural resource-based industries that will benefit from China's agreement to lower tariffs and reduce non-tariff barriers to its market. The paper industry, which employs thousands of people in my State, supports PNTR because the agreement would result in a reduction in the current average Chinese tariffs on paper and paper products from 14.2 percent to 5.5 percent. The concessions made by China regarding trading rights and distribution also will provide new market access to products manufactured in the paper mills of Maine.

The potato industry, a mainstay of the northern Maine economy, is another example of a natural resource-

based industry that stands to gain from improved access to China's market. More and more, the potato farmers of Maine are delivering their products not only to grocery stores, but also to processing plants that produce items such as french fries and potato chips. Tariffs on these products are now a prohibitive 25 percent, but will be reduced under the agreement by about 10 percent. The Maine Potato Board has endorsed PNTR and expects to see a significant expansion in the global french fry market as a result of these tariff reductions.

The opening of China's markets also will benefit many of Maine's manufacturers. Companies such as National Semiconductor and Fairchild Semiconductor will benefit from the elimination of tariffs on information technology products and agreements to remove non-tariff barriers to the Chinese market. Pratt and Whitney, which manufactures jet engines in North Berwick, ME, is already a major exporter to China and considers PNTR a critical component for the future growth of its business. Moreover, enactment of PNTR will ensure that Pratt and Whitney can compete on equal footing with its European competitors to supply engines and parts for the 1000 commercial aircraft China will purchase by 2017.

My support for PNTR reflects my belief that Maine workers will excel in an increasingly global economy. In Bangor, for instance, the community is developing the Maine Business Enterprise Park. The park is projected to create 2,500 new jobs in technology-intensive industries by providing new and expanding companies with the space and trained workforce needed for success and growth. Undoubtedly, the Chinese market will be a destination for some of the technology products and will help support Maine's transition into the new economy.

Extending PNTR to China advances the cause of free trade, opens China and its market to international scrutiny, and binds it economically to the rules governing international trade. Ultimately, I believe we need to take advantage of the economic opportunities that PNTR represents for our Nation. Therefore, I will vote to grant PNTR to China.

At this point, Mr. President, I ask unanimous consent that a letter from Ambassador Barshefsky expounding upon the protections contained in the bilateral agreement be printed in the RECORD. I yield the floor.

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

EXECUTIVE OFFICE OF THE PRESIDENT, THE UNITED STATES TRADE REPRESENTATIVE,

*Washington, DC, September 7, 2000.*

Hon. SUSAN M. COLLINS,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR COLLINS: Thank you for your letter requesting information about our agreement with China on World Trade organization (WTO) accession relevant to the

concerns of the U.S. shoe and textile industry and Maine's workers.

We believe that a number of provisions of our bilateral agreement and WTO accession generally will increase market access for Maine's exports to China and likely benefit Maine's farmers, workers, and industries. In the agricultural sector, U.S. farmers no longer will have to compete with China's subsidized exports to other markets. China has also agreed to eliminate sanitary and phytosanitary barriers that are not based on sound scientific evidence. In addition, exporters will benefit from obtaining the right to import and distribute imported products such as fish, fishery products, and lobsters in China and from tariff cuts on potatoes, potato products, and dairy products. Maine's key export sectors will benefit from reduced tariffs in China, strong intellectual property protection and improved trade rules protecting U.S. industries against unfair trade practices including:

Tariff elimination for information technology products;

Major tariff reductions for paper, wood products, construction equipment, heating equipment, leather products, footwear machinery, footwear and parts;

Low tariffs for most chemicals at WTO harmonization rates;

Elimination of import restrictions for construction equipment and footwear machinery.

The agreement will also open the Chinese market to a wide range of services, including telecommunications, banking, insurance, financial, professional, hotel, restaurant, tourism, motion pictures, video distribution, software entertainment distribution, periodicals distribution, business, computer, environmental, and distribution and related services. More detailed information on improved market access for specific sectors can be found at the USTR website [www.ustr.gov](http://www.ustr.gov).

The bilateral WTO accession agreement also provides for substantial improvements in access for our shoe and textile products to the Chinese market. In addition to phasing in import rights for our companies, China will permit them to distribute imports directly to customers in China. The Agreement also will reduce China's tariffs on textiles and apparel products from its current average tariff of 25.4% to 11.7%—which will be lower than the U.S. average tariff at the time reductions are completed by January 1, 2005. For shoes and shoe components, China's current average tariff of 25% will be reduced to 21% by January 1, 2004. U.S. producers believe that there are significant opportunities for US exports of textile products such as high volume, high quality cotton and man-made fiber yarns and fabrics, knit fabrics, printed fabrics; branded apparel, sportswear and advanced specialty textiles used in construction of buildings, highways and filtration products to China.

In addition to increased market opportunities for Maine's workers and industries, China's accession to the WTO will include measures to address imports that injure U.S. industries, including the textile and footwear industries. Among these measures are two "special safeguards," one of which is specifically for textiles. The textile and apparel industries have recourse to both the special textile safeguard and the product specific safeguard. The special textile safeguard is available until the end of 2008—four years after quotas otherwise expire under the WTO Agreement on Textiles and Clothing. This can be used by the textile industry to protect the market from disruptive imports in the same manner as under our longstanding bilateral agreements; there has been no change in the criteria for using this safeguard and it is a known quantity for the industry.

The more general product-specific safeguard is also available and will allow us to impose restraints focused directly on China in case of an import surge based on a standard that is easier to meet than that applied to other WTO Members. This protection remains available for a full 12 years after China's WTO accession. A more detailed description of these two safeguard measures is attached to this letter.

In addition to these two safeguard mechanisms, we believe that existing U.S. trade laws, as augmented by the provisions of the November 1999 bilateral agreement (including the provisions of H.R. 4444), provide adequate means to address the shoe and textile industries' concerns about imports from China. In particular, we would note that the agreement allows the United States to continue to use existing NME provisions with respect to China for 15 years after China's entry into the WTO. Lastly, when China becomes a member of the WTO, the United States will be able to ensure that China abides by its commitments under the Agreement on Subsidies and Countervailing Measures which are clarified in our bilateral agreement. When we determine that an industry is market oriented or that China is no longer a non-market economy, U.S. countervailing duty law will apply.

When China accedes to the WTO, the bilateral quotas currently in force with China will be incorporated into the WTO Agreement on Textiles and Clothing (ATC). As of January 1, 2005, in accordance with the agreements reached as part of the Uruguay Round, all textile quotas will be eliminated, however, additional protections have been incorporated into the agreement for the benefit of the U.S. industry. For example, in addition to the two safeguard mechanisms, the U.S. established low annual quota growth rates, which will be the base for quota growth during the ATC phase-out period. China's weighted average annual growth rate is presently 0.9722 percent, compared to a figure for WTO Members of 9.1231 percent. Additionally, it is anticipated that any increase in imports from China would come primarily at the expense of other restricted suppliers. Finally, China's undertakings to prevent illegal textile transshipment, and our strong remedies should transshipment occur, including the "triple charge" penalty, will continue to apply under the ATC regime.

With regard to the Economic Policy Institute's (EPI) study, a policy brief written by the Institute for International Economics, "American Access to China's Market: The Congressional Vote on PNTR," clearly refutes the methodology and conclusions of the study, especially its questionable correlation of a bilateral deficit with unemployment. In addition, the EPI study purports to be based on the U.S. International Trade Commission's (ITC) China report that actually suggests substantial benefits for American workers, farmers and companies, despite underestimating the benefits of granting PNTR. For example, the ITC's calculations did not factor in the effects of vital reductions in restrictions on the right to import and distribute, reductions in restrictions on trade in services, or reductions in Chinese non-tariff barriers. Nor did the ITC's calculations factor in China's anticipated economic growth and ongoing economic reforms. Despite underestimating the benefits of China's accession to the WTO, the ITC's limited model nonetheless finds that China's entry into the WTO will lead to higher incomes in the United States and a decrease in our overall global trade deficit. In simulations of the effects of China's April 1999 tariff offer, the ITC reports that U.S. GDP rises by \$1.7 trillion and our overall trade deficit decreases by \$800 million. Finally, in a letter to EPI,



the Director of Operations of the ITC stated that the EPI study in several ways misrepresents the work and the findings of the ITC's analysis.

I hope that this reply addresses your concerns. If you have any further questions, we would be happy to address them.

Sincerely,

CHARLENE BARSHEFSKY.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, there are no further amendments in order to H.R. 4444. Therefore, the 6 hours of debate time remain. It is my understanding that the debate time will be consumed tomorrow and Monday. Therefore, there are no further votes this evening. The next vote will be on Tuesday at 2:15 p.m. on passage of H.R. 4444.

I ask unanimous consent that all debate time allotted in the previous consent agreement be consumed or considered used when the Senate convenes on Tuesday, with the exception of 90 minutes for each leader to be used prior to 12:30 p.m.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROTH. Mr. President, I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

#### MORNING BUSINESS

Mr. THOMPSON. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

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

#### BOY SCOUTS OF AMERICA

Mr. THURMOND. Mr. President, yesterday, the House of Representatives voted on a bill which would have repealed the Federal charter of the Boy Scouts of America. Fortunately, the bill received a mere twelve votes. However, even the consideration of such an absurd proposal concerns me tremendously.

I recognize that traditional values and institutions which uphold those values are under attack and considered out of date by some elements of our society. Unfortunately, the Boy Scouts of America is one of many fine organizations being challenged.

The Boy Scouts embody the beliefs on which the very foundation of this country was built. Since its inception in the early 1900s, this fine American institution has taught the young men

of our Country about the importance of doing one's duty to God, of serving others, and of being a responsible citizen, and has in turn provided this Nation with countless distinguished leaders.

I find it disappointing that at a time when the United States is in critical need of organizations that teach our youth character and integrity, some would choose to attack the Boy Scouts of America. Few fail to recognize the hurdles today's adolescents face. Confronted by obstacles that were unimaginable in my day, Boy Scouts provides young people with the knowledge, self confidence and willpower to do what is right in difficult situations.

I commend the Boys Scouts of America for its dedication to our youth, and reaffirm my commitment to its preservation.

#### MICROSOFT LITIGATION

Mr. BENNETT. Mr. President, I wish to call to the attention of my colleagues an article that appeared on September 1 in the Washington Post, written by Charles Munger, who is the vice chairman of Berkshire Hathaway, on the issue of the Microsoft litigation and the impact that will have in the marketplace.

As I have considered this particular issue, as I pointed out to my colleagues, I come to the Senate unburdened with a legal education but with a background in business. Here is a businessman commenting on the implications of this litigation in a way that I think others might find interesting.

I ask unanimous consent that it be printed in the RECORD.

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

[From the Washington Post, Sept. 1, 2000]

#### A PERVERSE USE OF ANTITRUST LAW

(By Charles T. Munger)

As best I can judge from the Microsoft antitrust case, the Justice Department believes the following: that any seller of an ever-evolving, many-featured product—a product that is constantly being improved by adding new features to every new model—will automatically violate antitrust law if: (1) it regularly sells its product at one all-features-included price; (2) it has a dominant market share and (3) the seller plays "catch-up" by adding an obviously essential feature that has the same function as a product first marketed by someone else.

If appellate courts are foolish enough to go along with the trial court ruling in the Microsoft case, virtually every dominant high-tech business in the United States will be forced to retreat from what is standard competitive practice for firms all over the world when they are threatened by better technology first marketed elsewhere.

No other country so ties the hands of its strongest businesses. We can see why by taking a look at America's own history. Consider the Ford Motor Co. When it was the dominant U.S. automaker in 1912, a small firm—a predecessor of General Motors—invented a self-starter that the driver could use from inside the car instead of getting out to crank the engine. What Ford did in response was to add a self-starter of its own to its cars (its "one-price" package)—thus bol-

stering its dominant business and limiting the inroads of its small competitor. Do we really want that kind of conduct to be illegal?

Or consider Boeing. Assume Boeing is selling 90 percent of U.S. airliners, always on a one-price basis despite the continuous addition of better features to the planes. Do we really want Boeing to stop trying to make its competitive position stronger—as it also helps travelers and improves safety by adding these desirable features—just because some of these features were first marketed by other manufacturers?

The questions posed by the Microsoft case are (1) What constitutes the impermissible and illegal practice of "tying" a separate new product to a dominant old product and (2) what constitutes the permissible and legal practice of improving an existing one-price product that is dominant in the market.

The solution, to avoid ridiculous results and arguments, is easy. We need a simple, improvement-friendly rule that a new feature is always a permissible improvement if there is any plausible argument whatever that product users are in some way better off.

It is the nature of the modern era that the highest standards of living usually come where we find many super-successful corporations that keep their high market shares mostly through a fanatical devotion to improving one-price products.

In recent years, one microeconomic trend has been crucial in helping the United States play catch-up against foreign manufacturers that had developed better and cheaper products: Our manufacturers learned to buy ever-larger, one-price packages of features from fewer and more-trusted suppliers. This essential modern trend is now threatened by the Justice Department.

Microsoft may have some peculiarities of culture that many people don't like, but it could well be that good software is now best developed within such a culture. Microsoft may have been unwise to deny that it paid attention to the competitive effects of its actions. But this is the course legal advisers often recommend in a case such as this one, where motives within individuals at Microsoft were mixed and differed from person to person. A proper antitrust policy should not materially penalize defendants who make the government prove its case. The incumbent rulers of the Justice Department are not fit to hold in trust the guidance of antitrust policy if they allow such considerations of litigation style to govern the development of antitrust law, a serious business with serious consequences outside the case in question.

While I have never owned a share of Microsoft, I have long watched the improvement of its software from two vantage points. First, I am an officer and part owner of Berkshire Hathaway Inc., publisher of the World Book Encyclopedia, a product I must admire because I know how hard it was to create and because I grew up with it and found that it helped me throughout a long life.

But despite our careful stewardship of World Book, the value of its encyclopedia business was grossly and permanently impaired when Microsoft started including a whole encyclopedia, at virtually no addition in price, in its software package. Moreover, I believe Microsoft did this hoping to improve its strong business and knowing it would hurt ours.

Even so, and despite the huge damage to World Book, I believe Microsoft was entitled to improve its software as it did, and that our society gains greatly—despite some damage to some companies—when its strong businesses are able to improve their products enough to stay strong.