

By the way, just to let Members know, I was in Cambodia a few years ago, and they were having trouble with the millions of land mines that are sown throughout Cambodia. Somebody actually had changed the nature of the land mine, and our U.S. military team was finding they were up against a smart land mine that would blow up if the land mine could sense that someone was trying to defuse it.

Our people finally got it open. They found a chip inside the land mine. The land mine, of course, was designed to blow the legs off children and women and terrorize that society in Cambodia. What was the little chip? The chip came from a Motorola factory that was built by the United States in Communist China, perhaps the one that was built there by the businessmen from the gentleman from Illinois' district.

The fact is we should not be subsidizing businessmen to build factories even in democratic societies, much less subsidizing the building of factories and high technology transfers to the world's worst human rights abuser.

Neville Chamberlain had that strategy with Adolf Hitler. We all remember in Munich where Neville Chamberlain, the British prime minister, gave away Czechoslovakia to the Nazis. We think that was the sellout. No, that sellout started years before when Chamberlain said, we will build up Hitler's economy and have so much investment there, he will never be able to commit aggression because it would have such a deleterious effect on the German economy.

That was his strategy. That mirrors exactly what we are being told now of why we must, quote, engage the Communist Chinese. No one is talking about isolating Communist China. No one is talking about stopping trade. Our people would still be free to do that. But why should we subsidize the investment there? And why should we give up our rights here in Congress for an annual review of what our policy towards China does for the people of the United States?

Making it permanent and giving up our review, is that going to be seen by the Communist Chinese as a commitment on our part to human rights and to protect our own interests? No, it is going to be looked at exactly the way they have been looking at our policy for 10 years. The Communist Chinese leadership thinks we are a bunch of saps, that we do not believe in freedom and liberty and justice, that it is just a matter of cliches. They see us as people who are weak.

We must be strong to protect the interests of the people of the United States, to protect our national security. That means a vote against permanent normal trade relations with China.

CLEVELAND STEAMSHIP WILLIAM G. MATHER'S 75TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

woman from Ohio (Mrs. JONES) is recognized for 5 minutes.

Mrs. JONES of Ohio. Mr. Speaker, today, May 23, the steamship William G. Mather marks the 75th anniversary of its launching. The Harbor Heritage Society, the Mather's nonprofit parent organization, is hosting a rededication ceremony that began today at 2 p.m. The rededication will take place aboard the Mather which is moored at the Cleveland East 9th street pier.

The Mather has had a presence on Cleveland's waterfront for nearly 75 years, first as a working Great Lakes freighter and, since 1991, as a floating maritime museum. One of the only four Great Lakes freighter museum ships in existence, the Mather exemplifies northeast Ohio's proud heritage as a major maritime industrial shipping center.

A former flagship of the Cleveland-Cliffs fleet, the 618 foot William G. Mather was state-of-the-art technology in Great Lakes freighters when launched in 1925. The Mather is named for longtime Cleveland-Cliffs president and leading Cleveland businessman and philanthropist, William Gwinn Mather. During its 55 years of service, the Mather made hundreds of trips, transporting iron ore from the upper lakes to Cleveland's waiting steel mills. For this reason, the Mather was nicknamed the ship that built Cleveland.

The William G. Mather had a long and distinguished Merchant Marine career. To supply the Allied need for steel, the Mather led a convoy of 13 freighters in early 1941 through the ice-choked upper Great Lakes to Duluth, Minnesota, setting a record for the first arrival in a northern port. It was one of the first commercial Great Lakes vessels to be equipped with radar in 1946. The Mather has been designated a national historic landmark by the American Society of Mechanical Engineers for the following Great Lakes industrial firsts:

First single marine boiler system built by Babcock & Wilcox in 1954, its computerlike automated boiler system built by Bailey Meter Company in 1964, and the dual propeller bow thrusters built by the American Shipbuilding company in 1964.

The Mather retired in 1980. In 1987, Cleveland-Cliffs donated the Mather to be restored and preserved as a maritime museum and educational facility. After an extensive 3-year restoration, the Steamship William G. Mather Museum arrived at its permanent lake-front berth in downtown Cleveland's North Coast Harbor Park. Since its May 1991 opening, hundreds of thousands of visitors and many area school children have come aboard and toured the historic Mather. To date, the greater Cleveland community has invested more than \$2.5 million and 250,000 volunteer hours in "the ship that built Cleveland."

AGAINST PNTR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, I am against isolationism, against protectionism, and I am against this deal. Trade with China should not end, but we need to go back to the drawing board. We accept over 43 percent of China's exports. They accept only .7 percent, less than 1 percent of our exports.

Under those circumstances, we can negotiate a better deal. This deal is good for profits, but it is bad for American working families. It is good for the Chinese Communist party. That is why they want this deal so badly. And it is bad for those who want to unravel the power of the Communist party elite in China. This deal is good for the People's Liberation Army and bad for American security interests.

First let us turn to the balance of trade. This deal will make permanent a system that has led to the most unbalanced trade in the history of affairs between nations, a \$70 billion trade deficit as contrasted to just a \$13 billion market for our exports.

□ 1915

There is tremendous economic power here on Capitol Hill pushing this deal, but it is not from people who think they can make money by producing goods in the United States at labor costs of \$20 and \$30 an hour and sell them to China where people make 12 cents an hour; in fact, it is the reverse. The big profits, the big corporate push comes from those who would like to pay workers 12 cents an hour and bring those goods and sell them to Americans at American prices, American prices on which they can make tremendous profits.

This deal makes China safe for U.S. investment, because, you know that whatever is produced in that factory by an American corporation with Chinese workers can be brought to the United States at huge profits permanently and without interruption, but I would like to bring to the attention of this House a new report issued by the government agency that is responsible for analyzing these trade agreements, the U.S. International Trade Commission, which reported today that this deal will increase our already enormous trade deficit and cost America 872,000 jobs over the next 10 years.

I should point out that this report was officially requested by U.S. Trade Representative Charlene Barshefsky, the primary mover in the administration to get us to vote for this deal. She asked for the report. When the report said this deal kills American jobs, she said it was premature.

I can understand why she would have preferred that the report be issued only after we vote. I prefer to get information before we vote.

Second, on the issue of human rights; there are those that say that through

engagement, we are going to undermine the power of the Communist Chinese party, but you know who does not believe that? The heads of the Communist Party of China. They know this deal will make them stronger; that is why they want it so badly.

As for the dissidents in China, we do not know what they think, they have got a gun pointed to their head. Are they free to tell us? But most of the dissidents who have served time in China prisons and escaped to the United States are against this deal.

Finally, I would like to move to the newest development of all, because it happened this afternoon. Two of our colleagues, the gentleman from California (Mr. BERMAN) and the gentleman from Pennsylvania (Mr. WELDON) went to the Committee on Rules with an amendment that is fully legal under GATT, and that amendment provides, as follows: Normal trade relations treatment shall be withdrawn if China invades or imposes a blockade on Taiwan.

Mr. Speaker, I believe that the Committee on Rules will not make this in order, because it is not accepted by the administration, because, of course, it is not accepted by China. So we will be asked to pass this bill without the Berman-Weldon amendment, and that will signal China that it can continue to enjoy access to the American market even if it blockades Taiwan.

We ought to make the opposite clear to them, but without the Berman-Weldon amendment, what is the message? That amendment was brought before this House or brought before its official Committee on Rules, it is part of the record of these proceedings. We asked that we be allowed to make it in order. If it is rejected, then who is to blame China for believing that this House has endorsed permanent trade with China, even if they blockade Taiwan. This is now the Taiwan Blockade Authorization Act. Vote no.

WHO ARE THE TRUE DINOSAURS ON TRADE?

The SPEAKER pro tempore (Mr. SWEENEY). Under a previous order of the House, the gentleman from Wisconsin (Mr. OBEY) is recognized for 5 minutes.

Mr. OBEY. Mr. Speaker, The Washington political establishment is looking down its collective elitist nose at those of us who are saying no to legislation that would provide permanent Most-Favored-Nation trading status for China. In their newspaper columns and at their cocktail parties they tut-tut that those of us raising a challenge to that legislation are simply trying to stop economic progress that comes from globalized trade and are, therefore, hopelessly old fashioned. The fact is just the opposite.

Those who say that we must accept the reality of globalized trade and support permanent favored nation status for the Chinese without a major transformation of trading rules are in fact the ones stuck in the past. They are defending a set of absolutist trading arrangements and a set of useful but creaky

international institutions that were established at the end of World War II. They give only token recognition to the changes that are needed in these essential but antiquated institutions.

At the end of World War II, visionary world leaders saw Europe in ruins because of Hitler's mad rampage through the middle of the 20th Century. They correctly understood three things:

(1) That Hitler's rise to power in the first place was driven by the fear and chaos that accompanied the collapse of first Europe's and then America's banking system—a collapse that fed the downward spiral of national economies on both sides of the Atlantic and produced catastrophic levels of unemployment and panic.

(2) That Europe must once again be made safe for democracy by rebuilding its political institutions.

(3) That America's long-term economic and political health depended upon rebuilding Europe's economy in order to rebuild world commerce and create markets for our own goods.

To accomplish all of that, the Wise Men, as they were called, organized the Bretton Woods conference which established a new set of institutions—the International Monetary Fund and the World Bank—in order to help rebuild a new global economy and a new trading order. The mission of the Fund was to insure stability in monetary exchange. The mission of the Bank was to assist nations in the task of economic development and reconstruction.

Those institutions helped to produce phenomenally successful results. The world escaped the kind of global recession in the years immediately following World War II that had historically followed other great conflicts. In the decade that immediately followed Bretton Woods, most of the war-torn European economies bounced back above their pre-war levels. In subsequent decades, the world's economy more than tripled in size and continued an expansion—with temporary interruptions to be sure—that has now lasted for more than 50 years.

That happened despite the fact that nearly half of the world's population continued to struggle under the yoke of communism for most of that period. In fact, the powerful contrast between the prosperity of open market economies in the West and the desperate situation faced by those condemned to live under centrally-planned economies ultimately contributed greatly to the demise of the Soviet Empire.

That success was accompanied and abetted by expanded trade which also contributed to prosperity of both America and our trading partners. The result was that at least through the mid-70's a rising tide lifted all boats. Almost all families, whether they were headed by a corporate CEO or a janitor at the company run by that CEO, shared in that expanding prosperity.

But in the last two decades, changing realities have also changed results. First, the nature of trade itself has changed in three fundamental ways:

(1) Fifty years ago, as my colleague BARNEY FRANK has pointed out, when the post-war rules of the trading game were first established, products produced almost entirely in one nation were exchanged with other products largely produced in a different nation. Today, multinational companies produce poly-

glot products—goods and services produced in a number of countries and those goods and services are exchanged in large part for other goods and services of the same nature.

(2) As trade between highly developed, high wage countries and underdeveloped low wage countries has become a larger and larger share of the mix, negative side effects have appeared in high wage countries like ours. A downward pressure on wages because of that expanded trade between very unlike economies has reinforced other economic trends and policy actions, producing an ever-widening income gap between the investing class and the working class. A rising tide no longer lifts all boats. In fact, the ability of those with large amounts of capital to pay any price necessary for what they wanted has, in the global economy and local neighborhood alike, driven some costs far above what can be afforded by those whose boats are anchored to low wages. That has happened with the price of housing. It has happened with the price of education—especially at private institutions. It has happened with the price of medical care.

(3) Downward pressure on wages in economies like our own have been accompanied by greater incentives to minimize environmental costs that go into any product because we are told those products are in competition with products produced in countries with much less concern for either well-paid workers or well-protected environments. That has made it more difficult to protect gains that industrial countries have made in raising worker living standards or cleaning up the environments in which they live.

And now we find in this new era that institutions which were established 50 years ago to promote world recovery and world trade—institutions which at the time undoubtedly produced winners across the board—now often use their influence to push underdeveloped countries to follow practices that attract and retain investment at the expense of those other economic and social values.

There's no question that in macro economic terms totally open trade can produce more goods at lower costs worldwide. And normally that would be a blessing.

But when that becomes the only goal or at times the only result, it carries a high price for those who do not possess large amounts of capital because their wages cease to rise. And the communities they live in come under pressure to allow corporations to do less and less to clean up pollution, all in the name of remaining globally competitive in a world where there are almost no restraints on the movement or the power of capital and ever increasing restraints on the power of everything and everyone else—governments, consumers, and labor.

Capitalist economies cannot by definition produce equal income for all people. Each society needs risk takers who can amass wealth so that accumulated wealth can be invested to produce economic growth for the entire society. That is bound to produce income inequality. But as Pope John Paul once observed, there are certain "norms of decency" that must be respected in order to produce economic justice and the social cohesion that is necessary for any economic system to function. The last two decades have produced just the opposite—the widest gap between the wealthiest 1% of our people and the least wealthy 20% of any time since the birth of the 20th Century.

Since new globalized trading realities have helped produce that problem, they must also be part of the effort to fix it.

In our society the gap in income—in education, in housing, and in medical care—has grown disgracefully worse. Those who in this economy suffer most from that fact—largely manufacturing workers in industries with declining employment or workers with less than average skills—cannot be expected to roll over and say, in the words that Walter Cronkite used to sign off his CBS news broadcast, “That’s the way it is.” As my colleague BARNEY FRANK has noted, Alan Greenspan, the Chairman of the Federal Reserve, has said that we must not allow our “inability” to help workers who are being injured to reduce our support for open trade. But, in fact, as BARNEY says, “the problem we face is not inability, but unwillingness to do so.”

The issue here is not really China. China just happened to be the country that triggered this debate. The issue is whether America’s policymakers who have helped magnify the income gains of the most well off in our society by squeezing the economic positions of the most at risk families will recognize their moral obligation to change course. The issue is whether those in this society—the investing class, the managing elite, the venture capitalists, the multinational corporations who have so much to gain by further globalization will be willing to see a tiny fraction of that increased wealth used to help those who will otherwise be caught in the prop wash of their incredible prosperity.

When a doctor administers cancer fighting drugs, he knows that he must also deal with the side effects of those drugs or his patient will not be able to tolerate the drug and will die. Isn’t that just as true of the negative side effects of globalization on the lower paid, underskilled workers caught in the wake of economic change?

If we are to embrace the change that globalized 21st Century trading produces, we must reshape the institutions that will regulate and govern that commerce. We need a redefinition of the role of the IMF, the World Bank, and other international financial institutions, and never institutions such as the World Trade Organization, so that the interest of labor and the environment are represented at the table when trading decisions are made—not just the interests of capital and governing elites.

We need a second Bretton Woods conference to both modernize and humanize trading relationships or we will lose in the 21st Century the gains we have made in the 20th in establishing a balance of decency between the needs of the corporate-based market economy and the needs of a family-based society!

That means a new set of trading rules, a new set of power relationships, a wider representation of interests at the table. And it means a new commitment on the part of this Congress and this society to much greater educational opportunity and training opportunities for workers and children in working class families. It means a willingness to do more with the tax code to provide as much reward for the work of the lower income working class as we provide for the highest income venture capitalists. It means rebuilding a health care safety net for the families of workers whose corporate employers are being squeezed by the pressures of globalization to shrink that

safety net. And it means all of those things before and not after we give away our leverage to obtain them.

Demonstrators in Seattle and Washington may have aimed their protests at some of the wrong targets, but that should not obscure the injustice which produced those demonstrations. As BARNEY FRANK has said, “the choice is not between isolation and integration, but between a global new deal and a global extension of the trickle down theory.”

Those who want us to approve their rules without first changing the rules of the trading game that contribute to this injustice are the true troglodytes and dinosaurs. It shouldn’t be too hard to find common ground, but first you really have to want to. When those who want us to get on with the game are willing to change the rules to minimize the brutality of the game for those in our society who are not economic superstars, then they will find a lot more of us willing to play it.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOLT) is recognized for 5 minutes.

(Mr. HOLT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

OPPOSING PERMANENT NORMAL TRADE RELATIONS WITH CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I rise in the strongest opposition to the proposal for permanent trade privileges with China. Trade does not bring freedom, only enforceable laws in democratic republics bring and carry and assure freedom. Trade does not build a middle class, only laws governing workers rights to organize undergird middle-class wages and benefits.

Before World War II, Nazi Germany’s largest trading partner was England, and for the United States, Japan, did that stop totalitarianism’s rise? Trade with Communist countries does nothing to assure that those doing the work reap any of the benefits; that is why the United States for so many years has held sacred its special laws governing trade with Communist nations. And now that the United States has been victorious in defeating Communist regimes in most corners of the world, some will choose to abandon the legal structure that we held in place called most favored nation replacing it with the toothless normal trade relations statute that we are about to debate tomorrow.

Trade with Communist countries does nothing to assure that those who do the work reap the benefits. Permanent trade status for China will only serve to lock in the exploitative system of agricultural and industrial servitude that is China today; this is not a fight about expanding America’s export markets.

This is a fight about China becoming a vast export platform 12 times the size

of Mexico, taking our markets in Asia’s Rim and sending the glut of sweatshop goods back here to our shores.

When NAFTA passed, the proponents said it would result in a huge export market for the United States and Mexico and that Mexico’s workers’ wages would go up and there would be no downward pressure on wages and benefits in this country. Look what has happened, Mexico now exports more cars and trucks to the United States than the United States does to the entire rest of the world.

Our Nation has hemorrhaged tens of thousands of jobs, of living wage jobs, to Mexico, and now the China drain will accelerate if this measure passes. Mexico has turned into a major export platform, not an export market. Just look at the label on your television or your car engine or your truck or your electronic gismo, everything coming in here; the only thing America is exporting to Mexico is our middle-class jobs. And they are not getting paid middle-class wages.

In the end, this fight on China is a heroic fight. It is a fight for democratic values in the harsh countryside and in the industrial sweatshops where most Americans will never be allowed to travel in the Nation of China. It is a fight indeed for the Chinese people, and the fight most of all for American principals. Will we side with the chauffeured limousine class, the advertisers, the retailers, the global companies who soothingly tell us, Everything will be just fine? But by their shear power and money, they hold sway over the visual and printed media in this country.

For those fighting permanent trade privileges for China on the basis of democratic values, I say hurrah. Praise freedom lovers and the imprisoned China Democratic Party leaders for whom we speak here on this floor tonight.

For those fighting permanent trade privileges for China on the basis of religious freedom, I say God bless them. And for those fighting permanent trade privileges for China on the basis of freedom of assembly, whether it is for the Falun Gong or the murdered freedom fighters in Tiananmen Square, I say history will judge you as righteous.

America’s values are freedom and valor. As we move into this Memorial Day week, let us renew our promise as the world’s premier freedom fighters. Vote for freedom. Vote “no” on permanent normal trade status for China.

Mr. Speaker, I include for the RECORD a letter sent by Wei Jinh Sheng, who spent nearly 2 decades of his life in Chinese prisons. Why? Because he fought to be an independent democratic political leader in his own country.

He says to us, “Supporters of this agreement are wrong. The United States is giving up something of profound importance if they were to approve this agreement. Please help us fight Chinese tyranny.”