

policies are do not dare go on a new path. We have got to stay on the same old path through these mountains.

Well, what we are saying is that same old path is bringing some pain to some people. Those people 40 and over are going to be able to walk the old path just fine, because they are most of the way down it. They are almost to the other side of the mountains, but the young people in our country, those people that are out there in the workplace 40 and under, and those who are not old enough yet to work, they are going to have to start on this side. And the conditions are worsening on the path.

Those 40 and over have missed the snowstorm. There is now snow coming down on that path. We have got treacherous weather ahead, but we had an option. And that, again, is what I stress to all of us tonight, put your politics aside just for a little while and say does the Thrift Savings Plan work for me as a Federal employee?

And there is not a one of you in this room that will not say yes to that. Of course, it works for you, or you would not be participating in it. And by the way, you do not have to participate in it.

Then the next question you would logically asks if it works for me, why do not we apply it to Social Security? Why do we not try and take a plan that allows a worker to direct and participate in the management, a small percentage of the money that is taken out of their payroll check and put it into the Social Security system.

I intend to have several more discussions with my colleagues on the floor in regards to Social Security. I think it is probably one of the top four issues that should be discussed in every election and every debate this season.

And as it is brought up in debates, I would urge my colleagues, put aside the fear tactics, talk the numbers. We know factually that this plan, Social Security, if we stay on the same path, that in 2035, this plan will be actuarially bankrupt; we know that. You do not argue it; we do not argue it. It is a fact. So use that in your debate.

We know that the seniors who are currently on the Social Security today and those who are 40 and above face no danger of losing their Social Security benefits. You know that on this side; we know that on this side. That is a fact. Put it in there; list your facts in this debate.

We know that somebody has to change. Now, that is debateable. The Democratic leadership, the Vice President's policies are continuing down the same path. Our policies, our new proposal is let us just change the path a little. We are not saying change the path drastically; we are saying change it a little. Go on the trail that has been traveled before. Go on the trail that has been successful.

Go on the trail that when those young workers get to 2035, they do not have to look at a return of 1.23 percent;

they deserve more. We owe them more. So colleagues, I hope all of you participate with me in this Social Security debate.

I look forward to debating any one that wants to discuss the subject; but if you are a Federal employee, and I am referring to all of the Congress people here today, if you are a Federal employee when you get ready to debate me, you better justify with me at the beginning of the debate, you better justify why it is okay for you to have a Thrift Savings Plan that allows you management and ownership and inheritance rights under that plan, but it is not good enough for the average worker, American out there, unless they are a Federal employee.

If you cannot justify that at the beginning of the debate, I win by default. I win the debate by default. I win the argument by default. You know that and I know that.

In conclusion, Mr. Speaker, I urge all of you to go back to the American people and say, look, it is time for new leadership on Social Security. It is time for a slight change, not a dramatic change. The sky is not going to fall down, but it is time we look beyond our blinders; it is time that we moved it just a little. Because if we move it just a fraction, over a period of time that angle becomes dramatically different and our airplane will not hit those mountains.

Let us follow through with the fiduciary obligation we have to our people. Let us save Social Security, not just for the next two generations, but for the next 15 generations so that those generations can in turn save it for the next 15.

PERMANENT MOST FAVORED NATION STATUS FOR CHINA

The SPEAKER pro tempore (Mr. SWEENEY). Under the Speaker's announced policy of January 6, 1999, the gentleman from Ohio (Mr. KUCINICH) is recognized for 55 minutes.

Mr. KUCINICH. Mr. Speaker, tonight I am going to be speaking about the permanent most favored nation status for China. And in the time that follows, I hope to demonstrate to the Members of Congress why this legislation ought to be defeated tomorrow and why this Congress needs to return to the roots of our country, the historic roots which have been the result of people really caring about human rights, caring about the rights of all people.

When this country was founded, it was founded by people who felt that, as the Declaration of Independence indicates, it was necessary for people to dissolve the political bands which have connected them with another, and to assume among the powers of earth the separate and equal station to which the laws of nature and of nature's God entitle them. A decent respect to the opinions of mankind require that we should declare the causes which impel them to the separation.

And in that Declaration, which is our heritage, it goes on to say we hold these truths to be self-evident that all men are created equal, that they are endowed by their creator with certain inalienable rights that among these are life, liberty and the pursuit of happiness, that to secure these rights, governments are instituted among men deriving their just powers from the consent of the governed.

Mr. Speaker, this Congress exists as part of a continuum of representatives who have come here throughout the ages, and so many of us raised our right hand to say the words of our desire to protect and defend the Constitution of the United States as my good friend, the gentleman from Colorado (Mr. TANCREDI), spoke so well a few hours ago, our purpose as Members of Congress, our first and foremost to defend the interests of the United States of America.

Now, certainly as Members of Congress, we can make the decision to see whether it is the interest of the American people to engage in trade with nations of the world, and we have done that. Indeed, this House of Representatives has taken the position time after time that we should use trade as a means of exchange among the nations, but at no time has this House ever stood back and renounced its obligation to uphold the highest of principles upon which this country is based.

I do not think there is a Member of this House who came to Washington without being animated by those lively sentiments of faith in America, of hope in our country, of a belief in the American dream, of wanting to share that with everyone. And so when we cast a vote on trade issues, we may do so with the highest expectations, but we must do so with the proper dose of reality. That is why, Mr. Speaker, I think it is important that when we are looking at all the promises and claims that are being made about the benefits of permanent most favored nation trading status for China, that we look at the recent history of the implementation of a major trade agreement which some Members of this Congress had the opportunity to vote on, a major trade agreement which was promoted by the current administration, a major trade agreement known as the North American Free Trade Agreement, NAFTA, that took effect with such great fanfare on January 1, 1994.

□ 2215

In this report by Charles McMillion, he said it was "the first ever experiment in rapid and sweeping deregulation of investment and trade policies between a low-wage developing country and highly industrial countries."

That seems at this moment as an echo of what we are hearing in this debate today over China, that it is still another experiment in rapid and sweeping deregulation of investment and

trade policies between a low-wage developing country and a highly industrialized country, the United States of America.

Over 6 years later, we have the returns from all the promises that were made from NAFTA. We remember those promises. As Mr. McMillion states in his report, "NAFTA advocates insisted that the agreement would create good U.S. jobs by providing the U.S. a total trade surplus," and hear that word, they promised "a surplus in goods with Mexico of \$50 billion accumulated over NAFTA's first 6 years." But in the first 6 years, the U.S. has accumulated a trade deficit in goods with Mexico of about \$93 billion. That deficit translates into a loss of American jobs. So the promises of a \$50 billion surplus suddenly are turned into a \$93 billion deficit.

McMillion goes on to say that NAFTA advocates expected the agreement to provide U.S. advantage over the rest of the world in Mexico trade, assuring a U.S. trade surplus far into the future. During the first 6 years of NAFTA, the U.S. suffered total current account losses to Mexico of \$118 billion. The rest of the world enjoyed a surplus, a surplus from Mexico, of \$190 billion.

In his study, he points out that Mexico exported 621,000 cars, just to the U.S., in the 12 months to June 1999, while the U.S. base producers were able to export only 477,000 cars to the entire world. The U.S. net export deficit with Mexico for cars, light trucks and parts reached \$16.6 billion in 1998 and could exceed \$20 billion in 1999. The deficit with Mexico for computers and computer components reached \$2.2 billion in 1998, and may reach \$4 billion in 1999.

Now, Mr. Speaker, I represent Cleveland, Ohio, in the Congress of the United States. My community is a city of auto workers, of steelworkers, of people who work in industries connected to aerospace, of small machine shops. It is a city which has a growing medical industry. It is a city which is trying to move towards high-tech. It is a city that I am proud to represent in the Congress of the United States, a city which is an investment banking and also insurance growth community.

But the jobs that made Cleveland, Ohio, great, indeed the jobs that made this Nation a great Nation, were the jobs in steel, in automotive and in aerospace, jobs which helped to protect this country through two world wars, jobs which are part of our strategic industrial base, jobs which now we are finding through a single trade agreement, the North American Free Trade Agreement, jobs which began to slip away, not only from Cleveland, but good paying jobs slipping away all over the country.

The U.S. net export losses to Mexico trade suggest a displacement of 378,000 higher wage U.S. goods producing jobs shifted to service producing jobs where weekly wages are 38 percent lower, according to the McMillion report.

The calculations of NAFTA's strongest supporters show that even before NAFTA, wages associated with U.S. exports to Mexico paid less than jobs displaced by U.S. exports from Mexico. NAFTA's investor guarantees, threats of relocation and the size and growth of the Mexican labor force had an even greater effect in depressing U.S. wages and profits.

Now, I use this as a prologue to the discussion about China, because trade with China dwarfs trade with Mexico. At this very moment, the United States annual deficit for trade with Mexico is \$70 billion. Since 1992, our trade deficit with China is over \$350 billion. Those are American jobs, and they are not just shoes, they are not just handbags, they are high-tech jobs, which I am going to get into in a moment.

What about permanent MFN status with China? Contrary to what certain special interests are saying to Capitol Hill, it is neither necessary nor desirable to grant China permanent MFN trading status. Instead, Congress can and should continue to review China's trading status on an annual basis. Permanent MFN is not necessary. We know the WTO does not require that the U.S. grant China permanent MFN. In fact, the international trade agreement only requires that China receive MFN, but it does not specify that the award be on a permanent basis.

We could continue to review China's trading status on an annual basis and satisfy the WTO. So long as the U.S. does not allow the status to lapse, we would be in compliance without international trade obligations. There is no legal reason requiring Congress to give China permanent MFN status. That is just not my legal opinion, it is that of the Secretary of Commerce, William Daley. At a news conference on December 16, 1999, Secretary of Commerce Daley admitted to a reporter for a Washington trade journal that permanent MFN is not legally necessary. However, the administration emphatically wants permanent status.

Let me say why permanent status is not desirable. Permanent MFN for China will cost the U.S. the best leverage we have to influence China to enact worker rights, human rights and religious rights and protections. At the current time, the U.S. buys about 40 percent of China's exports, making it a consumer with a lot of clout. It is hardly that we are in a position of being a helpless nation here. We still can and should set the agenda. So long as the U.S. annually continues to review China's trade status, we have the potential ability to use access to the U.S. market as leverage for gains in worker and human rights. But once China is given permanent MFN, we lose that leverage, and China will be free to attract multinational capital on the promise of super low wages, medieval workplace conditions and prison labor.

Indeed, and unfortunately, that is what some of our global corporations

are looking for. Recent history shows that the current Chinese regime is completely incapable of reform on its own. Consider the case of the 1992 memorandum of understanding between the United States and China on prison labor when China agreed to take measures to halt the export of products made with forced labor. According to a recent State Department report, and this is a quote, "In all cases," and that is of forced labor identified by U.S. customs, "the Chinese Ministry of Justice refused the request, ignored it, or simply denied the allegations without further elaboration."

If America gives up its annual review of China's trade status, Congress will be unable to do anything about worker rights there. Furthermore, giving China permanent MFN will be harmful to the U.S. economy, since the record trade deficit with China and attendant problems such as loss of U.S. jobs and lower average wages in the United States will worsen. For 1999, the trade deficit is likely to be nearly \$70 billion. Once China is awarded permanent MFN and WTO membership, the trade deficit will worsen.

In its September 30 report, the International Trade Commission concluded that China's accession to the WTO would cause an increase in the U.S. trade deficit with China. As a matter of fact, the news today is that this deal may actually hurt the trade deficit, and we all know that, that it will make America's already huge trade deficit with China worse, rather than better. This report from the Associated Press economics writer, Martin Crutsinger, says opponents have gleefully seized on the report by the U.S. International Trade Commission to do their own analysis, projecting the China deal will result in a loss of 872,000 American jobs over the next decade.

That is 872,000 American jobs projected to be lost over the next decade. Will those be jobs in Cleveland, Ohio? Will those be jobs in New York? Will they be jobs in New Jersey? Will they be jobs in Pennsylvania, in Michigan, throughout Ohio, in Wisconsin? Will they be jobs in California? Will they be jobs in Texas? They will be jobs from all over this country.

A little bit later on, Mr. Speaker, I am going to address categorically where our high-tech industries are at risk in this China trade deal. I will address categorically where labor rights violations are taking place, and I will address categorically where human rights and religious persecution, human rights violations and religious persecution is taking place.

Concluding for the moment, there is no legal requirement to award China permanent MFN. Permanent MFN would be a drag on the U.S. economy and cost us the best leverage we have to promote justice in China and throughout the world. So let us avoid a travesty. The President and the Speaker of the House and everyone should chime in and ask Congress to continue

its annual review of China's trade status, and even at this late moment I say, we can come together and approve unanimously of an annual review, but China should not be given permanent MFN status.

At this point I would like to recognize my good friend the gentleman from California (Mr. SHERMAN), Mr. Speaker, if I may yield for a moment, from Sherman Oaks, California, who so ably represents not only that district, but the State of California in this Congress. I am honored to have the gentleman here this evening, and I am so grateful to have the opportunity to share this forum with the gentleman.

Mr. SHERMAN. Mr. Speaker, I thank the distinguished gentleman from Ohio.

Mr. Speaker, I am for trade. I am for engagement with China. I am for American involvement in international organizations that took the lead in keeping us involved in the IMF. But I am against isolationism, I am against protectionism, and I am against this deal.

I want to focus in the minutes that I have on three new developments that occurred today, that I hope Members listening at home or back in their offices will focus on. But, before I do, I want to make a couple of comments building on what my distinguished colleague had to say.

The gentleman pointed out that this whole WTO thing could take place without granting permanent most-favored-nation status to China. In doing so I think the gentleman focused on what this deal is really about. It is not about us getting access to their markets, it is about them having permanent access to our markets.

Corporate America does not see China as a great place to sell things; they see it as a great place to make things to sell here. The best example of that is the fact that India is virtually as large as China, and I have gone the last 3 months without a single business organization saying, "Oh, my God, there are a billion consumers in India," because China offers not a billion consumers, but the largest pool of near slave labor available to those who want to manufacture there and exploit the market here.

□ 2230

They are not willing to make the major corporate investments in factories unless they are sure that they will have permanent access to the American market. Those factories ought to be built here. We should not be facilitating the construction of them in China.

Mr. Speaker, this deal is good for profits; it is bad for working American families. It is good for the central committee of the Communist Party of China, which runs that country and has a monopoly of power and endorses that agreement; it is good for the Central Committee of the Communist party; it is bad for those who seek freedom in

China. This deal is good for the People's Liberation Army of China, without whose consent China could not have made this deal. But while it is good for the PLA, it is bad for American security interests.

There are three new developments. The first was brought up by the distinguished gentleman from Ohio, and that is the report issued by the U.S. International Trade Commission. This is the official government entity designed to evaluate trade agreements. The study was requested by U.S. Trade Representative Charlene Barshefsky, the chief administration point person on negotiating this deal. She asked for the study. The study came in and said, this does not just make our trade deficit with China permanent, it makes it bigger. Upon the release of the study, Ms. Barshefsky instead says that the study was premature. Well, that is obvious. A study that helps Congress reject this agreement is premature unless it is released after we vote.

Mr. Speaker, this study came in right at the right time. It was commissioned by a trade representative who thought it would show that this deal was good for American working families. It proves the opposite. As the gentleman from Ohio clearly demonstrates, it costs us 872,000 jobs, but that is an underestimation, because all of the analysis of the U.S. Trade Commission was done on the basis that China would at least adhere to the written document. They have not adhered to their other documents, and in a control and command economy like China, they do not have to.

Mr. Speaker, here in the United States, we publish laws, and businesses are free to do what they want as long as they do not violate those published laws; and if our published laws violate the WTO agreements, we get taken to WTO court. In China, a telephone call in the middle of the night from a commissar is all that it takes to get a business to do something else, and you cannot take a late-night phone call to WTO court. You cannot even prove it ever existed. All that happens is that that Chinese businessperson decides not to buy American goods.

So the first and major development of the day is that the official government agency that our trade representative, the chief architect of this deal, asked to evaluate the deal says this deal is bad for American working families. It is going to cost 872,000 jobs, and I believe far more.

The second major development was the submission to the Committee on Rules of this House of the Berman-Weldon amendment. The Committee on Rules is meeting now. I have been told to expect that they will not allow that amendment to come before this House.

Why is that amendment so important? The amendment simply states that if China, after this agreement in joining trade relations with the United States, easy access to our markets, that if China invades or blockades Tai-

wan, that it loses access to our markets, they lose the PNTR. China will not accept this; hence, it is unlikely that the administration will accept it, and hence, it is unlikely that the Committee on Rules will accept it. I would like to be pleasantly surprised in an hour or two, although I do not think it will happen.

What does this mean to the Chinese? It is sometimes said that China is inscrutable to the United States, that it is hard for us to know what their system is doing. Trust me, we are at least as inscrutable to them. But how will they interpret the proceedings this week in this House?

An amendment was offered to say that if they invade Taiwan or blockade Taiwan, they lose their trade privileges. That amendment, if it is rejected, sends the exact opposite signal. Who is to blame the Chinese hard-liners if they regard our decision this week to pass PNTR and not condition it on whether Taiwan is blockaded or invaded, how are they to interpret that? They are educated in a Marxist approach which says that corporations are all powerful. They look at this House where they might see just a little support for that proposition, and they may very well conclude that their new corporate allies will defend them and defend open access to America's markets even if they blockade Taiwan. They could reach that conclusion even if some of us here who know this House better might reach the same conclusion.

What conclusion will they reach when their trade grows, not to \$100 billion or \$120 billion? They will reach the conclusion that American corporations are even more dependent and more powerfully willing to defend access to the American markets, and that that access will continue even if they invade or blockade. If they reach that conclusion, it is not their fault for misinterpreting us. It is our fault for being ambiguous, because this House this week can stand up and say that no access to American markets will be available if Taiwan is invaded or blockaded, or we can do the opposite by remaining silent.

So assuming this bill comes to this floor under a rule that does not allow consideration of the Berman-Weldon amendment, we should expect that China will interpret this as a green light and blockading Taiwan, bringing Taiwan to its knees is relatively, unfortunately, easy.

During World War II, Hitler sent a fleet of submarines to try to strangle another island nation, Great Britain. He was almost successful. But what does China have to do to blockade Taiwan? All it needs is a press release. Imagine a press release from Beijing announcing that the next oil tanker arriving in a Taiwanese port will be struck by a Chinese missile. One press release, one missile. They may even destroy one ship. Would you want to be the captain of the second freighter or

oil tanker on its way to Taiwan? The blockade is so easy for China to do, the only reason they do not do it is fear of American reaction, and if they can be confident of access to the American market. Well, I think we could call this bill the Taiwan blockade authorization act, because that is how it will be interpreted in Beijing.

Mr. Speaker, we cannot put this genie back in the bottle. The issue has come before this House, and if we deliberately cover our eyes to the possibility that trade relations would continue while Taiwan was blockaded, that is the green light the hard-liners are waiting for.

Mr. Speaker, we should be explicit in this bill. Confusion and miscommunication has started wars in the past, even among trading partners. Look at World War I, for example. So there is nothing but danger for our national security interests bypassing a bill that implies without ever stating it that China will have access to our markets even if it begins hostilities.

So this is an issue before this House; we cannot ignore it.

I see that the gentleman from Ohio has a number of other points to make, and I yield back to him.

Mr. KUCINICH. Mr. Speaker, I thank the gentleman for his learned presentation. Certainly, the Berman amendment would add a considerable element to this debate so as to indicate our interest in seeing the aggressive nature of Chinese military policy tamed. I might add that our colleague, the gentleman from Virginia (Mr. WOLF), sent a communication today which shows that China has recently received cruise missiles from Russia, a deployment of 24 SSN 22 antiship cruise missiles on a Chinese Sovremenny class destroyer as the most significant recent weapons development by the People's Liberation Army naval forces, according to the Navy officials, and this is in a Washington Times dispatch. These weapons, according to the headline, give Beijing a boost in firepower.

I believe in what President Kennedy said years ago when he said, "We should not negotiate out of fear, but let us never fear to negotiate." So we need to negotiate with China. We need to engage with China, but perhaps what is in line here is a very long engagement.

Mr. SHERMAN. Mr. Speaker, perhaps we should have a long engagement before we have a permanent marriage.

Mr. KUCINICH. Precisely the point, I say to the gentleman. Proponents of permanent MFN for China like to say that once the U.S. gives permanent MFN to China, exports are going to continue to grow. Since industries exporting to China employ Americans, permanent MFN must be good for America, that is what we are told. But I really wonder if it is that simple.

For example, if the gentleman were told, or if we were told that the Yankees, I will say Yankees because they are in our American League, if

the Yankees scored 6 runs in a ball game, could we conclude that the Yankees won?

Mr. SHERMAN. Not with today's juiced baseball, you could not.

Mr. KUCINICH. Right. Everyone knows we have to know how many runs the Yankees' opponents scored to know if the Yankees' 6 runs were enough to win. If one is a Cleveland Indians fan one would, for sure.

Mr. Speaker, whether it is baseball or trade flows, people need to see both sides of the ledger. So what is the economic score? The U.S. imports from China, much more than the exports to China, according to data collected by the U.S. Department of Commerce, the U.S. has a trade deficit of upwards of \$70 billion for 1999 alone. So while it is true that U.S. exports to China have increased, it is also true that imports from China have increased much more.

Mr. SHERMAN. Mr. Speaker, if the gentleman will yield, I will point out that we have given China most favored nation status on an annual basis several years in a row. Their 1999 imports from the United States are \$1 billion less than 1998. So while their exports to the United States grows and grows and grows exponentially every year, our exports to them actually shrunk.

Mr. KUCINICH. Mr. Speaker, reclaiming my time, the gentleman has a good point, and we know that there is more to the U.S.-China relationship than meets the eye. We have to look at the kind of goods the U.S. imports from China.

Now, contrary to the myth, the United States does not just import shoes, but high-tech products from the industries of tomorrow. In almost every major category of traded goods, from agricultural commodities to advanced technology products, the U.S. has a deficit with China.

We wonder, what does all of this mean? Well, China's surpluses in everything from corn to disk drives means that there is not a market in China for any American-made products. Lower tariffs and nontariff trade barriers do not change the fact that China already grows and manufactures more than their population consumes. So we cannot expect current trends to reverse. Exports to China will increase; imports from China will increase much more. I think that when we consider why we have this big push here for permanent trade status, let us look at it.

Mr. Speaker, the large U.S. corporations are the ones behind the push. They want it so that they can invest in new factories in China, use China as their export platform, low wages, no worker rights, no human rights, no religious freedoms, no freedom of speech, no labor voice. They want to sell their products back to the U.S. with confidence that Congress will not levy tariffs or erect trade barriers in the future. I mean, let us face it. Our ability to influence labor rights and human rights depends on having an annual review, I say to the gentleman.

□ 2245

Mr. SHERMAN. Absolutely. We do not know how much worse things could get in China. Yes, they are pressing bishops and Catholic and Protestant workers in China now, but they have not publicly executed any of them because they are subject to annual review.

If they have permanent trade relations with the United States, then 3 or 10 or 20 executions, whether it be of those practicing Christianity or those practicing Buddhism in Tibet, would subject China not to the possibility of losing its trade relationship but only to a harshly written letter from the United States, a report outlining just how terrible these violations were.

When we look at China today and see how bad it is, we should not just look at how bad it is or how much better it might get but how much worse it might get.

Mr. KUCINICH. Reclaiming my time, the gentleman is absolutely correct. Even with annual review, now think about this because we have talked about these things many times, even with annual review, as our friend, the gentlewoman from Ohio (Ms. KAPTUR) has pointed out, the right to freedom of belief is explicitly denied to 60 million members of the Communist party of China. The Falun Gong, thousands of their practitioners have been arrested.

I heard the gentleman from Virginia (Mr. WOLF) on the floor today saying that eight Catholic bishops were arrested. Now here we are on the very day we are talking about a medal for the Pope, who I greatly admire, celebrating his force for spiritual good in this world, China is arresting Catholic bishops.

Now, is it going to get better if we have no review, I would ask the gentleman? What does the gentleman think?

Mr. SHERMAN. Well, right now China has been emboldened in a way that I did not think would occur this particular month. Clamping down on the religious group that the gentleman pronounces so well, clamping down on both Catholics and Protestants, a thousand nuns and monks expelled from their monasteries in Tibet, all in the weeks before we are supposed to vote. Imagine if this is the last vote. How many more Christian practitioners, how much more will they clamp down?

Keep in mind the proponents of this deal postulate the idea that with increased trade there will be a challenge to the monopoly power of the Communist party of China. Now I do not think that challenge will occur, but if it does they will clamp down and do whatever it takes to maintain that monopoly power, and no matter how many executions occur, the worst the Americans can do to them is a really tough letter and a really long report, but they will not lose a single penny. That is not a situation that is conducive to human rights in China.

Mr. KUCINICH. I agree with the gentleman. At the same time, we have to

look at the Chinese to know that the Chinese people are our brothers and sisters. They are not cut off from the grace of God. They are our brothers and sisters. And because they are our brothers and sisters, because they are people in China who are suffering under inhumane working conditions, slave labor conditions, working for 3 cents an hour making handbags, or a little bit more than that making electronic equipment, we have a responsibility to stand up for human rights to review the conduct of their government. Now the development of a new economic model in any government has to be challenging, we recognize that, but U.S. corporations have great power. What is happening when they go to China, it is as if they are averting their eyes. They do not want to see what is happening, and yet when we see Motorola, figures available from 1996, now it is billions more since then, Motorola investing \$1.2 billion in China; Atlantic Richfield, \$625 million; Coca Cola, a half a billion dollars; Amoco, \$350 million; Ford Motor, \$250 million; United Technologies, \$250 million; Pepsi Cola, \$200 million; Lucent Technologies, \$150 million; General Electric, \$165 million.

Now granted, make multiples of that and we will know the investment today.

My first question is what is wrong with investing in America? My father fought in World War II, had his leg shot out at a place called Bougainville, spent all of his life with a limp and a silver plate in his leg like so many people in that generation who fought for this country, who fought for that flag, they did not fight for it so their grandchildren would not be able to get a decent job. They did not fight for it so American corporations would forget the red, white and blue and begin to worship the great green god of the dollar bill as if that is the only value we need to be worried about.

People fought to defend this country because we believe in basic human dignity, because we believe in human rights, because we believe in basic freedom, because we believe in human liberty. That is something that we have believed in through more than 200 years of our existence as a Nation. That is something that men and women have died for, and we are going to give it away just with the signature and the stroke of a pen.

That cannot happen. We cannot stand here and watch while China is being used with all of its anti-democratic tendencies as an export platform back to the United States, wiping out millions, eventually, of American jobs, good-paying jobs. And then where do American workers stand when they fight for their rights?

Mr. SHERMAN. If the gentleman will yield, I think he makes an excellent point.

Mr. KUCINICH. Certainly.

Mr. SHERMAN. The gentleman mentioned Motorola, which is bombarding the country now with an advertisement

in which they hold up a cellular telephone and say that China has 1.2 billion people who might use cellular telephones, implying that American workers from coast to coast will be making cellular telephones and shipping them to China.

I think the gentleman would agree that it is more likely that what Motorola sees there is 1.2 billion potential slave workers. They do not need them all. They do not need slave workers, but 1.2 billion people anxious to work for 10 or 15 cents an hour who can make the cellular phones and ship them here.

Which does the gentleman think is more likely, that Motorola plans to make something here, paying union wages or high American wages, \$10, \$15, \$20 an hour, and then sell the product to people who make 15 cents an hour? Or does the gentleman think there might be more profits in making something for 15 cents an hour and selling it to those Americans who still have good jobs?

Mr. KUCINICH. As usual, the gentleman is right on the mark. We know that these major corporations are looking at China as a labor pool of 1.3 billion.

Here are some quotes that we pulled out from some of our major corporations. Coca Cola Systems in China spends about \$600 million each year in sourcing all of its raw materials and packages within China. Delphi Automotive Systems aims to eventually close the gap between the Chinese automotive component industry and the world. Dow Chemical seeks to create in China the large scale production required to be a major supplier to customers in China and beyond. In Eastman Kodak's view, in a market such as China with the value of businesses expected to grow rapidly, local manufacturing is simply a better business model. Eastman Kodak's China manufacturing operations reflect Beijing's determination to create professional enterprises which could displace imports and boost tax revenues.

GE Shanghai Silicone's factory will replace imports from the United States, and on and on and on.

Now in the 10 minutes which we have left, I would like to continue this colloquy and as the gentleman was talking about the cellular telephones, I looked at the index to this report by Charles McMillon. It is a report which talks about China's rapid leap into advanced technologies. It is really the rapid leap of U.S.-based multinational corporations into the advanced technologies. They talk about in the advanced technology products, the U.S. now imports 64 percent more than it exports.

Now everyone knows about the difficulties we have had in steel, automotive and aerospace. As a matter of fact, when I first came to Congress, representatives from Boeing were among the first in my office already laying the groundwork for permanent trade status for China; and they were

admitting to me openly that the price of entry into the market in China was for Boeing to give China its prototypes for the most advanced aircraft manufacturing. So much for the tens of thousands of American jobs on the line at Boeing and now McDonnell Douglas.

The gentleman made a comment about cellular phones. In this report, which talks about advanced technology trade losses, they mentioned cellular phones. In 1999, America imported \$98,517,366 worth of cellular telephones from China.

The gentleman from California (Mr. SHERMAN) is an astute gentleman. How much does the gentleman think the United States exported to China? We bought close to \$100 million in cell phones from China. How much did China buy from the U.S. in cell phones, I would ask the gentleman?

Mr. SHERMAN. I do not think we export cell phones to China. I think we only export jobs to China.

Mr. KUCINICH. So the gentleman's answer would be none?

Mr. SHERMAN. Zero.

Mr. KUCINICH. The gentleman is correct. Is that your final answer, though?

Mr. SHERMAN. That is my final answer. If I can make a comment or two here.

Mr. KUCINICH. Please do.

Mr. SHERMAN. Up until recently it was low-tech factories going to China to make low-tech products, the handbags the gentleman talked about. That was because one could not invest a lot of money in China if they were not sure that the products could come back to the United States because that was why they were building the factory.

Mr. KUCINICH. Correct.

Mr. SHERMAN. Now that we give guaranteed permanent entry to the U.S. market, multibillion dollar factories, the kind that make the high-tech products that we are still as of today competitive in, those can go to China as well and pay 15 and 20 cents an hour. So it used to be that I was only worried about the capital flight, that a billion dollar low-tech factory would be built in China when that same money might be available here to build a different kind of factory that could employ American workers and perhaps even making a different product.

Especially our Republican colleagues are always talking about how we need more capital, how we have to encourage savings. Well, we could pass the biggest tax bill designed to increase savings and if it leads to another \$30 billion in savings, all of which are corporations borrowing and investing in China, then we are exporting capital for the purpose of exporting jobs, and we can imagine what effect that has on wages. We have enough jobs in America, but we need a situation where there is the labor shortage that causes those jobs to be paying a living wage.

Mr. KUCINICH. The gentleman is right. When the gentleman considers

where we are going in the future with this 64 percent difference in imports and exports with China, earlier I mentioned the score, let us look at some scores here. Camcorder, \$176 million from China; \$58,000 to China. Laser printers, \$101 million from China; zero that we sent to China.

Mr. SHERMAN. So it is not just toys and tennis shoes.

Mr. KUCINICH. Oh, no.

Mr. SHERMAN. This is the kind of stuff that Americans could make competitively. I have laser printers made in the United States on my desk now. This is not like little toys that sell for a buck or two.

Mr. KUCINICH. Exactly. Here is another one. Laser printers with control and printer mechanisms, \$88 million from China; zero from the United States. More scores here. Radio transceivers, \$62 million from China; zero from the United States. Going on, fax machines, \$35 million from China; zero purchased in the United States. And it goes on and on and on in this report where all of these jobs where China is being used as this export platform for all of this high-tech but the real thing that will get, I think, every American, listen to this.

□ 2300

Turbo jet aircraft engines, \$3.7 million from China, zero from the United States. Turbo prop aircraft engines, \$1.5 million from China in 1999, zero from the United States. Radar designed for boat or ship installation, \$1.5 million from China, \$8,000 from the United States. Reception apparatus for radio, \$1.3 million from China, zero from the United States.

Then we get into the military. Listen to this. Parts of military airplanes and helicopters, we are buying this from China, almost a half a million dollars, zero sold from the United States. Parts of aircraft gas turbines, almost \$1 million from China, zero from the United States. Binoculars, almost \$1 million, zero from the United States. Rifles that eject missiles by release of air and gas, over \$1 million, zero from the United States.

Concluding on this part, and something that would really frost most Americans, we are buying from China bombs, grenades, torpedoes, and similar munitions of war.

Where are we going with this China trade? It is time for America to pull back here and to reassess where we are going, how our national security is at risk, how our stand for human rights and workers' rights is at risk, and how, if we are to stand for anything as Americans, we ought to stand for the interest of the United States first and foremost.

Mr. SHERMAN. Mr. Speaker, if I can interject, I want to commend to our colleagues, and I thank them for watching us instead of those Friends reruns on television, a dear colleague that I have addressed dealing with the Berman-Weldon amendment, summa-

rizing why it is essential that this amendment be included in anything that passed this House; otherwise, we would be giving the green light to China to blockade Taiwan.

A second dear colleague I would like to mention, this was delivered, I believe, to every Democrat in the House, it is a letter that arrived just hours ago from the President of the United States, and I want to, time permitting, respond to a few comments in it, respectfully, because they are from the President.

The one comment I would like to respond to is the argument that this is going to lead to higher wages in China. The letter states, "More Chinese workers will find jobs with foreign companies where they will get better paying conditions, and Chinese companies will be forced to compete. In China, you are dealing with upwards of 700 million workers. How many more jobs would our investments in China have to create before we had an effect on the price of laborer the compensation of labor in China?"

My fear is that it is not when the President says that more Chinese workers will find jobs in American-owned factories in China, that means fewer American workers will find jobs with American factories in the United States.

Mr. KUCINICH. Mr. Speaker, here is the point that comes off of what the gentleman from California is making in this few minutes that we have remaining. We are all for the people of China being able to have workers' rights and have a decent living. It is pretty hard, though, when we have labor activists that, the minute that they start to organize, they go to jail.

I have a list here, a pretty long list, of individuals who, the minute they try to start speaking about trying to get better wages out of these U.S.- multinational corporations based in China, they end up in jail.

So I think that, again, Mr. Speaker, I want to thank the gentleman from California (Mr. SHERMAN) for his participation in this last hour. I think that what we have been able to establish is that this Congress tomorrow ought to be voting to defeat permanent trading status for China. We should have an annual review. Let us keep China engaged, but let us not turn away the only real lever that we have, and that is our ability to set the rules through annual review.

Mr. Speaker, I yield to the gentleman from California (Mr. SHERMAN) if he would like a final word.

Mr. SHERMAN. Mr. Speaker, one other thing our colleagues should do when they first wake up tomorrow morning is ask their staff, is the Berman-Weldon amendment made in order by the rule? If not, then if we go forward tomorrow, we are giving the green light for a blockade of Taiwan.

The least we could do to avoid miscommunication with China is to tell them that, if their friends in Amer-

ica are powerful enough to give them permanent most-favored-nation status, at least that status will disappear should they begin military action against Taiwan.

IMPACT OF ILLEGAL NARCOTICS

The SPEAKER pro tempore (Mr. SWEENEY). Under the Speaker's announced policy of January 6, 1999, the gentleman from Florida (Mr. MICA) is recognized for 55 minutes.

Mr. MICA. Mr. Speaker, I am pleased to come before the House again tonight to apologize to the staff that is working late into the evening, and appreciate the Speaker's indulgence and other Members who are listening tonight.

I always try to come before the House on Tuesday nights during these Special Orders to bring to the attention of the Members of the House of Representatives the Congress and also the American people, the number one social problem that we face, and that is the problem of drug abuse, illegal narcotics, and drug addiction in this country.

Over and over, I have repeated some of the statistics, and the statistics are mind boggling. The National Office of Drug Control Policy and our Drug Czar Barry McCaffrey have estimated that, each year, over 52,000 Americans die directly and indirectly as a result of narcotics abuse in this country; that in the last recorded report to the Congress in 1998, in fact, 15,973 Americans lost their lives as a direct result of narcotics abuse. I have not yet seen the 1999 figures, but I am sure they are even worse.

The situation is basically out of control with 70 percent of those behind bars in our prisons and jails, incarcerated across this land are there because of some drug related offense.

The cost to our economy is in the quarter of a trillion dollars a year range. The destruction of lives, not only lost, but those left behind in families torn apart in the agony of drug abuse, an addiction that so many families have experienced, is devastating.

Almost every report that we have that comes before us today in our media, the account of a 6 year old killing a 6 year old, drugs were at the heart of the problem of that family, and that 6 year old coming from a crack house. A 12 year old taking a gun to school and threatening his classmates wanted to be with his mother who was in jail on a prison charge. A 17 year old who attacks at the National Zoo during the recent holidays, crowds of people, innocent bystanders, he comes from a family involved in drugs, a father and gangs involved in illegal narcotics. This story goes on and on.

We can place the blame on a weapon or something else, but we do not pay attention, as I have stated before, to the root problem in many, many of these instances, which is illegal narcotics, drug abuse, and addiction.