

which was offered to the Agriculture Appropriations bill without prior hearings, and was voted for by 70 Members of this body. This bill significantly affected our relations with several states, most notably Cuba and the other state sponsors of terrorism. This bill would have changed U.S. policy that had been in place for decades, through several administrations, and tightly bound the President's ability to initiate sanctions against a country. Moreover, the bill required congressional approval to implement sanctions, and did so through the same expedited procedures found in our original bill. Again, I ask what is different here?

Some have even raised the argument that the transparency provision in our bill is bad and will do great harm to our capital markets. Why is that transparency fine everywhere but in this bill. Whether it be within the government, campaign finance reform, you name, it, transparency is fine. But not when we want to let U.S. investors know when a foreign company that they have invested in, or are considering investing in, has been reported by the intelligence community as a proliferator of weapons of mass destruction and the means to deliver them. Is it so bad to let American investors know that their hard-earned dollars might be providing the capital to support a weapons proliferation program for North Korea or Libya that might one day threaten their hometown? We warn Americans that cigarette smoking might be hazardous to their health, that cholesterol might cause heart failure, and that driving without a seat belt on could result in serious injuries in an accident, but we're unwilling to tell them that their pension fund might be helping China ship chemical weapons to Iran? Do we think Americans aren't smart enough to make responsible decisions, or are we actually afraid that they might do just that?

This is not some stretch of the imagination. A few months ago, PetroChina attempted to raise \$10 billion through an IPO to finance its operations in Sudan, a country that has been listed as a state-sponsor of terrorism. While this case raised the level of public attention on this issue, the problem started before PetroChina. The California Public Employees' Retirement System (or Calpers) has invested millions of dollars of employee pension funds in companies with close ties to the Chinese government and the Chinese People's Liberation Army. Calpers has invested in four companies linked to the Chinese military or Chinese espionage: Cosco Pacific, China Resources Enterprise, Citic Pacific, and Citic Ka Wah Bank. According to the Wall Street Journal, American workers own \$430 billion worth of foreign equities through pension funds.

Congressionally mandated commissions studying the issue of proliferation have concluded both that the Chi-

nese government is using the United States capital markets to fund its proliferation activities and that the United States needs to address this issue as part of a solution to proliferation. The Deutch Commission study of the threat posed by proliferation stated that "the Commission is concerned that known proliferators may be raising funds in the U.S. capital markets" and concluded, "It is clear that the United States is not making optimal use of its economic leverage in combating proliferators . . . Access to U.S. capital markets . . . [is] among the wide range of economic levers that could be used as carrots or sticks as part of an overall strategy to combat proliferation. Given the increasing tendency to turn to economic sanctions rather than military action in response to proliferation activity, it is essential that we begin to treat this economic warfare with the same level of sophistication and planning we devote to military options."

The Cox Commission review of United States national security concerns with China also concluded that "increasingly, the PRC is using United States capital markets as a source of central government funding for military and commercial development and as a means of cloaking technology acquisition by its front companies." The committee also concluded that most American investors don't know that they are contributing to the proliferation threat saying, "Because there is currently no national security-based review of entities seeking to gain access to our capital markets, investors are unlikely to know that they may be assisting in the proliferation of weapons of mass destruction by providing funds to known proliferators."

It is clear that China has been using United States capital to finance its military and proliferation activities, and it seems that this activity will only increase in the future. At least 10 Chinese companies are currently listed on United States stock exchanges, and the PetroChina initial public offering was a test case designed to pave the way for additional offerings. China Unicom, the second largest telecommunications operator in China, was recently listed on the New York Stock Exchange, and has already raised approximately \$5 billion in its initial public offering, and total proceeds of the IPO are expected to exceed \$6.3 billion.

These problems have gone unaddressed for too long. That is why we have included a provision regarding capital market transparency in the China Nonproliferation Act. However, even in light of all of the above, the capital market response is optional. It is merely one of several responses available to the president if a foreign company is determined to be a persistent proliferator.

In conclusion, let me end by reiterating that our bill is not an attempt to derail the vote on permanent normal trade relations [PNTR] for China. I

have long been a strong supporter of free trade. That is why we have asked for a vote separate from, but in the context of, the China-PNTR debate all along. We want Members to vote based on their conscience and the right solution to this serious national security issue, not based on parliamentary concerns or on how such a vote might affect the pending trade bill.

But it is essential to address this issue now. At a time of monumental change in our relationship with Beijing—when China is asking to become a member in good standing of the global trading community—is it asking too much for a fellow permanent member of the U.N. Security Council to obey international rules and norms with regard to the proliferation of weapons of mass destruction?

The United States cannot continue this charade of confronting Chinese proliferation by establishing more commissions, holding more hearings, passing more ineffective legislation, or seeking more empty promises from Beijing. We are confident that our bipartisan approach to this serious threat addresses the problem in a firm, responsible, and balanced manner. The United States must send the right message abroad, and as strong proponents of free trade, we believe that requires engaging and trading, while establishing a framework for appropriate United States response to China's actions that threaten this country.

We cannot take one approach without the other—not when our national security is at stake.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming.

Mr. THOMAS. Mr. President, it is my understanding we go in recess at 12:30.

The PRESIDING OFFICER. The Senator is correct.

DICK CHENEY AND NATIONAL GOVERNANCE

Mr. THOMAS. Mr. President, I wanted to take a minute today to react to the news that has been all over, of course, in the last few days about the selection of a Wyoming person to be on the ticket with Governor Bush. We are very excited, of course, and very proud of Dick Cheney. We think he is certainly a great addition to anyone's ticket for national governance. We think he is a great choice.

Mr. Cheney, of course, was most recently Secretary of Defense. He moved to Secretary of Defense from serving Wyoming for nearly 10 years in the Congress, in the House. I was fortunate enough to be able to replace Dick Cheney in the House, representing Wyoming, so I, of course, have followed his career closely. No one was more excited than I was when he left to go to Defense. In any event, not only that but of course he had worked in the White House. He had worked there as an administrative person, finally worked his way up to be Chief of Staff for President Ford.

So really there is no one who has had a broader and better experience in National Government than Dick Cheney. Perhaps even more important than that, this is a person who is a real person. I am sure all of us get a little exasperated from time to time in politics, where it seems almost everything is spinning the issue, particularly in election times. You hear things. Someone asks a question and the question is never answered because they spin off into something that is entirely different to be advantageous to themselves. Not Dick Cheney. Dick Cheney is a guy who is real. He is a guy just like the rest of us. He grew up in Caspar, WY; went to school there. So all of us, including the Presiding Officer here, from Wyoming, are very proud of Dick Cheney and very pleased that he will be a part of this campaign, hopefully of governance in this country.

Finally, for a couple of seconds I would like to say how disappointed I am that we are not moving forward, doing the business of the people of this country. We are down to where there are 4 days left this week, less than that, actually—a week when we had hoped to do, probably, three appropriations bills. We go out, then, in August for recess, come back in September, probably have less than 20 working days to accomplish the business of this country.

Whether you like it or not, one of the major features of the Government is the appropriations process. It is determining what money is spent for, what programs are given priorities. Of course, that is what the appropriations process is all about. We are talking about \$1.8 trillion, almost \$700 billion of that being in appropriated funds. So our responsibility is to do that. Now we find ourselves being held up from going forward. I understand there are differences of opinion. That is what this is all about. There are supposed to be differences of opinion. But there is also a way to deal with those without holding up the progress of the entire Congress and ignoring the things we are designed to do, often simply to make an issue.

We find ourselves, unfortunately, in Presidential years more interested in creating issues than we are in creating solutions. I think that is too bad. Obviously, issues are important. Obviously, differences of view are important. Obviously, there is generally a considerable amount of difference between the views on the other side of the aisle, the minority, and the majority. The minority, of course, is generally for spending more money, having more Government. They see the role of the Federal Government expanded greatly, where most of us on this side are more interested in holding down the size of government, moving government closer to the people and the States and in the counties and that sort of activity.

It is discouraging when they use that leverage of basically shutting down the

things we must do. Unfortunately, there is a history of that. In 1998, in the second session, the minority held up the education savings account, the protection of private property rights, product liability reform, NATO expansion, the Human Cloning Prohibition Act, funding for the Treasury Department—all in the effort to use that leverage.

Last year, of course, we had the obstruction of the Social Security lockbox—six times. We would go back to the same six times to make an issue out of it. Ed-Flex, the idea of giving more flexibility to education and letting people on the ground, in the States and on the school boards, have more determination as to what was done there, and bankruptcy reform—still in limbo.

We had delay in such critical issues as the elementary-secondary education bill. That is something that ought to be moved. Marriage penalty tax relief—it took a very long time. You can make decisions on things, but to try to change it by avoiding moving forward is a very destructive kind of operation. That is where we find ourselves right now, unfortunately.

The Ed-Flex bill, as I said, had to have five votes before we could break that. The lockbox legislation to protect Social Security, we went over and over that.

Much of it is the idea somehow if we can put everything off until after the first of the year, there will perhaps be another opportunity to do something different.

I think it is time for us to adjourn. I yield the floor.

Mr. DORGAN. Parliamentary inquiry, Mr. President?

The PRESIDING OFFICER. The Senator will state it.

Mr. DORGAN. Mr. President, I am wondering, the Senate reconvenes at 2 o'clock by previous order today, is that correct?

The PRESIDING OFFICER. At the hour of 2:15.

Mr. DORGAN. Mr. President, I shall not ask to extend morning business. But I ask consent I be recognized at 2:15 for 20 minutes of morning business.

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

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:31 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BROWNBACK).

The PRESIDING OFFICER. In my capacity as a Senator from the State of Kansas, I suggest the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. CRAIG. Mr. President, I ask unanimous consent that the Senate be in a period for morning business until the hour of 3 p.m., with the time equally divided in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Mr. President, by previous order, I am recognized for the next 20 minutes. The Senator from Idaho wishes to deal with the 20 minutes following that; is that correct?

Mr. CRAIG. Yes. The Senator from Idaho asks unanimous consent that the unanimous consent request he just made become active immediately following the time of the Senator from North Dakota.

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

Under the previous order, the Senator from North Dakota has the next 20 minutes. The Senator from North Dakota is recognized.

UNFINISHED BUSINESS ON SENATE AGENDA

Mr. DORGAN. Mr. President, I was listening to some of the discussion this morning before the Senate broke for the party lunches. I was especially interested in a couple of presentations about the progress some think the Senate has made in this Congress, and about why they believe the Senate is not making progress today or this week.

It reminds me of the story of the fly that landed on the nose of an ox. The ox, with the fly on its nose, went out for the entire day and plowed in the field. They came back to the village at night, and the villagers began applauding. The fly, still on the nose of the ox, took a deep bow and said to the villagers: We've been plowing.

That is sort of what I heard this morning—we've been plowing—when, in fact, this Senate, as all of us know, has not done the work we should have been doing for the American people.

I thought it would be interesting to describe what the agenda should have been and what we have done.

I will talk about some of the issues with which most Americans believe the Congress should be dealing: Common sense gun safety. For those who might be listening, I'm not talking about gun control; this is not in any way going to abridge people's Second Amendment right to own guns. This legislation will, however, close a loophole in the law that allows people to purchase guns at gun shows without having to get an instant check.

If you buy a gun in this country in a gun store, you must have your name run through an instant check system