

Let me give you an example of how this technology transfer works. If a U.S. automaker wants to make cars in China—and a lot of them have wanted to and have made them there—China requires joint ventures in order to gain access to production technology that then helps foster China's own domestic auto industry.

In a number of businesses, China requires a 51-percent Chinese partner in a joint venture. Again, that is one way that technology transfer happens.

At first, China's foreign investment catalogue encouraged—that was the word—foreign auto investment. I was in China back in 1984, I believe it was—maybe 1985—at a Jeep plant. And I watched the first American vehicles go off the production line in China. I was there. I saw it. It was very positive. People were thinking: This is interesting. We are going to do business with China. Those Jeeps can then be sold in China and sold in other parts of Asia. It wasn't going to compete with the U.S. market. This was good for Jeep and good for China. That was at a time when they were encouraging foreign auto investment. But as China learned about auto manufacturing from these investments—in other words, they got knowledge about how to manufacture automobiles themselves—the foreign investment catalogue changed its position on auto investment from “encouraged” to “permitted” and then, more recently, in 2015, to “restricted.”

Again, this is an evolution, initially, bringing in a joint venture partner and getting the technology. It goes from “encouraged” to “permitted” and then finally to “restricted” now that China has that technology. That is kind of leapfrogging us, isn't it? Again, that doesn't seem fair, and it certainly is not reciprocal because we don't do the same thing here in this country.

This problem of fueling Chinese innovation with the hard work of U.S. companies is even more pronounced in the electric vehicle sector. There, China tries to incentivize the production of vehicles in China rather than imports from overseas. We would love to sell American electric cars in China, but they prevent this with a combination of things: tariffs, which are relatively high; subsidies for domestically produced electric cars; and a credit system that requires all automakers selling in China to produce a portion of their electric vehicles in China or face penalties. Again, we don't do that.

It is clear from this experience that China's unfair trade practices are at odds with the current rules-based, multilateral trading system.

I will continue to support the administration's efforts to increase pressure on China in order to reach a strong but fair and enforceable agreement. I argue that this is in China's interest, as well as in our interest. They are now a mature trading partner. They are now the greatest exporter in the world. They have an economy that is growing—

again, more sophisticated, more technology. They should want to protect their own intellectual property. They should want to be engaging with us and other countries around the world on a more fair basis.

While I urge the United States to hang tough, the administration should work quickly to try to bring these negotiations to a close because a combination of the retaliatory tariffs on U.S. exports and tariffs on Chinese consumer products here in America is causing pain for our farmers, for our workers, and for our service providers. So it would be good to bring these negotiations to a conclusion.

We were very close to doing that only a few weeks ago, and the reports back were that China had changed its view on some of the concessions they were willing to make. Let's get back to the table, and let's make a fair and enforceable agreement.

As part of increasing pressure on China, as the new tariff increases are designed to do, the United States must also better leverage our allies. The European Union, Japan, Korea, Canada, Australia, not to mention Vietnam and lots of other countries in Southeast Asia—all share our concerns that the administration has raised with regard to China. They are all experiencing the same thing. Leveraging our allies helps put pressure on China by demonstrating the broad consensus that exists among those who believe China often acts contrary to our rules-based, multilateral trading system.

When I was U.S. Trade Representative, I laid the groundwork for a number of successful World Trade Organization complaints against China by working with our allies. Key to our victory in those cases was our ability to rally and to kind of come up with a posse—the EU, Canada, Mexico, Japan, and other countries—to show China that the world was watching and cared. The administration's work with the EU and Japan on WTO reform and subsidies, right now, is a good step in the right direction. It shows how much is possible when we can rely on our friends and, therefore, gain more leverage. It is why it is important we don't adopt policies that actively undermine our ability to work with allies also.

That is another reason I was glad to see the administration delay any tariffs pursuant to this 232 we talked about on automobiles and auto parts. A lot of those 232 tariffs would have been imposed on our allies. Not only do autos and auto parts from our allies or anywhere else in the world not threaten our national security, but it also invites retaliation on U.S. exports and poisons the well of good will we need with our historic allies as we pursue a resolution of our differences with China.

Let me end where we started—about balanced trade. All America needs is a level playing field. We can compete. We have the ability to innovate. We have the ability to be flexible. We have a lot

of advantages in this country, but we do need a level playing field. All we ask for is fair and reciprocal treatment from our trading partners. The sweet spot for America is that balanced approach—again, opening up new markets for U.S. products while insisting on trade enforcement so that our workers can compete.

As we talked about today, right now, we have a lot of balls in the air in relation to trade. This has caused some uncertainty among our trading partners, with American businesses, workers, and farmers that rely on trade. I get that.

Let's prioritize passing USMCA with Canada and Mexico. That will provide some certainty. Let's support the administration in bringing home a strong agreement with China. That will provide a lot of certainty. And let's not impose new section 232 tariffs. That will also provide some certainty and predictability.

With that predictability and certainty further leveling the playing field, we can help American farmers, American workers, American businesses, and our economy.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

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

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

ORDERS FOR THURSDAY, MAY 23, 2019

Mr. CRAMER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it recess until 9:30 a.m., Thursday, May 23; further, that following the prayer and pledge, the time for the two leaders be reserved for their use later in the day.

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

IRAN

Mr. LEAHY. Mr. President, many of us are increasingly concerned that, since President Trump's reckless decision to abandon the multilateral nuclear agreement with Iran, which by all accounts Iran had been complying with, the administration has been on a collision course that could draw us into a war with Iran. Although the President insists that is not what he wants, he is known to change his mind on a whim, and the statements and actions of others in his administration, including some who were vocal proponents of the unnecessary and costly war in Iraq, leave little doubt that they favor a policy of regime change.

We all deplore Iran's support for terrorism, its ballistic missile program, its horrific violations of human rights, and its constant outpouring of hateful