

of an expanding population. Foreign Minister Shimon Peres suggested that it was an even-handed taking from Jews and Arabs in order to build for Jews and Arabs. Mayor Ehud Olmert said that any housing shortage in the Arab sector is their fault—even as he raises funds for Jewish messianists who, like detonators, insert themselves ever deeper into Arab quarters. The expropriations, of course, have nothing to do with urban considerations or even-handedness. They are the opening shots in what Housing Minister Binjamin Ben-Eliezer has called the battle for Jerusalem.

What makes this relatively small expropriation different from previous massive ones is that the latter were made in a context of political confrontation, while the current one comes in the midst of a delicate and troubled peace process. The controversy may serve a useful purpose, however, if it jars us collectively into beginning to think about the unthinkable: finding a political solution for Jerusalem.

An undivided city under Israeli sovereignty is a slogan, not a solution. There will be no solution unless Arab and Moslem sensitivities concerning Jerusalem are taken into account. Rabin's pledge of religious freedom will not carry far. The Arabs, who have lived here for 1,400 years, want political rights too, not just religious rights.

Jerusalem's Arabs are already entitled to almost 30% of the seats on the City Council, although they have thus far chosen not to take up the option. It is entirely conceivable that, in the not-too-distant future, an Arab-haredi coalition will leave Israel's capital in the hands of a non-Zionist city governments (a possibility hastened by the current expropriation, which the government says is intended for haredim and Arabs).

The Arabs, however, want more than that. They want an expression of their national identity in Jerusalem as well. It is possible to give it to them without endangering Israel's dominant status.

Creative diplomacy could permit the Palestinians to have their capital in a place called Jerusalem without negating Israel's position that it will not share its capital with them.

Eizariya, for instance, is outside the city limits—outside Israel, in fact—but is closer to the Old City, the heart of Jerusalem, than is the Knesset.

What if the Palestinians were to call this Jerusalem too—even if Israel does not acknowledge it as such—and establish their seat of governance there?

Boroughs and areas of jurisdiction that partly overlap and partly don't are other elements that have been proposed for a Jerusalem solution. The Temple Mount remains the core of the problem. Moshe Dayan's proposal to permit an Arab flag to fly there is still one of the most constructive on the table. The current boundaries of Jerusalem are not biblical writ. They were drawn up in our own time by mortal men, guided by strategic and demographic, not religious, considerations. The new boundaries of 1967 tripled the size of Israeli Jerusalem by incorporating not only Jordanian Jerusalem, but numerous Arab villages around it. There is no reason those boundaries could not be fuzzed in working out a solution both sides can live with. Israeli construction in east Jerusalem has far surpassed what was envisioned in the immediate aftermath of the Six Day War. The main objective then was to link west Jerusalem—via Ramat Eshkol and French Hill—with the isolated Hebrew University campus on Mount Scopus. When this had been achieved and the diplomatic sky did not fall, bolder expropriations were carried out.

Eventually one-third of east Jerusalem was expropriated. In addition, a corridor left

open east of Jerusalem in anticipation of a Jordanian solution was eventually sealed off by Ma'aleh Adumim. As geo-political strategy, this policy worked brilliantly. The main-stream Palestinian camp, watching the hills in Jerusalem and the territories being covered with Israeli housing finally sued for peace. Such heavily charged skirmishing, however, and even war itself or intifada, seems simple compared to the prospect of Jews and Arabs trying to share the city in political peace.

The absence of an assertive Arab political voice since 1967 has made it relatively easy for Israel to run Jerusalem. A Jewish-Arab council is easier to imagine as a cockpit of rancorous conflict than of co-existence. (It is rancorous enough, let it be said, as an all-Jewish council.) For the Arabs, there will be an ongoing grievance at least as massive as the Jewish housing estates covering the hills around Jerusalem. For the Jews, the most authentic Arab voice will long remain the one that drifted over the walls of the Old City from the Temple Mount loudspeakers on the first dawn of the Six Day War—itbach alyahud, slaughter the Jews.

It will not be easy. With wise leadership on both sides, ever mindful that we are lying down and rising up together in a mine field, it may be possible.

DISMANTLING THE COMMERCE DEPARTMENT

● Mr. ROTH. Mr. President, I have been a longtime advocate of streamlining government and making it more effective to address the challenges of the global economy and information age as we move into the 21st century. While I have focused on these issues for many years as chairman and former ranking Republican of the Governmental Affairs Committee, I have never witnessed as great an interest in this critical issue than I have this Congress. I welcome this interest because I believe it offers great opportunity to achieve major and overdue structural reform of the executive branch. We can and will achieve the goal of smaller, better, and less costly government.

Most recently, attention has centered on eliminating the Commerce Department. It is endorsed as part of the budget resolution. The proposal introduced recently by Senator ABRAHAM, the majority leader, and others provides a specific plan on how to dismantle the Department.

I have long endorsed the idea of dismantling the Commerce Department in the context of elevating, streamlining, and reconfiguring major trade functions in the executive branch. It is very difficult to defend the status quo as it exists today at the Commerce Department, and I believe the initiatives that have been introduced are an important step toward the establishment of a government that is structured to deal effectively with the challenges of tomorrow, not yesterday.

I have worked on organizational issues for many years and I realize how difficult it is to bring about needed and constructive change. Turf usually overwhelms the process, whether it is in the administration or Congress, and the private sector is often either

unexcited about the issue, or they don't want to upset those with whom they have to work in the current structure. So it is not surprising that the recent legislation is controversial and that the trade provisions have engendered the greatest amount of concern. I, too, have concerns about certain provisions.

I would like to turn briefly to some of the trade concerns that have been raised in the initial debate on this issue so far. First, I firmly believe a vast majority of us agree on the vital importance of trade to this Nation and recognize that our Government plays a crucial role in this area. This role includes performing key functions as negotiating agreements to open markets, enforcing and implementing trade agreements, administering trade laws and facilitating exports.

For many years now, I have called for significant reform of executive branch trade functions and the case for reform has never been stronger than today. Uniting major trade responsibilities under the clear leadership of one person and establishing a more effective trade voice for our Nation is the direction in which we should head. It is time to recognize that much of the Commerce Department's trade activities are integrally involved with those of the USTR. There is no clear dividing line between them, except for the divided lines of authority. This has caused, and continues to cause, wasteful duplication of effort, confusion as to who is in charge, serious turf battles, and divide-and-conquer tactics by our trading partners. It is time that they become part of the same team with one coach in charge.

I have heard some disturbing accounts of how our trading partners take advantage of our divided trade leadership. For example, I've been told of instances where the lead trade negotiator from one of our fiercest trading partners would play the USTR and Commerce trade negotiators off one another by telling one that the other was willing to agree to something that the other would not agree to.

Ambassador Kantor's recent testimony before a House Appropriations subcommittee demonstrates the blurred nature of responsibilities between the International Trade Administration [ITA] and the USTR. He stated that the USTR's three top priorities are to ensure that the Uruguay round agreements are implemented fairly, to enforce trade agreements, and to expand trade to new markets that offer the greatest potential for increased exports of American products. That sounds a lot like what much of the ITA is doing.

I have an extremely high regard for the dedicated and talented staff at the USTR, but it is unrealistic to expect that they can continue to manage effectively a trade agenda that is ever more demanding and complex, under the current structure of divided trade leadership and responsibility. The fact

that there are some 40 detailees at the USTR—about 25 percent of its current size—is indicative of the burdens the current structure is working under. Furthermore, it is my understanding that two major components of ITA—the international Economic Policy and Trade development offices spend about one-half of their time on trade negotiations and policy development.

While we need to maintain a coordinating function on trade that allows for input from different parts of our government that may be impacted by a particular trade matter, the USTR relies mostly heavily on ITA for negotiating support and backup. Even Commerce's main export promotion entity, the U.S. And Foreign Commercial Service, is actively supporting the USTR. For example, it plays an important role in the USTR's annual National Trade Estimates Report. There is logic behind bringing Commerce and USTR trade functions together under one cabinet-level voice.

I would like to comment briefly on some of the concerns that have been raised with respect to merging these functions. One major concern is related to moving import Administration functions to the USTR because of possible trade-offs that might be made between trade negotiations and administration of our trade laws. I would simply make two points in this regard. The first point is that the administration of antidumping and countervailing duty laws is a quasi-judicial process and must be implemented strictly according to law. The second point is that these functions are already part of a department that has trade advocacy as one of its primary function, something which one could argue would exert more pressure for trade-offs than would negotiations. It is my understanding that Commerce's Office of Import Administration is kept separate from other trade functions and that is how it should remain under any single trade structure. At the same time, we should recognize that, while the administration of these laws must be isolated from other primary trade functions, these issues are in fact part of trade negotiations—they were a major issue in the WTO and are an active part of past and current free trade talks.

Other strong concerns have been raised about the USTR's role as an honest broker and interagency coordinator. While I appreciate some of the concerns that have been raised, and I agree that there must be an honest broker in the White House at the highest levels on major trade decisions, it is not the USTR that seems to be performing that role. As far as I can tell, every President has created his own small White House office to broker controversial trade decisions. Ambassador Kantor has himself testified that of the three tiers of the interagency coordinating mechanism, and I quote, "(a)t the highest level is the National Economic Council (NEC)." At the lower levels, there is no reason why the

USTR or a single cabinet trade structure should not perform the lower level interagency process that exists.

Things have dramatically changed since the USTR, then the STR, was created in 1962. We are no longer simply negotiating occasional GATT rounds of tariff talks. While we have made some organizational changes along the way, they have been relatively limited in scope, and the last time we made any significant change was in 1979. Since then, our trade negotiating agenda has taken center stage and has grown tremendously. The issues are much broader and more complex than ever before, and the implementation of trade agreements has also grown enormously in significance. Our Government's foreign commercial presence is often on the front lines in discovering trade problems that might need to be negotiated or are related to lack of implementation of certain agreements. Our current institutional structure that divides these and other major trade functions among separate entities is not, I would argue, in our national trade interest.

It is in our national trade interest to restructure trade functions in a way that builds on and improves the best features that exist. We want to preserve the lean and mean negotiating structure of the USTR and to also ensure that there is an effective interagency and private sector advisory process that allows for legitimate input from other agencies and voices as needed. But our negotiators should have the necessary support structure in place to achieve ambitious negotiating objectives. We also should be implementing and administering trade agreements and trade programs in one house. There is not a whole lot of sense, for example, to the USTR administering the GSP program, while Commerce implements major bilateral trade agreements such as the semiconductor agreement.

The specific business concerns that have been raised about the trade provisions of the Commerce Dismantling Act must be examined very closely, and the Committee on Governmental Affairs will be holding hearings on these and other aspects of the bill after the July recess. I share some of the concerns that have been raised, including those relating to the international economic policy and trade development functions of the Commerce Department. I also believe greater consolidation should be accomplished. A cabinet level trade structure should include, for example, the Commerce Department's existing export control functions.

Mr. President, citizens are demanding a government that works better, as well as costs less. An integrated trade structure within our Government will not only work better for our citizens, but it will also achieve efficiencies, synergies and cost savings.

In closing, I would just to like to say that there is a window of opportunity

here to reflect in a comprehensive way about how we should be organized to address the many trade challenges ahead of us. I hope we can prevent jurisdictional concerns from becoming the driving force in this debate, and that we move it instead in a positive and constructive direction. I look forward to working with my colleagues to achieve the best trade structure for our country, one which will promote an effective national trade agenda for the 21st century. ●

SINO-U.S. RELATIONS

Mr. THOMAS. Mr. President, as the Chairman of the Subcommittee on East Asian and Pacific Affairs, I rise today to voice my concern over a disturbing trend which I see making itself manifest in certain government and other circles in the People's Republic of China: the growing view that the sole driving force in the United States' policy towards China is a desire on our part to weaken China and prevent its emergence as a player on the world stage. I have seen this view—in some cases bordering on the paranoid—reflected in statements from the Foreign Ministry, articles in the official and semi-official Chinese media such as a June 12 story by Wang Guang in Renmin Ribao entitled "Where Is the United States Taking Sino-American Relations?", and in talks with some Chinese government representatives.

This viewpoint worries me primarily because it is wrong, but it also concerns me because of the underlying thinking which it reflects. If the Chinese are sincere in their beliefs, then this view reflects a complete misunderstanding of us and how we as a country operate. On the other hand, if the view is being disseminated by conservative party factions as part of a xenophobic campaign designed to bolster their credentials during the present struggle to replace Deng Xiaoping, then it demonstrates a willingness on their part to baselessly poison our relationship for domestic political gain. Finally, it is not outside the realm of possibility that certain factions in the government are manufacturing the entire thing in an effort to place the United States on the defensive and wring a unilateral concession or two out of us; they have done it before with other countries. Under any scenario, the result is disturbing.

I believe that Beijing's new view is well summed up in the Renmin Ribao article:

Over the past few years, only after going through setbacks and difficulties has the United States improved and developed relations with China. After the disintegration of the Soviet Union, one view prevailed in the United States, which maintained that "China was a counterweight to the Soviet Union" during the Cold War and that it was "no longer important" to set store by relations with China in the wake of the Cold War. In September 1993, Washington came to understand that "China is a crucially important country and that China's importance