

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 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

has been neglected in the preceding few years." The United States then modified its China policy. After that, while pursuing its "total contact" policy, the United States continued to put pressure on China over a series of issues. In May 1994, Washington realized that the United States' pressures was hardly effective for "a country with a population of 1.2 billion people," that "China is a very large and very important country," that "its economy has the fastest growth rate in the world," that its international status and role are important, and that the United States needs to maintain and develop relations with China. The United States then separated the so-called human rights question from China's MFN trading status. Only since then have Sino-American relations developed vigorously.

During this time, however, another tendency in United States-China policy grew. Following China's economic development, Americans are vigorously advocating the "China threat theory." On 17 April, the Los Angeles Times carried an article saying "United States officials 'are beginning to pay close attention to China and view it as a possible long-term rival and threat to United States interests in the Asia-Pacific region.'" U.S. officials have repeatedly denied that the United States will isolate and contain China. However, what is notable is that, while briefing the House of Representatives International Relations Committee on 9 February, a U.S. State Department official in charge of East Asian and Pacific Affairs said: China "does not pose a direct threat to us. But what is obvious is that as we look over the next decades, China will become increasingly strong. Therefore, we are pursuing several policies so as to curb this potential threat through all possible means.

Mr. President, let me try to dispel this conspiracy theory. First of all, the basic flaw in the Chinese position is that it assumes a monolithic China policy on our part; but anyone who actually thinks there could be such a thing is sorely misinformed. With a liberal Democrat President drifting aimlessly through the sea of foreign policy and a conservative and assertive Republican Congress feeling the need to fill the void, the probability of there being a grand unitary U.S.-China plan is about zero. The thought of the amount of accommodations that would be necessary to achieve such a goal almost boggles the mind.

The second flaw in such a position is that the disparate events which the Chinese draw together to form their conspiracy theory are just that—disparate events each with its own, mostly unrelated, causes. For example, the PRC views stronger U.S. interests in Taiwan, Tibet and Hong Kong as a concerted effort on our part to, as a Library of Congress senior analyst recently put it, "keep [them] preoccupied with tasks of protecting China's sovereignty and territorial integrity and less able to exert influence elsewhere." The PRC also sees confirmation of this view in a recent spurt in the growth of our interest in these areas. The Chinese, however, completely miss both the real sources of our interest and the reason for the perceived acceleration therein.

Principle among these three is the Taiwan issue; or, as Beijing is fond of

calling it, the "Taiwan card." With the recent decision to admit President Lee Teng-hui to the United States for a private visit, the PRC is convinced that we have embarked on a new path to upgrade our relationship with Taiwan at their expense. The PRC, however, must remember to view the decision within the overall context of our relationship with Taiwan. We have been close friends with Taiwan for over 40 years, a considerably longer period of time than with the PRC. Taiwan is a fellow democracy in an area not known for its commitment to democratic ideals, and is one of our strongest trading partners. There are also strong cultural ties between us; for example, many of Taiwan's leaders, President Lee included, have attended university in this country.

Yet for years we have officially relegated Taiwan to less than second-class status among our friends, principally out of fear of offending mainland sensibilities. This treatment has included prohibiting its President from visiting our shores, even for a private visit, a position which has long been viewed by Congress and the American people as completely inequitable. As I have previously noted on several occasions, the only persons to whom we regularly deny entry to this country are terrorists and criminals. It was strongly felt in Congress, and the country as a whole, that to add President Lee to that list was a gratuitous insult to our friends. With the coming of a Republican-controlled Congress, the desire to remove that insult found a voice which, finally and rather sensibly, the administration heeded. The PRC should remember, then, to view the decision in these simple terms—not as a major policy shift, not as a rejection of the Three Communiques, not as a desire to create—in their parlance—"two Chinas" or "one China one Taiwan," and not as a part of some hidden agenda. It was, rather, a gesture of equity to a friend. Furthermore, the reason for the sudden acceleration in this process is not because of some deliberate plan, but for a more simple reason. Republicans have traditionally been stronger supporters of Taiwan than Democrats, and in November of last year took control of both Houses of Congress for the first time in decades. As a result, we finally found ourselves in a position to be able to effectuate our policies . . . thus the sudden spurt of activity.

Our interest in Tibet is also one unrelated to some sinister desire to pre-occupy Beijing; rather, it is based on our desire to see that the Tibetan people are not physically or culturally extinguished. Since Tibet was forcibly incorporated into China by the PLA, the Beijing Government has committed acts in that country which shock the conscience. Thousands of irreplaceable Buddhist temples have been gutted and destroyed, many hundreds of Tibetans have been arrested and killed, Han Chinese have been encouraged to relocate

to Tibet in a clear effort to make the Tibetan people a minority in their own land, Tibetan culture has been sinocized . . . the list goes on. There is enough there to spark our interest, without us having to manufacture an issue to keep the Chinese busy. And as with Taiwan, Republican control of Congress is likely behind the increased interest. Senator HELMS, the present chairman of the Senate Foreign Relations, has long been a strong and vocal champion of the Tibetan people, and is now in a position to be able to effectuate some of his desired policy changes.

Similarly, our preoccupation with Hong Kong is not the third leg of some organized scheme. Rather, while our interest in Taiwan stems from our long friendship and our interest in Tibet stems from concern about human rights, as I have also noted on previous occasions our Hong Kong concerns are predominantly economic. Since I have already spoken at length about this issue both on the floor and in my subcommittee, suffice it to say here that we have a substantial economic stake in the continued viability of Hong Kong as an international financial center after its reversion to Chinese sovereignty after 1997. While issues involving that transfer are primarily bilateral ones between China and the United Kingdom, where decisions made by the two parties may effect our legitimate concerns we have a legitimate interest in speaking out about them. The explanation for why our interest there has grown recently is quite simple: 1997 is getting closer and closer, and the two parties are making more and more decisions about the colony's fate with each passing day.

These, then, are the reasons for our strong interest in Taiwan, Tibet and Hong Kong, and for any recent increase in that interest. Each has its own set of distinct causes, and are not part of some unified plot to keep the Chinese sufficiently busy at home so as to prevent their emergence abroad.

The Chinese have also begun to see an evil intent in the attention we have been paying to their trade and other economic practices. Over the last year we have pressed China to observe its commitments to a series of multilateral and bilateral obligations in areas such as intellectual property rights, arbitration, the WTO, and so forth. The Chinese have begun to see these moves as part of an attempt to keep them economically less powerful and influential than they would otherwise grow to be. Such a conclusion stretches the bounds of reason, though, and completely overlooks the underlying basis for our actions. China has insisted that it be treated as a player on the world economic stage. Well, Mr. President, along with the benefits such a role brings come certain responsibilities. Unfortunately, the PRC has made it

clear through its actions that it intends to live up to those responsibilities only when it feels like it. Therein lies the problem.

Intellectual property rights became an issue not as some manufactured attempt to weaken China's economic expansion but because the Chinese were allowing, even encouraging in some cases, widespread piracy in contravention of a series of international and bilateral agreements. Chinese companies were, in effect, stealing from us to the tune of several billion dollars a year. Is it any wonder, then, that we showed an interest in the topic? As for its entry into the WTO, China's position on accession can best be likened to wanting to have its cake and eat it too. It wants to have the benefits of that international agreement, but will not live up to others it has signed such as the Convention on Arbitration. It wants to be treated as a developed country where such treatment suits its needs, but as a developing country in other areas. For example, although the Chinese Minister of Chemical Industry Gu Xiulian has proudly noted that China's soda ash production has "leapt to the front row in the world" and is one of the top three chemicals produced in China—a statement one would logically assume is concomitant with developed status—it has instead demanded developing status for this chemical industry. This would allow it to continue to leave in place artificially high tariffs imposed against United States imports of soda ash. China cannot have it both ways, and our calling them on this and similar attempts is simply a matter of equity and nothing more. It is of some interest to note at this juncture that if we were involved in some overall scheme to hinder China's economy, the President would hardly have recommended renewing that country's MFN status as he did this month. And, as I strongly suspect it will, Congress would have hardly gone along with that renewal.

There are other areas where the PRC appears to see the conspiracy at work: the restriction on sales to that country of United States technology with possible military applications, calls for greater access to Chinese markets, statements of concern about the possibility of regional conflict in the Spratly Island group, et cetera; but I will not belabor my point lest our Chinese friends decide that I protest too much. Let me just state that while the paranoid can manufacture a conspiracy out of any given set of facts, regardless of how unrelated they may be, I hope that the Chinese will reflect on the issues as I have briefly outlined them and see that there is no unified plan to get them.

It is unfortunate that Sino-American relations have taken a downturn over the past few weeks, and that there might be some who view that downturn as evidence of the so-called conspiracy in United States/China policy. I can assure our Chinese friends that such a

downturn was not desired, and should not be allowed to linger. Having said that, let me also state emphatically that it will not behoove some isolated circles in the PRC to exacerbate or overreact to the present situation for ulterior reasons; I have seen some disturbing signs that there may be a growing tendency on the Chinese side for some to do just that. It may be thought that by placing the United States on the defensive, United States officials—"anxious to restore meaningful dialogue with China presumably would be expected to 'prove' their intentions with some gestures designed to show the Chinese that their conspiratorial view of U.S. policy is no longer correct." As proof of our goodwill, the Chinese side might suggest a series of unilateral gestures on the part of the United States.

This is not just hypothesizing on my part; I have already seen a few examples of it. For instance, a June 27 KYODO news agency broadcast reported that Zhou Shijian, deputy head of the Research Institute of International Trade at MOFTEC—the Ministry of Foreign Trade and Economic Cooperation—had said in an interview that the United States should take three steps to sooth the PRC's rancor over the President Lee visit: send a special envoy to Beijing to apologize, support PRC membership in the WTO, and lift restrictions on technology transfers to China.

Mr. President, let me note first that I—and I believe most other Members of Congress—would strongly oppose any move by the administration to make any unilateral concessions of this magnitude under this type of circumstance; it would set a very distasteful precedent. Moreover, Mr. Zhou could not have picked a less likely three areas in which to expect gratuitous action on our part. Let me explain.

First, while we regret the effect of President Lee's visit on the United States-China relationship, and regret that it has upset the Chinese side, sending an envoy to apologize presupposes that the decision to admit Lee was wrong. It was not; and given the votes calling for Lee's visit in both the House and the Senate, I think one would be hardpressed to find more than three of the 535 Members who would agree that was.

Second, we have made clear that our support for the PRC's accession to the WTO is dependent on China's adherence to the provisions of other multilateral economic agreements to which it is a party such as international IPR and arbitration conventions. While the PRC has made strides in the IPR field, its compliance in others has been less than satisfactory. For example, although a signatory to the international arbitration convention, the Chinese have steadfastly refused to honor a \$6 million award against a Shanghai firm in favor of a United States company named Revpower. Until China lives up to commitments such as this one, I and

many others do not believe that our support should be forthcoming, especially on a unilateral basis.

Finally, we come to restrictions on technology transfers. These restrictions were put into place after the Tienanmen massacre, and are designed to keep technology with military applications out of the hands of the PLA. Although there had been some discussion here of loosening the restrictions, that possibility has pretty much evaporated in light of credible information that the Chinese have been involved in transfers of technological and military hardware to rogue countries such as Iran. Given the very real possibility that were we to resume some transfers China might simply transship our materials to these countries, I do not think that the Chinese will see a change in that position anytime soon.

Mr. President, let me close by reiterating that there is no grand design to keep China from occupying its proper place in the world. And, as for the present souring in the relationship, I hope that, like the ripples in a pond after a stone is thrown into it, the ripples in the relationship will continue to grow smaller until things are once again smooth.●

IMPORTATION OF SPENT NUCLEAR FUEL FROM FOREIGN RESEARCH REACTORS

● Mrs. MURRAY. Mr. President, I wish to comment this morning on the Department of Energy's proposal to import spent nuclear fuel from foreign research reactors through commercial ports such as Tacoma, WA.

Before I begin, I would like to thank DOE, and in particular Mr. Charles Head, for the outstanding efforts put forward by DOE to ensure that the citizens of Tacoma have had adequate opportunities to review information and make comments on DOE's proposal. The additional public hearing held last week was well received and well attended and the extension of the public comment period until July 20th is appreciated. DOE's efforts have not gone unnoticed.

Mr. President, I fully appreciate the United States nuclear nonproliferation policies and objectives. I also understand the important role that removing spent nuclear fuel from the global marketplace plays in those policy objectives. Nonetheless, I would like to express my serious concerns regarding DOE's proposal. DOE's draft environmental impact statement on the handling of foreign spent nuclear fuel does not adequately assess the potential risks that alternative #1, the importation and interim storage of foreign spent nuclear fuel in the United States, could pose to the citizens of the United States, particularly those who reside in the port communities suggested as points of entry in the DEIS and those near proposed waste storage facilities.

Along with my colleagues from the State of Washington, I recently sent a