

# EXTENSIONS OF REMARKS

## UNITED STATES-CHINA TRADE RELATIONS

### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1999

Mr. SMITH of New Jersey. Mr. Speaker, the Administration's toothless human rights policy towards China has failed miserably. In the five years since President Clinton de-linked China's MFN status from human rights considerations, there has been regression—not progress—within China. Even standing apart from new revelations of nuclear espionage and the skyrocketing U.S.-China trade deficit, this deteriorating situation justifies a fundamental reassessment of U.S.-China trade policy. A couple of examples may help flesh out the seriousness of the matter.

In 1992 the U.S. and Chinese Governments signed a Memorandum of Understanding (MOU) prohibiting trade in slave-made goods, which was followed by a 1994 Statement of Cooperation. Notwithstanding those agreements and China's own laws against slave-made exports, Beijing is turning the Laogai—the Chinese Gulag—into a profit-making venture. Slave-made products—from office supplies to Christmas decorations—regularly make their way to the shelves of American stores. Even the State Department has been forced to admit that “[f]orced labor is a problem” and that China's cooperation with the MOU “has been inadequate.” Indeed, the Department reports that in every case where the United States asked to visit a suspect facility during 1998, “the [Chinese] Ministry of Justice refused the request, ignored it, or simply denied the allegations made without further elaboration.” In short, the MOU is not worth the paper it is written on.

Similarly, in October 1998, the Chinese regime signed the International Covenant on Civil and Political Rights. Taking the bait, the Administration used China's promise to sign the ICCPR as a reason not to raise China's human rights violations at last year's meeting of the UN Human Rights Commission. The Administration heralded China's signature as an improvement—something that would lay the groundwork for future human rights accountability within China. Admittedly, the ICCPR contains many worthwhile guarantees, such as the right of political self-determination (Article 1), the basic rights of criminal defendants (Article 14), the right of free expression (Article 19), and the right to free elections (Article 25). But within two months after signing the ICCPR, the Chinese government violated each of those provisions in a brutal, systematic crackdown on democratic dissent that continues to this day. In fact, in the last month alone, Chinese officials have detained over 150 dissidents.

The slave labor MOU and the ICCPR signing are only two of many examples. But they illustrate a fundamental lesson that we ignore at our peril: When dealing with the Communist

dictatorship of the People's Republic of China, the United States cannot settle for paper promises or deferred compliance. We must stop accepting pledges of future improvement in place of actual improvements. The Chinese dictatorship regularly tells bold-faced lies about the way it treats its own people, such as by asserting that no one died at Tiananmen Square, and that there is complete religious freedom in China. How, then, can we take its word when it comes to matters of mere commerce? We cannot. Reforms within China must precede the rewards of WTO membership, and should be a prerequisite for annual MFN status.

When I say “reforms,” I do not mean only economic reforms. We must also demand respect for the basic rights of the Chinese people. The Administration's policy of so-called “constructive engagement” on behalf of human rights has been a disaster, even according to the Administration's own benchmarks.

In quarterly reports, Amnesty International has been tracking the seven human rights policy goals that President Clinton publicly announced before his trip to Beijing in 1998. Those reports detail a complete lack of progress in all categories, and even some regression, during the past year: Release all prisoners of conscience and Tiananmen Square prisoners: “Total failure, Regression”; review all “Counter-Revolutionary” Prison terms: “Total failure, no Progress”; allow religious freedom: “Total failure, no progress”; prevent coercive family planning and harvesting of organs: “No progress”; fully implement pledges on human rights treaties: “No progress”; review the “Re-education through labor” system: “Total failure, no progress”; and end police and prison brutality: “Total failure, no progress”.

The Communist government of the PRC continues to engage in systematic violations of basic human rights on a massive scale. It does not allow significant political dissent. It prohibits the free exercise of religion and imprisons religious leaders, ranging from the 10-year-old Panchen Lama to the elderly Catholic Bishop Su of Baoding Province. It summarily executes political prisoners in the Xinjiang Uighur Autonomous Region. It harvests and sells the internal organs of executed prisoners. It forces women who have “unauthorized” pregnancies to abort their children and submit to sterilization. It continues to brutalize the indigenous peoples of Tibet and East Turkestan. The failure of the Administration's current policy to effect any improvement should come as no surprise. While the rulers of the Chinese Communist Party may be ruthless and despotic, they are not stupid. If there are no costs associated with the brutality that keeps them in power, then they have no incentive to become less brutal.

Thus, when big business and the Clinton Administration really want to change Beijing's conduct—for instance, in the effort to get China to respect international copyright—what do they do? Do they decide that we should be

patient, that we should constructively engage for a few years, and sooner or later Beijing will come around? No. They use economic sanctions—the very same sanctions they say would be counterproductive as a means of promoting political and religious freedom in China. I am aware of at least three occasions since 1991 when the U.S. Trade Representative threatened to impose billions of dollars in sanctions to vindicate U.S. intellectual property interests. In each of those cases, when faced with the sanctions, the Chinese government changed its behavior.

By their actions, big business and the Clinton administration show their faith in sanctions. By their reactions, Chinese leaders show the efficacy of sanctions. Thus, the question before us is not “Can economic sanctions work?” It is, “Why do we use sanctions to protect software, but not human life; to protect musical recordings but not fundamental political and religious freedoms; to stop movie piracy, but not torture?” In all the years I have been asking that question, I have not yet heard a good answer.

We have abandoned the American ideals of freedom and democracy for the sake of marginally cheaper consumer goods. We have squandered our patrimony of liberty for the profit of corporations who want access to China's inexpensive labor market. The people of the United States are waking up to this reality and, I believe, will no longer stand for it.

It is time to do an about face, to condition expanded trade relations upon respect for internationally recognized, fundamental human rights. American interests and American values demand no less.

FINANCIAL INCENTIVES ON DOCTORS NOT TO PROVIDE CARE: FEDERAL COURT EXPLAINS THE DANGERS: REASONS WHY WE SHOULD PASS H.R. 1375

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1999

Mr. STARK. Mr. Speaker, recently, I introduced H.R. 1375, a bill to limit the amount of financial pressure an HMO can place on a doctor to discourage referrals and testing. A recent Federal Appeals Court case provides new documentation on why we should pass such legislation.

Current regulations allow an HMO to withhold up to 25% of a doctor's compensation as a way to discourage “unnecessary” treatment. The problem is, such “withholds” can discourage necessary as well as unnecessary treatments and tests. My bill would limit any HMO “withhold” to 10% and encourage the use of quality measures as the basis of payments to doctors.

On August 18, 1998, the US 7th Circuit issued a majority opinion in the case of Herdrich v. Pegram, Carle Clinic Association,

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