

Tariff concessions will be available, but there will be no way to enforce these. No enforcement mechanisms will be available, and the U.S. will not be able to use WTO dispute settlement provisions. The WTO dispute settlement is a critical weapon to ensure U.S. trading rights. The ability to enforce the tariff rate quotas will be undermined. The U.S. could not challenge Chinese export or domestic subsidies that hurt U.S. exports in third countries. We could not enforce the benefits of the sanitary and phytosanitary agreement that was negotiated with the Chinese and is so important to U.S. citrus, wheat, and meat products.

Additionally, the special safeguards provision to protect against import surges negotiated by the U.S. would not be available.

Unless Congress grants China PNTR, there will be no way to ensure that tariff and access concessions will be available to U.S. agricultural exporters. WTO dispute settlement provision will not be available to the U.S. Those who are concerned about making sure China keeps its part of the bargain should support PNTR. Without WTO dispute settlement provisions, any ability to ensure Chinese compliance is severely weakened. According to a May 11, 2000 article in the Washington Post many of China's dissidents back China's accession into the WTO. This is what they are saying:

Bao Tong, one of China's most prominent dissidents, says that Congress should pass China PNTR. Mr. Bao believes that China should be included in as many international regimes as possible so that it must adhere to these international standards. Referring to congressional passage of PNTR, Mr. Bao says, "It is obvious this is a good thing for China." He goes on to say . . . "I appreciate the efforts of friends and colleagues to help our human rights situation, but it doesn't make sense to use trade as a lever. It just doesn't work."

Dai Qing, perhaps China's most prominent environmentalist and independent political thinker, says "All of the fights—for a better environment, labor rights and human rights—these fights we will fight in China tomorrow. But first we must break the monopoly of the state. To do that, we need a freer market and the competition mandated by the WTO." According to Ms. Dai, "One of the main economic and political problems in China today is our monopoly system, a monopoly on power and business monopolies. Both elements are mutually reinforcing. The WTO rules would naturally encourage competition and that's bad for both monopolies.

Zhou Litai, one of China's most prominent labor lawyers and represents dozens of maimed workers in Shenzhen, says, "American consumers are a main catalyst for better worker rights in China. They are the ones who pressure Nike and Reebok to improve working conditions at Hong Kong and Taiwan-run factories here. If Nike and Reebok go—and they could very well (if the trade status) is rejected—this pressure evaporates. This is obvious."

Mr. Speaker, there will be irreparable damage done to American agriculture if Congress does not pass PNTR.

THINK ONCE, THINK TWICE ABOUT U.S. TRADE RELATIONS WITH CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I would say to our colleagues this evening, think once, think twice about U.S. trade with China, particularly in agriculture.

Recently I read a fascinating report prepared by Dr. Charles McMillian, former editor of the Harvard Business Review. He is a man who understands numbers. And he says, think once, think twice. China has produced an annual glut of agricultural commodities for over a generation. In fact, the United States has registered a consistent and growing deficit in agriculture with China in two-thirds of all agricultural groupings.

It is true with pork. We produced a lot of that in my corner of Ohio. It is true with corn. It is true with citrus, with vegetables, with fish. Just go down the categories.

China, in fact, in the last decade, had an average annual surplus, that means they are sending more out than taking goods in, in global agricultural trade of \$4 billion annually. Just last year, in 1999, the rate of that is increasing to where just in 1999 they had a \$4 billion surplus of global agricultural trade over what they imported. So their advantage, essentially, is increasing.

They are rapidly expanding the quantity, the quality, and the composition of products that are being exported to our country, everything from ketchup to rice and, for the first time, in 1999, cotton.

Now, China recorded an overall advantage with the United States in 1985, 1986, 1992, 1993, and 1999 in agriculture. In fact, we have maintained a chronic agricultural trade deficit with them in 17 of 26 agricultural commodity groups, everything from seafood, to tobacco, sugar, cocoa, vegetables, fruits, nut, and various animal parts.

What is even more troubling is that our exports to them have fallen every year since 1995 as China has strengthened our ability to export to them in spite of our bilateral agreements and tariff reductions has decreased.

In fact, our agricultural exports to China in 1999 were a third less than a decade before, while U.S. imports of their agricultural commodities had literally doubled, gone up by nearly 100 percent.

Now, if we think about this, China's agricultural production growth continues to outpace their own growth in domestic demand. Our own embassy in China, our agriculture attache in Beijing, points out that China is struggling to solve its fundamental problems of chronic overproduction.

But it does have an inefficient distribution system. And with capital investment that might occur there as a result of going into WTO, they are

going to be able to move that product more quickly around the world.

Particularly key in all of this are China's partnerships with powerful global firms such as Cargill, Archer Daniels Midland, and ConAgra. And of course, those companies export. In fact, Cargill, for example, has been in China since 1973. Cargill really does not care if it sells and markets Chinese corn or U.S. corn.

So the point is there are some agricultural interests globally that will win, but it will not be U.S. farmers because that Chinese corn and pork and tobacco and seafood, and go down all the categories, are going to depress prices even more here at home.

So I would say to people in rural America, think once, think twice about all of this.

It is not clear that, in this recent agreement that the administration signed with China, that any new grain commitments to purchase were actually made. There were some promises that maybe there would be some tariff reduction. But if we look at the tariff reduction that occurred during the decade of the 1990s, it did not result in any more sales.

It is highly unlikely that China will eliminate its non-tariff barriers to agriculture trade. It would put too great a risk on its own sector advancing. Because China, since 1949, has had an agricultural policy that said, we will be food self-sufficient. Starvation propelled them into the most recent half century, and they fully well understand what it means not to be self-sufficient in food production at home.

I think that, as much as we talk about tariffs here and about non-tariff barriers, it is also important to point out that when China gets in trouble internationally, it does something very simple, it devalues its currency, as it did in 1994.

So think once, think twice. China is going to put more downward pressure on U.S. food prices if permanent normal trade relations are approved with China.

I urge my colleagues to vote "no" on that measure.

#### PERMANENT NORMAL TRADE RELATIONS WITH CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SIMPSON) is recognized for 5 minutes.

Mr. SIMPSON. Mr. Speaker, I rise today in support of the permanent normal trade relations with China.

Some people view PNTR as a gift that the United States would give to China. PNTR with China is, in fact, in the United States' best economic interest.

China is a huge potential market for the United States, as has been mentioned, 1.2 billion people, or 20 percent of the world's population. Our potential to export to them is enormous.

Idaho's share of those exports is significant to a small State with a million