Thirdly, the Democratic plan is an improvement in updating of Medicare, the foundation of health care for seniors, one of the most successful programs that we have that the Federal Government has ever adopted, a plan that needs to be strengthened and reformed but not weakened. The Republican plan relies on private insurance companies.

What we need in this country for our seniors is stability and continuity and predictability. We do not want plans where every year the co-pay changes, the benefit level changes. And in many cases, as we are finding with Medicare managed care, whole areas in this country are simply dropped by the insurance industry.

That is not what we want in Medicare. We want stability and continuity and predictability and equity in this system. That is what we need and that is what we can get with the Democratic prescription drug plan.

I urge everyone who cares about this issue to make their voices known.

One of the things I found in my 4 years in this place is that what we do here depends on the amount of public energy, public concern outside these halls. This is a case where those who care about this issue need to speak up.

In the weeks and months ahead, what we will find in this debate, I believe, fundamentally is that we can find common ground, if not this year, next year. But we need to reach across the aisle and come to a conclusion about how best to approach this particular problem.

People who cannot afford their prescription drugs are Democrats, Independents, Republicans. They are people from all walks of life, all parts of the country. And this is a case where although we have partisan differences over proposed solutions, we do not have partisan differences over the problem. The problem is the same for everyone.

If we can find a way to work across the aisle to pull these two different approaches together, then I think we can find success, as others have done in this House on a Patients' Bill of Rights and in other areas. We can do it with prescription drugs, as well.

NORMAL TRADE RELATIONS WITH CHINA

The SPEAKER pro tempore (Mr. SHIMKUS). Under the Speaker's announced policy of January 6, 1999, the gentleman from Iowa (Mr. GANSKE) is recognized for 60 minutes.

Mr. GANSKE. Mr. Speaker, I am going to talk tonight about the vote that the House is going to make next week on extending permanent normal trade relations to China.

Capitol Hill is abuzz about this vote which we are going to make next week. It seems that everyone and their uncle has been lobbying on this issue.

Goldie Hawn, the actress, has been wandering the halls of Congress. She is against; while Jesse Ventura was in the East Room of the White House. He is for.

In my opinion, Mr. Speaker, this vote will be the most important trade vote in a long, long time, and undoubtedly, the most important agriculture vote this year.

President Clinton said last week, ''If the Congress votes against it, meaning permanent normal trade relations, they will be kicking themselves in the rear 10 years from now because America will be paying the price.''

The President suggested that lawmakers who oppose the measure are focusing on politics rather than its merits. The President said, ''Virtually 100 percent of the people at the other end of Pennsylvania Avenue,'' meaning Capitol Hill, ''know it is the right decision.''

Well, Mr. Speaker, our country has benefitted greatly from the growing international marketplace and American efforts to reduce tariffs and trade barriers.

For example, between 1993 and 1998, my own State of Iowa had its exports increased nearly 75 percent. Export sales from the capital city of Iowa, Des Moine, alone totaled nearly half a billion dollars in 1998. And this growth was a two-way street.

My State has attracted more than $5 billion in foreign investment. International trade supports thousands of jobs in my home State and thousands, if not millions, of jobs across the country.

My State's economic growth depends on international trade. But Iowa is not unique. Iowa is right in the middle of the country. There are other States on both coasts where there is shipping and exports, where exports are even more important.

Now, my State has agriculture as an agricultural industry, but we also have a strong financial services industry and a strong manufacturing industry. I think my State is typical of States all across the country.

China very much wants to get into the World Trade Organization, the WTO. Last fall the United States completed a trade agreement by which we would welcome China into the WTO. Under that new trade agreement, China makes significant concessions that are important to American farmers and businesses.

Under this new agreement, China agreed to reduce its tariffs on American goods in order to get U.S. support for accession into the World Trade Organization. Chinese tariffs will drop from an average of 24.6 percent in 1997 to an average of 9.4 percent in the year 2005. That is a 62 percent drop in tariff rates on most of our products that we are trying to get into China.

In addition, China agreed to phase out most import quotas by the year 2005, making these new tariff rates applicable to most products regardless of quantity. China also agreed to allow American businesses to sell directly to the Chinese public.

This agreement cuts out the interference of Chinese middlemen or Chinese trading enterprises that are often corrupt. This new agreement means American companies will be allowed to provide maintenance and service for their products.

China conceded on agricultural trade matters things that are very important to our Nation's agriculture. China agreed to lower the average tariff on American agricultural products from nearly 40 percent to 17 percent. In addition, China will lower its tariffs on pork, beef, and cheese to 14.5 percent.

China also agreed to accept the U.S. Department of Agriculture's certification that American meat and poultry are safe. What this means is that China will now open its markets to U.S. pork, beef, and poultry access, which has been denied because of China's unscientific claim that our products were not safe.

This is important for many, many States, not just my own, many States, I might add, where there are some other considerations for legislators to think about in terms of voting against permanent normal trade relations.

China consumed more than 77 billion pounds of pork in 1998. And as its population of more than one billion people increases, so will its need for pork, U.S. pork.

China also agreed to eliminate oil seed quotas and gradually increase the quota for corn to 7.2 million metric tons each year. By comparison, in the last 10 years' total, China imported a mere 6 million tons of American corn. China also pledged not to provide export subsidies for its agricultural products.

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All of these are very significant concessions on the part of the Chinese. In sum, the Chinese are opening up their market. They are easing their quota restrictions. They are reducing their tariffs. And they are agreeing not to subsidize their own products. These agricultural provisions hold the promise of significant growth for our country's farmers.

Another treaty component important to our country is insurance and financial services. We just passed a bipartisan bill on financial services reform so that our financial services industry in this country can compete in a global market. This new treaty with China will help us get our financial services industry into China. My State, for example, is a leader in insurance, not just agriculture. Currently, foreign insurance companies are allowed to operate in only two cities in China. The bilateral agreement will remove all geographic limitations for insurance companies within 3 years. Within 5 years, American insurers will be able to offer group, health and pension insurance which represents the majority of premiums paid. American firms will be allowed 50 percent ownership for life insurance and will be allowed to choose

their own joint venture partners. Non-life insurance companies will be allowed to establish local branches, hold 51 percent ownership upon accession and form wholly owned subsidiaries within 2 years.

In another area, China will lower tariffs on American automobiles to 25 percent. The current Chinese tariff on American-made automobiles ranges from 80 to 100 percent. And American financing programs for those cars will be available.

Another area is tariffs on information technology like computers and Internet-related equipment. Those will be eliminated by the year 2005 under the new agreement. And banks and financial institutions will have unprecedented access to the Chinese population.

All of these Chinese concessions are significant. They amount to a very good deal for us, a deal that will move American goods and values into China. Under this good deal, the United States is not making any concessions. All the concessions come from the Chinese. Nor will we be dropping our guard against further Chinese espionage. We will not be abandoning Taiwan, and we will not be pretending that the Communist Chinese have improved their human rights record. Altogether, a vote for this new trade treaty and for normalizing trade with China should be, as they say, ''a no-brainer.'' And it should not be a partisan issue, either. A majority of Republicans in Congress support approval of this agreement. In addition to President Clinton and Vice President GORE, many Democratic governors, such as Iowa's Governor Tom Vilsack support the agreement, too. Governor Vilsack wrote me, saying, ''There is more potential for opening up new markets in China than just about anywhere else in the world and a major step in that process was taken by reaching an agreement on the U.S.-China bilateral World Trade Organization accession. The next step is to establish permanent trade with China.''

Governor Vilsack finishes by saying, ''I support permanent normal trade relations for China.''

So, Mr. Speaker, what is all of this controversy about? By all accounts, this is going to be a nail-biter of a vote. Every day, practically, the vote tally is reported in the Congressional Quarterly or in the newspapers. It is big news when, for instance, the gentleman from New York (Mr. RANGEL) yesterday came out and said that he would vote for permanent normal trade relations. Every Member's vote is going to count significantly next week. So what is it all about? If the treaty is so good, if the Chinese basically made all the concessions, if under current trade with China we cannot get our goods into China because they have high tariffs on our goods but under the new treaty they lower those tariffs so that we can send our American-made goods and services over to China, what should be the controversy? One would think that this would pass with 300-plus votes.

Well, in my opinion the controversy is not so much about the treaty. It is more about symbolism. For some in the labor movement, blocking permanent normal trade relations is symbolic of labor's clout, even though in my opinion their position actually hurts manufacturing jobs, such as those at the John Deere plant in Ankeny, Iowa, just north of Des Moines where cotton pickers are made. With this new treaty, that John Deere plant would have the opportunity to sell more cotton pickers in China. That would mean more United Autoworker jobs in Ankeny, Iowa.

Now, along with many, I abhor China's human rights violations. But I do not agree with those who believe that denying normal trade relations will improve the human rights situation in China. Mr. Speaker, we have had this debate for years annually. It has become pro forma. Even last year when I voted against most-favored-nation status for China, when we were dealing with the Chinese having stolen American nuclear secrets, the biggest vote count we could get to overturn that or to send a message was about 175 votes. But one of the other main reasons that I have voted in the past against most-favored-nation trade status for China is that under the current trading agreement with China, we basically get taken to the cleaners. That is why we have such a huge trade deficit with China. They can make goods over there and they can send it into the U.S. when we have very low import tariffs on their goods but then they slap high tariffs on our goods and commodities going over there. The current situation is just not fair. That has created a trade imbalance. That is why this new trade agreement is such a good thing.

As I said, I previously voted against the annual extension of normal trade relations with China. I did so because past extensions gave China open access to our markets, as I have said. This has been a one-way street right into the American market. I also voted ''no'' because of concern about Chinese forced abortions and other human rights violations, Chinese espionage, and Chinese arm sales to Iran and Iraq. I would point out that these same issues will remain concerns even if the United States chooses not to gain access to China's markets. However, I have come to the conclusion that the best chance we have to address those human rights violations is by actively engaging the Chinese people politically and economically. We cannot defend fair labor practices in China by staying at home, by defaulting on our obligation to stand up for the rights of workers and democratic values. What better way to improve labor conditions for the Chinese people than to introduce rule of law into their business relations. No kickbacks. No bribes. In addition, Chinese workers employed by American companies clearly enjoy better working conditions, higher pay and an improved quality of life. Now we have the opportunity to extend these opportunities to more Chinese workers, allowing them to absorb and practice our values. What better way to spark change in a closed Communist society than by introducing western technology and ideology. The elimination of tariffs on information technology will help open China to the global information highway. That highway of American enterprise and values will run right into China, right through that great wall, and it will challenge its political and social repression.

We do not need to dispatch an army to carry forth our values and market system. Our farmers, our workers and our businesspeople have the tools to do that job.

But do not just take my word for it. Listen to one of China's most prominent dissidents, Bao Tong, who has endured tapped phones, police surveillance and restrictions on everyday freedoms. Despite that treatment by the Communists, Bao Tong has this message for Congress: Pass permanent normal trade relations with China. Pull China into international agreements like WTO. Bao believes this will force China to adhere to international standards on human rights. Bao says, ''It doesn't make sense to use trade as a lever. It just doesn't work.'' That goes back to my comments about the annual pro forma debate that we have had on this issue. Or listen to Dai Qing, perhaps China's most prominent environmentalist and independent political thinker who has served time in prison because she opposed the 1989 crackdown on student protesters in Tiananmen Square. She said, ''All 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 World Trade Organization.'' She also said, ''One of the main economic and political problems in China today is our monopoly system, and a monopoly on power and business monopolies. The World Trade Organization's rules would naturally encourage competition and that's bad for both monopolies.''

Mr. Speaker, what happens if next week we say no to this opportunity? Well, China will still join the World Trade Organization, but China will be trading with our competitors, not us, the European Union, Australia, other Southeast Asia countries. In addition, if we reject permanent normal trade relations, the Chinese leadership will feel the United States, the world's only superpower, with its economic, military and democratic arsenal, they will feel that we want to isolate the mainland. Remember, China has a long history of xenophobia. We do not need to play to that xenophobic tradition. That perception that the Chinese could have of our motives could do us and the world a lot of harm.

I want to return to the symbolism of this vote. While the symbolism of a defeat for permanent normal trade relations might benefit certain groups in the short run, in the long run I think it will hurt us all. Paul Krugman in the Washington Post asked us to consider the symbolism that rejecting permanent normal trade relations would send to other governments. The United States, the home of the free market, the home of the free society, would appear to be saying, ''Sorry, markets and democracy work for us but we aren't letting any more countries into the club.''

Mr. Speaker, a national poll last week by the Wall Street Journal/NBC News showed that Americans favor approving the trade agreement with China by a margin of 44 percent to 37 percent. So it is clear, the public is still learning about this very important issue.

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That is why I sent a letter on permanent normal trade relations to every household in my district explaining what is at stake and why I support that agreement.

Mr. Speaker, I will vote next week for permanent normal trade relations with China on its merits. It is a good agreement for my state. It is a very good treaty for our country. It is much more fair to us than our current trade relationship. This new agreement will actually grow jobs in the United States, not lose them.

Passing permanent normal trade relations with China will send a strong symbolic message abroad, about America's commitment to democracy and market-based economics. I can think of no more important vote that any of us will make in a long time about the future of our economy and our position in a global market.

I urge all my colleagues on both sides of the aisle, do the right thing; vote for permanent normal trade relations with China, and we will continue to shine the spotlight on China's human rights violations and continue to put heat on them to act in a more responsible way.

WORLD BANK SHOULD NOT CONSIDER LOANS TO IRAN AT THIS TIME

The SPEAKER pro tempore (Mr. SHIMKUS). Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. SHERMAN) is recognized for 60 minutes.

Mr. SHERMAN. Mr. Speaker, tomorrow the World Bank meets. We will not have the huge demonstrations of a month ago. No one will be comparing this meeting here in Washington, D.C., to the events in Seattle. But they may play a more important role on whether the World Bank and its sister organization, the IMF, continue to have the support, precarious as it is, of the American people, and whether the World Bank continues to exist and foster in its present form.

Mr. Speaker, I am among the strongest advocates in this House of our foreign aid program, our involvement in the world, and, up until now, our support for the World Bank and the IMF.

Mr. Speaker, just a year-and-a-half ago over $500,000 was spent in a campaign designed exclusively to vilify me personally for supporting the IMF and the World Bank. I continue to support those organizations, yet I am not sure that that support can continue for long, because while I am a proud supporter of world development and of our foreign aid and of our efforts to try to have all of humanity live in dignity, I do not know if I can continue to be a proud supporter of the World Bank.

You see, the World Bank garners its support from the community here in America that supports human rights and the dignity of men and women, and yet it will make a decision tomorrow that will indicate whether it deserves the support of those who are concerned with human rights.

For one case, in one nation, has garnered the imagination of the world when it comes to human rights. I speak of the show trial being conducted in the City of Shiraz, Iran, in which 13 Jews face the absurd charge of being spies for the United States and Israel.

Mr. Speaker, let me first give you and the House some background. The Jewish community in Iran is 2,500 years old. It arose out of the Babylonian captivity after the destruction of the first Temple. It is the oldest Jewish community anywhere in the world except Israel itself.

For 2,500 years Jews lived in peace and in loyalty to whichever regime governed Persia, now Iran. In 1979 the Iranian revolution led to the creation of the Islamic Republic of Iran, and since then that Islamic Republic has found it necessary, or at least has decided, to oppress religious minorities. Their treatment of those who practice the Baha'i faith is well-known and is deplorable. For those who have practiced the Jewish faith, some 17 have been killed after trumped-up charges over the last 20 years, roughly one per year. It seems this is a regime that finds it necessary to keep this small Jewish community under control through terror and fear. I say a small Jewish community, because this community, which once numbered over 100,000, has now dwindled to 25,000 as people who have fled their ancestral homelands, homelands that trace their ancestors back for 2,500 years. They have left under the oppression, but 25,000 remain.

But apparently the Islamic Republic of Iran is no longer satisfied with killing one of its Jewish citizens roughly every year, and so about a year-and-a-half ago it went out and arrested 13 and charged them with espionage.

Now, why are these charges so absurd? Well, Mr. Speaker, we have grown up here in the United States, a multi-ethnic country, where people of all backgrounds and all religions are found in every part of our government, including our national security agencies. From the CIA to the Pentagon, our national security agencies look like America. So, anyone of any ethnicity, could, if things turned out wrong, grow up to be a spy.

We have British-American spies, we allegedly have Chinese-American spies, there have been Jewish-American spies, and that is because people of all ethnicities and religions are found in the agencies that contain the most sensitive national security secrets.

Iran is a very different country. No one of the Jewish faith is allowed near anything of national security significance. Now, I know the CIA occasionally makes a mistake, but to think that the CIA would, over a period of years, hire not one, but 13 individuals in Iran, each a member of a tiny group prohibited by their religion from getting anywhere near anything the CIA would want to know, it stretches all credulity to believe that the CIA would do that and that the United States could remain a superpower if that is how it pursued its national security and intelligence efforts.

These charges are not only absurd, but the trials that began less than a month ago are also absurd. They are modeled after the trials of Joseph Stalin, trials devoid of public attendance, trials in which the prosecutor is always the judge, trials in which there is virtually no information, no evidence, except the hollow conclusionary and detailless confessions of coward confessions. Nothing has been proven at trial, except that the defendants are afraid.

The information that they would have had access to would have been only information observable by anyone walking the streets of an Iranian city, and, of course, diplomats of countries, both friendly to and hostile to the Islamic Republic of Iran, walk those streets every day, every month, observing the same things, and with diplomatic immunity while they do so.

So this trial has captured the attention of those in the world who care about human rights. Maybe it is because 13 people are so obviously innocent. Maybe it is because the trials so closely resemble those of the dark ages of Joseph Stalin. Maybe it is because the defendants are a remnant of an historically significant and dwindling community.

But where does this leave the World Bank? The World Bank will consider tomorrow a package of loans to the Islamic Republic, and we are told that these loans will be used for humanitarian purposes. But let us remember that money is fungible. The money the Islamic Republic does not spend on building a sewer system in Tehran can be used to develop weapons, to field an army or to increase the reach of its forces of oppression and interrogation.

Not only that, but this nearly one-quarter of a billion dollars in contracts will go only to those contractors and