I listened with great interest to much of the debate on the floor over the last 2 weeks, particularly the distinguished Senator from New York, in whom I have the greatest admiration and respect for his scholarship and his mind, as he went through some of the historic lessons of China and talked of improvements in China's human rights record. In one sense, that is certainly true. It is better now than it was during the Cultural Revolution, but let's not be selective in our recounting of recent Chinese history.

During the winter months of 1978 and 1979, thousands of people in Beijing posted their written complaints and protests about the ills of China on a stretch of blank wall on Chang'an Avenue. This voice of protest, which became known as the democracy wall movement, was muzzled as the Chinese Government imprisoned its leaders such as Wei Jingsheng.

That same year of the crackdown on the democracy wall movement, the U.S. established diplomatic relations with China and signed a bilateral trade agreement. Deng Xiaoping introduced a series of economic and legal reforms, and international protests against repression in China were drowned out by the promise of free-market initiatives. Twenty-one years since the United States signed a bilateral trade agreement with China, we have only seen increasing political repression and religious persecution.

Harvard professor Dani Rodrik expressed this sentiment when he said:

> I would not assume, as many advocates of normalized trade relations with China have done, that expanded trade will necessarily produce greater democracy. . . . If the Chinese leadership is truly interested in democratization, they do not need the World Trade Organization to help them achieve it. . . . There are no human rights prerequisites for WTO membership. Even if the Chinese Government were to become more repressive, existing WTO rules would not allow the U.S. and other countries to withdraw trade privileges. The pressure would have to be applied outside the WTO context.

What he is saying is if we cede the main tool we have for applying this pressure, which has been the annual MFN debate, by passing the PNTR package, we are left with a toothless Levin-Bereuter commission. This commission proposal, which is included in the PNTR package we will be voting on, has been sold as a Helsinki Commission for China. As a Helsinki Commissioner, I know this proposed commission lacks a cornerstone, the Helsinki Final Act, which commits OSCE member nations to certain human rights standards. Without that foundation, we will simply be duplicating the efforts of the U.S. State Department's Bureau of Democracy, Human Rights, and Labor, and we will find out from this commission what we already know: Human rights in China are and at least for the foreseeable future will remain deplorable.

It would be wrong for me not to recognize the economic arguments for granting PNTR to China, and I have tried to acknowledge that. I believe business and agriculture can determine their best interests, but here, too, we should recognize that inflated expectations could quickly be punctured by an unruly China. For all the anticipation and excitement in the business community over PNTR, we will face a recalcitrant trading partner in China at the WTO. We will see the dispute settlement system and the very functioning of the WTO put to a great test.

In the final analysis, though I know PNTR is going to pass and though I realize there are going to be some very significant economic benefits to our country, and while I hope the best face and the great expectations that have been propounded for this legislation will be realized, I have concluded that I must vote no on this because the words in the most recent State Department report on China keep echoing in my ears: ''The Government's respect for religious freedom deteriorated markedly.'' It is the most recent report—and I cannot escape the judgment that it has not gotten better—that the conditions in China have deteriorated markedly.

In ancient Rome, the Roman Government did not really care what Roman citizens believed. They did not care what their religious faith was or necessarily if they even had a religious faith. What they did care about was the supremacy of the Roman Government over its people and over all religions. Effectively, they said to their citizens: You can believe anything you want so long as you will affirm that Caesar is lord. It was not the beliefs of Christians that got them in trouble in the Roman persecutions; it was the fact they would not make that affirmation that the Roman Government was supreme and that Caesar was lord.

It seems to me that is a clear analogy to the conditions in China today. There is religious freedom in China only insofar as every religious group in China will affirm that the Chinese Government is ultimately supreme. To the extent that any religious group defies that ultimate standard, they then face intense persecution.

So for those reasons I will cast a ''no'' vote. I suspect that there will be 20 to 25 Members who will cast that same vote. I hope for the best outcome for PNTR, but for my own conscience I will cast a ''no'' vote next week.

Mr. President, I yield the floor.

PERMANENT NORMAL TRADE RELATIONS WITH CHINA

Mr. FITZGERALD. Mr. President, I rise today to speak in favor of granting permanent normal trade relations to the People's Republic of China. I support this move not only because of the tremendous economic benefits that will flow to the U.S. economy—and to my home state of Illinois—as a result of Chinese WTO membership; I also support PNTR because I believe that a China that is engaged with the international community—and which is reforming and privatizing its economy at home—will be a more stable and a more democratic China, with improved human rights at home and a better relationship with its neighbor, Taiwan. PNTR will be an unqualified gain for both the United States and China; we must not allow this bill to fail.

I first remind my fellow Senators of the many and impressive market openings that the Chinese agreed to as a condition for their entry into the World Trade Organization. The concessions won by U.S. negotiators are simply breathtaking:

Average tariffs for U.S. agricultural products will drop from 22% to 17.5% by 2004. For beef, grapes, wine, poultry, and pork, average tariffs will fall from 31.5% to 14.5%. One in every three American acres that is planted is growing food for overseas markets. U.S. farm exports to China last year totaled $1 billion, making China the eighth largest market for American farmers. And China will account for nearly 40% of all future growth of U.S. farm exports.

Also under the bilateral agreement, average tariffs for U.S. manufactured goods exported to China will fall from 24.6% to 9.4% by 2005.

But even more important than the change in formal trade barriers are the many fundamental market-opening changes that China has agreed to. Under our 1979 agreement with the Chinese—the current foundation for U.S. trade with the China—many nontariff barriers block entry of U.S. goods into China. These barriers consist of import licensing requirements, registration and certification requirements, and arbitrary technical and sanitary standards. Further, U.S. manufacturers that operate in China often are required to transfer technology to Chinese companies, use local materials, and to export a portion of their products abroad. Finally, many of these requirements are unpublished and are imposed arbitrarily. It is difficult for U.S. companies to know what restrictions will apply to their activities.

Under our Bilateral Agreement with the Chinese, China will publish its rules and make them available to U.S. companies. It will eliminate technology-transfer, local-content, and export requirements. And it will impose only safety and sanitary standards that are scientifically based.

China has also agreed to impressive changes in many areas of business where U.S. companies currently are effectively excluded. For example, in the area of:

Distribution rights: U.S. firms currently cannot run their own distribution networks in China. Under the bilateral agreement, U.S. companies for the first time will be allowed to deliver their goods directly to retailers in China.

Retailing: Under the bilateral agreement, U.S. companies will be able to

open their own stores in anywhere in China without restriction. U.S. companies will be able to maintain majority ownership of stores, and will be able to sell U.S. products. The U.S. retailing industry is without peer—one-fifth of the U.S. workers work in retailing, and Americans have perfected the trade. But if we don't enact PNTR and enter the Chinese retailing market, foreign firms—such as the French conglomerate Carrefour—will take our place.

Telecommunications and high technology: Foreign companies are currently prohibited from supplying telecommunications service in China. But as a WTO member, China will join the Information Technology Agreement, and will eliminate all tariffs on computers, telecommunications equipment, and semiconductors. China will also become a party to the Basic Telecommunications Agreement, adopting cost-based pricing, interconnection rights, and creating an independent regulatory authority. Foreign companies will be allowed to provide e-mail, voice-mail, on-line information and data-base retrieval, electronic data interchange, and paging services. Foreign companies will be allowed to hold a 30% share in Chinese service suppliers, eventually going up to 50%. For cell-phone services, foreign companies' stake will be allowed to go from 25% to 49%.

Finally, it bears emphasis that the significance of all these changes is magnified by the sheer size of the Chinese market. America is the world's largest exporter, and China will soon be the world's largest purchaser of consumer goods and services. In less than five years, China will have more than 230 million middle-income consumers, with retail sales exceeding $900 billion annually. Gaining access to this enormous market is critical to American business and the future health of the U.S. economy. PNTR will provide that access. The Institute for International Economics estimates that the increase in world export of goods to China that will result from China's entry to WTO will total $21.3 billion—and the immediate increase in U.S. exports to China will be $3.1 billion. Goldman Sachs has estimated that by 2005, passage of PNTR will increase U.S. exports to China by $13 billion. This is, quite simply, an opportunity that the United States must not pass up.

I also wish to emphasize today the benefits of PNTR to my home State of Illinois. Exports to China from Illinois totaled $901 million in 1998, up 24% from 1993. China was the tenth largest export market for Illinois in 1998. And Illinois' exports to China are broadly diversified, covering almost every major product category. A few areas stand out:

PNTR represents a tremendous opportunity for Illinois farmers. In 1997, Illinois exported $3.7 billion in agricultural goods, ranking third among all States.

Soybeans: Illinois is one of America's principal producers of soybeans. Under the bilateral agreement, tariffs will be set at 3% for soybeans and 5% for soybean meal, with no quota limits. For soybean oil, quotas will be eliminated by 2006; the in-quota tariff (the only tariff that will remain after 2006) will be reduced to 9%. Soybean oil exports to China could double within five yeas after the United States enacts PNTR.

Corn: Illinois is also one of this Nation's main corn-producing States. In 1998, China imported less than 250,000 metric tons of corn from all countries. But under the bilateral agreement, the quota on corn imported to China will immediately rise to 4.5 million metric tons, climbing to 7.2 million tons by 2004. Corn within the quota will be subject to only a 1% tariff. Corn exports to China could increase a hundred-fold by 2004.

Beef and pork: Illinois is the fourth largest State in pork production. Frozen pork cuts and pork offal tariffs will fall from 20% to 12%. China's tariff on frozen beef cuts will drop from 45% to 12%, and chilled beef tariffs will go from 45% to 25% by 2004. There will be no quota, and China has agreed to accept all pork and beef from the United States that is certified as wholesome by the USDA.

Fertilizers: All quotas on importation of fertilizer into China will be eliminated by 2002, and tariffs will decline from 6% to 4%.

The insurance industry is not often discussed in the debate over PNTR, but it is important to my home State of Illinois. 140,000 jobs depend on the insurance industry in Illinois. And for all the talk we hear from opponents of PNTR about trade deficits and jobs lost as a result of trade, it is worth emphasizing that the U.S. actually has a trade surplus in global trade in services such as insurance. The bilateral agreement will help us widen that surplus. China's market currently is almost completely closed to foreign insurers; most consumers may choose only among a few state-run monopolies. The bilateral agreement will throw open the Chinese market for insurance and reinsurance. With 1.2 billion people, China represents the largest insurance market in the world—a market that is significantly underinsured at present. From 1993–98, however, growth in the Chinese insurance market averaged almost 30% a year. Under the WTO agreement, foreign insurers will be allowed to offer group, health, and pension lines of insurance, which represent about 85% of total premiums. China will also set clear licensing standards—with no economic-needs tests or quantitative limits on the number of licenses issued—and will allow foreign insurers to sell their products throughout the country, directly to Chinese consumers. The bilateral agreement will also serve as an excellent model for future WTO negotiations on insurance trade. Although only two U.S. insurance companies currently are allowed to sell any insurance in China, over 20 have recently set up offices there, and are poised to move quickly into the Chinese market. PNTR will be a boon to the U.S. insurance industry and will generate high-paying jobs here in America.

Under the bilateral agreement, average tariffs on construction equipment will fall from 13.6% to 6.4%. China is an enormous potential growth market. According to the World Bank, China will need to spend an estimated $750 billion in new infrastructure over the next decade—increasing demand for earth-moving equipment. Illinois firms are well-placed to compete for this booming market.

But all of these benefits will not comes to the United States automatically. We must grant PNTR to China. Some opponents of PNTR have claimed that we need not give up annual review of China's NTR status, that China would join the WTO anyway. They are half right. China's accession to the WTO only requires a two-thirds vote of all members—even a U.S. vote against China would not block their entry at this point. However, once China does enter the WTO, the United States will be required to comply with all WTO rules with regard to China in order to enjoy the benefits of Chinese membership in that organization. And the main WTO rule is that all members must extend equal and unconditional trading rights to each other. This means that we must extend Normal Trading Relations to China unconditionally. If we do not grant China PNTR before it enters the WTO, China would be able to challenge the U.S. refusal—and the United States would be required to invoke article XIII of the WTO agreement, suspending the application of WTO rules between itself and China. This would mean that every one of the WTO's other 135 members—who account for 90% of world trade—would be eligible for the benefit of Chinese WTO membership, but the United States would not. And this includes the benefits that stem from the U.S.-Chinese bilateral accession agreement. The concessions that China made to the United States, to secure our support for Chinese accession, would be available to all other WTO members, but not to the United States. We cannot let this happen—we cannot allow our trade competitors to eat our lunch in China.

It bears emphasis that by granting PNTR, the United States gives up no trade protections. China already enjoys normal trade relations with the United States—our markets are already open to Chinese imports. The concessions that were made as a condition to Chinese entry to WTO were all made by the Chinese—the U.S. gave up nothing, and PNTR will not affect a single American tariff or other trade barrier.

The only thing that the United States does give up by granting PNTR is the right to review China's NTR status annually. With this, we give up very little, for NTR review has not been an effective tool for influencing

events in China. Congress has renewed China's NTR status every year since 1980. The Chinese no longer take the threat of review seriously—particularly after NTR was again extended after the Tiananmen Square massacre in 1989. The NTR procedure was originally enacted as the Jackson-Vanik amendment to Trade Act of 1974. The official condition for extending NTR is that the country being reviewed allow free emigration from its territory. The process was originally set up to pressure the Soviet Union with regard to free emigration of Soviet Jews. In other words, annual NTR review is a procedure that was set up to deal with an issue that does not concern us with regard to China, and to control the behavior of a country that no longer exists. Having lost its credibility over the last twenty years, it is time for annual NTR review to be retired.

But you need not take my word about the lack of leverage provided by annual review. Take the word of Fu Shenqui, a Chinese dissident who has been active in the human-rights movement in China since the 1979 Democracy Wall movement, and who has been imprisoned for his activism three separate times. Mr. Fu had this to say about the effectiveness of annual trade review:

> [T]he annual argument over NTR renewal exerts no genuine pressure on the Chinese Communists and performs absolutely no role in compelling them to improve the human rights situation. . . . [T]he improvement of the human rights situation and the advancement of democracy in China must mainly depend on the great mass of the Chinese people, in the process of economic modernization, gradually creating the popular citizen consciousness and democratic consciousness and struggling for them. It will not be achieved through the action of the U.S. Congress in debating Normal Trade Relations . . .

Also consider the words of Bao Tong, a prominent Chinese dissident. In an interview with the Washington Post, May 11, 2000, Mr. Bao said simply: ''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.''

While annual review doesn't work, engagement does. Despite the failure of the annual NTR process, the United States does still have a means of adding liberalization and democratization in China. The United States can contribute to the reforms that have been building for the last twenty years by supporting the reform faction in the Beijing regime; by providing an example of democracy and rule of law to individual Chinese citizens; by getting the Chinese government involved in the international organizations and frameworks; and by aiding the process of private capital formation in China. And all of these things can be accomplished by enacting PNTR and supporting Chinese membership in the WTO.

Zhu Rongji, the current Premier, is widely regarded as the most proreform leader in China. His group is friendly to the U.S., and they have bet their future on WTO and PNTR. After two decades of rapid growth, China's economy appears to be faltering—growth is down substantially in the last few years, and deflation has plagued the economy for over two years. The current leadership views WTO—and the reforms and market opening that it will entail—as a tool for reviving a flagging economy. WTO has been the mostly hotly debated topic in China since 1989. The reformers have agreed to adopt sweeping economic reforms in exchange for accession to the World Trade Organization. For the U.S. to reject this offer of increased openness and reform would deal a serious blow to the liberals in the Chinese government—and greatly strengthen the hand of the Communist hardliners. The W.T.O. accession agreement also offers the Chinese reformers political cover—it would merge their domestic market reform agenda with international commitments and Chinese membership in a prestigious international body. China's opening would become not just one political faction's program, but the new role of China as a participant in the international system. The United States must seize this historic opportunity to establish friendly relations with China, and to consolidate the current atmosphere of openness and reform within that country. The Chinese liberals have done their part by negotiating the most ambitious market-liberalization agreement that nation has ever seen; now it is our turn to do our part.

Again, it is worth hearing the views of these matters of those for whom China's future course is not just a theoretical concern. Martin Lee is the Chairman of the Democratic Party of Hong Kong. He emphasizes that ''the participation of China in the WTO would not only have economic and political benefits, but would also serve to bolster those in China who understand that the country must embrace the rule of law.''

Dai Quing is a Chinese investigative journalist and environmentalist and the winner of the 1992 Golden Pen for Freedom award given by the International Federation of Newspaper Publishers. Ms. Dai was recently imprisoned in China for 10 months on account of her writings. She nevertheless favors granting China PNTR She says:

> I have heard on the news that two of the groups I admire most in the U.S.—the AFL–CIO and the Sierra Club—are against granting permanent normal trade relations with China. . . . As a Chinese environmentalist and human-rights activist, I disagree with their position. . . . I believe that permanent normal trade status, with its implication of openness and fairness, is among the most powerful means of promoting freedom in China. Starting in 1978, the open-door policy completely changed the way China responded to the world. Today, PNTR is a powerful means to keep China's doors as open as possible.

WTO membership and PNTR will not only keep China open to the West, but will improve conditions within that country. The market reforms that will come to China as a result of PNTR—both a requirements of WTO, and as necessary changes in the face of increased competition—will help to directly liberalize Chinese society. These changes will include a much freer flow of information to China; as the economy advances, more information technology will fall into private hands, and the overall volume of communication will increase, making it much more difficult for the government to monitor and control its people.

Also, market reforms will assist the growth of civil society and the democratization of China by reducing the dependence of individual Chinese on the state sector. Although private business's share of the Chinese economy is ever increasing, a majority of Chinese workers still work for some form of a collectively owned enterprise. These state workers are paid very little in actual wages; instead, they receive much of their compensation in the form of subsidized housing, health care, child care, food, clothing, and education. State workers' reliance on these government-provided benefits greatly increases the government's power over these individuals. Those who depend on the government for their necessities are generally loath to criticize it—or to do anything that may incur its wrath and jeopardize their ability to simply get by. Increased private ownership and employment in China will break this cycle of dependence, and will do much to loosen the government's grip on its citizens.

But again, you need not take my word for it. We have heard much talk about human rights from those opposed to PNTR with China. Let us also listen to those on the front lines in the fight for democracy and greater freedom in China:

The China Democracy Party was founded two years ago in Zhejiang, China. Many of its members are currently imprisoned or under house arrest in China. The party has issued the following statement, which deserves the attention of all those concerned about political reform in China:

> The China Communist government is planted in state ownership. The very base for government power is in each and every state-owned company and farm. Bringing China into the international community will speed China's economic privatization and its development, thus [converting] state ownership into private ownership. This change will tremendously weaken the state ownership that the Communist government power basically relies on.

The same point is made by prodemocracy leader Ren Wanding, who simply states:

> A free and private economy forms the base for a democratic . . . [WTO membership] will make China's government organs and legal system evolve toward democracy.

Greater openness and trade for China will also increase China's communication with the outside world. This will not only introduce more Chinese to liberal ideas and principles, but will also

increase international awareness of conditions within China. Again, as the China Democracy Party declares in its official statement: ''the closer the economic relationship between the United States and China, the more chances for the United States to politically influence China, the more chances to monitor human rights conditions in China, and [the] more effective the United States [will be] to push China to launch political reforms.''

And finally, the emergence of alternative power centers—especially private business—will fuel the growth of a civil society—of institutions and practices that are independent of political power. Civil society offers a check on government, and forms the bedrock of political democracy. As independent power centers become more important in China, the state will be forced to concede some power to them. This is the pattern that has led to democracy across East Asia—in South Korea, in Taiwan, and in the Philippines. Just as in these countries, market reforms and private sector growth can also be expected to lead to political liberalization in China.

In this regard, it is worth considering the concerns of those who do not favor great openness and democracy in China. A story in the Washington Post, on March 13, 2000, notes that:

> China's security services, including the People's Liberation Army, are concerned, analysts say, that joining the WTO will mark another step toward privatizing China's economy and importing even more Western ideas about management and civil society—a headache for those whose job it is to ensure the longevity of the one-party Communist state.

By voting for PNTR, we give the hardliners in China even more to worry about. We must pass this important legislation—not just for our own economic benefit, but to encourage and accelerate the reforms and openings that are currently taking place in China. We must not let this historic opportunity slip away.

Some have also suggested that the grant of PNTR must be tempered by our concern for China's neighbor Taiwan. But the bill that we are voting on today—the House version of PNTR—already includes a provision asking that the WTO approve the accession of both China and Taiwan at the same WTO session. The United States must remain committed to that policy—of immediate Taiwanese membership in the World Trade Organization.

It bears mention that Chen Shui-Ban, the recently elected President of Taiwan, also supports China's entry into the WTO club. In a March 22 interview with the Los Angeles Times, Mr. Chen stated:

> We would welcome the normalization of U.S.-China relations, just like we hope that cross-strait relations [will improve]. . . . We look forward to both the People's Republic of China's and Taiwan's accession to WTO.

Few have more at stake in China's future course—and in its attitude toward its neighbors—than the Taiwanese. Their leaders support China PNTR.

Finally, enacting PNTR will build on the edifice of free trade that the United States has been constructing for the last 50 years. This decade, in particular, has seen some impressive strides toward free trade, with the approval of the North American Free Trade Agreement in 1993 and the creation of the World Trade Organization in 1994. When those agreements were set in place, we heard dire warnings from the naysayers of trade, who predicted a giant sucking sound of good jobs and capital investment leaving this country. But we need no longer evaluate those predictions in the abstract. Since that time, the rest of the 1990s have elapsed, and we can see the product of the modern free-trade regime. Since the enactment of NAFTA and GATT, we have seen:

More jobs: In the 1990s, total civilian employment in the United States has surged by 16 million jobs.

Better jobs: Over 80% of the new jobs created since 1993 have been in industry/occupation categories that pay above-median wages. 65% are in the highest-paying third of job categories.

Families are better off: Between 1993 and 1998, real average household income has grown between 9.9% and 11.7% for every quintile of the income distribution. For African-Americans, it has grown by 15%. For families in the lowest quintile, income rose at a 2.7% annual rate.

Trade brings more and better jobs: Last year, international trade supported over 12 million American jobs. Exports to China alone supported over 200,000 American jobs directly, and tens of thousands more jobs indirectly. And these export-related jobs are better jobs, paying on average 17% more than non-export related jobs.

The trade naysayers also warned that free trade would lead to capital flight from the United States—that as soon as we let down our trade barriers, all of our factories would relocate abroad and that new investments would follow them. It hasn't happened. Instead, our manufacturing base is thriving:

Manufacturing output has gone up, not down: Since 1992, manufacturing output in the United States has risen by 42%. Domestic output of motor vehicles has shot up 51%, and domestic automobile employment has increased by 177,000 to almost 1 million. America remains the world's top exporter of manufactured goods. Among America's leading exports in 1998 were aircraft, computer equipment, telecommunications equipment, valves and transistors, passenger cars, and car parts.

Direct investment in the United States is soaring: In the 1990s, the United States has been the world's largest recipient of foreign investment. In 1999, fixed nonresidential private investment in the United States exceeded $1 trillion.

Low-wage countries are not siphoning away investment: From 1994–98, U.S. manufacturing investment in Mexico averaged $1.7 billion annually. But in 1997, U.S. investment in U.S. manufacturing totaled $192 billion. In 1998, 80% of U.S. investment in foreign manufacturing was in other high-wage countries. (The top five destinations were Great Britain, Canada, the Netherlands, Germany, and Singapore.) Rather than low wages, investors seek countries with economic stability, well-developed infrastructure, lucrative market potential, and skilled workers. We have nothing to fear from lower barriers to U.S. investment in underdeveloped countries such as China.

Finally, it bears mention the trade also benefits American consumers. Free trade has reduced the prices that American consumers pay for everyday goods—saving the average American family of four as much as $3,000 a year.

In the early 1990s, we might have doubted. But we rejected the counsel of the trade scaremongers, those who thought that the United States would not be able to compete in a free-trade world. And today we are better off for it—with more and better jobs, a stronger manufacturing base, and a better standard of living. It is time to build upon success, and enact the next item in the free trade agenda, by putting into law China PNTR.

I have previously spoken on the floor of the Senate about the importance of this agreement to the U.S. economy, how it will help increase jobs in manufacturing and business activities here as we can more readily export goods to China. By joining the World Trade Organization and having the U.S. Government grant permanent normal trade relations to China, China will be forced to lower its tariffs on goods that it is importing from the United States. That will enable us to export more products to the world's largest market.

This agreement is of particular importance to the State of Illinois, and that is because Illinois is a major exporting State. If Illinois were a free-standing nation, it would be one of the largest exporting nations in the entire world. Not only do we have a large agricultural economy—we are the third largest agricultural producer in the United States—but in addition, we have a diverse manufacturing base. It is hoped that after this agreement is implemented, we will be able to export more corn, more soybeans, more cattle, more beef production, as well as more pork production, to China. China, with 1.3 billion mouths to feed, is a potentially vast market for U.S. agricultural products.

In addition, we have large manufacturing concerns in Illinois, such as Caterpillar based in Peoria, with factories all over the State of Illinois; John Deere based in the quad cities part of our State; and Motorola, one of the largest manufacturers of cell phones and other high-tech products. This agreement will benefit businesses such as those and thousands of other smaller businesses in Illinois that make

products which they will be more easily able to export to China following this agreement.

During this debate on PNTR, the economic reasons for voting in favor of this agreement have been thoroughly addressed. Opponents have argued that somehow this agreement will cause the United States to lose jobs. They made those same dire warnings in the early 1990s when we were considering the free trade agreement with Mexico and Canada that became known as NAFTA, as well as when we were going into the World Trade Organization. There were dire predictions of a giant sucking sound of jobs going across the border.

Those predictions have not been borne out. In the intervening years, we have seen our economy grow dramatically. We have added 16 million jobs in the intervening years, and we continue to create jobs, high-paying jobs, at a very dramatic rate.

Not only that, the most recent statistics show that more capital is being invested in the United States than anywhere else in the world right now.

Of the capital that our manufacturers are investing in foreign countries, they are not, as predicted, investing it all in low-cost poorer underdeveloped countries, but, in fact, the largest recipients of U.S. capital, in recent years, have been advanced nations such as Great Britain, Germany, and the Netherlands.

It turns out that our manufacturers, when they have wanted to invest abroad, have not only looked for low-cost—that certainly would be a plus—but they have looked for stable economies, with good infrastructures, and strong, skilled labor forces, as well as good market potential. So I think the opponents of the expansion of free trade have been mistaken when they predicted that it would hurt our jobs for us in this country and harm our economy.

But there is one other side to this, in which the opponents say, even if they can see the economic argument in favor of free trade, they argue that we should vote against free trade with China for moral reasons. I wanted to take the floor to address those arguments because I disagree strongly with what they have said.

Many opponents of permanent normal trade relations with China have suggested that by giving up the annual review of our trade status with China, we will lose any leverage we have to affect human rights conditions in that nation. But here, too, I believe the opponents of the agreement are wrong.

First, the Chinese Communists no longer take the annual trade review process seriously. Congress has renewed that status every year since it was first granted in 1979. Whatever credibility the annual process of granting normal trade relations to China has had, that all evaporated when China was granted that status in 1989 following the Tiananmen Square massacre.

While annual review does not work, engagement does. The most immediate effect of granting permanent normal trade relations to China will be to shore up the position of the reformers in the Chinese Government. Zhu Rongji, the current Premier, is widely regarded as the most pro-reform leader in China. Mr. Rongji has staked his career on the passage of this agreement and the future of permanent normal trade relations.

China's impending WTO membership has been the most hotly debated topic in China since 1989. The current leadership has agreed to adopt sweeping economic reforms in exchange for Chinese accession to the WTO. Should we accept China into that body, these reforms will be cemented into place. They will become an international commitment, enforceable through the WTO's multilateral enforcement mechanism. But should the United States reject China's offer of increased openness, we would deal a serious blow to China's reformers and greatly strengthen the hand of Communist hard-liners.

PNTR will also contribute to the development of a freer and more democratic society in China at the grassroots. The reforms accompanying China's WTO admission would accelerate the growth of the private sector in China and will make it possible for more Chinese to work for foreign companies. These changes are important for the progression of freedom in China.

What most people do not think about in this debate is that at the current time most Chinese workers are employed by their Government. I think the figure is close to 70 percent. These workers are paid minimal wages, very low wages. Most of their compensation is in the form of housing, health care, and education. They have to work in order to get those benefits.

But state workers' reliance on these benefits greatly increases the Chinese Government's control over them. Individuals who depend on the state for basic necessities are generally loath to criticize the Government or otherwise to incur its wrath.

Increased private ownership, which will result from China's accession into the World Trade Organization, and increased employment by private companies—American, European, and companies from around the world—doing business in China, employing Chinese workers in the private sector, will help break the Chinese people's cycle of dependence on the Government and will do much to loosen the Government's grip over its citizens.

Moreover, the emergence of alternative power centers in China, through private enterprise and the accumulation of private property, will spur the growth of civil society in China, fostering institutions and practices that are beyond political control.

Civil society offers a check on government and forms the bedrock of political democracy. As independent institutions become more important in China, the state will inevitably cede some power to them. This is the path that has led to democracy across Asia, in South Korea, in Taiwan, and in the Philippines.

Members of the Senate need not take my word for this. As Federal Reserve Chairman Alan Greenspan recently noted:

> History has demonstrated that implicit in any removal of power from central planners and broadening of market mechanisms . . . is a more general spread of rights to individuals. Such a development will be a far stronger vehicle to foster other individual rights than any other alternative of which I am aware.

Thus, I am making the argument that has not really been made too often in this whole debate: That not only is this agreement good for our economy, for our job creation, and for our business sector, but adoption of this agreement in the legislation we will vote on on Tuesday will be good for the Chinese people because it will ultimately breed more freedom within that country.

Mr. President, I yield the floor.

Mr. COCHRAN. Mr. President, this has been a very worthwhile discussion of an issue that has bedeviled the Congress on an annual basis for too many years. We now are considering a bill that has the effect of answering a question that doesn't have to be considered each year in the future.

Although the amendments that have been offered ran the gamut of Chinese transgressions and shortcomings, both real and imagined, and many are very troubling, I am supporting this bill as reported by the Finance Committee.

Two months ago I read an editorial in the Wall Street Journal which reflected my thoughts on the relationship between our concerns about Chinese proliferation of technology and missiles on the one hand and our trade interests on the other. The editorial appeared in the July 19, 2000 edition of the paper and I saved it to put in the RECORD during this debate because in my view it answers in a thoughtful and persuasive way why this bill should be passed by the Senate and sent directly to the President for his signature.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHINA, TRADE AND MISSILES

The test of an Iranian medium-range ballistic missile Saturday raised further U.S. concerns that China is exporting technology that could destabilize other areas of the world. U.S. intelligence officials believe that Beijing continues to sell components and know-how to aid the Iranian and Pakistani missile programs, despite U.S. objections. They fear as well that Iran is developing longer-range missiles capable of reaching well outside the Middle East.

These suspicions have spurred the U.S. Senate to hold up the passage of Permanent Normal Trading Relations (PNTR) for China. A bill is now pending to require tougher sanctions if Beijing continues to support the spread of such weapons.

The Senate's annoyance seems justified, even if the various proposals for retaliation might not be. A few years ago the Clinton Administration extracted promises from Beijing to curtail exports of technology for weapons of mass destruction, as well as whole missiles. But it has made no progress on stopping ''dual-use'' technology exports to Iran and Pakistan—technology that might have either military or commercial applications.

Given that developing nations seldom test missiles with peaceful purposes in mind, the Senators are prodding American and Chinese officials to come to some agreement about controlling the spread of such technology. Several U.S. officials, including Defense Secretary William Cohen, have been to Beijing in recent weeks to hash out the issue. But there seems only to have been an ''exchange of views.''

Pressure from Congress is certainly useful here, but there should be a clear line drawn when it comes to PNTR. Both sides in the debate tend to over-emphasize the link between trade and China's behavior on human rights, weapons proliferation and other concerns. This is a mistake. Normal trade relations should be weighed on its own merits.

Passage of PNTR would not belittle the seriousness of China's peddling of missiles, components and weapons technology to anti-American Iran. But that problem needs to be addressed in other ways that would not undermine America's interest in advancing free trade and encouraging movement by China toward a free market economy.

Pursuing missile defense for the U.S. and its allies is one quite appropriate response. China complains frequently about American moves to develop a national missile defense. The obvious counter is that it is made necessary partly by the PRC's contributions to weapons proliferation.

Sorting out a U.S. policy toward China is possible only by looking at the big picture. Global political stability will be enhanced if China continues to advance economically and learns to observe international rules dealing with trade and investment. World Trade Organization membership for China affords no guarantee against a future conflict, but there is a sound argument to be made that development of a prospering middle class in China will push the regime toward greater moderation in both domestic and foreign policy, partly because China will have more to lose from failed adventures.

In an interview with the Asian Wall Street Journal's editorial staff, Admiral Dennis Blair, Commander in Chief of U.S. Pacific Command, emphasized the strategic importance of nurturing a working relationship with China so that a habit of trust and cooperation can over time replace a tradition of confrontation. Military exchanges, regional peacekeeping and humanitarian exercises, and normalized trade all further the goals of Americans security and Asian stability in the future. The U.S. and China may not share the same vision for the region, but they can find common interests.

Simply comparing the PRC's mild treatment of this year's Taiwanese elections with their more ominous military maneuvers during the 1996 election reveals how China does respond when the U.S. stands firm. The missile tests four years ago alienated the Taiwanese public and forced the U.S. to make its commitment to Taiwan more explicit by sending aircraft carriers to the area. Beijing has evidently drawn some conclusions from this and changed its behavior. The U.S. now must make China perceive the seriousness of the missile proliferation issue.

Senate Majority Leader Trent Lott says that PNTR will pass after some appropriations legislation is cleared. But it certainly doesn't help the case for normalized trade in an American election year if China is perceived to be thumbing its nose at the U.S. on an issue important to the security of the U.S. and its allies. Indeed, its intransigence merely encourages lawmakers in their efforts to dilute PNTR with anti-proliferation trade sanctions.

If there is an assumption in Beijing that it can be less observant of U.S. concerns now that its WTO membership seems assured, the Chinese leadership is making a serious mistake. They too have a stake in there being a constructive working relationship between the two countries. A wise leadership would not risk that relationship for the paltry earnings from sales of a few missiles or missile parts.

Mr. GORTON. Mr. President, on Wednesday, the Senate voted on several amendments to the bill establishing permanent normal trade relations status for the People's Republic of China. While I was unfortunately unable to cast my votes regarding these amendments, I was able to comment on a few of them. Today I wish to comment on the remaining amendments.

Two of the amendments argued were introduced by our colleague from North Carolina. I supported the first amendment offered by Senator HELMS, regarding family planning, abortion, and sterilization practices in China. Although the amendment failed by ten votes, I am pleased the Senate made a strong statement regarding these abhorrent practices.

While I agreed with Senator HELMS on his first amendment, I did not agree with him on his second measure. American industries have set the standard for appropriate business practice, and even though I agree with Senator HELMS that they ought to utilize these practices in China, I do not believe another layer of bureaucracy is necessary to accomplish this mission.

I would also have voted against Senator FEINGOLD'S amendment regarding the Congressional-Executive Commission established in H.R. 4444. I believe the parameters with which the Commission was established in the House of Representatives are adequate, and that additional requests or requirements from its members are not imperative.

Finally, the Senate considered an amendment offered by Senator WELLSTONE. Without question, the issues surrounding political prisoners and detainees who have attempted to organize should be addressed by the People's Republic of China. However, I believe the administration already has the tools necessary to address these very concerns. I would not have voted for Senator WELLSTONE's amendment.

Mr. BROWNBACK. Mr. President, I rise today in support of H.R. 4444, the U.S.-China Relations Act of 2000. This bill is the most significant foreign policy-related legislation that we have debated during the 106th Congress.

H.R. 4444 presents tremendous new export opportunities for our manufacturers, farmers, and service providers. While China has had excellent access to the U.S. market for 20 years, U.S. access to China's enormous market has been limited. With the enactment of this legislation, and China's accession to the WTO, that situation is about to change.

The United States is finally going to enjoy virtually unfettered access to China's vast market. The impact on my State of Kansas will be substantial. China agreed to end corn export subsidies, increase import quotas for wheat and corn, and reduce soybean tariffs. China agreed to lower its tariff on beef from 45 to 12 percent and on pork from 20 to 12 percent. China agreed to accept USDA safety certification for meat and pork exports.

And agriculture is not the only sector in my State that will benefit from China's accession to the WTO. Black & Veatch will see lower tariffs on imported equipment, which will reduce the contract cost of projects won in China. Boeing will have a more stable economic environment in which to sell airplanes to China's airlines.

Granting Permanent Normal Trade Relations status to China will increase our exports to the world's most populous country. But, more importantly, bringing China into the WTO will put the PRC on a collision course with economic and political liberalization.

Mr. President, China has been ruled by the Communist Party with an iron grip for more than 50 years. But WTO accession comes with a price. WTO accession will usher the forces of globalization into China in a very permanent way. Globalization will be good for China's economy because it will integrate China's economy into the world's economy. Globalization will also force the systemic reform of China's inefficient state-owned enterprises and banking system.

But globalization will also have a much more profound effect on China. Globalization will force upon China the infrastructure necessary for greater political liberalization. Globalization will require China to have a stronger adherence to the rule of law and property rights. Globalization will create a stronger middle class in China that will demand greater freedom with which to enjoy their new position. Globalization will bring the internet into tens of millions of Chinese homes, exposing the Chinese people to Western standards of political and religious freedom, and human rights.

I ardently believe that PNTR and human rights must go hand in hand. It is important to note that my positive position on PNTR gives me a door to walk through to raise a number of human rights issues with the Chinese Government, including religious liberty and the development of the rule of law.

Somehow, an intellectual myth has been adopted, dictating only two ways to deal with China. Either grant PNTR status but never raise these issues, which gives an unfortunate, unbridled affirmation regarding known abuses. Or the second method which mandates

a complete isolation from any relationship other than that of repeatedly dunning this government with ill will and no positive incentives. Such vitriol does not work with people and it does not work with governments, and ultimately, nothing changes for those who suffer.

I propose a third way which calls for a relationship where we genuinely raise these issues in a serious, sustained dialogue. I do, in fact, raise these issues continuously. This way, will in the end, get religious prisoners free, and create an independent judiciary not ruled by Communist dogma, and give China pause the next time another Tiananmen Square breaks out. Ultimately, this way engenders freedom and human rights better than either of those other two methods. After all, isn't that what this is all about?

One final note: I hope that the Chinese Government does not think that the tabling of the Thompson amendment is the end of the proliferation debate in the Senate. China must stop engaging in the proliferation of weapons of mass destruction. The Clinton administration has failed miserably to curb such proliferation. That is why there has been support to legislate antiproliferation policy in the absence of an executive proliferation policy.

Mr. President, China must stop making weapons of mass destruction available to rogue nations around the world. We need to open up trade with China to increase our exports and to increase the exposure of the Chinese people to economic and political liberalization. But trade must not come at the expense of national security. Ignoring China's proliferation activities while we increase our trade ties with China would be a grave mistake. We must be vigilant and enforce current U.S. law as it pertains to proliferation. The Clinton administration's failure to do so has jeopardized national security. Congress must not permit future administrations to make the same mistake.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I ask unanimous consent that during today's session the following Senators be recognized in morning business for the times specified: Senator GRAHAM of Florida and Senator EDWARDS of North Carolina for up to 10 minutes each, and Senator DORGAN of North Dakota for up to 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I will now proceed to use the 10 minutes which I have been allocated.

The PRESIDING OFFICER. The Senator is recognized.

(The remarks of Mr. GRAHAM are located in today's RECORD under ''Morning Business.'')

Mr. GRAHAM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMMIGRATION AND NATIONALITY ACT AMENDMENTS—Motion to Proceed

Mr. LOTT. Mr. President, there have been numerous efforts over the past several months to find a way to come to agreement on how to proceed to the so-called H–1B bill, which is a bill to provide for additional high-tech workers to come into this country. Since we have already reached the limit, I believe, for this year, there is a need for additional workers in this area. We have negotiated back and forth. At one point we were talking about 10 amendments on each side. Then we got down to seven, six, and yet Senator DASCHLE and I were working to see if we could clear five amendments.

Then you get into all kinds of discussions. Are these just relevant amendments or can it be five agreed-to amendments? How do we deal with Senators who would want to add clearly unrelated amendments that could take down the whole issue?

Without questioning the motives of anybody, I think Senator DASCHLE and I have been serious in trying to work something out. We have tried repeatedly, but there have been objections for one reason or another on both sides. I do not think we can pursue that any further, although one of the major problems, I had a Senator tell me yesterday maybe he would feel he would not object by Tuesday. But if we wait until Tuesday, then we have lost more days. So if we should be able to come to agreement that would be good. We could vitiate cloture and go to it. If we cannot, we need to go ahead and get to this issue.

Hopefully we can get cloture, and when we do, relevant amendments would still be in order, and we still would have to go through a conference. Obviously, there would be input from both sides of the aisle, both sides of the Capitol, and from the administration on the final contours on this bill. But we are down to the point now where there are a number of important bills remaining on the calendar, and if we don't find a way to address them one of two things will happen: They either won't be considered in a conference at the end of the session, or they will be considered in such a way that they will be added to some other bill, unrelated, some appropriations conference report, or something else.

At times that is the best way to proceed, and we should keep that option open. But I would prefer to have the Senate act its will on a bill of this type and relevant amendments be offered and debated and voted on. So that is what I want to try to set up here.

I have notified the Democratic leader—he has a representative here—that this is what we are going to do now, that we would move to a cloture motion and then we will get to vote on it next week.

CLOTURE MOTION

Mr. LOTT. Mr. President, I move to proceed to S. 2045, the H–1B legislation, and send the cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to calendar No. 490, S. 2045, a bill to amend the Immigration and Nationality Act with respect to H–1B Non-Immigrant Aliens:

Trent Lott, Chuck Hagel, Spencer Abraham, Phil Gramm, Jim Bunning, Kay Bailey Hutchison, Sam Brownback, Rod Grams, Jesse Helms, John Ashcroft, Gordon Smith of Oregon, Pat Roberts, Slade Gorton, Connie Mack, John Warner and Robert Bennett.

Mr. LOTT. Mr. President, this cloture vote will occur, unless there is some intervening agreement, on Tuesday. I ask unanimous consent the cloture vote occur immediately following the passage of H.R. 4444, and the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Is there objection? The Senator from North Dakota.

Mr. DORGAN. Reserving the right to object, I will not object, but I want to make a comment to the majority leader.

This H–1B visa bill is important to all of us. It is important to those on the Democratic side of the aisle as well. We recognize that our economy is experiencing substantial and sustained growth, unparalleled growth, and to keep that on track we have to ensure our high-tech industry has the employees it needs.

I was at a company in California some while ago and the president of the company said we have 2,000 open positions for engineers right now that we can't fill. There is not any way for us to fill them—2,000 jobs, engineers we need and we can't get. So we understand this issue. We want it to be resolved.

I must say, the Democratic leader is not here today. On his behalf, I would mention to you that with regard to the