

that whatever technology and scientific knowledge China might have gained through cooperative programs with the United States pales in comparison to the knowledge China has gained through other channels. The report points to the number of Chinese students studying in U.S. universities, China's investment policies, and scientific agreements with other countries as other routes for technology transfer.

The State Department's contention is akin to arguing that the Chinese are gorging so heartily on science and technology through universities, private industry, and other countries, that another few morsels from Uncle Sam cannot be very important. Ridiculous!

As a result of this analysis, the State Department's principal recommendation is to "allow the Agreement to operate, as heretofore, without the encumbrance of any special monitoring mechanism, which we," referring to the State Department, "do not believe is either necessary or desirable."

I do not think that it is going out on a limb to suggest that the U.S.-China Science and Technology Agreement has been used as a balm to soothe the sore spots of our bilateral relations. As the State Department report says, "In April 2001, at the height of the EP-3 plane incident, the U.S. and China quietly renewed the Science and Technology Agreement despite the severe chill in political/economic relations resulting from this diplomatic confrontation."

It is astounding to note that in the very same month that a Chinese fighter jet crashed into one of our reconnaissance airplanes in international airspace, and the same month that China detained our military personnel after executing an emergency landing at a Chinese airfield, we "quietly" renewed this significant bilateral agreement. I wonder if the Secretary of Defense was aware of the renewal of this agreement at that time? I wonder if the President knew about it?

Mr. President, I do not think that it is wise to view the transfer of advanced technology and scientific knowledge as simply a diplomatic tool. The amendment I offer today takes very basic steps to improve oversight of the 1979 Science and Technology Agreement. The amendment simply designates the Office of Science and Technology Cooperation in the State Department as responsible for monitoring the Agreement. According to its report, the State Department has not even kept track of the sixty protocols to this Agreement since 1996. This needs to be changed. The amendment also requires the Secretary of State to see that activities carried out under the Agreement are consistent with our laws and regulations that prohibit the transfer of sensitive technology.

Further, the amendment establishes a reporting requirement so that the State Department will inform Congress

every two years on what activities have taken place under the Agreement. As I stated earlier, the State Department report released in May 2002 was the first-ever comprehensive assessment of the implementation of the 1979 U.S.-China Science and Technology Agreement. It does not make sense to wait another 23 years for the next assessment.

Mr. President, China is embarking on a substantial military buildup. They are using technologies that have been acquired from a vast number of sources. It is hard to believe that our own government has been cooperating with China in exchanging scientific information that has the potential, in the words of the State Department, to facilitate China's military research programs. My amendment takes very simple steps to make sure that the government-to-government scientific exchanges that take place are focused on peaceful uses of technology. I urge my colleagues to support the amendment.

Mr. REID. Mr. President, let me say that there has been a tremendous amount of work done today. I know we were in long quorum calls and people could not see the work that has been done. But one very important amendment dealing with national missile defense was completed. That was done by voice vote after many hours of work. Then, today and this evening, staff, with Senators Warner and Levin, have approved almost 50 amendments. So this very important bill is on the way toward being completed.

We are going to vote in the morning on cloture. People will have to deal with germane amendments after that. But I just want to spread on the RECORD comments about the work done by the staffs, today and tonight, and the two managers of the bill.

Mr. WARNER. Mr. President, if I might address the Senate, I wish to express my appreciation to the distinguished majority whip. We did succeed on missile defense, but it could not have been done without the cooperation of the majority leader, the Republican leader, yourself, and our distinguished chairman, who departed a few minutes or so ago.

We did achieve a good deal of work. I am confident that tomorrow, with the support of all the Senators, we will achieve a landmark bill on behalf of the men and women in the armed services of this great Nation.

I thank all Members, and particularly the Presiding Officer for his patience and guidance throughout the day, and the Senate staff.

I thank my distinguished colleague and friend.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators allowed to speak therein for a period not to exceed 5 minutes each.

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

CORPORATE RESPONSIBILITY

Mr. DURBIN. Mr. President, this morning's Wall Street Journal, on the front page, alerts us that WorldCom admits a \$3.8 billion error in its accounting. "The Firm Ousts Financial Chief and Struggles for Survival; SEC Probe Likely to Widen."

As I come to the floor of the Senate this afternoon, the news from the stock market is not encouraging. But it hasn't been encouraging for a long period of time. At least since the Enron scandal we have been dealing not just with recession but with what we must term a crisis in corporate responsibility.

It is hard to imagine the ultimate impact this will have on average Americans and their families, let alone other businesses. But it really calls into question the responsibility and role of the Federal Government to respond to this crisis in corporate responsibility.

Very soon, we will be considering legislation reported from the Banking Committee that will seek to address some of the most glaring problems in corporate governance in America today. It is talking about the role of accounting firms that are serving both as consultants and auditors—in a dual and sometimes conflicting capacity—that will establish standards for regulation of accounting firms so there is more credibility in their findings for the American public. It will address a number of other areas, such as strengthening the SEC. I believe all of these things are long overdue.

When we return from the Fourth of July recess, the Senate will be addressing this issue. There will be differences of opinion. There will be some who will come to the floor and you will hear the debate. Some will argue to leave business alone, Government should not meddle. Yet the fact is that unless Government steps in in this situation offering sound advice, counsel, and regulation, we are going to continue to see this crisis in America's confidence in corporate institutions. There was a day when the robber barons ruled in America. Corporations, frankly, cared little or nothing about public opinion. The richest people in America were very powerful here on Capitol Hill. Those days harken back to the era of Teddy Roosevelt, a Republican who came in and said: We are going to have an anti-trust law and we are going to establish the agencies that we need to make certain business is regulated.

About 35 years later, along came a relative, Franklin Roosevelt, facing a recession which led to a depression, which again called into question whether Government was doing enough to regulate business. His decision to create the SEC and other key agencies restored confidence in American business.