

105TH CONGRESS
1ST SESSION

S. 1327

To grant normal trade relations status to the People's Republic of China on a permanent basis upon the accession of the People's Republic of China to the World Trade Organization.

IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 1997

Mr. ROTH (for himself, Mr. HAGEL, Mr. THOMAS, Mr. KERRY, and Mr. AKAKA) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To grant normal trade relations status to the People's Republic of China on a permanent basis upon the accession of the People's Republic of China to the World Trade Organization.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 Congress makes the following findings:

5 (1) The People's Republic of China is currently
6 engaged in negotiations to accede to the World
7 Trade Organization (referred to in this Act as the
8 "WTO").

1 (2) In order to accede to the WTO, the People's
2 Republic of China must agree, within the context of
3 a Working Party composed of all interested WTO
4 members, including the United States, to abide by
5 the terms of existing WTO agreements. The People's
6 Republic of China must separately commit, in the
7 context of bilateral negotiations with individual
8 WTO members, to opening its market to the goods,
9 services, and investment of its prospective WTO
10 trading partners, including the United States.

11 (3) In the course of negotiations with the Peo-
12 ple's Republic of China regarding WTO accession,
13 the United States will have the opportunity to en-
14 sure that the People's Republic of China assumes
15 the obligations of all other WTO members and
16 makes specific commitments to ensure that United
17 States goods and services and investment are af-
18 forded market access in the People's Republic
19 of China substantially equivalent to the access that
20 the People's Republic of China's goods and services
21 and investment are afforded in the United States
22 market.

23 (4) The People's Republic of China is the
24 world's 10th largest trading country. It is the fastest
25 growing major economy not currently subject to the

1 obligations, disciplines, and market access commit-
2 ments of the WTO.

3 (5) It is in the interest of the United States to
4 secure the People's Republic of China's membership
5 in the WTO in order to ensure that—

6 (A) the markets of the People's Republic
7 of China are significantly opened to United
8 States trade and investment;

9 (B) the People's Republic of China as-
10 sumes the market-oriented disciplines of the
11 WTO; and

12 (C) trade disputes with the People's Re-
13 public of China will be resolved within the mul-
14 tilateral resolution mechanisms provided by the
15 WTO.

16 (6) Opening the markets of the People's Repub-
17 lic of China also represents the surest means of re-
18 ducing the current imbalance in United States trade
19 with the People's Republic of China.

20 (7) Because the People's Republic of China is
21 a nonmarket economy, it is subject to title IV of the
22 Trade Act of 1974, which permits the extension of
23 normal trade relations status for 1-year periods. Un-
24 less the People's Republic of China is specifically re-
25 moved from the limitations of title IV of the Trade

1 Act of 1974, the People's Republic of China will not
 2 receive unconditional most-favored-nation trade
 3 treatment from the United States.

4 (8) In the absence of any reservation or deroga-
 5 tion, the United States is obligated, under the agree-
 6 ment establishing the WTO and agreements con-
 7 cluded under the auspices of the WTO, to confer un-
 8 conditional most-favored-nation trade treatment to
 9 every other WTO member.

10 **SEC. 2. TERMINATION OF APPLICATION OF TITLE IV OF**
 11 **THE TRADE ACT OF 1974 TO THE PEOPLE'S**
 12 **REPUBLIC OF CHINA UPON THE PEOPLE'S**
 13 **REPUBLIC OF CHINA'S ACCESSION TO THE**
 14 **WTO.**

15 On the date on which the People's Republic of China
 16 becomes a member of the WTO, to the extent consistent
 17 with the United States' consent to the protocol of acces-
 18 sion, the provisions of title IV of the Trade Act of 1974
 19 shall cease to apply to that country and products of the
 20 People's Republic of China shall be afforded nondiscrim-
 21 inatory treatment.

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