

Mr. SPECTER. I thank the Chair. I yield the floor.

Mr. HELMS. Mr. President, on the basis that I mentioned earlier, 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. KERRY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1996 and 1997—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. KERRY. Mr. President, this conference report that we are now considering on H.R. 1561 is not a traditional nuts-and-bolts authorization bill for the Departments of State, USIA, and ACDA. It is, regrettably, a nonbipartisan and controversial bill in its current form.

This bill seeks to reorganize the foreign affairs agencies of the executive branch by forcing on the President a consolidation of one Agency, USIA, AID, or ACDA, even though the administration has made it very, very clear that is unacceptable to them. So, for that reason alone, this particular bill is subject to veto by the President. He has said that he will, indeed, veto it on that basis. I think it is regrettable we are going to take the time of the Senate to go through the process of sending the President something that he has already said he is going to veto, but that is what we are going to do.

But there are other implications in here. If a President of the United States asserts constitutional authority with respect to particular prerogatives within the formulation of the conduct of American foreign policy, it seems to me we ought to be careful to at least examine, if not respect at face value, those assertions with respect to that constitutional authority. And I think that there are legitimate questions here about whether or not it is appropriate, if the President says that is a prerogative and he does not want to be forced into that position, whether or not we should not respect that and create a different formulation by which we end up with the same result.

We did offer a different formulation by which we would end up with the same result during the course of the conference. That was rejected. Specifically, we offered the same amount of savings that we will achieve under the numbers in this bill—actually, a slightly lower aggregate amount of savings—but we recommended that we only hold out the threat of closure of these agencies if the President refused to return to us a sufficient plan with respect to the reorganization of our foreign policy agencies, and we had the right to determine whether or not we thought that

was a sufficient plan. If we did not, we could reject it and start again.

In addition to that, there are a series of policy issues attached to what should, in normal circumstances, be a nuts-and-bolts reauthorization. Those policy decisions, each and every one of them, present their own set of problems. One such policy issue is the very, very significant alteration of our relationship with China, it might be said, literally shaking the foundations of that relationship at a very precarious time in our dealings with both China and Taiwan. I will have more to say about that subsequently, as will other colleagues.

In addition to that, it undermines the President's July 1995 decision with respect to normalization with Vietnam, and puts language into the authorizing process that, in effect, sets back our accountability process on the POW/MIA's.

Furthermore, it fails to meet the administration's budget requests for fiscal year 1997, particularly for the critical account of peacekeeping. The United States is engaged, as we all know, in most critical peacekeeping efforts in the world, most recently in Bosnia. To suggest the Congress is going to be unwilling to meet what we know are the agreed-upon figures and responsibilities for those peacekeeping efforts is simply irresponsible. Moreover, it sends a very, very dangerous, damaging message to our relationships with our allies.

Yesterday, I had the privilege of having a meeting with our Ambassador to the United Nations, Ambassador Albright, whom I think most would agree has been really doing an outstanding job on our behalf in New York at the United Nations. She relates that, literally in every debate, in every single effort, now, to try to bring our allies along on some particular effort, she meets with not just resistance, but a level of cynicism and scorn with respect to the United States' arrearages and the United States' slowness in paying with respect to peacekeeping.

Even in Bosnia, we are \$200 million shy of a \$200 million commitment. And the on-the-ground effort which the European representative, Carl Bildt, is trying to implement on our behalf and the European's behalf, is significantly restrained by virtue of the perception that we are not serious, we are not there, we are not going to really leverage this and try to guarantee that the on-the-ground civilian component can be as successful as the on-the-ground military component has been to date.

In addition to that, the United States-assessed contributions to the United Nations and its related agencies, as well as ACDA and the International Exchange Programs, are all significantly underfunded for the 1997 year.

I know, as my colleagues know, there is no easier whipping boy in the United States today than foreign policy and the United Nations. If you want to get

applause at a local meeting at home, if you want to get people to kind of vent some of their anger at the waste of Washington, all you have to do is say to them, "By God, I think the money ought to be going here to X, Y, or Z town instead of to these foreign efforts." And most people will automatically cheer and say you are absolutely correct.

When you ask most Americans how much money they think is going into our foreign policy effort, it is really amazing how far off most Americans are. I go to town meeting after town meeting; when the issue comes up, I say, "How much do you think we are paying for foreign assistance, foreign aid? Do you think it is 20 percent of the budget?" And a number of hands go up. "Do you think it is 15 percent of the budget?" Quite a few hands go up. "Do you think it is 10, 9, 8 percent of the budget?" A lot of hands go up, the vast majority. "Is it 5 percent of the budget?" And you get the remainder of the hands with the exception of a few.

Then, when you finally get down and say, "Is it 1 percent or less of the budget," I usually have one or two hands go up. That is what it is. That is what it is. It is 1 percent or less. It is less than 1 percent of the budget of the United States that we commit to all of our interests in terms of peacekeeping, AID, efforts to leverage peace in the Middle East. And most of the money, as we know, is contained within, almost, two items, Egypt and Israel, but significant portions are spread around with respect to some of the development programs and other efforts to curb drugs, narcotics, money laundering, immigration—a whole lot of things that we try to do in that field, including, I might add, one of the most important of all today: our economic enterprises.

We are shortchanging ourselves in places like Hong Kong, Singapore, the Far East, with respect to our Foreign Commercial Service, where we are losing countless job opportunities for Americans, countless manufacturing opportunities in this country, because we do not have the people on the ground sufficient to marry those opportunities with the opportunities in this country. That is extraordinarily shortsighted, because we could pay their salaries many times over in a matter of months, and I think that has been proven many times over.

So, Mr. President, the current level of funding is a very significant issue to the administration, and the administration has appropriately, in my judgment, suggested that those numbers are sufficiently low that that is a reason to veto this bill.

In addition to that, there still is no satisfactory solution to the question of family planning, and it is ultimately a bill that, in my judgment, is deficient.

I think many of my colleagues know that Senator HELMS and I have been grappling in good faith with the central and perhaps most controversial

issue in this bill, and that was the reorganization of the foreign affairs agencies.

At the start of the year, I was excited about the proposition, and I still remain excited about the proposition, that we could consolidate, we might even merge, we need to reduce the size. I applaud the Senator from North Carolina in his efforts to try to press that. It is very legitimate. There does need to be a savings. There can be some savings, but I think there is an equally legitimate question about whether or not, at first instance, we should make an executive department decision regarding reorganization.

I think if we were to create the framework, if we were to hold a very heavy sword over the head of the administration, suggesting that if they do not do it sufficiently, they will pay a price, I think that would have been a very appropriate approach and it is one which we offered. In the absence of the administration being willing to accept a forced agency numbered closure, it is very difficult, obviously, to pass a bill.

I appreciate the fact—and I want the chairman to know it—I appreciate the fact that this conference report does contain a compromise on reorganization, and I think that did reflect a willingness of the House Republican conferees to move away from the House-passed bill's requirement that all three agencies be abolished. I want to respect the fact that they did move and say it on the record, and it would have been my hope that we might have been able to come to a final agreement on this.

But regrettably, the compromise does not meet the veto proof test, because it denies the President that executive department right of how to reorganize and, therefore, it is not just the fact of reorganization that is being asserted here, it is the principle of Presidential prerogative which, as we know, is not unimportant in the context of foreign policy.

Moreover, there is a very serious question, which I am confident the Senator from Arizona [Mr. McCain], who is on the floor, will share with me, that it is really inappropriate for this conference effort to prohibit the President from following through on an Executive determination and an Executive right with respect to diplomatic relations with another country. Having determined, as a matter of that Presidential right, that we will establish diplomatic relations, for the Congress to then not fund the requisites of that diplomatic process; that is, an embassy, is to come in through the back door to, again, deny the President the prerogatives of Presidential authority in the conduct of foreign affairs.

So, again, that is a problem with respect to this particular issue.

Mr. President, let me say further that one of the most damaging components of this conference report, which I know the Senator from Louisiana is going to talk about and I know Senator NUNN of Georgia is going to talk about,

is the very provocative and, in my judgment, ill-advised initiatives with respect to Taiwan and China.

I do not want to suggest that Taiwan should not be considered at some point for membership in GATT or the United Nations. It may well be that in the context of further marching down the road of one China and two systems and of bringing a sufficient dialog together between China and Taiwan, it will be possible to work those details out. But it is clearly on its face ill-advised in the context of the current difficulties for the U.S. Congress to step in and make extraordinarily important and provocative statements about that relationship that can only lend further fears to a Beijing that is so significantly caught up in, convoluted by, constrained by the transition process today, the leadership transition process.

Any of us has to understand that there are certain limits as to what the center of China, the Beijing regime can do at a time when there is a leadership transition in the shadows and perhaps sometimes not even so much in the shadows. For us to step in and alter in a unilateral way the Shanghai communique and the Taiwan Relations Act and the 1982 further communique would be to disrupt and, in fact, make more dangerous an already fragile and difficult situation.

There is no question but that the President of the United States on those items alone—just on the question of President Lee Teng-hui's visit to the United States, GATT and U.N. membership, and on the question of the relationship of the Taiwan Relations Act and the 1982 communique—those items alone, each and every one of them individually, let alone in the aggregate, ought to be grounds for a veto.

I think it is important for us to understand that while all of us here share a deep-rooted belief that the words of the communique are critical with respect to peaceful transition in Taiwan and that the words of the communique are critical with respect to our commitment to the Taiwanese not to ever be subjected to an invasion or to takeover by force or to a subversion of the democracy they are increasingly choosing and practicing, it would be equally wrong for us to just move away from the policy track that has guided our movements in that region for so long.

I think it is fair to say that if we were serious about establishing that as a policy of the United States Congress, it would be fair to understand that China would interpret that as an extraordinarily belligerent, provocative move that would elicit nothing but a hard-line response and wind up having exactly the opposite effect of what we are trying to achieve in the long run and make the world a far more dangerous place.

I believe that we can continue to back the principles of the communique and Taiwan Relations Act without re-

sorting to those measures. We will still sell weapons to Taiwan as they need it for defense, and we will still abide by the guarantees of the two systems and of a peaceful transition. But what a terrible mistake it would be to start to assert a sort of "435-person House and 100-person Secretary of State policy" from the U.S. Congress.

Mr. President, finally, let me just say, turning to the funding levels, I want to speak for a quick moment about not just the peacekeeping money, but the relationship with the United Nations itself and our arrearages.

Ambassador Albright has made it very, very clear, and I think all of us need to really think about this—I encourage colleagues to go to New York and meet with representatives of various countries, find people who they respect in the process as observers and truly inquire independently of an advocate of the administration—whether or not our arrearages are creating a legitimate problem in our ability to achieve the very reforms that we are seeking at the United Nations.

In the context of this conference process, Congressman HAMILTON and I offered a proposal that would have allowed for continued leverage to get reform from the United Nations. We proposed that we not pay the arrearages back in one lump sum so that we lose leverage and control, but rather that we agree to pay them back, that we make it clear that we are going to do that, while simultaneously over a 5-year period achieving a fixed set of reforms within the U.N. itself, as well as achieving from the U.N. commitments with respect to changing the formula for contributions in and of itself.

I believe the contribution formula ought to change. The world has changed since the formula was set up. The gross domestic products of our partners have grown, and, on a relative basis, ours is shrinking compared to theirs. So it is appropriate for us to look to the United Nations and to our allies for fair contribution, for burden sharing and for a more fair distribution of that effort.

But right now, as a consequence of our unilateral decision not to pay, our allies are paying more than 100 percent. I will tell you, our allies, ranging from the British, the Canadians, French and others, are looking at us askance and wondering and increasingly feeling a sense of the inappropriateness of our unilateral actions. I know that our envoys are hearing about this on a regular basis, and it is diminishing our ability, Mr. President, to be able to achieve the very goals we are trying to achieve.

Let me say, finally, that this bill is an improvement over the House-passed bill on a number of different questions. It is my hope that after the President has vetoed this bill, that we might be able to quickly meet and resolve these particular issues. It was my feeling, had we embraced a couple of these concepts in the course of the conference

rather than simply shunting them aside, we might still have been able to have the consensus and bipartisanship necessary to pass this.

Mr. President, the conference report on H.R. 1561, which we are now considering, is not just a traditional nuts-and-bolts authorization bill for the Department of State, USIA, and ACDA. It is a controversial bill with far-reaching provisions.

This bill seeks to reorganize the foreign affairs agencies in the executive branch by forcing the President to abolish one agency—USIA, AID or ACDA—even though the administration has made it clear from day one that it will not accept any forced consolidation of agencies. It undermines the President's July 1995 decision to normalize relations with Vietnam and threatens to set back the POW/MIA accounting process that we have worked so hard to put in place. It shakes the foundations of United States relations with China and tilts the balance toward Taiwan at a precarious time in the relations between Taiwan and China. It is a bill which fails to meet the administration's anticipated budget requests for fiscal year 1997, particularly for critical accounts such as peacekeeping, U.S.-assessed contributions to the United Nations and related agencies, ACDA, and international exchange programs. It lacks a satisfactory solution to the family planning issue. In short, it is a bill that I cannot support and that the President has indicated that he will veto.

I think all of my colleagues know that Senator HELMS and I have been grappling with the central, and perhaps most controversial issue in this bill—the reorganization of the foreign affairs agencies—for over a year. As I indicated from the start, I am sympathetic to the idea of consolidation, and I believe that Senator HELMS provided the committee with a thought-provoking plan for reorganizing the foreign affairs agencies. Personally, I can envision ways in which functions of the State Department and one or more of the three other foreign affairs agencies could be merged. In fact, as the chairman knows, I offered an amendment in committee to abolish one agency and consolidate its functions into the State Department. However, this proposal—like the chairman's proposal to abolish all three agencies, AID, USIA, and ACDA—was rejected by the administration.

The fact of the matter is that the administration does not now, and has never, supported the forced consolidation of agencies. That is why I worked with the chairman to forge a compromise in the Senate that would force consolidation through savings rather than through the mandatory abolition of agencies, and at the same time allow the Senate to act on S. 908. It was clear then, as it is clear now, that the Senate-passed version of consolidation was the only version that could possibly gain the support of Democrats in this body and of the administration.

I appreciate the fact that this conference report contains a compromise on reorganization which reflects the willingness of the House Republican conferees to move away from the House-passed bill's requirement that all three agencies be abolished. However, this compromise does not meet the veto-proof test because it denies the President the right to determine how to reorganize the foreign affairs agencies under his control. I believe this is a right that any President, Democrat or Republican, would assert.

Section 1214 of this conference report essentially prohibits the President from establishing an American embassy in Vietnam unless he certifies that Vietnam is fully cooperating on the POW/MIA issue in the four areas set forth by President Clinton. The Senate-passed bill contained nothing on this issue. The House bill contained weaker, sense of the Congress language. Unfortunately, the Republican conferees decided to up the ante by including the language now in section 1214—language which was in the fiscal year 1996 Commerce, State, Justice appropriations conference report that President Clinton vetoed. He indicated his opposition to this provision in that veto statement and he has cited it as one of the provisions that will provoke a veto of this conference report.

On the face of it, section 1214 might look like a harmless provision. But the fact of the matter is, this is a veiled attempt to go backwards—to nullify the decision made by President Clinton last July to normalize our relations with Vietnam.

That decision was the culmination of a process begun several years ago by President Bush, when he laid out a road map for improvement in relations between the United States and Vietnam. Under the road map, which the Clinton administration has embraced, genuine progress on the POW/MIA issue would result in the establishment of full diplomatic relations.

Genuine progress has been made. Through the efforts of people like Gen. John Vessey and the often heroic work by our own joint task force personnel and their Vietnamese counterparts in the field, we have a process in place that is producing that accounting.

Of the 2,154 Americans technically classified as MIA's in all of Southeast Asia, we have only 50 in Vietnam whose fate has yet to be confirmed. That means we have confirmed the fates of 146 of the 196 priority discrepancy cases. We have determined that 567 Americans were lost over water or in other circumstances where survival was doubtful and where the recovery of remains is a very difficult. We have recovered 520 remains from Vietnam, 170 of which have already been positively identified as American. The remainder are pending identification by our scientists at CILHI. We have investigated all unresolved live sighting reports and received over 27,000 materials including photos and other archival materials. It

is clear that Vietnam is working diligently to help us resolve outstanding POW/MIA cases.

Last November, the Defense Department's POW/MIA office released its comprehensive review of individual cases of Americans unaccounted for in Southeast Asia. In testimony on the report before the Military Personnel Subcommittee of the House Committee on National Security, Deputy Assistant Secretary of Defense James W. Wold stated the bottom line. He said, "We have no evidence that information is being deliberately withheld." In addition, all of our United States military personnel involved in the POW/MIA accounting process, from the Commander in Chief of United States Forces in the Pacific to the private first class excavating a crash site have confirmed that Vietnam's cooperation has been extraordinarily extensive and represents a genuine effort on the part of the Government and people of Vietnam to resolve this issue once and for all.

The United States under Presidents Bush and Clinton made a commitment to Vietnam that the bilateral relationship would move forward as their cooperation on the POW/MIA issue improved. Vietnam is doing its part. The United States must fulfill its commitment in turn. The language in section 1214 of this bill puts that commitment in question and, in so doing, threatens to undermine the successful accounting process that we have put in place.

Apart from the damaging section on Vietnam, this conference report contains several provisions on China-Taiwan issues which are potentially damaging to our bilateral relations with Beijing. For example, section 1708 expresses the Sense of Congress that Taiwanese President Li should be allowed to visit the United States in 1996. Section 1709 advocates Taiwan's admission into GATT and the WTO. Most damaging of all, section 1601 subordinates the 1982 Joint Communiqué between the United States and China to the Taiwan Relations Act, in order to enable the United States to provide more weapons to Taiwan. This provision unilaterally repudiates a fundamental and longstanding element in the bilateral relationship between the United States and China. The administration has made it clear that this provision is a veto item.

Taken together, these provisions are a provocation to China. They raise the specter of a United States that is tilting toward Taiwan, encouraging Taiwan's apparent quest for independence, and positioning itself to enhance Taiwan's military capabilities in contravention of the fundamental nature of the United States-China relationship. To adopt these provisions now, when China and Taiwan are reaching out to each other to defuse the tensions between them, would be a mistake.

Turning to funding levels, this bill fails to meet the administration's likely budget request for fiscal year 1997,

particularly, as I said earlier, in key accounts such as peacekeeping, assessed U.S. contributions to the U.N. international exchanges, and ACDA. I understand that the Republican conferees wanted to stay within the caps set by the budget resolution for function 150, the international affairs function. All of us, including President Clinton, understand that economies must be achieved if the budget is going to be balanced. However, the glide path in the existing budget resolution for function 150 is too steep—as it is for other functions—and if we stick to this glide path, our ability to promote and protect our national interests and to conduct diplomacy will be greatly jeopardized.

For example, we are not going to be able to use our leverage effectively at the United Nations to secure management reforms and revisions in our assessed contributions if we continue to be the deadbeat debtor. This conference report prevents us from paying not only through inadequate authorization levels but also by withholding high percentages of our peacekeeping contributions and our contributions to the regular budget until the President can certify that various reforms have been achieved. There is no disagreement over the need for reform at the United Nations but there is real disagreement among us over how to achieve it. The money card can only work so long and I think its effectiveness has run out. Few, if any, at the United Nations believe we are going to pay and as long as they do not believe it, we have no leverage to promote reform.

This conference report also includes some foreign aid provisions. Of these, the most problematic—and one cited by the administration as a reason for Presidential veto—is section 1111 which effectively terminates the housing guarantee program in several countries such as those in Eastern Europe and South Africa.

Finally, I should point out that this bill is an improvement over the House-passed bill on the question of family planning because it does not contain the objectionable provisions on Mexico City and prohibitions on funding for UNFPA. However, in an effort to avoid a fight over this issue—on which the House and Senate are so divided—the Republican conferees decided to remain silent on the family planning issue. In so doing they missed the opportunity to release funds for population assistance that have been held up under the fiscal year 1996 foreign operations appropriations bill. The restrictions in that bill cut family planning aid by 35 percent below last year's levels, and prohibit using any of the 1996 funds until July. Ironically, such restrictions could actually serve to increase the number of abortions and maternal deaths in developing countries, since they mean fewer couples will have access to contraceptives, health services and information. Therefore, the administration strongly opposes these re-

strictions and has cited the failure of this conference report to resolve the family planning issue as another reason for a veto.

Mr. President, this conference report represents a radical departure, not only from the traditional bipartisanship that has marked American foreign policy for so long, but also from the traditional bipartisanship that has enabled the foreign affairs committees of the Senate and the House to fulfill their authorizing responsibilities for the State Department and related foreign affairs agencies. Some will argue this is just politics, but they are wrong. The gulf between us is rooted in policy and the policy in this bill is not in our national interests. That is why I am going to vote against this conference report and why the President is going to veto it.

I reserve the remainder of our time at this point in time, Mr. President.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, let me spend just 2 or 3 minutes in respectful response to my friend from Massachusetts. His statement that the Taiwan Relations Act, which is a public law passed by the Congress of the United States, supersedes an Executive order, that is a matter of fact. The United States Congress was clear in its intent to support Taiwan's defense needs when this Taiwan Relations Act was passed.

The 1982 Executive order, referring to the ability of the United States to sell arms to Taiwan, seems to contradict certain terms of the Taiwan Relations Act. Now then, section 1601 does not—does not—repudiate the 1982 Executive order, though I confess that I wish it did. It does, however, clarify that in those instances in which the Taiwan Relations Act and the 1982 Executive order seem to contradict one another, the Taiwan Relations Act is, after all, United States law, therefore, stipulates the policy to which the United States should and must adhere.

Not once—this is the point, Mr. President—not once during the course of the conference between the House and the Senate did a single Member of the House or a single Member of the Senate raise this provision as a problem. As a matter of fact, I think it is worthy of note that when the staff met preliminarily, the staff of the Senate and the staff of the House, Democrats and Republicans, the Democrats' staff members made it clear that they were not there to participate; they were only to take notes. They refused to take any action or any part in the proceedings. So that is a little bit like the fellow who killed his mother and father and asked for mercy in the court because he was an orphan. They did not participate when we wanted them to, when we were begging them to.

With that said, I remind my colleagues that this provision was adopted by both Houses of Congress. Therefore,

it was in both the House and the Senate bills. I also remind my distinguished colleague and friend from Massachusetts that he, himself, voted in support of this exact language during the committee consideration of the State Department authorization bill.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, for a long time now many critics of the administration's Russia policy have been voicing our deep concern that that policy is structured to serve a variety of interests, few of which could be defined as America's national security interests.

Let me just mention two of the more obvious administration positions which manifest a greater concern for Russia's interests than our own. The administration's persistent reluctance to seize the present opportunity to expand NATO has been maintained out of deference to the political sensibilities of current Russian leaders who wish to take political advantage from Russian nostalgia for empire.

The administration's opposition to lifting the unjust arms embargo imposed on the Government of Bosnia, a position which eventually required the United States to deploy our military forces to that country, was partially a consequence of the administration's fear of offending Russia's fraternal regard for the Serbian aggressors in Bosnia.

Mr. President, over the last 2 days we have learned that the administration's Russia policy is intended to serve the interests of at least one American, the President's, to the extent that the President defines his interests as being reelected to office.

The Washington Times reported yesterday and today that at the terrorism summit earlier this month, President Clinton privately pledged to maintain positive relations with President Yeltsin, as both men seek reelection this year, and President Clinton helpfully identified to President Yeltsin one issue of an extraordinary national security value to the United States that the Russian President could help him with—U.S. sales of chickens to Russia.

Mr. President, in the Washington Post today there is an article entitled: "White House Asks for Probe in Leak of Clinton-Yeltsin Talk Memo." Mr. McCurry, that erudite observer of national security issues says in the article:

The President feels like he ought to be able to sit down with the President of Russia and have a private conversation.

I agree with Mr. McCurry:

State Department officials said that the Talbott memorandum was circulated fairly widely . . .

Incidentally, I would like to say I am proud to have opposed Mr. Talbott's nomination on two occasions.

The article goes on:

The memo, as quoted in the Times, said President Clinton pledged to work with Yeltsin to maintain positive relations with the United States, as both men seek reelection this year. One way to do this, the memo quoted President Clinton as saying, is for Yeltsin to stop restricting poultry imports.

President Clinton said—and I quote:

"This is a big issue, especially since 40 percent of U.S. poultry is produced in Arkansas," the memo said.

I ask unanimous consent that the article from the Washington Post and another article from the Washington Times on the issue be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHITE HOUSE ASKS FOR PROBE IN LEAK OF
CLINTON-YELTSIN TALK MEMO
(By John F. Harris)

The White House yesterday asked the Justice Department to investigate the leak of a classified State Department memo detailing a recent conversation between President Clinton and Russian President Boris Yeltsin.

Clinton was "concerned" by a report in yesterday's Washington Times based on a memo written by Deputy Secretary of State Strobe Talbott, according to White House press secretary Michael McCurry. It recounted talks between Clinton and Yeltsin earlier this month when both leaders attended an anti-terrorism summit in Egypt.

National security adviser Anthony Lake instructed an aide to call the Justice Department to encourage the FBI to investigate an apparent "violation of federal law," the spokesman said.

At a news briefing yesterday, McCurry said "the Washington Times appears to be illegally in possession of a classified document," but in a later interview he said that comment had been "inartful." The White House believes the illegality was committed by someone in the government who leaked the information, not by the newspaper in taking the document or publishing it, McCurry explained.

Asked for comment on the investigation yesterday, Times editor-in-chief Wesley Pruden said, "I always wish the FBI well in whatever endeavors they undertake."

McCurry said Clinton and Lake considered the leak to be far more sensitive than the typical anonymous disclosure that is commonplace in Washington journalism. "The president feels like he ought to be able to sit down with the president of Russia and have a private conversation," McCurry said.

State Department officials said that the Talbott memorandum was circulated fairly widely within the administration, and would have been seen by senior officials in other government departments, in addition to the State Department.

The memo, as quoted in the Times, said Clinton pledged to work with Yeltsin to maintain "positive" relations with the United States as both men seek reelection this year. One way to do this, the memo quoted Clinton as saying, is for Yeltsin to stop restricting poultry imports. Clinton said "this is a big issue, especially since 40 percent of U.S. poultry is produced in Arkansas," the memo said.

Lake, according to White House and Justice Department officials, instructed the National Security Council lawyer yesterday to initiate a criminal investigation. Justice officials said yesterday that they had not yet turned the matter over to the FBI but expected to do so soon.

McCurry said administration officials have been concerned about other disclosures pub-

lished in the Times under reporter Bill Gertz's byline, and hinted that law enforcement officers earlier had been called in to track down his sources.

Lake, he said, wanted the FBI to "add this to any ongoing inquiry that they have going."

Gertz, a national security reporter, in recent months has written other articles based on classified documents concerning arms control and missile defense.

The White House has brought on troubles for itself by encouraging the FBI to launch investigations. When White House travel office staff members were fired in 1993, administration officials called in the FBI to investigate the employees. Congressional critics said that was an attempt by the White House to use the agency for political ends.

CLINTON VOWS HELP FOR YELTSIN CAMPAIGN
(By Bill Gertz)

President Clinton, in a private meeting at the recent anti-terrorism summit, promised Boris Yeltsin he would back the Russian president's re-election bid with "positive" U.S. policies toward Russia.

In exchange, Mr. Clinton asked for Mr. Yeltsin's help in clearing up "negative" issues such as the poultry dispute between the two countries, according to a classified State Department record of the meeting obtained by The Washington Times.

Mr. Clinton told Mr. Yeltsin that "this is a big issue, especially since about 40 percent of U.S. poultry is produced in Arkansas. An effort should be made to keep such things from getting out of hand," the memo said.

White House and State Department spokesmen confirmed the authenticity of the memo but declined to comment on what they acknowledged was an extremely sensitive exchange between the two leaders.

The memorandum on the March 13 talks in Sharm el-Sheikh, Egypt, does not quote the two presidents directly but paraphrases in detail their conversation.

According to the classified memorandum, Mr. Yeltsin said "a leader of international stature such as President Clinton should support Russia and that meant supporting Yeltsin. Thought should be given to how to do that wisely."

The president replied that Secretary of State Warren Christopher and Russian Foreign Minister Yevgeny Primakov "would talk about that" at a meeting in Moscow. The meeting ended last week.

Mr. Clinton told Mr. Yeltsin "there was not much time" before the Russian elections and "he wanted to make sure that everything the United States did would have a positive impact, and nothing should have a negative impact," the memo said.

"The main thing is that the two sides not do anything that would harm the other," Mr. Clinton said to Mr. Yeltsin. "Things could come up between now and the elections in Russia or the United States which could cause conflicts."

The memorandum, contained in a cable sent Friday by Deputy Secretary of State Strobe Talbott, was marked "confidential" and was intended for the "eyes only" of Thomas Pickering, U.S. ambassador to Russia, and James F. Collins, the State Department's senior diplomat for the former Soviet Union.

The memo said Mr. Clinton suggested that the chicken dispute and others like it could be made part of talks between Vice President Al Gore and Russian Prime Minister Victor Chernomyrdin.

Mr. Gore announced Monday that Russia has lifted the ban on U.S. chicken imports that had been imposed out of concern that the chicken was tainted with bacteria.

The Washington Times reported March 8 that Mr. Clinton intervened personally in the poultry dispute late last month.

The president's directives to his staff to solve the problem right away benefited powerful Arkansas poultry concerns. Among them is the nation's leading producer, Tyson Foods Inc., whose owner, Don Tyson, has long been a major contributor to Mr. Clinton's campaigns.

U.S. poultry exports make up one-third of all U.S. exports to Russia and are expected to total \$700 million this year.

Asked about the memo on the Clinton-Yeltsin meeting, White House Press Secretary Michael McCurry said yesterday that it is "inaccurate" to say Mr. Clinton promised to orient U.S. policy toward helping the Russian leader's political fortunes. Rather, he said, the president wanted to make sure that issues in the two countries do not hamper good relations. The poultry issue was raised in that context only, the press secretary said.

Mr. McCurry, who said he was present at the meeting, also said the president was referring to "positive relations" between the two countries and not political campaigns.

Those present at the meeting included Mr. Christopher, CIA Director John Deutch, National Security Adviser Anthony Lake and, besides Mr. Yeltsin, four Russian officials, including Mr. Primakov and Mikhail Barsukov, director of the Federal Security Service.

During the discussion, Mr. Yeltsin outlined his political strategy for winning the June presidential elections and said he still had doubts about running as late as last month.

"But after he saw the Communist platform, he decided to run," the memo said, "The Communists would destroy reform, do away with privatization, nationalize production, confiscate land and homes. They would even execute people. This was in their blood."

Mr. Yeltsin said he will begin his campaign early next month, traveling throughout Russia for two months to "get his message to every apartment, house and person" about his plan to strengthen democracy and reforms.

"The aim of Yeltsin and his supporters would be to convince the candidates one by one to withdraw from the race and to throw their support behind Yeltsin," the memo said.

Russian Communist Party leader Gennady Zyuganov is "the one candidate who would not do this" because he is "a die-hard communist," and Mr. Yeltsin noted that he "would need to do battle with him."

Mr. Yeltsin dismissed former Soviet President Mikhail Gorbachev as "not a serious candidate."

"He had awoken one morning and decided to run and would wake up another morning and decide to withdraw his candidacy," Mr. Yeltsin said of his predecessor. "This would be better for him because he now had some standing and if he participated in the elections, he would lose any reputation he had left."

Mr. McCain. Mr. President, give me a break. What kind of foreign policy is that? Does President Clinton know that he is President of the United States now and not Governor of Arkansas? Since when is poultry sales a big issue to be discussed between two Presidents? What happened to NATO expansion, Bosnia, proliferation of weapons of mass destruction, recent allusions in Russia to the restoration of the Soviet Union, and a host of other genuine big issues? But what does this

President do? He calls a big issue the fact that 40 percent of U.S. poultry is produced in Arkansas, so it is a big issue between himself and President Yeltsin.

Mr. President, that is unacceptable conduct and shows again that on-the-job training has failed as the domestic policy; President puts his toe in the water on foreign policy.

Mr. President, I do not want to diminish the importance of selling chickens to Russia where sales were restricted until now. Poultry sales are a legitimate industry in the United States and surely deserve some consideration. Neither would I begrudge the President's concern for his own home State of Arkansas, which happens to produce about 40 percent of the poultry in the United States. But I would like to think that when the President of the United States sits down with the President of Russia to discuss big issues with him, areas of real security concern to the United States, there would be something somewhat higher on the agenda than chicken sales. I would also like to think that President Clinton would regard United States national security interests to be the priorities of United States policy with Russia, not anyone's reelection.

I assure the President, the satisfactory resolution of outstanding differences with Russia on the questions I have identified will do a lot more to restore the President's credibility as a statesman, and consequently enhance his reelection prospects, than will his efforts to boost chicken sales abroad.

What does the priority given by the President's Russian policy to narrow parochial interests say about his position on other questions which should concern us in Russia? It may say a great deal. The President encourages the IMF to approve one of the biggest loans in its history to Russia. Was this part of the President's plan for his and Mr. Yeltsin's reelection? Is our muted reaction to Moscow's brutality toward Chechnya a consequence of the bilateral Presidential campaign?

As we all read today, the leaked memo by Deputy Secretary of State Strobe Talbott, which referred to this Presidential discussion and President Clinton's intention to conduct our relations in a way that would have only a positive impact on President Yeltsin's reelection prospects, thereby reaffirming once again the administration's personality based Russian policy, has caused the administration to initiate an FBI investigation to determine the identity of the leaker. That endeavor, I am confident, will prove to be a colossal waste of the FBI's time.

What the classified memo really indicates is not some official's indiscretion, but the administration's abuse of the tool of security classification. Chicken sales and the reelection desires of President Yeltsin and President Clinton are not—I repeat, not—state secrets. Indeed, I believe it is very important for the American peo-

ple to discover at last what interest the administration's policy to Russia, this most critically strategic of relationships, are intended to serve. Today, we have our answer: It is the same interests which most of the administration's policies are intended to serve—President Clinton's reelection.

Mr. President, let me say again, I strongly condemn the use of important U.S. diplomacy, which should be reserved for our most vital national security interests, to serve anyone's campaign interest, much less the President of the United States.

I yield the floor.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I got to the floor to speak about China, but first a word about chickens.

Mr. President, chickens may be an important industry in Arkansas, and they are, but the reason I think it is entirely legitimate—in fact, entirely important—for this President to speak to President Yeltsin about chickens is because Russia was denying entry into the Russian market of American chickens, perhaps grown in Arkansas, but grown in America by Americans, for the wrong reasons. That is, they were not permitting these chickens to come in because they did not want the competition.

Mr. President, this President, any President, has a great interest in open markets, particularly with a country which we are doing a lot to help and who we are encouraging to have open markets. I applaud this President for seeking to do away with those barriers to open markets in Russia.

Mr. SARBANES. Will the Senator yield?

Mr. JOHNSTON. I yield for a question, yes.

Mr. SARBANES. In fact, the President's efforts, it would seem to me, are part of a strategy to try to bring Russia into the international economic system as a legitimate player like other countries that are playing by the rules of trade. Would that not be correct?

Mr. JOHNSTON. That is precisely right. One of the problems with Russia now is that they do not have open markets. We are trying to encourage that. It so happens that chickens are a huge business in Russia, and the American chicken is more economically produced, is a better quality, and is preferred by Russians.

Mr. SARBANES. It could have been any product, for that matter, but the basic point is that we are trying to move Russia toward a market economy, something that the former Soviet Union did not do. That was a command economy.

Everyone says Russia ought to become a market economy, and obviously the United States and other countries in the West have a role to play in that. It seems to me this effort of the President was part and parcel of trying to

move Russia in the direction of becoming a free market system and of participating in the global economy.

Mr. JOHNSTON. This is not the only item of interest and not the only thing that the President discusses with President Yeltsin, but it certainly is a legitimate one.

I can say if those were Louisiana chickens, I would be calling him up and saying, "Mr. President, don't stand for this. Speak to your friend, President Yeltsin, about it."

Now, Mr. President, this time last week we had a very dangerous world situation where two American carrier battle groups were steaming in the vicinity of the Strait of Taiwan and where the People's Republic of China, the largest country in the world, was engaging in live-fire tests, close to Taiwan. It is not an understatement to say that the world was in real danger of a conflagration at that time, not because anyone desired war but because the close proximity of these forces involving live fire made the possibility of a misstep, of a bump in the night between two ships, of a misspent or misfired rocket or shell, a very great danger.

Today, Mr. President, we all breathe easier as the crisis has passed. Mr. President, the problem remains. The potential for a huge crisis remains.

I would like to speak to what I regard as a very fateful decision. That is, the pending legislation; the pending legislation, Mr. President, would move this country, in my view, from a policy of engagement with the largest country in the world to a policy of containment of the largest country in the world, and containment equals—make no mistake about it—a new cold war. I can assure my colleagues that if I know anything about China, they will not be contained, and you can get ready for a new cold war if this bill should pass and become law.

Now, this bill, Mr. President, in my view, is potentially the most insidious bill that has been passed by either House in my 24 years in the U.S. Senate. I believe it has the significance, if passed and signed into law, of the Tonkin Gulf resolution. I think Senator NUNN has called it a declaration of war. The President has promised to veto it.

Mr. President, make no mistake, it is a very serious step for the U.S. Congress to be considering. I believe the Senate should sober up before this ill-conceived policy takes root.

Now, just what is this bill, and why do I call it so insidious and potentially—potentially—a Gulf of Tonkin resolution? First, it says that the Taiwan Relations Act supersedes the Shanghai communique. Of course, the Taiwan Relations Act deals with the defense of Taiwan; the Shanghai communique deals principally with a one-China policy. What do we mean by one-China policy? One China, two systems, peaceful reunification. The three points of the triangle which have been repeated by everyone: one China, two systems, peaceful reunification.

To say that the Taiwan Relations Act supersedes the Shanghai communique is not simply to say, as my dear friend from North Carolina, Senator HELMS, says, simply to state the obvious—that is, that an act of Congress supersedes an executive agreement. We know that. What it is saying is that, in effect, it nullifies, it subsumes, it cancels out the Shanghai communique and that the United States Congress, in this case, because it is a sense-of-the-Congress provision, that the United States Congress is abandoning the Shanghai communique. That, Mr. President, is very serious.

It also encourages the Taiwanese to move toward independence. We also rename and upgrade the Taipei representative office. In itself, this does not constitute a move toward independence. But taken together, particularly with an invitation to President Li Teng-hui to visit the United States "with all appropriate courtesies," these three elements taken together, Mr. President, are unmistakable. They are abandonment of the one-China policy, a move for independence for Taiwan.

Now, Mr. President, the House, apparently sensing the seriousness of the step they were taking, adds a further element not contained therein that it is our intention to assist in the defense of Taiwan, which, indeed, might be necessary should we enact this ill-conceived piece of legislation—a fateful, fateful decision, Mr. President.

One thing is absolutely clear: The unilateral declaration of independence by Taiwan is unacceptable to the People's Republic of China and will be resisted. Now, up until last year, things were going along swimmingly. The United States, the People's Republic of China, and Taiwan were all reading off the same song book. We were all saying one China, two systems, peaceful reunification and, indeed, we have reinforced, many times over, the Taiwan Relations Act, which was not at all inconsistent with one China, two systems, peaceful reunification. That is what the Taiwanese were saying, what the PRC was saying, and that is what President Nixon said in the Shanghai communique; that is what President Carter said in the joint communique of 1979; that is what President Reagan said in the joint communique of 1982; that is what President Bush said, and that is what President Clinton is saying. All were saying the same thing.

Things were going along very well. There were 1½ million Taiwanese who visited the People's Republic of China. There were tens of billions of dollars of investment by Taiwan in China. Talks were going on between the leaders of the two countries, or two areas. And then what happens? Well, we had what the Congress regarded as a very innocent invitation by Cornell University to have their distinguished alumni, President Li Teng-hui, come back and make a speech. We, in the Congress—or at least almost everyone in the Con-

gress said, "Look, this is not a State visit, there is no significance to this. This is simply a homecoming to the old university, the old school." Well, Mr. President, we may have thought that in the Congress—but, I did not share that view, and I was the only Member of the Senate who voted against that visit—but I can tell you that the world, and certainly the People's Republic of China, and certainly Taiwan, did not regard it as such an innocent visit. On the visit, he brought along government leaders from Taiwan. He promised no press conferences, but said, "I will be available if you stand behind this bush when I am walking on the Ellipse. You can ask your question and I will give you an answer." And that happened.

He was met by Members of Congress. It had all the trappings, Mr. President, of a State visit, and it was clearly regarded by the People's Republic of China as being something more than a homecoming to the old university. And that, in turn, Mr. President, has been accompanied by a whole barrage of acts and initiatives designed to move in the direction of independence.

Why does a province of China—if that is what Taiwan is, as the Chinese claim—need membership in the United Nations? That upsets the PRC. We put that kind of language, also, in our resolutions, and, Mr. President, it constitutes still another act of this Congress moving toward unilateral independence of Taiwan.

Mr. President, just a few days ago, Deputy Foreign Minister Liu was meeting with us down in S-211, a stone's throw from where we stand. Ten Senators were there. We had an in-depth discussion with Deputy Foreign Minister Liu. He reiterated the peaceful unification theme. He reiterated the indelible, irrevocable friendship between the United States and the People's Republic of China. But he said, "The United States, of all countries, should understand our attitude in the People's Republic of China about Taiwan." He said, "You fought a civil war, the bloodiest war in the history of your country, about the question of unification, and about the question of unilateral declarations of independence. So you, America, ought to understand our feeling, because our feeling was just like President Lincoln's feeling about the American Civil War." He said, "The issue is sovereignty. We regard a declaration of independence by Taiwan as a matter of sovereignty, which we will safeguard." He said—and I took down these notes—"It is an overriding task. There is no other choice." He quoted Deng Xiaoping as saying this was an "explosive issue, as big as the universe; compared to it, all other issues are easy."

Mr. President, you can take solace from that in the repetition of the peaceful reunification. You can take solace from the fact that it is a one China, two systems, peaceful reunification system, which he repeated. You can take solace from the fact that he

repeated the friendship of the People's Republic of China with the United States. But it is unmistakable—unmistakable—that a unilateral declaration of independence by Taiwan and moves by the United States Government to encourage that are unacceptable and are going to lead to trouble.

Now, if that is what we are going to do, Mr. President, as a nation, as a State Department, as an administration, as a Congress, I, for one, want this Congress to have its eyes wide open about what the implications are of that fateful move. This is not a series of moves to invite people back to universities for the old alumni to get together and give the old college yell. It is not about that. It is about war and peace, about the stability of Asia, and it is about the future of this country.

Now, Mr. President, one of the most important questions I think you can ask is: What is the defining international event of this era? What is the defining international event of this era? Is it the war in Bosnia? Is it peace in the Middle East and all that that portends and all of its implications? Is it the demise of the Soviet Union and the rise of Russia and privatization, and all of the problems that are happening in Russia? I do not believe so. Mr. President, Saeed Zakaria, the managing editor of Foreign Affairs, stated in the New York Times of February 18 that, "The defining international event of this era is the rise of China to world power." It is happening so fast, its implications are so vast that it is an event that is being missed. And, certainly, the implications of the event are being missed by the vast proportion of Americans, and I submit, by most Members of this Congress. Indeed, I, myself, really missed the significance of what is happening.

I first went to China with a number of my colleagues in 1976. At that time, China was backward and poor and oppressive. It was depressing. Everybody dressed the same. No food. No travel. No automobiles. No jobs. No nothing. I remember the one particular riveting sight I saw was the cabbages piled on the street—and this was in November—for the winter. There was just a big mound of cabbages to be used by the people to eat. They were piled on the street, and they would come and grab a cabbage when they needed it. And you could go to the markets, which we did, and there was nothing there.

So, Mr. President, as I read about progress and growth in China, as the years passed since that trip in 1976, I intellectually could believe it. But I just did not really realize it until 1992 when I went to a conference where Larry Summers, who at that time was the chief economist of the World Bank, was making a speech. He said that China would be the largest economy in the world shortly after the turn of the century. These words rang in my head like an unbelievable statement—the largest economy in the world, that backward country that I saw, was impossible I thought.

So I made arrangements within a month to go to China. Mr. President, I was blown away. It was astonishing. It is one vast construction site in China. It is already the second or the ninth largest economy in the world depending on how you calculate those things, what figures you use. But it is arguably the second largest economy in the world. There are traffic jams. There is abundant food. There is colorful and even stylish clothing. Forty percent of the people have color televisions. Twelve percent of the people in China had VCR's. You have CNN, you have five-star hotels, and as I mentioned, you have traffic jams.

In 1976, when we landed in Shanghai, they did not even have automobiles. They had to bring the automobiles down from Beijing on railroad cars. Now when you go to China there are traffic jams. On my trip last year, going back to Beijing from where we were should have taken about 2½ hours. It took 7 hours because of the traffic jams.

The growth is so vast. Kwangtung Province, where I arrived, is larger than any country in the European Community, other than reunited Germany. They have had in the previous 10 years a cumulative growth of 440 percent—440 percent in 10 years. It is a growth rate today of three to four times the growth in the United States. We are very proud of our growth rate here. They continue to project a growth rate of 8 to 9 percent.

Mr. President, it is astonishing what is going on. I urge my colleagues, every Member of the Senate, to get over there and see. See for yourself, not just the growth, but make your own opinion about what kind of country this is and what kind of future they have.

In my view, Mr. President, 20 years from now our country will be judged by its success in foreign policy, in its stability, in the prosperity of its citizens, in the job rate, and in the growth rate, all of those things, but also by how successfully we deal with China and these other rapidly growing countries on the Pacific rim.

This is one area where we make or break, in my judgment, the future of this country.

So just what are the implications then of having a policy—of changing from a commitment to engagement to a policy of containment toward this rapidly growing country? I can tell you, this, Mr. President, a policy of containment, I believe, leads to cold war. Here is what I think is possible. A hot war is possible—not probable, but it is possible. The destabilization of Asia is an expected event.

What is Japan going to do when the area becomes destabilized? I can tell you what Japan is going to do. They are either going to insist that the United States come in with our nuclear umbrella in vastly greater numbers, or they are going to want to rearm. It is tit for tat. When Japan begins to rearm, the People's Republic of China

is going to want to rearm that much more. What do they do in Indonesia? They will want to rearm. What about Vietnam, which has been a traditional enemy of the People's Republic of China? They are going to rearm. Pretty soon you have a real donnybrook of a cold war.

Mischief in Korea? Look at the People's Republic of China. They have played a very salutary and peace-making role with the United States in trying to moderate North Korean policy. Believe me. Everybody knows that. As a member of the Intelligence Committee, I can tell you that everybody knows that. You can read it in the paper. But if they are suddenly our adversary, what is their role going to be with respect to Korea? Arms proliferation? Oh, I know, it has been prominently printed that they have violated the MTCR, the Missile Treaty Control Regime, by shipping M-11 rockets to Pakistan and that they are shipping magnets which can be used for uranium enrichment also to Pakistan.

Mr. President, there is a lot of evidence printed in the paper about these things. I must tell you that, while I clearly do not countenance what they have done or what they have alleged to have done, these are hardly the kind of violations that rise to the level of what is possible. These enrichment magnets that they talk about can be used for uranium enrichment, no doubt. But they do not find themselves on the schedule of things that were prohibited. That is their argument at least; it is for uranium enrichment and not for making bombs. On the MTCR violations, they are not alleged to have shipped anything lately. None of that has appeared in the newspapers.

The administration, faced with the information, did not see fit to put sanctions for that reason. But whatever their present conduct is with respect to proliferation, it is nothing, compared to what they could possibly do. Do not forget what their capabilities would be on proliferation. They have the capacity to vastly increase their military spending. They are being criticized for increasing it way too much right now. But it is less than 12 percent of what we spend.

Mr. President, they have the capacity. If we want to provoke them, if we want to challenge China's pride and national feeling, believe me, they can increase way beyond 11.8 percent of what the United States spends.

What kind of damage would this do to the U.S. economy? Well, you can count on inflation because I guess we, along with all of this new cold war, revoke MFN. And all of these products which we import from them, we pay more for those. How much tax would we pay for this new cold war, for this new military buildup that would come? How many lost jobs in America? Most important, Mr. President, could we be successful? If we set out to contain China, could we be successful? I can tell you this, Mr. President. We suc-

cessfully contained the Soviet Union, but it took us trillions of dollars, it took us 40 years, and it took the unified support of all of the countries of Western Europe all working together, all joining together in NATO.

Who is coming to the defense of the United States saying, "Yes, United States, let us contain China." Who is doing that? Name for me one country that is doing that outside of Taiwan. Do the Germans? No. Look, Helmut Kohl has been to the PRC—over there at least twice seeking commercial contracts. They have invited Li Peng to come to Germany. The British? Oh, no. They may disagree a little bit about Hong Kong, but, Mr. President, the British are not trying to contain the People's Republic of China. The French? No. The French are selling nuclear reactors to China and beefing up in contracts all the time.

Nobody would support a policy of containment. It is a cold war that we would have to sustain ourselves. So, if we are going to try to contain and have a new cold war with the People's Republic of China, we are going to have to do it alone, and it is going to be a very, very expensive endeavor.

We are not going to pass this kind of legislation on the cheap. It is going to be very expensive—not just in the dollars we put into defense, not just in the jobs lost in America, but what it does to the economy of this country.

To abandon one China, to abandon a policy of containment, to make China our adversary would constitute perhaps the greatest diplomatic failure in United States history.

The fault of all of this is that we are presented with two choices. They say it is either appeasement or it is containment. It is either you are weak or you are strong. You have no other choice in between.

Those are the wrong choices. We are told that if we are weak, you encourage and you reward misconduct. If you do not stand up and tell them exactly what to do on human rights, then you are countenancing all these violations. And there are violations of human rights, to be sure. And the same thing is true of trade and Taiwan and proliferation; you have to stand up and be strong, they say. And if you are strong, we can change it all. We have absolute power, so Americans think, or some Americans think, to change China. All we have to do is tell them what to do and they will do it.

As Orville Schell said in the New Yorker—Orville Schell is a great author. You remember he wrote that book about nuclear winter, so he certainly knows about the dangers of international conflicts. But just last week he said in effect: Mao taught his comrades in arms to respect real power.

The idea that, if you are strong, stand up and it will happen. Or Charles Krauthammer said, "We ought to revoke MFN. Send the fleet into the Taiwan Strait," said Krauthammer, and

"After all," he says, "if you wait for war, you invite war."

I am not sure what he meant by that. I took it to mean that you ought to go ahead and risk war right now and let us have it sooner rather than later.

Mr. President, this kind of talk—be tough, challenge them, tell them exactly what to do—in my view are not the choices facing this country. Appeasement or containment are not the proper choices.

The faults of China are very well-known. I really believe that the press, to some degree, has done a job of demonizing China. Part of that is China's fault because reporters go to China and they are treated badly. They treat reporters in China like a lot of politicians in America would like to treat reporters if they thought they could get away with it. But we know better and so we smile all the while. How do you think George Bush would have treated reporters if he thought he could have gotten away with it, or Bill Clinton, how do you think he feels about some of these reporters who write about Whitewater? But the Chinese treat them that way and they get terrible press.

Look, China is not a democracy. They do not have a Bill of Rights. They have all kinds of human rights violations. Ask Wei Jen Sheng about that. No question about that. Trade abuses? Yes. Intellectual property abuses? Yes. Live fire was a provocative thing in the Strait of Taiwan. Proliferation, MTCR, all of these things are faults of China which have been publicly and widely chronicled all over the United States, so we know they have plenty of faults.

Mr. President, if they have faults, they are not nearly as bad as their harshest critics would indicate. This is not a hostile regime. This is not a regime that is threatening its neighbors. It is not threatening to invade Taiwan. It is certainly not threatening any of their other neighbors. They never have, Mr. President. They have committed themselves over and over again to what they called nonhegemony in the region. They are proceeding toward Westernization at an astonishing pace. Privatization.

It may not be a democracy, Mr. President, but it is certainly not communism. Their market is about half-and-half—half free open market and about half State controlled, and the proportion that is free is growing all the time. I remind my colleagues that this country does not have a 100-percent free market. There are vast areas such as the post office, such as the Government which are not free in the United States. But theirs is about 50-50. The products produced are free.

The difference between China in 1976 when I was first there and now is mind-boggling. There is travel now. Just to give you one example is the unit system they used to have in 1976. A block captain would give out the job, the ration stamps, and the housing of every person. They were tethered to and con-

trolled by their block and their block captain. They could not travel. They would not have had the money to travel. There was no job to be had elsewhere.

Indeed, in 1989, Tiananmen Square was more of a revolt against the assignment of jobs, I believe, than it was about democratization. Today, the block system does not exist in vast areas of China. There are hundreds of millions of Chinese who travel and have traveled and take jobs on their own without permission of the block captain.

You want to know what real freedom is, Mr. President, or what real oppression is. It is the inability to travel and get a job and work where you wish. But now there is this freedom to get jobs and jobs in Western-controlled companies where they are absorbing Western culture, Western ways, and Western freedom.

We hear that there are widespread death penalties in China. According to the New York Times, in the first 6 months of 1995 there were 1,865 death penalties meted out in China. That is not disproportionate to the amount of death penalties meted out in this country for those whose conduct merits the death penalty. I happen to be a supporter of the death penalty properly acquired. You may still disagree with 1,865 death penalties meted out in China in the first 6 months, but this is hardly Nazi Germany during their worst times.

The National People's Congress, Mr. President, is acquiring more and more power all the time. Indeed, there are some China watchers who say that Chao Zhenwei, who is the head of the National People's Congress, is a competitor with Jiang Zemin for power. I do not give that as my own view, but it is clear that the National People's Congress is getting additional power and is making a step, a real step in the direction of some kind of democracy. In fact, they fairly recently enacted measures which provide that you cannot be held for more than 30 days without charges being filed, a presumption of innocence.

That sounds fundamental, and it is, but they did not have it in China and they now have it and the National People's Congress gave it to us. You now have lawsuits in China about the environment, about zoning, consumer lawsuits. These did not exist a few years ago. They did not exist, indeed, at the time of Tiananmen Square in 1989.

Now, all of these things which I am telling you may not help Wei Jen Sheng, who is probably the most prominent of the dissidents at this time. But it is progress. And the point is, this is not a rogue regime. It may not be a saintly regime. It is neither. Just as the economy is not a Communist economy, it is not a total free market either. It is about 50-50. And you have to engage China as an emerging country, as a changing country.

What I believe this country needs is to determine what kind of China we

want and devise a policy that has some possibility of getting us there. What do we want from China? Most important, we want a responsible member of the international community. We want a country that respects the rule of law—certainly in trade—and in human rights and in commerce and in every way that we can urge them to do so, a responsible member of the international community. We want them, I believe, to be a prosperous China. With 1.2 billion citizens and all that power, a country which is declining, which is not prosperous, is a dangerous country for all of Asia and all the world. Most of all, we want a friendly China.

It is clear, to get there, that China does not respond to a list of demands. I wish that it were true. I wish that we could give them our list and tack it on the church door and expect that these things would be done, but they have shown time and time again that public pressure and hectoring of the Chinese is counterproductive.

I would say the degree of success, of what we are able to extract from the Chinese in terms of our demands, is inversely proportionate to the amount of publicity that we give to those set of demands. Why is it that they are so inordinately sensitive, unreasonably sensitive to the demands of the United States? Very simple. They have one of the most searing histories of humiliation, certainly of a great power, that exists on the face of the Earth. In the last 150 years, they have been dominated at least four times by foreign powers. The opium wars in the 19th century—do you know, Mr. President, in the opium wars, the British invaded and subjugated China because they were trying to restrict their market of opium? Can you imagine anything less reasonable, less civilized, more to be criticized than that? That is what the British did.

The Japanese did not just attack China. You had the rape of Nanking.

When the British controlled Shanghai, as the great commercial center—and they had these clubs; they would not even admit Chinese in the clubs in their own city of Shanghai.

Mr. President, it is a series of humiliations, historically, that have been seared into the consciousness of the Chinese. The 1949 revolution was as much about nationalism as it was about communism, and I can tell you there are strong strands of nationalism that bind the Chinese, all 1.2 billion of them, in the strongest kind of way.

Add to the sensitivity that comes from that historical humiliation the fact that this country is a country in transition. Add to that the explosive growth. In that same article in the New York Times by Saeed Zakaria, the managing editor of foreign affairs, he says, "Nowhere in history has a country grown as fast as China without political and social upheaval."

So here you have a China that is in a power transition, with human growth almost double digits, and you have this

sensitivity. So it requires, on our part, the most enormous amount of sophistication and sensitivity that we are capable of giving.

So, what, then, should we do? Mr. President, we ought to get a clear and consistent China policy and articulate it. I wish the President of the United States would make a statement of where we stand. Yes, he has stated that we continue to adhere to the Shanghai communique, but he needs to make that clear. We need to understand that Taiwan is central to this issue of engagement of the largest country in the world in population and soon perhaps to be the largest economy of the world. And what does that mean? It means we need to reassure the People's Republic of China that we will not be a party to unilateral declarations of independence, that the Shanghai communique, that the Nixon doctrine, that the Reagan communique, that the Carter communique are still our policy and are not subsumed and superseded by, but are consistent with, the Taiwan Relations Act.

At the same time, we should continue to reassure Taiwan that we will stand behind them when it comes to any threat of invasion; that unification needs to be peaceful. But that is what we have said all along. That is what China has said all along: One country, two systems, peaceful reunification. Now, what is wrong with that? And why can we not articulate that clearly?

We need to treat their leaders with respect and dignity. As I say, they are enormously sensitive and we frequently fail to recognize that this country, the Middle Kingdom, as it has been historically called, has not, in fact, been treated with the proper respect and dignity.

I do not believe that most Americans know what is going on in China in terms of the huge—not just huge growth, but huge strides forward that they are making. We need to recognize the limitations that there are on human rights. We just cannot give a list of demands, as much as we want to do so. We have to recognize those limitations. That does not mean we do not continue in the strongest way possible, that can be effective, to stand up for human rights and dignity all over the world, but it means that we do so in a way that is likely to be effective.

Mr. President, if we do those things, then it will allow us to be more firm on the missile treaty control regime. It will allow us to be more firm on trade. The problem is, when you have two carrier battle groups steaming in the Strait of Taiwan, then to invoke sanctions on trade looks like a further step toward containment and cold war and makes it inappropriate to take the kind of steps on trade or MTCR that you ought to do.

So that, in effect, by dealing with Taiwan in a traditional way that we should, that is to reassure all parties, one China, two systems, peaceful reunification—to reassure all parties that

our policy allows us, then, to be more firm in areas that are likely to make it effective.

We have surely made our point. The Chinese, I submit, have made their point, that is, they are not going to stand for a unilateral declaration of independence. We have made our point with not one but two carrier groups—not one but two carrier battle groups. We have made that point strongly. We have stood up for Taiwan, our friend.

Now it is time for us to be more patient, to lower our voices, to have a greater engagement with the People's Republic of China, to have high level discussions and, most of all, to kill this very ill-considered piece of legislation.

This piece of legislation, at this sensitive time, could do more than anything I know to put us at odds and put us in a position of containment and cold war with the largest nation on Earth.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senate majority leader is recognized.

UNANIMOUS CONSENT AGREEMENT—H.R. 3136

Mr. DOLE. Mr. President, I think we have an agreement on the debt limit which will be coming from the House momentarily.

I ask unanimous consent that when the Senate receives from the House H.R. 3136, the debt limit bill, the bill be read a third time and passed and the motion to reconsider be laid upon the table, all without any intervening action or debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. I further ask unanimous consent that the following Senators be recognized for up to 10 minutes each with respect to the debt limit any time during the remainder of today's session: Senator GRAHAM of Florida and Senator PRYOR.

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

INCREASING THE PUBLIC DEBT LIMIT

Mr. ROTH. Mr. President, today the Senate considers H.R. 3136, a bill to increase the public debt limit to \$5.5 trillion. The bill would also increase the earnings limit for all Social Security recipients as well as provide regulatory relief for small businesses. The regulatory relief package mirrors S. 942, which passed the Senate earlier this month by a vote of 100 to 0. As of last night, some details of that package were still being finalized. Senator BOND, chairman of the Small Business Committee, will explain that portion of this bill. I will focus my remarks on the Senior Citizens' Right to Work Act of 1996. However, before I do that, let me spend a few moments on the need for the debt-limit increase.

Earlier this year, we passed two bills, H.R. 2924 and H.R. 3021, to provide for temporary relief from the current debt limit. These two bills created new legal borrowing authority not subject to the debt limit for a short period of time. Today we will act on the long-term extension. According to the Congressional Budget Office, this increase should be sufficient through the end of fiscal year 1997.

Over the past decade, many have argued against raising the debt limit, however, let me remind my colleagues that last fall we passed a budget that would have achieved balance in 7 years. That legislation would have gone a long way to reduce the amount of debt limit increases which are always so painful to enact. Unfortunately, as we all know, President Clinton decided to veto the Balanced Budget Act of 1995.

If we fail to concur in the action of the House, or if President Clinton were to veto this bill, we would find ourselves in a fiscal and financial crisis. The Government could not borrow and bills would only be paid out of current receipts, leading to defaults on interest payments and payments to contractors as well as an inability to make all required benefit payments. These defaults would also lead to higher interest rates.

Congress has raised the debt limit 33 times between 1980 and 1995. Many of these increases were short-term temporary extensions. It is important to remember that the increase of \$600 billion included in this bill is the third largest increase. The largest increase was in the 1990 budget deal and the second largest was in the 1993 Clinton tax-increase bill.

I hope that the Senate expeditiously enacts this critically important piece of legislation to preserve the full faith and credit of the U.S. Government.

Now let me turn to title I of this bill. The Senior Citizens' Right to Work Act is a big step toward providing greater economic opportunity and security for America's senior citizens.

Under current law, millions of men and women between the ages of 65 and 69 are discouraged from working because they face a loss of their Social Security benefits. If a senior citizen earns more than a certain amount—the so-called earnings limit—he or she loses \$1 in Social Security benefits for every \$3 earned. The current earnings limit is a very low amount—only \$11,520.

Mr. President, this earnings limit is unfair to seniors and is a barrier to a prosperous economic future of all Americans.

For today's seniors, the earnings limit can add up to a whopping tax bite. According to both the Congressional Research Service and the Joint Committee on Taxation, seniors who have wages above the earnings limit can face marginal tax rates over 90 percent, when one factors in Federal and State taxes.

Mr. President, that is not right.