

know how tough it is to make a profit on feeder cattle. I know that a lot of our cattlemen today are losing money and are losing their farms because of low cattle prices. There have been a number of steps taken. But they have all been on the edge.

The real issue is price. I feel strongly that the great packer concentration is causing price-fixing, and we need anti-trust action by the Clinton administration. They have the authority. The law is on the books. We should do it now.

So, Mr. President, in conclusion, let me say that I voted with pride for the Dole budget that passed the Senate because it has welfare reform in it that will lead to workfare.

It will fundamentally change the welfare system in our country to workfare. It will save taxpayers' money. It will mean that actual welfare recipients will do even better. This is a good budget that will lead us to \$1 billion in 2002. I hope the House of Representatives and the White House accept the budget this year.

I thank the Chair, and I yield back my time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

WELFARE REFORM

Mr. DASCHLE. Mr. President, before we leave for the Memorial Day recess, I wanted to make a couple of comments if I could with regard to the current situation on welfare reform. I did not hear all of his remarks, but I know that the Senator from South Dakota just made a reference to welfare in the budget. A number of colleagues on both sides of the aisle have addressed the issue this morning—Senator BREAUX, and I believe, the majority leader did so as well. I think it is fairly clear that Democrats and Republicans want welfare reform. I do not know of anyone who supports the status quo.

There has been a lot of talk about reform principles over the last several months. The President reiterated the basic principles just last weekend. And on Tuesday, my colleague, the majority leader, announced his principles. The legislation to reform welfare has come a long way in the last 12 months. Senator BREAUX and Senator CHAFEE have worked over the course of the better part of a year now to achieve a bipartisan compromise on welfare reform, and frankly I applaud them for their effort and for the contribution they have made to this debate.

On the House side, Representatives TANNER and CASTLE have done much the same thing, and for them, too, there has been a good deal of attention

for the work product they have produced. On Wednesday, Republican House and Senate Members introduced legislation very close to those bills. So in large measure, many of the extreme provisions of the legislation offered in 1995 are no longer evident in the welfare reform proposals that are currently being considered. If you look at the proposals, what is remarkable is the degree to which there is common ground. That common ground is really based on a number of principles that apparently are shared now by the vast majority of Republicans and Democrats.

First, able-bodied welfare recipients ought to work. I do not think there is much disagreement about that. Second, welfare receipts ought to be limited in time. Now, there is some disagreement with regard to the length of time perhaps, especially on my side of the aisle, but I do believe there is a broad, bipartisan consensus in the middle that there ought to be a time limitation. Adequate funds for child care need to be provided as well. You cannot ask a family to go take that new job, to leave the security of the welfare infrastructure and then to expect them to leave children in the living room unattended. We talk about making sure that families have the ability to be families, to take care of their children. If they are going to work, somebody has to take that responsibility while they are gone.

I also recognize, and I think most colleagues do, that there is a broad consensus about how we treat illegal noncitizens. They should not receive welfare, period. I do not think there is much disagreement with regard to welfare receipt for illegal noncitizens. Child support enforcement laws need to be strengthened. There are still too many deadbeat dads out there who ought to be sought out and ought to be made to live up to their responsibilities.

We need to provide more flexibility to States. The President has provided now, I am told, over 60 waivers in States across the country. No greater level of flexibility has ever been given by any administration to States to find ways to address the welfare issue from their perspective more effectively than has this administration.

Finally—and I think there is some disagreement on this—there is a growing consensus that children, infants, and toddlers especially, those most vulnerable, need to be protected; that welfare reform should not be about punishing kids. It ought to be about giving them as much empowerment, as much opportunity to be cared for, to be educated, to be fed, to be clothed, and housed in a way that will ensure that they are not on welfare someday. We need to break this generational linkage. The only way we are going to do that is to empower children and find ways to ensure that they are not punished as we continue to find a more viable approach to our welfare system.

The President said yesterday that he would like to enact welfare quickly. In fact, he said he would like to see it happen before the majority leader leaves the Senate.

Mr. President, I think there ought to be bipartisan agreement to that effect. Let us try to do that. I listened carefully to the speech by the majority leader in Wisconsin, and he said, "When I say real welfare reform, I mean requiring every able-bodied welfare recipient to find work within 2 years."

The Republican bill introduced yesterday goes beyond that particular requirement for work, and it is something we are going to have to be able to address. There are no exceptions, except for mothers with children under age 1. What about disabled people? Should they be required to find a job in 2 years? What about those caring for a disabled child? What about those who are caring for a disabled spouse? Do we require the same of them that we require for able-bodied people in normal circumstances?

That is something I am sure in a bipartisan way we can resolve to everyone's satisfaction, but clearly those are a series of questions that in our view have to be addressed in a way that will allow us to pass meaningful legislation sometime soon.

I do hope we can act on it soon, but we also need to read the legislation that has been introduced. It was not available yesterday. We do not know if it will be available today. There may be other areas in the bill where the provisions do not match the principles that appear to be the common ground that binds Republicans and Democrats. But clearly there is a desire, and I think that desire is becoming more pronounced, more articulate in a more specific way than at any time in recent memory.

I agree with much of the majority leader's speech in Wisconsin, not just the quote to which I just made reference. He did not speak as an extremist partisan leader. He spoke of, and I quote, "The American ideals of freedom and human dignity, opportunity and personal responsibility." He is right.

The President has articulated in much the same way what this ought to be about. Now it is our responsibility to ensure that welfare reform does not aim at the mother but hit the child.

Much has been said about reform. Little has been said about protecting children. We all want to make sure that they are protected, that they do not pay for the mistakes or the circumstances of their parents. Somehow there ought to be a way to protect children as we attempt in a positive way to construct a welfare infrastructure that allows us to make fundamental change.

If our Republican colleagues are serious about welfare, then we ought to schedule it. We ought to schedule it quickly. We could agree today to take that legislation up before the Senate as

early as June 4 when we come back. Let us set aside this so-called Defend America Act. Let us bring welfare reform to the floor and let us begin to address it. We can compare our provisions. We can agree on principles. We can decide how we answer the questions that I have addressed, but let us move it.

Let's drop the partisan ploy to combine welfare and Medicaid. There is no consensus on Medicaid. There is a consensus on welfare. Not proceeding on June 4 means that perhaps there are some who are not serious about whether or not we ought to move in an expeditious way, that we may not be able to get this bipartisan consensus in a time-frame that will allow the majority leader to demonstrate his leadership as he has in the last couple of days.

So I hope that we could get some agreement to take up welfare reform at the earliest possible date. I would be prepared to work with the majority leader to find a way to ensure that Senators have an opportunity to voice their objectives and their goals as well as their opposition to specific ideas that may be debated. That is what a good welfare debate is all about.

But I can guarantee this. There would not be any long, unnecessary, extended debate. We could resolve this matter. We could send it on to the President. We could find the President and the majority leader in agreement, and move on to other issues that may separate us and continue to require the debate that I know they will. Medicaid and Medicare may be two examples. But we can do welfare. We can do it the week we get back. We can do it in a matter of a limited period of time. That is possible. I hope we could find a way, in a bipartisan agreement, to make that happen sooner rather than later.

I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The senior Senator from Montana.

Mr. BAUCUS. Mr. President, what is the pending business?

The PRESIDING OFFICER. We are in morning business with Senators allowed to speak up to 5 minutes.

Mr. BAUCUS. I thank the Presiding Officer, my colleague from Montana.

MFN STATUS FOR CHINA

Mr. BAUCUS. Mr. President, I rise to discuss the question of most-favored-nation tariff status for China.

Our goals in China policy over the next 10 years are more important than our goals for the next 2 months. But we must begin with the next 2 months and MFN status, because we can not do much at all unless we avoid disaster in the short term.

We Americans should begin by understanding what MFN status is, and what it is not. MFN is not a special favor and it does not mean "best country." It traditionally meant that we would give a country the same tariff rates every-

one else got. But today, MFN is closer to "Least" than "Most" favored nation.

Only seven countries—Afghanistan, Cuba, Cambodia, Laos, North Korea, Vietnam, and Yugoslavia lack MFN status. And the House, as well as the Senate Finance Committee, has already passed a bill to get Cambodia off that list.

By contrast, 31 countries get tariffs below MFN through the Caribbean Basin Initiative, the Andean Trade Preference Act, the NAFTA, and the United States-Israel Free-Trade Agreement. And when we renew the Generalized System of Preferences, the total will rise to 151 countries and territories with tariffs below MFN.

So giving China MFN status is nothing special. Now look at revoking MFN. It raises tariffs from Uruguay Round to Smoot-Hawley rates. That brings our average tariff on Chinese goods from 4.6 to 40 percent. To choose some of China's largest exports, Smoot-Hawley tariffs raise the duty on silk blouses tenfold, from 6.5 to 65 percent. On radio-tape players, from 1 to 35 percent. On toys and stuffed animals, zero to 70 percent.

This would make trade with China impossible. China would lose about \$44 billion of exports, nearly a third of its total sales to the world. China's inevitable retaliation would cost us \$14 billion in direct exports, plus much of our \$17 billion in exports to Hong Kong.

The consequences would be staggering. China would suffer a humanitarian crisis, as millions of workers in coastal export factories lose their jobs overnight. That is why the dissident Wei Jingsheng hopes we will not revoke MFN status, and says that "the direct victims of such measures are the already poverty-stricken Chinese people."

They would not be the only victims. The damage to Hong Kong would be tremendous. The United States would lose hundreds of thousands of export jobs. Retailers and the millions of people they employ would suffer a massive disruption of toy and apparel imports just as they are buying stocks for the Christmas season.

And although MFN is a trade policy, the malign effect of revoking it would go far beyond trade and jobs. It is hard to see how we could continue working with China in areas of mutual interest. And the consequences in politics and security—from our ability to manage the nuclear aspirations of North Korea, to preventing weapons proliferation in the Middle East, to the U.N. Security Council and beyond—would be immense.

That brings us to the larger and more important question—what we hope to achieve in China policy generally. And again, start with the facts.

China is the world's most populous country. It has nuclear weapons and the world's largest army.

It is a major industrial contributor to global climate change and pollution

of the oceans. And it is the world's fastest growing major economy. So in the coming decades, China will have significant effect, for good or for ill, on economic, environmental and political developments in Asia and around the world.

If China is hostile—or, short of outright hostility, refuses to recognize the standards of behavior most countries accept, and approaches the world with an angry nationalism—hopes for peace and prosperity recede.

And as the first half of this century showed, a weak, poor, and fragmented China is equally dangerous.

It becomes a source of revolution. It sends refugees across the world. And it attracts the greed and aggression of its neighbors, as it did Bolshevik Russia and Imperial Japan.

So we should do what we can to avoid either extreme. That is a difficult foreign policy problem which requires patient, continuous engagement. We should work with China wherever possible. And issues from environmental protection, to adoption of Chinese orphans, to security in Korea show that it is often possible.

We also have disputes with China, on intellectual property protection, treatment of dissidents, and weapons sales. And we must address these disputes in a calm but serious way. The U.S.T.R.'s announcement of sanctions for violations of the 1995 Intellectual Property Agreement today is a good example.

But whether we are talking about mutual interests, or disputes, there is really only one way to succeed. That is by staying engaged and remembering our long-term goal of a world a bit more peaceful and more prosperous.

Barring a cataclysmic event that makes engagement impossible—an unprovoked attack on Taiwan, for example—revoking or conditioning MFN will not help achieve that goal. Rather the reverse, to put it mildly. And if such an event were to occur, a policy based on MFN would be far too weak.

In fact, there is no situation to which revoking MFN status would be the appropriate response. And thus, after 6 years, it is time to end the debate. It has become simply an artificial, annual crisis at a time when we have all too many real ones.

So this year, the administration should show strength and confidence in its basically sound policy.

We should not revoke MFN status. We should not try a split-the-baby half measure like revoking MFN for state-owned industry or bringing China back to Tokyo round tariffs. Nor should we use new conditions to postpone the decision a few months or a year. We should just leave MFN alone.

And next year, we should move on. It is time to bring China out of the Jackson-Vanik amendment, extend MFN permanently, and close this debate for good.