

nominees. Let them stand up and say what they think. Let them vote the way they want to vote. I might say to my very good friend from Mississippi that my colleague, Senator BURNS, a Republican from the State of Montana, supports this nominee. He supports this nominee. If you have bipartisan support for our nominee, Don Molloy, I see no reason why he should not be added to that list of four.

Mr. LOTT. Mr. President, there has been objection to this point to this particular nominee. I do not know him. I do not know his record. I am not on the Judiciary Committee. I can only say that we have not been able to get any other than these four approved to this point. Maybe there is some problem there. I do not know. Maybe there is not.

I can sympathize with the Senator, because I remember one time that my State of Mississippi agreed to go along with a nominee from Louisiana, who was particularly well qualified to be a member of the Fifth Circuit Court of Appeals—basically, a Mississippi position. Because there was such a uniquely qualified nominee, a former Congressman and Governor that we withheld with the insistence that it be a nominee from our State. So that nomination went forward, and then it languished, and it laid there, and it seemed to be objected to. Finally, the term ended, or that session of the Congress, whatever that was—maybe the 98th session. At any rate, there was never an explanation of what the problem was. There was an objection by the Democrats to this fine man, who clearly had judicial temperament, was highly rejected, ethical, a former Congressman and Governor and, yet, it just stayed there and never was considered.

So I understand how the Senator feels about this. But it is a unique thing to the Senate to make the recommendations to Presidents for the Federal district judges, as well as appellate courts, even though appellate courts are treated a little differently than Federal district judges. It is also a unique Senate prerogative to have an objection to a judge. Obviously, it can come from some other State, some member of the Judiciary Committee—who knows? Sometimes it is very difficult to find out exactly what the problem is. But they have a way, in many instances, of working themselves out.

Again, the majority leader has said to the minority leader that he would like to move as many of these as possible.

Mr. BAUCUS. I can help the Senator move one more right now. That is my suggestion. That is helping the leader. He can move one more.

Mr. LOTT. We do not have that one cleared and the other 12. But we do have four cleared. When those are done, we will try some others. I make one last plea to the Senator. I believe that if he would let these four go, it would help break down the dike, and we would see others move.

Mr. BAUCUS. Mr. President, I appreciate the remarks of my very good friend. We simply have heard no good reason why Don Molloy should not be on the calendar.

It is with great reluctance that I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, I thank the distinguished Senator from Iowa for allowing us to have this exchange in an effort to try to clear some judicial nominations.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

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

The Senator from Iowa.

CHINA MOST-FAVORED-NATION STATUS

Mr. GRASSLEY. Mr. President, earlier today the Senate Finance Committee heard testimony on the issue of most-favored-nation trade policy for China. As you know Mr. President, the President of the United States, President Clinton, on May 20 announced that China would be granted most-favored-nation status for another year. This is an annual determination made in the case of China. For the other 100 and some nations that have most-favored-nation trade status with us it is more on a permanent basis. It does not have to be annually like it is for China.

I might say, too, for the benefit of my colleagues that there are only about five or six countries that would be called major trading partners, or potential major trading partners that do not have most-favored-nation status. So I am not sure that the terminology is very good when it really kind of refers to normal trading status between the United States and any other country. But it has been titled like this for decades. So it sounds like maybe really more than what it really is. But the President made that decision.

I wanted to announce my support of the President's decision. So we are going to enter a period of time here where Congress debates whether or not the President is right to have granted most-favored-nation status to China, and also we will do that through a resolution of disapproval of the President's action. So if the resolution of disapproval does not pass the Congress then, of course, the President's actions will stand. If it would pass Congress by a majority vote but the President would veto, which you would assume that he would, then presumably unless there are votes to override—which means two-thirds majority—that the President's action would still stand.

So I think it is fair to assume that regardless of the annual exercise we go

through, regardless of the motion of disapproval being approved, in the final analysis there will not be a two-thirds vote to override the President's actions. So China will have most-favored-nation status for another year.

I personally believe—and I support, of course—that the President's decision should and will be upheld. But there is a lot of sentiment against China on Capitol Hill, and recent developments in our relationship with China has not helped China's chances of success in fighting the motion of disapproval.

Most recently on trade issues in regard to China our United States Trade Representative announced sanctions against China to the tune of \$2 billion. These sanctions will take effect on June 17 unless China comes into compliance with the bilateral agreement on intellectual property rights that was reached in 1995. In response to our own Government's announcement of sanctions against China, they in turn said that they would levy 100 percent tariffs on many U.S. exports. These include agricultural products such as cotton, beef, chicken, and vegetable oils.

So it appears that we could be on the verge of a trade war with one of our major agricultural export markets. I want to reflect on this issue by briefly discussing how we got into this position, and what it means for China's chances on MFN.

Mr. President, as you know, the Clinton administration's position on how to deal with China has never been very clear. In fact, I suppose you could put it in a class with a lot of other issues that the President has taken positions on in the past. He has changed his view on this one as well.

In addition, since he has been President, I can say he has had no long-term view on what a relationship with China ought to be. Some have said that the President seems to make policy according to the last person he has spoken to on a given day. That has been a very general comment about the President. But it is one, if you look at specific actions on China, that I think you can apply even more specifically to our China policy.

In 1992, when he was a Presidential candidate, Bill Clinton harshly criticized the Bush administration for being soft on human rights in China. Candidate Clinton vowed at that time to condition China's most-favored-nation status on—these are his words—“respect for human rights, political liberalization, and responsible international conduct.”

That is what the President said was wrong with President Bush's position on China.

Just 2 years later, President Clinton favored separating human rights from most-favored-nation status, and he favored that year granting China MFN status, as the Bush administration had done, and as the Reagan administration had done. And it even goes back beyond that.

While the President was changing his mind, there was not any evidence whatsoever that China had altered its behavior to satisfy President Clinton's very own standards that he had enunciated in 1992 on the issue of MFN. Recently the contradictions and rhetoric have become more pronounced, and the consequences even more important.

Our lack of a tough and clearly defined policy toward Beijing has created a new atmosphere in China. It is an atmosphere in which China decided that it can ignore its responsibilities to the world community.

So my question to you is this: Does this administration have credibility in dealing with China? I think that lack of credibility is part of the reason that we have problems not only with our government toward China but also within the United States of whether or not our policy toward China is right. This constant changing of policy does not send a very clear signal to the American people of the benefits of MFN, or the importance of continuing MFN for China. You see some of this in China's action—its attempt to intimidate Taiwan prior to its election through so-called military exercises. China has allegedly sold nuclear materials to Pakistan, but denies knowledge of doing so. Now it has blatantly violated its intellectual property rights agreement with the United States. Do you think that China would behave in this manner if they really took the President's rhetoric seriously? Our own United States Trade Representative has announced sanctions due to China's breach of the intellectual property rights agreement. I support these sanctions, and I have not found any opposition to these sanctions. The credibility of the United States and our ability to enforce future agreements would be very much on the line and questioned if we did not impose these sanctions. However, if we had had a more consistent policy toward China in the last few years, I think this situation on the intellectual property rights could have been avoided. Unfortunately, Congress will have to debate China's most-favored-nation status with its looming trade dispute as a backdrop. For many Members it will be difficult to go home and justify voting for MFN while China openly violates existing trade agreements. So I am afraid that the vote may be very close.

Mr. President, it is important to consider the implications of not extending most-favored-nation status at this time.

In 1995, United States exports to China totaled about \$12 billion. Those exports would be jeopardized. Tariffs on products coming into the United States from China would also be raised significantly. This amounts to a tax, of course, on our American consumers, so American businesses and consumers will suffer.

The MFN debate is no ideological exercise. It affects business. It affects jobs for Americans. It affects consumer

costs. So we are talking about pocket-book issues in dealing with MFN. There is at least one area that will suffer if MFN is revoked. It is of interest to my State of Iowa. That is agriculture. Those of us from agriculture States know how especially important this debate is. It is very important.

Is the Chair speaking of the 10-minute thing?

The PRESIDING OFFICER. Yes.

Mr. GRASSLEY. I thought I yielded to the speaker without losing my right to the floor; I was protected.

The PRESIDING OFFICER. Unanimous consent was granted.

Mr. GRASSLEY. OK. Then I should have objected to the unanimous consent request. But the unanimous consent overrode the unanimous consent I had to have my right to the floor.

The PRESIDING OFFICER. That is true.

Mr. GRASSLEY. I ask for 5 more minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GRASSLEY. Those of us from agriculture States especially know how important the debate on MFN is. China has a population of 1.2 billion, which is one-fifth of the world population, but it has only 7 percent of the world's arable land. So China will continue to import large amounts of its food needs. The good news for the American farmer is that the diet of the Chinese people is changing rapidly. Meat consumption is growing 10 percent per year there, or a staggering 4 million tons annually. So value-added exports will play a very important role in China's future and in the agricultural exports of our country to China.

The potential for growth over the coming decades is extremely high. We are going to have a 75-percent increase of exports to Asia, and 50 percent of that increase by the year 2000 is going to be with China. So by the year 2030 this is going to be a very important market for America and particularly for American agricultural.

It also relates very well with our new farm program. This program will have a declining amount of appropriations for agriculture to a phaseout by the year 2002. So farmers will earn more from the marketplace, and our ability to export is very important in accomplishing this. China, of course, will play a very important role in these exports.

So I think our policy toward China must be one of aggressive engagement. We need to continue to negotiate agreements with the Chinese on trade and other matters as well. We must work to bring China into the world community of nations, and I believe that these actions will ultimately bring about real reform within China. Granting most-favored-nation status should be a part of that policy.

We had a debate in the Finance Committee a few weeks ago about how misleading the term MFN is. It is not

something special. As I have already said, it is something that is granted to all but a handful of nations. But with that said, we must still vigorously enforce all of our agreements with China. Trade agreements are not worth the paper they are written on if we are afraid to take appropriate measures of enforcement.

There is a real old saying in the Western United States of "keep your door unlocked, but if you do, keep a shotgun behind the door." I think that is how I see our activities with China. You have to be open with them, but we have to be prepared to make sure that they stick to the agreements as well. So we have the WTO accession negotiations with China coming up. That gives us an opportunity to discuss with the Chinese all of the concerns raised in the MFN debate. We can also use the imposition of 301 sanctions to accomplish our goal.

That is a much better environment than the MFN debate for bringing China to the table and around to the international norms that they say they agree with, the international norms of trade agreements being followed, the international norms of human rights that are in the United Nations Charter, the international norms of rule of law, and you can name a lot of others. China says that they accept them. A lot of people who do not want MFN status say since China does not meet these international norms all the time, we should not grant MFN. But these other environments are the place for those issues to be discussed.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Parliamentary inquiry, Mr. President. Is this morning business?

The PRESIDING OFFICER. It is, indeed, with 10 minutes allotted for each speaker.

Mr. DOMENICI. I yield myself the 10 minutes.

TRUSTEES REPORT ON MEDICARE AND SOCIAL SECURITY

Mr. DOMENICI. Mr. President and fellow Senators, the trustees' report on Medicare and Social Security has just been delivered. Everybody should know that is a report that is put together by a six-member commission, four of whom are either Cabinet Members of the President or hierarchy of the Social Security System itself.

On page 10 of the summary of that report, the following statement is found:

The trustees recommend the earliest possible enactment of the legislation to further control the HI program costs and thereby extend the life of the Hospital Insurance Trust Fund. This is, however, only a first step in what must be a long-term process to achieve balance between HI costs and funding.

Now, I repeat, these trustees I do not believe are Republicans. They are not Members of the Congress. Three of