S.J. Res. 56. A joint resolution disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GREGG (for himself, Mr. SHELBY, and Mr. HELMS):

S. 1845. A bill to amend the Federal Election Campaign Act of 1971 to require written consent before using union dues and other mandatory employee fees for political activities; to the Committee on Rules and Administration.

THE UNION MEMBER PROTECTION ACT

● Mr. GREGG. Mr. President, I introduce the Union Member Protection Act. As you may know, the unions are mounting an unprecedented campaign this year to defeat Republican Members of Congress. The main source of the money for this campaign comes from compulsory union dues levied upon rank-and-file union members, as well as nonunion members who work in union shops. This past March the AFL–CIO, at a unique convention in Washington, DC, voted to levy a special assessment on every dues payer of 15 cents monthly per person to raise $25 million of the $35 million goal.

In a recent survey of 1,000 rank-and-file union members, commissioned by Americans for a balanced budget and conducted by the Luntz Research Cos. 58 percent of the union members were not aware that the national labor unions were using mandatory monthly dues on a $35 million campaign to defeat Republican Members of Congress. When told of this, 62 percent opposed the use of their union dues for this political effort. This is not surprising considering that nearly 40 percent of union members voted Republican in the 1994 elections.

When discussing the pledge of $35 million from the unions for the purpose of unseating Republicans, Vice President GORE stated, ''One group with a conscience connected to working families can overpower hundreds of thousands of interests working against the interest of working families.'' Conscience? Washington union bosses are living extravagant lifestyles, financed from workers' paychecks and, yet, they would have people believe that Republicans are the ones out of touch with rank and file working families. Union bosses have spent $2.3 million on the AFL–CIO's private airplane, $1.9 million to decorate the personal home and conference center of a union boss, $250,000 for a Washington, DC, condominium, and more than $100,000 for a union boss' funeral. These very same union bosses are responsible for President Clinton exempting the labor unions' health care plans from his proposed Government takeover of the Nation's health care system, revoking President Bush's executive order requiring unions to notify their rank-and-file members of their right not to fund union political activities, and vetoing numerous bills opposed by the Washington union bosses, including a balanced budget, family tax cuts, and welfare reform. It's no wonder that 66 percent of union members prefer the leadership of their local chapters.

My bill, the Union Member Protection Act, will allow no dues, fees, or other money required as a condition of employment to be collected from an individual for use in noncollective-bargaining activities unless the individual has given prior written consent. Noncollective-bargaining activities would include: First, nonpartisan registration and get-out-the-vote campaigns and second; the establishment, administration, and solicitation of contributions to a separate fund to be used for political purposes. The written consent could be revoked in writing at any time.

Mr. President, when a meeting of union leaders in Washington, DC, can result in the bosses' effectively imposing a tax increase on the union workers across the country so that the union bosses can have millions of dollars at their disposal to pursue their personal political agendas, the collective-bargaining power that Congress granted the unions is being abused. When we know that nearly two-thirds of the union workers are not even aware they are being so taxed and disagree with the D.C. bosses' politicizing of their own dues in this manner, the abuse becomes so acute that it calls out for reform. My bill is a simple reform: It gives individual workers the direct right to say ''yes'' or ''no'' whenever union bosses ask them to finance activities that fall outside the scope of collective bargaining. If the union bosses here in Washington are so confident their workers agree with their politics, they should have no problem with this bill. We'll soon see how confident they are.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1845

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Union Member Protection Act''.

SEC. 2. WRITTEN CONSENT REQUIRED TO USE UNION DUES AND OTHER MANDATORY EMPLOYEE FEES FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by adding at the end the following new paragraph:

''(8)(A) No dues, fees, or other moneys required as a condition of membership in a labor organization or as a condition of employment shall be collected from an individual for use in activities described in subparagraph (A), (B), or (C) of paragraph (2) unless the individual has given prior written consent for such use.

''(B) Any consent granted by an individual under subparagraph (A) shall remain in effect until revoked and may be revoked in writing at any time.

''(C) This paragraph shall apply to activities described in paragraph (2)(A) only if the communications involved expressly advocate the election or defeat of any clearly identified candidate for elective public office.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts collected more than 30 days after the date of the enactment of this Act.●

By Mr. KYL:

S. 1846. A bill to permit duty free treatment for certain articles provided by the Max Planck Institute for Radioastronomy and the Arcetri Astrophysical Observatory; to the Committee on Finance.

TARIFF EXEMPTION LEGISLATION

● Mr. KYL. Mr. President, I introduce legislation today to permit duty-free treatment for certain structures, parts, and components provided by the Max Planck Institute to University of Arizona's submillimeter telescope and provided by the Arcetri Astrophysical Observatory for the University of Arizona's large binocular telescope [LBT]. This legislation will help ensure the continued progress of astronomy in the United States and in Arizona.

To advance the potential of submillimeter astronomy, the Steward Observatory of the University of Arizona and the Max Planck Institute in Germany are collaborating on the construction and operation of a dedicated submillimeter telescope in Arizona. The University of Arizona has unique capabilities in large glass optics, instrumentation, and mountaintop sites; the Max Planck Institute in development of large, precise radio astronomy telescopes.

The SMT is the highest accuracy radio telescope ever built. And the SMT project has fostered an effective collaboration between an American University, a German national research laboratory and high-technology industries in both Germany and America.

The Tariff and Trade Act of 1984 provided a waiver of tariffs for equipment and materials provided by the Max Planck Institute. An extension of the waiver is necessary to further develop custom instrumentation not available from any U.S. producer. An extension of the waiver is also necessary to allow the calibration and repair of the equipment required by the project.

In addition, the University of Arizona has collaborated with Arcetri Astrophysical Observatory in Florence, Italy, to build the large binocular telescope. The scientific goals of the LBT include studies of the early universe and the formation of galaxies more than 10 billion years ago. The very high sensitivity and spatial resolution for the LBT will make it the most powerful instrument in the world for this kind of astronomical research.

This legislation will also provide duty-free treatment for components

that cannot be obtained in the United States for construction of the University of Arizona's large binocular telescope.

At a time when Federal budget constraints have made belt-tightening necessary, these tariff exemptions are important to the continued success of scientific research.●

By Mrs. BOXER (for herself, Mr, INOUYE, Mrs. FEINSTEIN, and Mr. KENNEDY):

S. 1848. A bill to amend the Internal Revenue Code of 1986 to encourage the production and use of clean-fuel vehicles and for other purposes; to the Committee on Finance.

THE CLEAN FUEL VEHICLE ACT OF 1996

Mrs. BOXER. Mr. President, today I want to talk about choices in transportation. Most Americans who travel to work get there by car, some perhaps by bus or commuter rail. Some even fly by jet airplane. These are all choices in transportation modes, but they all have one thing in common: oil.

As we enter the 21st century, we must expand our choices in how we power transportation in this country. The percentage of total energy use devoted to transportation is now at its highest level ever. Transportation accounts for two-thirds of the country's total petroleum use, and transportation is 97 percent dependent on petroleum.

Americans are traveling by car more and more. The total number of vehicle miles traveled in California has increased by 10 percent since 1991. Meanwhile, fuel economy has decreased for the second year in a row.

This dependence on petroleum puts our economy foolishly at risk. The arteries of our economy run on oil; and as we have seen with the latest gasoline price hikes, clogged arteries can cause heart problems in this economy.

The cost of our oil addiction is paid not just at the pump but at our hospitals and doctors' offices.

According to the Coalition for Clean Air, diesel exhaust alone has been associated with up to 30,000 lung cancer deaths in California. Think about this: thirty thousand painful, premature deaths from one source in one State.

In order to develop transportation choices that improve our health and wean us from the oil pump, we must develop real incentives for buyers to consider alternatively fueled vehicles.

We began to do that in a real meaningful way in Congress in 1992 with the Energy Policy Act. The modest incentives in that law helped to almost double the number of alternatively fueled vehicles on the road. To continue this trend, we need to build on our current incentives and really spur the market for clean-fuel vehicles.

That is why I am introducing, with Senators INOUYE, FEINSTEIN, and KENNEDY, the Clean Fuel Vehicle Act of 1996. This bill provides a set of temporary, targeted tax incentives designed to spur the market for clean-fuel vehicles by making them cost competitive with fossil-fueled vehicles.

Increased use of zero-emission or low-emission vehicles will reduce the Nation's dependence on foreign oil, reduce harmful transportation emissions, and stimulate market demand for high-technology vehicles and components.

First, my bill exempts electric vehicles [EV's] and other clean-fuel vehicles from the luxury tax and from the depreciation on luxury automobiles. This corrects a ludicrous inconsistency in current tax law. The law now provides a 10 percent tax credit of up to $4,000 on the purchase of an EV. At the same time, however, a luxury tax is imposed if the total price of the car exceeds $32,000. In effect, our current stimulus program puts a tax break into one pocket and takes it out of the other.

Second, my bill will allow the entire cost of an EV to be depreciated over a 5-year span. Under current law, only the first $3,000 or so of the purchase price may be depreciated over 5 years; the remaining cost must be recovered over a much longer period.

Third, the Boxer bill lifts the Government use restriction on tax incentives, giving a private business that leases EV's to a Government agency the same tax incentives it gets for leasing to a private interest. Because of their great size and visibility, Government fleets are the initial target market for clean-fuel vehicles.

Fourth, my bill eliminates an oversight in the 1992 Energy Act that allows an electric-powered bus to take advantage of only the existing $4,000 tax credit. The bill would make electric buses also eligible for the $50,000 tax deduction available to other clean-fuel buses. This tax deduction would be greater than the $4,000 tax credit, especially for urban transit buses.

Finally, my bill overturns a 1995 IRS decision to tax liquified natural gas [LNG] as a liquid fuel similar to diesel.

LNG holds the most promise as an alternative fuel for heavy-duty transportation such as trucks and locomotives. It is abundant and cheaper than oil, and it contains more energy per pound than gasoline or diesel fuel. LNG is cooled to an extreme temperature whereas its chemical cousin, compressed natural gas [CNG] is pressurized for storage. Both perform the same in a vehicle's engine. The advantage for LNG is less volume needed for on-board storage, which is important for heavy-duty vehicles such as trucks and buses. Lowering the tax on LNG is an important step for putting clean-fuel trucks and buses on California highways.

The IRS ruling put LNG at a tremendous cost disadvantage, which might well doom the emerging market for this clean-burning fuel. The IRS ruled that since LNG was not specifically mentioned in the 1993 legislation which set the tax rate for CNG, it must be an other liquid fuel used in motor vehicle transportation under IRC section 4041(a), even though LNG is exactly the same as CNG when it enters an engine. The tax on gas is levied on 1 million cubic feet rate. If you do the math that provides the per gallon equivalence, it reveals that the IRS ruling places an effective tax rate of 31.5 cents per gallon, diesel, equivalent on LNG, a disparity of 25.6 cents when compared to the tax on CNG. In fact, this tax rate places LNG 7.1 cents above the tax on diesel, the very fuel for which LNG is the clean-burning alternative.

As you can see, the provisions in the Boxer Clean Fuel Vehicle Act are based on common sense:

Don't give clean-fuel vehicles a small tax break and then turn around and tax them as luxury vehicles;

Give electric buses the same tax deduction provided other clean-fuel buses; and

Make the taxes on natural gas fair and consistent and let LNG be a real competitor to diesel.

Finally, this bill says: Let's get serious and provide a significant tax credit for those who buy electric vehicles. And let's encourage leasing arrangements with local governments by allowing private companies to obtain the tax breaks and pass them to the governments through lower costs.

As anyone who has been gouged at the gas pump recently can tell you, it is high time to break oil's stranglehold on American consumers. To do that, we must help provide them with choices.

The Boxer bill provides a jump-start for clean-fuel vehicles, not a permanent subsidy. All of the tax incentives in my bill will expire at the end of the year 2004. By then, the clean-fuel vehicle market will be on its own, and we can enjoy a cleaner, healthier 21st century.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Clean-Fuel Vehicle Act of 1996''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. EXEMPTION OF ELECTRIC AND OTHER CLEAN-FUEL MOTOR VEHICLES FROM LUXURY AUTOMOBILE CLASSIFICATION.

(a) IN GENERAL.—Subsection (a) of section 4001 (relating to imposition of tax) is amended to read as follows:

''(a) IMPOSITION OF TAX.—

''(1) IN GENERAL.—There is hereby imposed on the 1st retail sale of any passenger vehicle a tax equal to 10 percent of the price for which so sold to the extent such price exceeds the applicable amount.

''(2) APPLICABLE AMOUNT.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the applicable amount is $30,000.

''(B) QUALIFIED CLEAN-FUEL VEHICLE PROPERTY.—In the case of a passenger vehicle which is propelled by a fuel which is not a clean-burning fuel to which is installed qualified clean-fuel vehicle property (as defined in section 179A(c)(1)(A)) for purposes of permitting such vehicle to be propelled by a clean-burning fuel, the applicable amount is equal to the sum of—

''(i) $30,000, plus

''(ii) the increase in the price for which the passenger vehicle was sold (within the meaning of section 4002) due to the installation of such property.

''(C) PURPOSE BUILT PASSENGER VEHICLE.—

''(i) IN GENERAL.—In the case of a purpose built passenger vehicle, the applicable amount is equal to 150 percent of $30,000.

''(ii) PURPOSE BUILT PASSENGER VEHICLE.—For purposes of clause (i), the term 'purpose built passenger vehicle' means a passenger vehicle produced by an original equipment manufacturer and designed so that the vehicle may be propelled primarily by electricity.''

(b) CONFORMING AMENDMENTS.—

(1) Subsection (e) of section 4001 (relating to inflation adjustment) is amended to read as follows:

''(e) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—The $30,000 amount in subparagraphs (A), (B)(i), and (C)(i) of subsection (a)(2) shall be increased by an amount equal to—

''(A) $30,000, multiplied by

''(B) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the vehicle is sold, determined by substituting 'calendar year 1990' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $2,000, such amount shall be rounded to the next lowest multiple of $2,000.''

(2) Subparagraph (B) of section 4003(a)(2) is amended to read as follows:

''(B) the appropriate applicable amount as determined under section 4001(a)(2).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and installations occurring and property placed in service on or after July 1, 1996.

SEC. 3. GOVERNMENTAL USE RESTRICTION MODIFIED FOR ELECTRIC VEHICLES.

(a) IN GENERAL.—Paragraph (3) of section 30(d) (relating to special rules) is amended by inserting ''(without regard to paragraph (4)(A)(i) thereof)'' after ''section 50(b)''.

(b) CONFORMING AMENDMENT.—Paragraph (5) of section 179A(e) (relating to other definitions and special rules) is amended by inserting ''(without regard to paragraph (4)(A)(i) thereof in the case of a qualified electric vehicle described in subclause (I) or (II) of subsection (b)(1)(A)(iii) of this section)'' after ''section 50(b)''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service on or after the date of the enactment of this Act.

SEC. 4. LARGE ELECTRIC TRUCKS, VANS, AND BUSES ELIGIBLE FOR DEDUCTION FOR CLEAN-FUEL VEHICLES.

(a) IN GENERAL.—Paragraph (3) of section 179A(c) (defining qualified clean-fuel vehicle property) is amended by inserting '', other than any vehicle described in subclause (I) or (II) of subsection (b)(1)(A)(iii)'' after ''section 30(c))''.

(b) DENIAL OF CREDIT.—Subsection (c) of section 30 (relating to credit for qualified electric vehicles) is amended by adding at the end the following new paragraph:

''(3) DENIAL OF CREDIT FOR VEHICLES FOR WHICH DEDUCTION ALLOWABLE.—The term 'qualified electric vehicle' shall not include any vehicle described in subclause (I) or (II) of section 179A(b)(1)(A)(iii).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service on or after the date of the enactment of this Act.

SEC. 5. ELECTRIC VEHICLE CREDIT AMOUNT AND APPLICATION AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 30 (relating to credit for qualified electric vehicles) is amended by striking ''10 percent of''.

(b) APPLICATION AGAINST ALTERNATIVE MINIMUM TAX.—Section 30(b) (relating to limitations) is amended by striking paragraph (3).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 6. RATE OF TAX ON LIQUEFIED NATURAL GAS TO BE EQUIVALENT TO RATE OF TAX ON COMPRESSED NATURAL GAS.

(a) IN GENERAL.—Paragraph (3) of section 4041(a) (relating to diesel fuel and special motor fuels) is amended—

(1) by striking subparagraph (A) and inserting the following new subparagraph:

''(A) IMPOSITION OF TAX.—

''(i) IN GENERAL.—There is hereby imposed a tax on compressed or liquefied natural gas—

''(I) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat, or

''(II) used by any person as a fuel in a motor vehicle or motorboat unless there was a taxable sale of such gas under subclause (I).

''(ii) RATE OF TAX.—The rate of tax imposed by this paragraph shall be—

''(I) in the case of compressed natural gas, 48.54 cents per MCF (determined at standard temperature and pressure), and

''(II) in the case of liquefied natural gas, 4.3 cents per gallon.'', and

(2) by inserting ''OR LIQUEFIED'' after ''COMPRESSED'' in the heading.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 4041(a)(2) is amended by striking ''other than a Kerosene'' and inserting ''other than liquefied natural gas, kerosene''.

(2) The heading for section 9503(f)(2)(D) is amended by inserting ''OR LIQUEFIED'' after ''COMPRESSED''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.●

By Mr. STEVENS (for himself, Mr. WARNER, Mr. DODD, Mr. BENNETT, Mrs. BOXER, Mr. BREAUX, Mr. BRYAN, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. D'AMATO, Mr. GRAHAM, Mr. HEFLIN, Mrs. HUTCHISON, Mr. JEFFORDS, Mr. KERRY, Mr. LIEBERMAN, Mr. LOTT, Ms. MOSELEY-BRAUN, Mr. MURKOWSKI, Mr. PELL, Mr. PRESSLER, Mr. ROBB, Mr. SIMON, and Ms. SNOWE):

S. 1850. A bill to provide for the recognition and designation of the official society to administer and coordinate the United States of America activities to commemorate and celebrate the achievements of the second millennium, and promote even greater achievements in the millennium to come by endowing an international cross-cultural scholarship fund to further the development and education of the world's future leaders; to the Committee on Banking, Housing, and Urban Affairs.

THE MILLENNIUM ACT OF 1996

● Mr. STEVENS. Mr. President, today I am introducing the Millennium Act of 1996 along with my colleagues, Senators WARNER, DODD, BENNETT, BOXER, BREAUX, BURNS, CHAFEE, COATS, D'AMATO, GRAHAM, HEFLIN, HUTCHISON, JEFFORDS, KERRY, LIEBERMAN, LOTT, MOSELEY-BRAUN, MURKOWSKI, PELL, PRESSLER, ROBB, SIMON, SNOWE, BRYAN, and COCHRAN.

This bill is a bipartisan effort to focus the Nation's attention on what may become one of the most anticipated events in history—the beginning of the new millennium. As the new millennium nears, this bill hopes to focus our attention on the achievements of the past 1,000 years and helps to foster educational opportunities for those who may take on leadership responsibilities in the next 1,000 years.

Since its founding in 1979 by a group of college students from around the world, The Millennium Society has worked to organize a global celebration and commemoration of humankind's achievements during this millennium and to endow a cross-cultural scholarship program to help educate future leaders. I believe it is the oldest organization in the country formed for the specific purpose of celebrating and commemorating the historical significance of the Millennium. The Society was incorporated as a 501(c)(3) nonprofit, charitable organization in 1984 for the purpose of establishing and administering the Millennium Society Scholarship Program.

The Millennium Society plans to organize and telecast ''Countdown 2000'' celebrations here and around the world to enable the international community to both view and participate in this historic moment. The Society hopes that the ''Countdown 2000'' events will raise at least $100 million to permanently endow its Millennium Scholars Program.

Unlike the Bicentennial Commission which required Federal funding, this bill asks for no Federal funds. Title I of this bill provides the Society with the official authorization and designation to administer Millennium activities both here and abroad and ensures that charitable proceeds go to the Millennium Scholars Program. The organizers hope that this designation can operate much like the U.S. Olympic Committee trademark. Mr. President, to the best of my knowledge, there are no other organizations that are competing for this designation nor have any indicated any specific interest in doing so.

The second title authorizes the minting of commemorative coins. This bill incorporates some of the language from the House Commemorative Coin reform legislative package, H.R. 2614. Specifically, the Millennium Society agrees not to derive any proceeds until all the

numismatic operation and program costs allowable to the program have been recovered by the U.S. Mint. Moreover, it embodies some of the key criteria and recommendations of the Citizens Commemorative Coin Advisory Commission. The minting of the Millennium coins would not begin until July of 1999. Further, through its own fund raising efforts, the Millennium Society will match the funds received through commemorative coin sales for its scholarship program.

The third title of the bill expresses the sense of Congress that the U.S. Postal Service should consider the issuance of stamps to commemorate the close of the second millennium and the advent of the third millennium.

The Millennium Society was established as an international charitable organization dedicated to giving students from around the world a chance to go on to college and to promote international fellowship and understanding among the world's peoples on an unofficial and nongovernmental basis.

I hope other Senators will join us in supporting this legislation to both commemorate the coming millennium and help provide scholastic funding for its future leaders.●

By Mr. HELMS (for himself, Mr. FEINGOLD, Mr. MACK, and Mr. SMITH):

S.J. Res. 56. A joint resolution disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of the People's Republic of China; to the Committee on Finance.

THE CHINA MOST-FAVORED-NATION TREATMENT DISAPPROVAL JOINT RESOLUTION

Mr. HELMS. Mr. President, inasmuch as I believe Senators ought to take a position on the very significant question of a most-favored-nation designation of China by the United States, I, today, along with Senator FEINGOLD, Senator MACK, and others, offer a resolution of disapproval of President Clinton's renewal of most-favored-nation treatment for China.

As I indicated earlier, Senator FEINGOLD, Senator MACK, Senator SMITH of New Hampshire are principal cosponsors of this resolution of disapproval.

Now then, if there is somehow a valid reason for the United States—the world's leader in freedom—to offer the same trading terms to China that the United States offers to other nations that do honor their citizens' human rights and that do respect the rule of law, I cannot think of such a reason. None come to mind.

Mr. President, this is President Clinton's fourth renewal of MFN status for China. The President has covered the waterfront on this issue. He has been all over the lot. He has had his customary array of positions on MFN, as with countless other issues, and it is almost impossible to follow the President's ever-changing position without, as the saying goes, a printed program. As a candidate running for the Presidency in 1992, Mr. Clinton condemned the Bush administration for what candidate Clinton alleged was ''coddling dictators.'' But when Mr. Clinton took office in 1993, he decided, no, it was all right with him to support MFN to China—provided that China ''made progress'' in respecting human rights. The following year, 1994, when the President was forced to acknowledge that there had been no progress by China in human rights, President Clinton decided that human rights should not even be a factor in the annual MFN renewal.

Instead, the President said that he would advance human rights through a set of principles for United States businesses, enhanced international broadcasting to China, and what the President described as ''increased support for nongovernmental organizations working on human rights in China.''

That was 2 years ago, and we are still waiting for any evidence whatsoever that any of the Clinton initiatives have gone anywhere or accomplished anything. The business principles announced by the White House did not even mention China or its flagrant labor abuses.

We are still waiting for Radio Free Asia, which the administration has apparently renamed and is now calling it the Asia Pacific Network, or some such thing, because apparently somebody in the Clinton administration perhaps decided that the name Radio Free Asia may be a little bit confrontational insofar as the Communist Chinese are concerned. Well, as for the aid to nongovernmental groups supporting human rights in China, perhaps the administration would be willing at least to give us a hint as to what, if anything, has been done. They certainly have made no report on the matter one way or the other. I do not believe one thing has been accomplished.

This year, when the President announced his intention to renew MFN, he said the MFN decision ''isn't a referendum on all China's policies.'' I say, the heck it is not. Whether Mr. Clinton likes it or not, when the United States extends MFN to China, we are treating China like virtually all of our other trading partners. There are, of course, many other countries that deserve a stern line from the United States, but China is in a class by itself when it comes to the violations of human rights.

The fact is, Mr. President, that China's record on human rights, since the most recent MFN renewal, has continued to be disgraceful. Even the State Department's latest annual report on human rights stated that the Chinese regime ''continued to commit widespread and well-documented human rights abuses,'' abuse, I might add, which affect every kind of fundamental human rights imaginable.

According to many observers, religious persecution in particular intensified with the Government moving against independent Christian churches and Muslim groups. Challenges to the regime were not tolerated. Quoting the State Department, ''By year's end, almost all public dissent against the central authorities was silenced by intimidation, exile or imposition of prison terms or administrative detention.''

The annual MFN debate has become more than a mere referendum on China's policies; it is now a referendum on the Clinton administration's policies, and President Clinton made it so. In the future, in addition to requiring report on China's human rights record, perhaps we should consider an annual report on the Clinton administration's China policy.

During the past year alone, the Clinton administration decided to look the other way while China sent nuclear material to Pakistan because, the administration says, the Chinese leadership didn't know anything about it. Now come reports that China is seeking to acquire components of SS–18 missiles from Russia and the Ukraine. And I discussed that subject on this floor this past Tuesday.

China has fired missiles over the Taiwan Strait in a reckless and bellicose attempt to intimidate Taiwan's people as they established the first Chinese democracy. Despite explicit commitments to preserve Hong Kong's institutions and autonomy after 1997, the Chinese Government has announced it will abolish the elected legislature and made threats against the independent judiciary and civil servant of Hong Kong.

On Trade, it is the same story. Last year, the administration agreed to let China have a year to crack down on dozens of pirate compact disk factories. In April, the administration let it be known in news reports that President would be hard pressed to renew MFN if Beijing didn't follow through on its promise to end the pirating of copyrighted material. The regime has not followed through and the President renewed MFN anyway. Now we are waiting to see if the administration imposes $2 billion in sanctions against Chinese products, imported with United States.

Despite all of these egregious examples of Chinese misbehavior, we still pay China's bills. Our trade with China is one-way. The United States buys 40 of China's exports, but China severely limits United States access of United States exports to their markets. Last year, our exports to Taiwan, Hong Kong, and even Belgium were greater than our exports to China, even though those countries have a tiny fraction of China's population.

Still some businessmen contend that we need to trade with China. It will open up their society, they say. But what is going on in China is not free trade. The regime is turning over enterprises to the military so it can make money for itself and acquire technology from foreign businesses.

There is no rule of law to protect Chinese or foreign investors. Official corruption is widespread. A disagreement with a business partner who has official connections can land you in jail.

Renewing MFN again this year will be a sign to Beijing that the United States will do business as usual with China no matter what the consequences. I trust that Senators will bear this in mind as the days go by.

Mr. FEINGOLD. Mr. President, I thank the chairman of the Foreign Relations Committee, the Senator from North Carolina, for his leadership on the MFN issue and for the bipartisan effort which is needed because we have a bipartisan problem on the other side of this issue.

Mr. President, on May 31, President Clinton announced his intention to extend for another year most-favored-nation trading status to China, a decision I regret as objectionable and truly perplexing. Our previous President, former President Bush, took that position, and regrettably the majority leader who obviously seeks to be President, also takes the same position. So we have a very serious problem with a past administration, a current administration, and potentially another administration all turning away from this issue of whether or not China deserves most-favored-nation status. I think that is objectionable because it reaffirms an erroneous and even illogical choice made by the administration in 1994: that trade rights and human rights are not interrelated and, yet, that through ''constructive engagement,'' including easy trade terms, human rights will improve. The chairman of the committee and I argued then that this approach was naive and predicted that the dismal human rights situation in China would remain unchanged. Unfortunately and sadly, I and others concerned with the Beijing regime's callous disregard for the basic rights of any individual, have been proven right. De-linking MFN to improvement in human rights has resulted only in despair, prison, and abuse for those struggling in China to guarantee basic freedoms. The President' decision is perplexing because it seems so very clear to me and other, more expert, observers that the Chinese covet and need trade with the United States and that the only pressure they apparently respect is the prospect of economic sanctions. Words and exhortations to improve, to act decently and in conformity with international norms, are pocketed and ignored. It is not working. In fact, things have gotten worse.

So I rise today, Mr. President, to join in offering a resolution of disapproval of the President's action, an option available to the Congress under the 1974 Jackson-Vanik amendment. I recognize that this resolution will draw strong opposition. I know that the leadership in both Houses has already indicated its support for the President's announcement and we will soon be witness to a heavy lobbying effort by the administration and its allies in business and in the Congress to prevent our resolution from prevailing. So the odds are difficult. Of course, the odds are even more difficult for overriding a Presidential veto should we succeed. Nevertheless, I believe denying MFN-status to China is the right thing to do and should be pursued, not just for those suffering at the hands of the Chinese regime, but because it is in our national interest on many fronts: political, economic, and moral.

Let me turn first, Mr. President, to the state of human rights in China which the Senator from North Carolina has discussed in some detail. Two years after the administration's de-linking decision, the State Department's annual report on human rights described an abysmal situation, marked by increased repression. I quote here verbatim:

> Abuses included arbitary and lengthy incommunicado detention, forced confession, torture and mistreatment of prisoners. Prison conditions remained harsh. The government continues severe restrictions on freedom of speech, the press, assembly, association, religion, privacy, movement and workers rights. The report continued that by the end of 1995 almost all public dissent had been silenced by intimidation, exile or imposition of prison terms or administrative detention.

In December 1995 we were witness to a concrete example of how little constructive engagement has accomplished. Wei Jingsheng, a prominent dissident who has dedicated his life to speaking out against the Chinese Government's repression of its own people, was hauled before a show court on charges of subversion. Wei Jingsheng had already spent 16 years looking at the inside of Chinese prison walls, but when he was finally released in 1993 he immediately and courageously took up again the cause of freedom. For his bravery and unstinting devotion to human rights Wei Jingsheng—after a 6-hour court proceeding—was sentenced to another 14 years. The administration issued a condemnation, of course, and an appeal for clemency. It is any surprise, Mr. President, that the Chinese took this statement for what it was—mere words—and that Wei Jingsheng languishes today in an abusive prison system?

The impunity with which the Chinese Government acts—and knows it can act—has a debilitating effect on dissent. We know from our own contacts that prominent intellectuals and common citizens temper their statements, carefully refraining from pronouncing on political topics.

I anticipate that administration apologists will point to recent reforms in the Chinese legal system as evidence that engagement is reaping benefits. But in a way that is like a Trojan Horse. Many of the reforms are meant to facilitate foreign investment by making clear the rules of the game and providing legal recourse for settling disputes. I imagine, however, that Wei Jingsheng and others take cold comfort in China's version of the Uniform Commercial Code. To be sure, reform of prison procedures and criminal laws are welcome developments. Perhaps they do point to an evolution in the rule of law in China. But unless they are put into practice—and they clearly are not if, as is the case in China, officials can detain individuals without charge or even acknowledgment of detention—the reforms are merely paper promises.

The list of human rights horrors goes on. In the past year, we have been witness to a well-documented report by Human Rights Watch/Asia detailing fatal neglect and abuse in Chinese orphanages. Tibetan religious sensitivities were trampled on when Chinese authorities usurped and gave to themselves the right to choose the Panchen Lama, second only to the Dalai Lama in Tibetan Buddhism, continuing a nearly 50-year pattern of persecution and repression of the Tibetan people. In fact, the Chinese admitted only on June 1—and here we have truly the phenomena of a wolf in sheep's clothing—that they were holding under house arrest ''for his own protection'' the 7-year-old boy designated by Tibetan Buddhists as the true Panchen Lama.

Chinese contempt for construction engagement is evident in other fora: thee bald-faced attempted intimidation of Taiwan in March, sales of nuclear equipment to Pakistan, the utter disregard for agreements to end violation of U.S. intellectual property rights.

Is it possible to come to anything but this self-evident conclusion: ''constructive engagement'' has failed so far to improve Chinese human rights behavior. I would say the evidence justifies the exact opposite conclusion: human rights have deteriorated and the regime emboldened to act recklessly in other areas vital to U.S. national interest.

In announcing his intent to extend MFN, President Clinton said that the decision, as the chairman has pointed out, ''was not a referendum on China's policies.'' That is what the President indicated. And, of course, I believe firmly that the President abhors the daily repression and abuse in China. That is not the issue. What is the issue is how a tortured United States policy is perceived in Beijing. Recently, the administration announced it was taking the Chinese regime at its word that it had no idea that a Chinese firm—operated by the military—was selling ring magnets to Pakistan for use in that country's nuclear weapons program. This announcement—coming on the heels of tough talk of sanctions for what seems to me to be a clear violation of China's 1992 pledge to abide by the obligations of the Non-Proliferation Treaty—must have evoked self-satisfied smiles in Beijing.

Why? Because the threat of sanctions for ignoring our policies on non-proliferation—at least in this instance—went by the boards, just as our insistence that China respect human

rights in return for normal trade relations were jettisoned in 1994. Looming on the horizon is the ballyhooed trade war over our threat to impose higher tariffs on some Chinese goods, in retaliation for China's blatant continuing violation of United States intellectual property rights, IPR. We have been down this road before. It was only in February 1995, when threatened with higher tariffs on $1 billion of its goods, that China signed an agreement to curb IPR piracy. In the 15 months since, by the estimate of the Motion Picture Industry Association, the harm to U.S. copyrighters has actually increased.

Let us see if we can briefly discern a pattern here. In 1992, the administration promises to link trade preferences to improvement in human rights. Two years later, that policy is abandoned. In 1995, our intelligence agencies discover Chinese violations of nonproliferation obligations. Sanctions are threatened and then abandoned in the face of promises to do better. Also, in 1995, the Chinese promise to do better on IPR and the problem worsens. Our response: more tough talk, and this time ''we mean it.'' If I were sitting in Beijing, I would come to the conclusion that the threats are empty, the rhetoric hollow.

Constructive engagement has failed to alter Chinese behavior to the good. So let us drop the pretense and cut to the quick. We trade with China and extend to it normal trading privileges because our Government believes it benefits American business, the United States economy, and, therefore, the national interest. We look the other way, in practice if not in word, on Chinese violations of human rights, nonproliferation—perhaps in the end even on IPR—because it is good for business. As I said at the outset, I find this rationale perplexing.

Our trading relationship with China is really quite one-sided. Writing in the New York Times, May 16, Alan Tonelson, a research fellow at the U.S. Business and Industrial Association, argued that our $34 billion trade deficit with China depresses job creation, wages and growth of the United States economy. This tremendous deficit—which has helped China amass more than $70 billion in foreign reserves, a war chest useful to riding out any trade war—is not the result of fair-trading practices. China is a protectionist nation, Mr. Tonelson notes, with some of the highest tariffs in the world. It dumps artificially low-priced goods—products manufactured by children and convicts—on American markets, hurting U.S. competitors. According to Mr. Tonelson, China extorts know how and high-skill jobs from American companies, such as Boeing, seeking to set up shop in China. Certainly China is a vast market, with tremendous potential. But our 1995 exports to China of $11.7 billion—only 0.12 percent of our GNP—were less than what we send to Belgium or Hong Kong.

On the other hand, we buy up to 40 percent of China's exports and that allows China to finance its industrial and military modernization program. We have the leverage to make them play by the rules of the game. Does it not make sense to use that leverage now, from a relative position of strength, than try to make the Chinese play fair 10, 20, or 30 years from now when by many projections it will be a legitimate superpower? As Mr. Tonelson notes, even the higher tariffs imposed on China under a non-MFN scheme would still be lower than China's tariffs on our products.

Mr. President, if mortal outrage at blatant abuse of human rights is not reason enough for taking a tough stance with China—and I believe it is and that the American people do as well—then let us do so on grounds of self-interest.

United States credibility is at stake; a firm stance which refuses China the privilege—not the right—of MFN will enhance United States stature and, in the long run, benefit United States business, the American consumer, and, we can hope, ultimately leads to an improvement in China's economic and political behavior.

ADDITIONAL COSPONSORS

S. 459

At the request of Mr. BOND, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 459, a bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes.

S. 607

At the request of Mr. WARNER, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 607, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify the liability of certain recycling transactions, and for other purposes.

S. 684

At the request of Mr. HATFIELD, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 1389

At the request of Mrs. FEINSTEIN, the names of the Senator from Maryland [Ms. MIKULSKI] and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 1389, a bill to reform the financing of Federal elections, and for other purposes.

S. 1703

At the request of Mr. MURKOWSKI, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1703, a bill to amend the Act establishing the National Park Foundation.

S. 1714

At the request of Mr. BURNS, the names of the Senator from Alabama [Mr. HEFLIN] and the Senator from Missouri [Mr. ASHCROFT] were added as cosponsors of S. 1714, a bill to amend title 49, United States Code, to ensure the ability of utility providers to establish, improve, operate, and maintain utility structures, facilities, and equipment for the benefit, safety, and well-being of consumers, by removing limitations on maximum driving and on-duty time pertaining to utility vehicle operators and drivers, and for other purposes.

S. 1735

At the request of Mr. PRESSLER, the names of the Senator from Michigan [Mr. ABRAHAM] and the Senator from California [Mrs. FEINSTEIN] were added as cosponsors of S. 1735, a bill to establish the United States Tourism Organization as a nongovernmental entity for the purpose of promoting tourism in the United States.

S. 1743

At the request of Mr. BINGAMAN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1743, a bill to provide temporary emergency livestock feed assistance for certain producers, and for other purposes.

S. 1756

At the request of Ms. MOSELEY-BRAUN, the names of the Senator from Kansas [Mrs. KASSEBAUM] and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of S. 1756, a bill to provide additional pension security for spouses and former spouses, and for other purposes.

S. 1757

At the request of Mr. FRIST, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1757, a bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the Act, and for other purposes.

S. 1771

At the request of Mr. MURKOWSKI, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1771, a bill to amend the Consolidated Omnibus Reconciliation Act of 1985 to clarify that the fee for providing customs services in connection with passengers arriving on commercial vessels making a single voyage may be collected only one time from each passenger, and for other purposes.

S. 1840

At the request of Mr. PRESSLER, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1840, a bill to amend the Federal Trade Commission Act to authorize appropriations for the Federal Trade Commission.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and