

divorce decrees or property settlements do not affect the life insurance payments of Federal employees if no beneficiary has been named. So the net effect of current law can punish children and family members because of the benefactor's failure to designate a new beneficiary.

H.R. 1316 could require the Office of Personnel Management to pay the Federal employee's insurance proceeds in accordance with State domestic relations orders. This would make sure that, in the event that no beneficiary had been named, the life insurance benefits are granted to family members and children as based on State court orders. This small change will ensure that family and children are cared for.

I want to thank the chairman and ranking member of the subcommittee and I want to thank my colleague, the gentleman from Georgia [Mr. COLLINS]. This is the second bill reported by the corrections committee to be considered on the House floor. The first, the nurse aide training bill, was introduced, passed by the House and Senate and signed into law in 2 months.

It is the unique quality of the corrections committee that brings these bills to the floor in a streamlined way.

The committee works in a bipartisan manner. We work with the committee chairs who handle these issues and we are able to forge a consensus among Members and bring needed improvements and changes to the House floor. This legislation before us today enjoys strong bipartisan support, and again I commend my colleagues for introducing this improvement to our Nation's laws.

Mr. Speaker, I urge my colleagues to adopt this bill.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

I want to address a few issues that the gentleman from Florida [Mr. MICA] spoke on. First of all, I want to thank the chairman for the bipartisan way in which he has worked with myself and the gentleman from Maryland [Mr. HOYER]. I think it is extremely important, the issues that he has brought up. And in that spirit of bipartisanship which we have shared since I have been the ranking member, I just want to thank the gentleman again for his cooperation, because I know it is a major issue for the gentleman from Maryland [Mr. HOYER] and many other people throughout the Nation.

Mr. Speaker, this noncontroversial legislation passed the House last year as part of the omnibus civil service bill. That comprehensive legislation was not enacted. Therefore, it is appropriate that we bring forward this bipartisan bill, and I urge my colleagues on both sides of the aisle to vote favorably.

Mr. Speaker, I yield back the balance of my time.

Mr. MICA. Mr. Speaker, I yield myself the balance of my time.

Just in closing, I would like to also thank again our ranking member, the

gentleman from Maryland [Mr. CUMMINGS], for the bipartisan manner in which this legislation has been handled. I am pleased that we could participate in this Corrections Day in this manner and make a correction to legislation in a bipartisan fashion. It shows, first, that the Congress does work; and, second, that the government system does function when we see a problem that can be corrected, when we are all rowing in the same direction.

So I am pleased again for the leadership provided by the gentleman from Georgia [Mr. COLLINS] in introducing this legislation and the bipartisan support we have had in passing this legislation today, bringing it before the House.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. RADANOVICH). Pursuant to the rule, the previous question is ordered on the amendment recommended by the Committee on Government Reform and Oversight and on the bill.

The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and (three-fifths having voted in favor thereof) the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MICA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1316, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DISAPPROVAL OF MOST-FAVORED-NATION TREATMENT FOR CHINA

Mr. CRANE. Mr. Speaker, pursuant to the order of yesterday, I call up the joint resolution (H.J. Res. 79) disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of the People's Republic of China, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The text of House Joint Resolution 79 is as follows:

H.J. RES. 79

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress does not approve the extension of the authority

contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on May 29, 1997, with respect to the People's Republic of China.

The SPEAKER pro tempore [Mr. LAHOOD]. Pursuant to the order of the House of Monday, June 23, 1997, the gentleman from Illinois [Mr. CRANE], and a Member in support of the joint resolution each will control 1 hour and 45 minutes.

The Chair recognizes the gentleman from Illinois [Mr. CRANE].

GENERAL LEAVE

Mr. CRANE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on House Joint Resolution 79.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CRANE. Mr. Speaker, I ask unanimous consent to yield one-half of my time to the gentleman from California [Mr. MATSUI] in opposition to the resolution, and I further ask that he be permitted to yield blocks of time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Is the gentleman from California [Mr. STARK] in favor of the resolution?

Mr. STARK. I am, Mr. Speaker.

I ask unanimous consent that I be yielded half of the time and that I be permitted to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. STARK. Mr. Speaker, I ask unanimous consent to yield half of my time to the distinguished gentleman from Kentucky [Mr. BUNNING], and that he in turn be permitted to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BUNNING. Mr. Speaker, I ask unanimous consent to yield 15 minutes to the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules and that he be permitted to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to House Joint Resolution 79 because revoking China's MFN trade status would have the effect of severing trade relations between our two countries. My firm belief is that the free exchange of commerce and ideas offers the best hope we have to project the

light of freedom into Communist China.

In deciding whether to continue MFN trade treatment for China, we must keep two objectives firmly in mind: First, improving the well-being of the Chinese people; and, Second, protecting the U.S. national interests with respect to a country that possesses one-fifth of the world's population and exploding economic growth.

This year we have the added responsibility of ensuring that United States policy does not undermine the transition of Hong Kong from British to Chinese sovereignty. All would agree some of the world's most flagrant abuses of human rights and violations of religious and political freedom occur in China.

My message today is simple. Change is not coming quickly to this huge nation, but historic advancements are being made. For 20 years after the Communists seized power in 1949, China was largely isolated. This was the era of the Great Leap Forward, when 35 million died of starvation and the Cultural Revolution, which saw hundreds of thousands of Chinese killed in political purges and forced internal exile.

Since the economic opening of China by Deng Xiaoping in 1980, living conditions in China have improved vastly. To give some perspective, in 1980, 260 million of China's 1.2 billion people lived in absolute poverty.

□ 1100

In 1993 that figure was reduced by about 40 or over 40 percent to \$160 million. Chinese citizens can now seek out their own jobs, move around the country, and discuss political matters, as long as they do not directly challenge the Government.

Focusing on freedom of worship for a moment, the virulently antireligious policies of the 1960's and 1970's have given way to a society that is open in large measure to the Christian message. Concerned that a few United States Christian organizations are actively advocating the revocation of MFN, a huge coalition of Christian missionaries and evangelical groups with years of experience actually serving in China have sent a powerful message to Congress. Their view is that by severing trade relations in China, it would result in a backlash against the Christian ministry in China, seriously harming their ability to reach the Chinese people.

Many would say today that preserving most-favored-nation status puts profit ahead of principle. This viewpoint contradicts what can be observed in the relationship between economic development and the expansion of democracy. Taiwan, South Korea, Singapore, and Hong Kong, to name a few Asian tigers, experienced economic success and rising living standards after opening their economies to international trade. In these countries, the elimination of severe poverty and the emergence of a middle class came well ahead of democratic political reform.

President Lee Teng-Hui of Taiwan has said:

Vigorous economic development leads to independent thinking. People hope to be able to fully satisfy their free will and see their rights fully protected. And then demand ensues for political reform . . . the model of our quiet revolution will eventually take hold on the Chinese mainland.

Clearly China is a special case, but expanding United States commercial relations with China makes Chinese citizens less dependent on the central government for their livelihoods and in a better position to strive for freedom. As wealth is distributed throughout Chinese society, so is political power, away from the central government. Americans doing business in China have contributed to prosperity and at the same time they are continually able to transfer the values and ideals of freedom and democracy through direct contacts.

While preserving MFN trade status for China offers hope for improving the welfare of the Chinese people, it is also squarely in the United States national interest. With a fifth of the world's population, China's emergence as a global power early in the next century is a development of immense historical significance. Sharing borders with more countries, 14 to be exact, than any other country in the world, a peaceful China will be key to preserving stability in the Asia-Pacific region.

In order to protect national security interests into the next century, the United States must develop a policy that encourages China to be a friend and a valued trading partner, rather than an adversary isolated by comprehensive economic sanctions. Confronting China by revoking MFN would be interpreted by the Chinese leadership as an act of aggression. This would further strengthen the hand of those in China who oppose further reform, prompting behavior we seek to avoid.

If House Joint Resolution 79 were enacted into law, relations with the Government of China would deteriorate to the point that virtually all United States influence for the good would be lost. United States businesses which need a presence in China to support a successful Asian strategy would withdraw. Mirror trade sanctions would threaten the paychecks of 180,000 U.S. workers whose jobs are directly dependent on exports to China. Our foreign competitors in Japan and Europe would move briskly into the void created by this bill.

The alternative strategy which I support is to maintain trade relations and preserve a basis upon which to negotiate improvements in our relationship with China. Ambassador Barshefsky's successful resolution of the section 301 case against China for failing to protect United States intellectual property rights illustrates the value of preserving normal trade relations. Armed with the authority to raise tariffs in a selective, calibrated manner, Ambassador Barshefsky threatened \$2 billion

in targeted trade sanctions directly tied to specific, well substantiated violations. The result was an agreement by the Chinese Government to shut down 32 pirate plants and a commitment to undertake expanded enforcement drives in regions where violations of United States intellectual property rights are known to be the highest.

Finally, the unanimous view of leaders in Hong Kong, from Governor Chris Patten to the respected activist and chairman of the Hong Kong Democratic Party, Martin Lee, is that any reversal in China's MFN status would strike a devastating blow to the territory.

In 1996, over 56 percent of China's exports to the United States and 49 percent of United States exports to China passed through Hong Kong. Denying MFN to China would threaten 70,000 jobs in Hong Kong. At this extraordinarily delicate time, the people of Hong Kong deserve our steady and strong support for renewing China's MFN status.

Mr. Speaker, we should continue to participate in the dramatic and historic change that is taking place in China, so we can help shape it in our favor and in a way that supports our allies in Hong Kong and Taiwan in their struggle to preserve freedom. The Reverend Billy Graham, whose son Ned labors as a missionary in China, wrote last week:

I am in favor of doing all we can to strengthen our relationship with China and its people. China is rapidly becoming one of the dominant economic and political powers of the world, and I believe it is better to keep China as a friend than to treat it as an adversary.

I urge my colleagues to vote "no" on House Joint Resolution 79.

Mr. Speaker, I reserve the balance of my time

Mr. STARK. Mr. Speaker, it is my privilege to yield 9 minutes to the gentlewoman from California [Ms. PELOSI], who has been a leader on the issue of trying to bring human rights and reasonable policy to China.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I will start by saying that we all agree that the United States-China relationship is an important one, and that we want a brilliant future with the Chinese people, diplomatically, culturally, economically, politically, and in every way. However, the administration's policy of so-called constructive engagement is neither constructive nor true engagement.

President Clinton has said promoting Democratic freedom, stopping the proliferation of weapons of mass destruction, and promoting U.S. exports are pillars of our foreign policy. In each of these important areas, the administration's policy of so-called constructive engagement has not succeeded. In fact, there has been a marked deterioration, not improvement, under the administration's policy.

Certainly, we must have engagement. But I contend that our engagement

must be sustainable engagement, engagement that enables us to sustain our values, sustain our economic growth, and sustain international security.

In my remarks this morning, Mr. Speaker, I want to debunk three myths about MFN and trade and human rights.

The first myth is that United States-China trade is a job-winner for the United States. This is an out-and-out hoax. This year President Clinton stated trade with China supports 170,000 United States jobs. That is the exact same number he cited last year. In 1995, it was 150,000 jobs, in 1994, it was 150,000 jobs, in 1993, it was 150,000 jobs. This is an economy with 127,850,000 people. This represents one-eighth of 1 percent of jobs in America and it is not growing, while our trade deficit continues to grow.

United States jobs are being lost through the Chinese Government's practices of requiring technology and production transfer. The Chinese Government is carefully and calculatingly building its own economic future by acquiring United States technological expertise. It allows into China only the goods it wants, and then through mandatory certification of the technology by Chinese research and design institutes, the technology is disseminated to Chinese domestic ventures. Not only does this practice not benefit U.S. workers who are left behind as the companies lose their own market share, but we are surrendering our own technology in the meantime.

As a condition of doing business in China, United States companies are often required to agree to export 70 to 80 percent of their production there. This, too, translates into a loss of U.S. jobs.

In the realm of intellectual property piracy, as Members know, despite the agreement the piracy is rampant, to the cost of \$2.6 billion in 1996 alone. And that is not even figured into the huge trade deficit, which is projected to be \$53 billion this year.

Others say that the jobs that are created in the United States are in the production here that goes to China for assembly. Not so. Do not take my word, but the word of Ken Lodge, the manager of Hewlett-Packard's Beijing subsidiary, when he says, "Over time, the use of North American suppliers will be turned off."

Experts tell us our intellectual property is our competitive advantage. We see what the Chinese are doing to our intellectual property. It is estimated that 97 percent of the entertainment software available in China is counterfeit. It is interesting that since 1996, Chinese capacity to produce pirated products has increased dramatically. In conclusion, the United States-China trade relationship is a job loser for the American worker.

Second, China is halting its proliferation of weapons of mass destruction, myth No. 2. The truth is that China

continues to proliferate dangerous weapons of mass destruction technology to Iran, Libya, Iraq, Syria, and other dangerous countries, destabilizing regions of strategic importance to the United States. The transfer of this technology is a threat to United States troops based in the Persian Gulf, and a threat to the security of Israel. We spend billions of dollars to promote the Middle East peace, and that peace is jeopardized by this export policy on the part of China, which we are choosing to ignore.

In the case of Iran, 15,000 service men and women are within range of the C-802 missiles recently transferred by China to Iran. The C-802 batteries will give Iran a weapon of greater range, reliability, accuracy, and mobility than anything in their current inventory. This missile technology is in addition to biological and chemical warfare technologies recently transferred to Iran from China.

Mr. Speaker, I want to call to my colleagues' attention this quote, this cover piece from a report from the Office of Naval Intelligence, March 1997. It states:

Discoveries after the gulf war clearly indicate that Iraq maintained an aggressive weapons of mass destruction procurement program. A similar situation exists in Iran, with a steady flow of materials and technologies from China to Iran. This exchange is one of the most active weapons of mass destruction programs in the Third World and is taking place in a region of great strategic interest to the United States.

In terms of Pakistan, the administration continues to turn a blind eye on China's proliferation of missiles to Pakistan. For 5 years the CIA has been carefully tracking the flow of China's M-11 missile components to Pakistan. The agency, the CIA, concluded that not only is China selling missiles, but it is also helping Pakistan build a factory to manufacture them. For the CIA, uncovering the plant represented a "first-class piece of spying," says a senior agency official, but because it does not want to disrupt the so-called improving relationship, the Clinton administration does not want to deal with this secret.

The CIA also turned up evidence that Beijing was reneging again on its promise not to spread these missiles into Pakistan. The agency maintains a vast network of informants in Asia who report on the movement of these weapons into the region. Last summer the CIA concluded that China had delivered to Pakistan not just missile parts, but also more than 30 ready-to-launch M-11's that are stored in cannisters at Sargodha Air Force base west of Lahore.

There is more on this I will submit for the RECORD, but other agencies of the intelligence community have all agreed on a Statement of Fact: A top secret document that has recently been in the press that concludes that China is helping to build this missile technology.

The third myth to debunk, Mr. Speaker, is that trade is improving

human rights in China. Pro-MFN advocates continue to advance this notion of trickle-down liberty, even though the facts are to the contrary. Since Tiananmen Square, the State Department's own country reports have been dismal on this subject, and its own report in 1996, which was released this spring of 1997, contains an excellent description of the current state of human rights in China, but it is a sad one.

Mr. Speaker, I would draw Members' attention particularly to the statements in that report that—

The (Chinese) government continued widespread and well-documented human rights abuses, in violation of internationally accepted norms, stemming from the authorities' intolerance of dissent * * *.

Overall in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism. All public dissent against the party and government has been effectively silenced * * * even those released from prison were kept under tight surveillance and often prevented from taking employment or resuming a normal life.

Mr. Speaker, there is a report on religious persecution which the administration is sitting on until after this vote, which documents the violations of religions of the Buddhists, Catholics, Christians, Muslims, and the people of Tibet.

On MFN, the debate today is necessary because the administration has refused to use the tools at its disposal, and because the Chinese ship one-third of their exports to the United States, while allowing only 2 percent of our products into China. We have leverage. The Chinese regime cannot take their business elsewhere. One-third of all of their exports cannot find another market.

A vote for MFN today is a vote of confidence in a failing policy. Opposing MFN says that you believe that the status quo is not acceptable. Instead, we must have a policy of sustainable engagement with China, engagement which makes the trade fairer, the world safer, and the people freer. I urge my colleagues to oppose MFN by voting "yes" on House Joint Resolution 79.

□ 1115

Mr. STARK. Mr. Speaker, will the gentleman yield?

Ms. PELOSI. I yield to the gentleman from California.

Mr. STARK. Mr. Speaker, I just want to see if there is not one other myth. There has been a myth that we have a different policy for Cuba than we do for China. But I do not think that is true, because I think the President continues to deny medicine and food to the children in Cuba at the same time that the President countenances children who are selected for starvation in China. So I see a very consistent policy in our administration toward both Cuba and China, and that is to ignore the plight of children in both of those countries.

Mr. Speaker, would the gentlewoman agree?

Ms. PELOSI. Mr. Speaker, I would agree. I want to emphasize that we are not advocating an embargo on China but threat of increased tariffs.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], who has been a leader on welfare reform, tax policy, trade policy, and health care.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I rise in opposition to House Joint Resolutions 79 and speak in favor of our normal trading relationship with the People's Republic of China. Today's debate will have a complexity that goes far beyond what is in front of us, trade and emigration. On both sides, economic, political, strategic, and humanitarian differences abound, and yet we have allowed this one issue, most-favored-nation status, to be a referendum on U.S.-China relationship.

It has become the lens through which most Americans look and view the entire United States-China policy. Mr. Speaker, this is indeed unfortunate, because not only is China the largest emerging market in the world, it is also a potent political and military force. China's new leadership will shape, whether we like it or not, for better or worse, what happens in the Pacific rim, from Indonesia to Korea, from Australia to Japan, the course of events will be influenced daily by China.

So we must influence what happens in China. We will undermine our ability to shape not only our future but China's future if we withdraw from this situation. Without our influence, how will democratic values come to be accepted in China? Without our example, how will dissent come to be tolerated? Without our presence, how will religious liberties come to exist, without our active engage? How will human rights come to be respected? To the extent the United States has been a positive influence on China, it is because we have been there. We have been on the ground. We have been there to demonstrate to people who have been isolated from the world that there is another way.

And just as surely, Mr. Speaker, if we isolate China, so the Chinese people will lose, because they have benefited from a more open market, from exposure to cultural and ideological differences, from experience with Western business with better working conditions. There is no debate here today whether we must continue to highlight human rights abuses or point out that China will never be the world leader that it so craves to be if it continues to persecute its own people. Of course we must debate this. The debate though is how best to do it.

My answer is, we do it best by engaging with the Chinese, not from withdrawing from them. Change is occurring in China. Mr. Speaker, I was there earlier this year. I saw a nation, a na-

tion that is vibrant, a nation that is colorful, a nation that is on the move. I saw people who were demanding, millions and millions of people demanding to be part of the marketplace.

Mr. Speaker, China is emerging. China is going to be a power. We have a duty here in this body to make sure we are an influence on China. We cannot withdraw from this debate. We cannot withdraw from China. Mr. Speaker, we might not like what is going on in all ways and aspects, but, Mr. Speaker, we have a duty to influence China.

Mr. BUNNING. Mr. Speaker, I yield myself such time as I may consume.

(Mr. BUNNING asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. BUNNING. Mr. Speaker, I rise in support of House Joint Resolution 79, the resolution of disapproval. We should definitely deny most-favored-nation trading status to China. The debate today is not just about China and the Chinese Government and its failure to live up to accepted standards of civilized nations. This debate is also about our own country, about what we are willing to stand up for. This debate is about principles, human rights, human decency. This debate today is about whether or not we as a Nation put trade before people and profits above principles. Where do we start a debate like this? Since the President initiated the recommendation to renew most-favored-nation trade status for China, let us start with his own State Department's findings.

In the country report on human rights for 1996, the State Department said, and I quote, the Chinese Government continued to commit widespread and well-documented human rights abuses in violation of internationally accepted norms, stemming from the authority's intolerance of dissent, fear of unrest and the absence or inadequacies of laws protecting the basic freedoms, unquote. It starts out pretty bad and things go downhill from there.

The supporters of MFN for China insist that we must stay engaged with China. We must be patient and engage China through continued trade. They will also be bringing up Hong Kong and the Chinese takeover on July 1 as a reason to stay engaged. From where I sit, China is a little too engaged already. It is engaged in transferring dangerous technology, enabling rogue nations to develop weapons of mass destruction.

The Chinese Government is engaged in providing Iran's advanced missile and chemical weapons technology, providing Iraq and Libya materials to produce nuclear weapons. It is engaged in providing missile related components to Syria and providing Pakistan's advanced missile and nuclear weapons technology. It is engaged in selling over \$1.2 billion in arms to the military rulers of Burma. How much engagement do we need? But it does not stop here. There is much more.

The Chinese Government is engaged in a massive expansion of its own military machine, taking up where the Soviet Union left off, using the profits from trade with us to pay for it. The Chinese Government is engaged in brutal suppression of human rights at home. Evangelical Protestants and Catholics who choose to worship independently of state-sanctioned churches are harassed and in prison. The Chinese Government continues its brutal repression of the religion, people and culture of Tibet; slave labor, prison camps, forced abortions. If the government of China were any more engaged, the people of China simply would not be able to take it.

Nobody really disputes any of this. The big question is, what do we do about it? No one believes that simply denying most-favored-nation status is going to solve everything. Let us be honest about it. Denying MFN might not solve anything. But I do know that, if we believe in human rights, if we believe in human decency, we must respond somehow. We cannot allow such abysmal treatment and such callous disregard for human rights to go unnoticed or unanswered.

Denying MFN might not be a great answer, but it is the only one we have at hand today. We have to send a very strong message, even if it is a weak one; we have to stand for something, even if it is imperfect. And MFN is the only game in town.

This debate is not really that hard for the American people. In a poll taken by the Wall Street Journal and NBC news on June 10, it was discovered that 67 percent of American adults believe that the United States should demand improvement in Chinese human rights policy before granting an extension of MFN trading status to China. If Members choose today to oppose this resolution, if they choose today to vote for renewal of MFN, they have to first ignore the pain of the Chinese people and then they have to ignore the opinion of the American people.

Please do not put profits over principle, vote for the resolution of disapproval.

Mr. Speaker, I include for the RECORD the following:

U.S. IS FINANCING CHINA'S WAR PLAN

(By Timothy W. Maier)

Recent intelligence reports obtained by Insight indicate China's People's Liberation Army is picking up where the Soviets left off, moving to create a military leviathan designed for fighting in the South China Sea and built to destroy U.S. ships and aircraft. The Red Chinese are using the U.S. bond market to finance their military expansion.

China is making a statement in the Pacific that threatens several of America's most important allies and could force a showdown with the United States. The Red Chinese plan, say U.S. intelligence sources, is to expand its military hegemony to dominate trade in the South China Sea. It's called "power projection," and Pentagon officials, China experts and senior intelligence specialists privately are saying that it could erupt in bloodshed on the water.

These experts say the United States is facing a multibillion-dollar military threat.

And, to complicate matters, it is being subsidized by the U.S. bond market, senior national-security officials tell Insight. It is money from American pension funds, insurance companies and securities that may never be paid back.

China's plan is militarily to dominate the first tier of islands to the west of Japan and the Philippines and then project its force to the next "island tier," leaving America's most important allies in the Pacific surrounded by the Chinese military and, short of nuclear war, defenseless.

Foreign diplomats tell Insight the move toward the second tier started two years ago when China's People's Liberation Army, or PLA, set up command posts on uninhabited islands near the Philippines. "They are drawing their line, basically saying this area is Chinese territory," a Philippine diplomat who is monitoring Chinese military movements warns.

An ancillary motive behind China's plan to expand its military hegemony by more than 1,000 miles to the southern part of the South China Sea, say regional experts, revolves around the Spratly Islands, believed to be rich in oil and natural gas. Countries already claiming part of the Spratlys include Taiwan, the Philippines, Malaysia and Vietnam. In addition, China has shown interest in Guam and a set of islands north of the Spratlys, which Japan claims. A further target, says the Philippine diplomat, is control of the Kalayaan Island group, dominating the supply routes to the Philippines and important logistically to resupply other islands.

"They are setting the building blocks to eventually make that power projection," says the diplomat, who asked not to be named. "These are the building blocks for controlling the sea lines on which all the countries in the region such as Taiwan and Japan rely for economic vitality. The Chinese want to constrict trade to break Taiwan and Japan being able to cut off the oil supply. While they may not be a direct threat to the U.S., they are more than enough of a threat to smaller weaker countries including ourselves and Japan. . . . The U.S. has done nothing because there is no blood on the water—yet."

A Japan Embassy official, who spoke for the record but asked not to be named, says Japan has no intention of surrendering claims to its islands in the region. "It is clear the islands [Beijing wants] belong to us," the official says, adding that if China moves in this way Japan expects the U.S. to intervene. "We have been watching China's military very closely," says the official.

Arthur Waldron, a China strategy expert at the U.S. Naval War College in Newport, RI, says China has wanted to reclaim the South China Sea since 1950, but placed that mission on the back burner because it was trying to defend itself from a possible Soviet invasion. Most of China's troops were deployed along the Soviet border or near Tibet and Vietnam, countries that were armed by Moscow. But now that the Russian threat has been greatly reduced, Beijing strategically has revised its military strategy and reorganized the PLA aggressively to pursue its maritime expansion mission, as was evident last year when Red Chinese missiles were fired over Taiwan as a means of intimidating both Taipei and Washington.

"I think it's absolutely delusionary to think they can achieve that goal by military force, but for us not to take China's military seriously is extremely dangerous," Waldron warns. "That is exactly what the Chinese want us to do. This is such a very dangerous situation that [protection of the South China Sea] should be negotiated and settled by all the parties concerned."

In April, the House Intelligence Committee released a Department of Defense report called "Selected Military Capabilities of the People's Republic of China" which highlights similar concerns. The report claims China has focused on developing nuclear-weapons systems and advanced intelligence, surveillance and reconnaissance capabilities to "develop a capability to fight short-duration, high-intensity wars in the region" and defeat the U.S. Navy.

The report concludes that China will have the capacity "to produce as many as 1,000 new [ballistic] missiles within the next decade" and is developing land-attack cruise missiles as a high priority for strategic warfare.

A naval-intelligence report released in February warned of Beijing's emphasis on obtaining a sophisticated blue-water navy technology to achieve four objectives: First, safeguard what the PRC calls China's territorial integrity and national unity—this includes China's claim over Taiwan; second, conduct a possible blockade of Taiwan; third, defeat seaborne invasions; and fourth, create intercontinental nuclear retaliatory forces. Meanwhile, two Red Chinese fleets patrol the area—one within 20 nautical miles of the coast targeting the first tier of islands, and another patrolling the outer reaches of the East China Sea in the area of the Taiwan Strait, the February report says.

In a country with nuclear attack submarines, this could mean trouble. Also, China possesses accurate and stealthy ballistic and cruise missiles with multiple warheads—some of which are aimed at Los Angeles and either Alaska or Hawaii, according to U.S. intelligence officials. China's force-projection plans also include building modern aircraft carriers.

The architect behind this buildup, say Western intelligence sources, is the Soviet-educated Chinese navy commander, Gen. Liu Huaqing, 79, a hardliner whose family is reported to be heavily involved in international power-projection through trade with the West in the manner of V.I. Lenin's New Economic Plan. To China's neighbors Liu is the "power broker who calls the tunes," which fits with the widespread opinion among security experts that the PLA is the power behind the Chinese government.

Former Time journalists Ross Munro and Richard Bernstein claim in their recently published book, "The Coming Conflict With China", that Beijing's primary objective is to become "the paramount power in Asia" by tapping U.S. technology and using Russian military experts. The authors contend China has proceeded in its plan with the help of about 10,000 Russian scientists and technicians—some of them in China and others communicating through the Internet. Though some of this is official, the Russian government is known to be sharing some very sophisticated weapons technology to assist the PLA, not all of it is. "The Russian military-industrial complex, staffed by some of the world's best (suddenly underemployed and underpaid) minds in military technology, is so corrupt and so desperate for cash that everything seems to be for sale," Munro and Bernstein write. "In 1995, for example, there were reports that Chinese agents, paying bribes to staff members of a Russian base near Vladivostok, obtained truckloads of plans and technical documents for Russia's two most advanced attack helicopters." The Chinese since have obtained intact nuclear weapons from Russia, according to intelligence reports.

Adm. Joseph W. Prueher, chief of the U.S. Pacific Command, testified before a House National Security Committee in March that China is not yet a threat because its military is about 15 years behind that of the

United States. In light of the blow that the U.S. military might have delivered even 15 years ago, say defense experts, that hardly is comforting. And, Waldron says, this can be a dangerous presumption because history indicates it didn't stop Japan in 1941 or Saddam Hussein during the Persian Gulf War. In 1994, a war game at the Naval War College conceptualized a sea battle between the U.S. Navy and the PLA navy off of China's shores in the year 2010. The battle hypothesized that China continued to acquire military technology at a rapid pace. The game, which Pentagon officials have refused to talk about, ended with a PLA victory, according to reports in Navy Times.

"The U.S. Navy is very angry at the Clinton administration for not taking a more robust approach," Waldron says. "We should pay a lot more attention. It's a great mistake to think a country with a military only comparable to ours will not attack. I worry very much about what China will do."

China analysts and national-security officials say the operating officer at the heart of Beijing's master plan to seize hegemony over Taiwan, Japan, Okinawa, Iwo Jima, Saipan, Guam and the Philippines is Wang Jun—Clinton's Feb. 6, 1996, coffee-klatsch guest who has taken advantage of corporate greed by persuading American investors to pour billions of dollars into joint-venture projects that allow Wang to tap into the U.S. bond market, borrowing millions from American mutual funds, pension funds and insurance companies to support the war chest.

Wang chairs both PolyTechnologies, or Poly, the arms-trading company of the PLA, and China International Trust and Investment Corp., or CITIC, a \$23 billion financial conglomerate that Wang says is run by China's government, or State Council. His dual control of CITIC and Poly (the PLA company caught last year allegedly smuggling 2,000 AK-47 assault rifles to U.S. street gangs) makes it difficult for American firms to know whose hand they are shaking. "He's a master of muddying the waters," says James Mulvenon, a China researcher at California-based Rand Corp. "American companies are playing a shell game."

Not surprisingly, CITIC officially has controlled Poly. The relationship dates back to 1984 when the PLA created Poly for arms trading and structured it under the ownership of CITIC in part to conceal Poly's link to the PLA, according to Western analysts. Wang is the son of Red China's late vice president and Long March veteran Wang Zhen. The president of Poly is Maj. Gen. He Ping, son-in-law of the late Deng Xiaoping. A former defense expert for the Chinese Embassy in Washington, He Ping is director of PLA arms procurement and chairs CITIC-Shanghai. A second major subsidiary of CITIC is CITIC-Pacific in Hong Kong, chaired by Rong Yung, son of China's vice president, Rong Yiren, who founded CITIC. In short, this is a high-level operation of the Beijing government directly connected to the men in charge.

With the help of CITIC-Beijing, He Ping engineered the billion-dollar sale of Chinese arms that included missiles to Saudi Arabia and short-range cruise missiles to Iran during the mid-1980s. That deal was assisted by the government-controlled China Northern Industrial Corp., or Norinco, which now is under investigation in the West for selling chemical-weapons materials to Iran for weapons of mass destruction, according to April testimony before a Senate Governmental subpanel. China's sale of nuclear and chemical weapons to the Middle East all are part of a strategic plan to spread out deployment of the U.S. Navy so the PLA can concentrate on the South China Sea, according to intelligence and diplomatic officials.

But take Wang's word for it, he is far removed from Poly, according to a rare and exclusive interview he gave to the Washington Post. The Post did not question Wang's assertion that he only spend 5 percent of his time with Poly. But Mulvenon, who is researching the PLA empire, laughs at that estimate. "It is more likely 15 to 20 percent," he says. And some defense-intelligence sources tell Insight CITIC is so closely linked to the PLA that professional observers have little doubt that the PLA is calling the shots.

Wang's ability to mask Poly by show-casing CITIC has paid off handsomely for his other enterprises on behalf of Beijing's war plans. In particular, the U.S. bond market already has been an attractive target for CITIC to the tune of \$800 million in borrowing. That, of course, begs the question: Why is the high-level Beijing operative Wang Jun allowed to borrow huge sums from Americans when President Clinton says it is "clearly inappropriate" even to meet with this PLA arms dealer? The White House assures that questionable visitors such as Wang no longer will have access to the president because FBI and National Security Council background checks now will expose them in advance. Yet, there is no national-security screening of foreign borrowers in U.S. securities markets from which huge sums are being allowed to float into China's war chest.

Sound incredible? A new book called *Dragonstrike: The Millennium War*, by British Broadcasting Corp. and Financial Times journalists Humphrey Hawksley and Simon Holberton, presents a scenario on how the Red Chinese military might manipulate the international financial market to raise capital. It's what Roger Robinson, former senior director of International Economic Affairs at the National Security Council, warns already is happening. Robinson, described by President Reagan as "the architect of a security-minded and cohesive U.S. East-West economic policy," claims that these enormous sums may never be paid back.

"This is cash on the barrel," Robinson says. "This totally undisciplined cash with no questions asked concerning the purpose for the loans. This could be used to fund supplier credits, strategic modernization, missiles to rogue states like Iran and to finance espionage, technology theft and other activities harmful to U.S. securities interests."

Some of the bond money "undeniably" is supporting PLA enterprises, says Orville Schell, a China expert who is dean of the journalism school at the University of California at Berkeley. Schell says that's because "there is no division between government and business" in the PRC, making it nearly impossible to distinguish PLA companies from government-controlled companies. "It means China is going to be exporting and docking at facilities in Long Beach [Calif.]" at the former U.S. Navy base there, notes Schell in reference to what some regard as a military concession to go along with its acquisition of control of ports at both ends of the Panama Canal. "It means China is going to be buying U.S. companies. It is going to be doing all of the things that everyone else does. Whether it is a security risk depends on your assessment of China," says Schell. "But one thing for sure. China is the most unsettled country in Asia."

Thomas J. Bickford, a PLA expert and political-science professor at the University of Wisconsin at Oshkosh says accessing the U.S. bond market is just one way the PLA can rise the money to purchase the most modern military equipment. "But it's not in just the bond market, it's also in consumer sales," with 10,000 to 20,000 companies, he says (see "PLA Espionage Means Business,"

March 24). Many of those PLA enterprises are losing money and in essence promoting corruption in the ranks, says Bickford, as some PLA business operatives personally are pocketing profits to purchase luxury cars or resorts, while others are fully engaged in smuggling operations. "The corruption is so high it goes all the way up to the generals," Bickford says. "That gives you an idea how much rot exists."

Where large profits from PLA companies do occur, much goes toward purchasing food and housing for some 3.2 million Red troops, says Bickford. This suggests the bond market may play a bigger role for the PLA than most people expect because that money could be going to support a defense budget the U.S. government claims to be as high as \$26.1 billion a year. And Munro and Bernstein claim it really is about \$87 billion a year when profits from PLA businesses are calculated in the total.

Deeply concerned about all of this, Robinson advocates creating a nondisruptive national-security screening process to help the Securities and Exchange Commission identify and exclude PRC fund-raising operations disguised as business ventures. The process would be similar to security checks now conducted at the White House, or the seven-day waiting period for a background review required to purchase a handgun. He says it would weed out dangerous foreign business partners such as PLA gunrunning companies and the Russian Mafia.

"Russia thinks the water is fine," Robinson says. "They are going to have as many as 10 to 12 bond offerings in the next 18 months—and some of those might involve organized crime. So there is every reason to be concerned because there might be bad actors among the Russian bond offering. We don't want terrorists, drug dealers, an organized criminal syndicate, gun smugglers or national military establishments borrowing on the U.S. securities markets with impunity."

Bickford says Robinson's solution would "catch the obvious" PLA players, but it won't stop all the diverting of money to the military because many of the PLA enterprises have joint ventures with Chinese government-controlled companies—making it nearly impossible to track the bad seed. "The PLA businesses are very good about hiding themselves," Bickford warns.

But Robinson says the National Security Council knows who the bad actors are and could effectively knock out the threat. "We need to get national security back in the picture," Robinson insists. "We are not trying to discourage investing in the market, but this is too fertile a territory for potential abuse. We just need to get additional protection for the American investment community via U.S. intelligence in a secure, non-disruptive manner."

Robinson has uncovered \$6.75 billion in Chinese government-controlled bonds floated on the U.S. and international securities markets between September 1989 and December 1996. China also has placed \$17.2 billion in bonds with Japan. About 65 percent of the U.S. money, or \$4.4 billion, was issued to the PRC, the Bank of China and Wang's CITIC. The PRC raised \$2.7 billion on six bond issues from October 1993 to July 1996. The Bank of China raised \$850 million on four bond issues from October 1992 to March 1994. CITIC raised \$800 million on five bond issues from March 1993 to October 1994.

Robinson says all three areas could be suspect: The PRC because that money could go anywhere, Wang because of his direct link to the PLA and the Bank of China—a company that has flooded the Washington radio market with an advertising and public-relations campaign—because it now has been directly linked into the Clinton fund-raising scandal.

What is the link? For one, the Wall Street Journal recently reported that the Bank of China transferred hundreds of thousands of dollars in \$50,000 and \$100,000 increments to Clinton friend Charlie Trie in 1995-96. Trie and Harold Green, another Clinton friend who assisted Wang with getting security clearance, dumped similar amounts of cash into the Democratic National Committee and Clinton's legal defense fund shortly after Wang was permitted access to the president.

John N. Stafford, chief judge of the Department of Interior in the Reagan administration who publishes a highly respected national investment newsletter, says the relative ease with which China can tap into the U.S. bond market by using intermediaries such as the Bank of China is based largely on American greed. Stafford says businessmen are following the lead of Henry Kissinger and Alexander Haig who are players in U.S.-China trade (see "Lion Dancing With Wolves," April 21).

Stafford says, "We are providing funding for our own self-destruction, especially when money is being used to facilitate efforts to build up China's military and provide weapons of mass destruction to known terrorist countries and sworn enemies of the U.S." A onetime supporter of Robert Kennedy and Scoop Jackson, Stafford turned his support to the Republican Party because he says under President Carter the Democrats gutted national security and had a dismal economic record. He compares China's activity in the bond market to Soviet operations during the Cold War, when he says the USSR diverted billions of dollars of borrowed Western funds to support military activities contrary to U.S. interests.

"This is a replay of Russia in the mid-seventies," he says. "This is business vs. national security. It is a case where money is more important than human rights. Lenin was right when he said the capitalists will sell us the rope with which we will hang them. That's what is happening here."

[From the Wall Street Journal June 10, 1997]

CHINA CLASH

Question: Should we maintain good trade relations with China despite disagreements over human rights, or demand that China improve its human rights policies if it wants to continue to enjoy its current trade status with the United States?

Percentages of groups saying the U.S. should first demand improvement in human rights policies.

All adults, 67 percent.
Men, 63 percent.
Women, 70 percent.
Age 35-49, 64 percent.
Age 65+, 72 percent.
Under \$20,000 income, 76 percent.
Over \$50,000 income, 63 percent.
Democrats, 73 percent.
Republicans, 61 percent.

U.S.-CHINA TRADE: THE STATUS QUO

1996 trade deficit: \$40 billion.
1997 trade deficit: \$53 billion.

TARIFFS

Average U.S. MFN tariff on Chinese goods: 2 percent.
Average Chinese MFN tariff on U.S. goods: 35 percent.

EXPORTS

Percent of U.S. Exports allowed into China: 1.7 percent.
Percent of Chinese Exports to the U.S.: 33 percent.

JOBS

Chinese jobs supported by U.S. trade: 10,000,000.

U.S. jobs supported by Chinese trade: 170,000.

TRADE GROWTH

Exports to China have grown: 3 times.
Imports from China have grown: 13 times.

CHINA'S PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

The Chinese government is engaged in transferring dangerous technology enabling rogue nations to develop weapons of mass destruction, including: providing to Iran advanced missile and chemical weapons technology; providing to Iraq and Libya materials to produce nuclear weapons; providing missile-related components to Syria; providing to Pakistan advanced missile and nuclear weapons technology; and selling over \$1.2 billion in arms to the military rulers of Burma.

THE CHINESE GOVERNMENT'S VIOLATIONS OF HUMAN RIGHTS

The State Department's "Country Reports on Human Rights for 1996", states that "The (Chinese) Government continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms, stemming from the authorities' intolerance of dissent, fear of unrest, and the absence of inadequacy of laws protecting basic freedoms."

The report also notes that: "Overall in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism. All public dissent against the party and government was effectively silenced by intimidation, exile, the imposition of prison terms, administrative detention, or house arrest. No dissidents were known to be active at year's end. Even those released from prison were kept under tight surveillance and often prevented from taking employment or otherwise resuming a normal life." (emphasis added).

Since the State Department report was released in February, additional information has been provided to Congress about the Chinese government's repression of basic freedoms and human rights, including: The persecution of evangelical Protestants and Roman Catholics in China who choose to worship independently of the government sanctioned (and controlled) church; forcibly closing and sometimes destroying "house churches," and harassing and imprisoning religious leaders; the threat to currently-existing democratic freedoms in Hong Kong. The takeover of Hong Kong by China is scheduled for July 1, 1997. Already, the Chinese government has moved to disband Hong Kong's democratically elected legislature and to repeal its bill of rights; the brutal repression of the religion, people and culture of Tibet; and the regulation of the free flow of information, including restricting access to and use of the Internet and restricting basic economic and business data.

OPEN LETTER ON CHINA'S PERSECUTION OF CHRISTIANS

DEAR MEMBERS OF CONGRESS: Recently, letters have circulated on Capitol Hill from some groups and leaders involved in missions in China. These letters urge Members not to vote to revoke China's Most-Favored-Nation (MFN) trade status. They cite potential dangers to the missions if the U.S. responds to Beijing's terrible record on human rights, national security and workers' rights.

There are points of agreement between us and those missions organizations. We can agree, for example, to put no individual at risk of retaliation. We should take great care in dealing with a regime that has demonstrated its willingness to settle disagree-

ments with tanks and with bullets in the back of the head. We can also agree that those Christians directly involved in work in China are not necessarily the ones to lead the fight against MFN. They may be too close to the situation for prudence or safety to permit open opposition to the regime.

But the letters make other arguments. They suggest that a forceful response by the United States government to what everyone acknowledges is an appalling Chinese government record would be counter-productive. We cannot accept those arguments. As deeply as we respect Christian missionaries in China and throughout the world, we must disagree with a policy which allows China's rulers to manipulate the United States of America simply by threatening reprisals against these innocent, godly people. It is a form of hostage-taking.

For the U.S. to surrender to such threats would be to assure that Beijing will use threats whenever Americans cry out against the cruelty and injustice of the communist Chinese regime. Should we all keep silent about China's massive campaign of forced abortions and compulsory sterilizations? Should we avoid criticizing China's use of slave labor in the Laogai? Should we turn aside from China's latest violations of chemical weapons agreements, including shipment to Iran of poison gas? Is the United States truly the leader of the Free World? Or are we merely the "moneybag democracy" the Chinese rulers contemptuously call us?

There is a real danger that the arguments made by some U.S.-based missions may be seized upon by those whose only interest in China is profits. Some multi-national corporations have allowed the brutal Chinese birth control policies to be run in their factories. Some have also accommodated Chinese repression by banning religion in the workplace. And some have exploited prison laborers.

We wholeheartedly support missions throughout the world, and especially in China. We think it's necessary, however, to take a clear-eyed view of the conduct of the Chinese government. While missionaries seek no conflict with the government, the reality is that China's rulers do not view Christians so benignly.

Paul Marshall, in his well-received book "Their Blood Cries Out," describes the attitude of China's elites. "In 1992, Chinese state-run press noted that 'the church played an important role in the change' in Eastern Europe and warned, 'if China does not want such a scene to be repeated in its land, it must strangle the baby while it is still in the manger.'"

We are proud to note the consistent and principled stance of the U.S. Catholic Conference in opposing MFN for China. Catholics are brutally repressed in China, as are Evangelicals, Muslims and Buddhists. But the USCC has never allowed Beijing's threats to deter it from its duty to speak up for the oppressed. Nor should we.

We know that we are not on "the front line" in confronting Chinese repression. Because we have a freedom to speak out that is not granted to those on the Mainland, we must use our God-given freedom to speak out for those who cannot speak for themselves. When it is argued that the situation will be worsened if America takes action, we must ask candidly, how can it be worse for the Chinese dissidents? Our own State Department reports that all dissidents have been either expelled, jailed or killed.

We rejoice in the fact that American missionaries hold U.S. passports. We pray that a strong United States will help to safeguard our fellow Americans' lives while they do the Lord's work in China. But Chinese Christians are not so protected. For Pastor Wong, lead-

er of 40 Evangelical churches, MFN has brought no benefits. He has been arrested four times for spreading the Gospel. The last time he was jailed, his fingers were broken with pliers. While Vice President Gore was preparing to visit Beijing in March, Chinese secret police invaded the apartment of Roman Catholic Bishop Fan Zhongliang in Shanghai, seizing Bibles and other religious articles. The move against the nation's highest Catholic prelate was clearly intended to intimidate millions of faithful Chinese Catholics. MFN has only made the Chinese police more efficient in denying basic human rights to Bishop Fan and his flock.

President Clinton's 1994 "delinking" of trade and human rights concerns has actually increased repression in China. Now, even if missionaries plant churches, the Chinese secret police can disrupt them. This view is affirmed by New York Times editor A.M. Rosenthal. He has written:

"Knowing Washington would not endanger trade with China, even though it is mountainously in China's favor, Beijing increased political oppression in China and Tibet—and its sales of missiles, nuclear material and chemical weaponry."

Rosenthal refers to the president as Beijing's "prisoner." Let us assure, by our steadfastness, that the rest of us do not wear such chains.

From the beginning of this debate, we have recognize that the argument over MFN is not just about what kind of country China is, it is also a dispute about what kind of country America is. We believe Americans have a moral obligation to stand up for human rights, for the rule of law and for the rights of workers. We know, from long and tragic experience in this blood-stained century, that a regime which brutalizes its own people is virtually certain to threaten its neighbors.

Sincerely yours,

Gary L. Bauer, President, Family Research Council; Ralph E. Reed, Executive Director, Christian Coalition; Rev. Richard John Neuhaus, President, Institute for Religious and Public Life; Keith A. Fournier, Esq., President, Catholic Alliance; D. James Kennedy, President, Coral Ridge Ministries; Joseph M. C. Kung, President, Cardinal Kung Foundation; James C. Dobson, Ph.D., President, Focus on the Family; Phyllis Schlafly, President, Eagle Forum.

Chuck Colson, President, Prison Fellowship Ministries; Gov. Robert P. Casey, Chairman, Campaign for the American Family; Steve Suits, South Carolina Family Policy Council; William Donohue, President, Catholic League for Civil and Religious Rights; Richard D. Land, President, Christian Life Commission; Steven W. Mosher, President, Population Research Institute; Gerard Bradley, Professor, Notre Dame Law School; John DiIulio, Professor, Princeton University.

Robert P. George, Professor, Princeton University; John Davies, President, Free the Fathers; Kent Ostrander, Director, The Family Foundation (KY); Matt Daniels, Executive Director, Massachusetts Family Institute; Rev. Donald E. Wildmon, President, American Family Association; Deal W. Hudson, Publisher & Editor, Crisis Magazine; Bernard Dobranski, Dean, Columbus Law School; Rev. Steven Snyder, President, International Christian Concern. Ann Buwalda, Director, Jubilee Campaign; P. George Tryfiates, Executive Director, The Family Foundation (VA); Randy Hicks, Executive Director, Georgia Family Council; Marvin L.

Munyou, President, Family Research Institute (WI); William T. Devlin, Executive Director, Philadelphia Family Policy Council; William Held, Executive Director, Oklahoma Family Council; William A. Smith, President, Indiana Family Institute; Thomas McMillen, Executive Director, Rocky Mountain Family Council.

Michael Heath, Executive Director, Christian Civic League of Maine; David M. Payne, Executive Director, Kansas Family Research Institute; Gary Palmer, President, Alabama Family Alliance; Jerry Cox, President, Arkansas Family Council; Dennis Mansfield, Executive Director, Idaho Family Forum; Michael Howden, Executive Director, Oregon Center for Family Policy; William Horn, President, Iowa Family Policy Center; Joseph E. Clark, Executive Director, Illinois Family Institute; John H. Paulton, Executive Director, South Dakota Family Policy Council; Mike Harris, President, Michigan Family Forum; Mike Harris, President, Michigan Family Forum.

INDEPENDENT FEDERATION OF
CHINESE STUDENTS AND SCHOLARS,
Washington, DC, April 25, 1997.

U.S. Congress,
Washington, DC.

DEAR MEMBERS OF CONGRESS: The Independent Federation of Chinese Students and Scholars (IFCSS), the sole national umbrella organization of Chinese students and scholars in the U.S., is taking this opportunity to express its opinion on the extension of most-favored-nation (MFN) status to China. The IFCSS reiterates its support for the U.S. and other western countries in conducting trade with China. We believe economic exchange and commerce will mutually benefit people in all countries conducting such trade; however, China is governed by an authoritarian and repressive regime, lacking in fundamental respect for the basic rights and freedoms which U.S. citizens so highly value.

The IFCSS, therefore, urges the U.S. to adopt a more responsible trade policy. The rights and freedoms cherished in this nation should be linked to trade in order to make U.S. trade policy more responsible and accountable.

We believe human rights is a fundamental issue, inseparable from the construction of a modern and humane society in our country. The Chinese government must learn to respect the rights of its 1.2 billion citizens as they strive for economic prosperity in the 21st century.

That the Chinese government has increased its control of Chinese society, both politically and ideologically, is well documented. For instance, the government has cracked down severely on dissidents, curtailing their activities and depriving them of their right to earn a living, as reported in U.S. State Department Report '96. The result is that no single active political dissident's voice remains in China: leading dissidents Liu Gang and Wang Xi-zhe were forced to flee the country after consistent torture, harassment, and nationwide pursuit by the police; Liu Xiaobo, Li Hai, Guo Haifeng and a dozen other dissidents have been imprisoned once again for their peaceful expression of opinions and criticisms; Nobel Peace Prize nominee and the most prominent dissident Wei Jingsheng is still in jail, with deteriorating health. We were outraged to see student leader Wang Dan, who gained prominence in the prodemocracy movement of 1989, held in illegal detention for 16 months, finally charged with conspiracy to overthrow the government and sentenced to 14 years in prison. This was done without solid evidence

or a fair trial, by a legal system at the beck and call of the Communist Party, and in defiance of the international community's concerns.

While ordinary Chinese citizens are encouraged to become rich, they cannot express political views dissenting from the government. Freedom of the press, expression, association and assembly remain extremely forbidden. Like all authoritarian regimes, the government of China keeps its citizens under tight control in these aspects in order to maintain its governance.

Unfortunately, the weakening of pressure from foreign governments in the past several years, as evinced by President Clinton's decision in 1994 to delink human rights from MFN, has encouraged the Chinese government to increase political repression. President Clinton has admitted the failure of this policy but the U.S. government continues to pursue it. Further proof of this lack of concern over human rights abuses in China can be seen by the collapse of the coordinated efforts by democratic allies to condemn the Chinese government at the 1997 U.N. Human Rights Commission. We strongly denounce China's blatant retaliation threats against those western countries supportive of the resolution. We also urge the U.S. government to reconsider its weak and passive policy toward China, which gravely undermines its commitment and obligation, as the most powerful nation in the world, to work to advance human rights and democracy globally.

The IFCSS stresses its belief that the conditional MFN was an effective policy in the past. Unfortunately, we've all seen how aggressively the business community attacked this policy for their own commercial interests and, worst of all, how successfully they were able to influence both the Congress and the Administration. Despite assurances to the contrary, however, the unparalleled economic growth in our country has not in any way resulted in a more humane society, more respect for basic rights or less repression. Sadly, the opposite has occurred. China's leaders have learned a lesson from the collapse of the Soviet Union and the Eastern-Europe bloc and the result is a mutant form of communism, but communism nonetheless. China is now a nation that encourages economic prosperity through foreign investment, the use of advanced technology and capitalist management styles. On the other hand, the Communist party continues to exert political and ideological control through its one-party monopoly. This clearly demonstrates that economic prosperity does not bring about "automatic" democracy, as predicted by so many.

Whether or not this hybrid eventually succeed remains uncertain. What is certain is the continuing political repression, depriving Chinese citizens of basic rights and denying the international community's effort on behalf of human rights and freedom in China. With increasing wealth, the Chinese government is becoming less, rather than more, accountable. International pressure has played a critical role in pushing China to be more open, but western nations are also morally obliged to keep applying this pressure, particularly at a time when the system in China has become more intolerant and repressive. It is shameful to see western business interests being held hostage by the Chinese government in order to evade international condemnation for its repressive policies.

We hereby urge the members of Congress to give this issue the serious consideration it deserves. The IFCSS particularly appreciates the U.S. government's consistent claim that human rights issue is one of the cornerstones of its foreign policy. We respectfully appeal to the members of Congress to make im-

provements in human rights a condition of extending MFN status to our country.

Sincerely,

XING ZHENG,
President.

STATEMENT OF JOHN CARR, SECRETARY, DEPARTMENT OF SOCIAL DEVELOPMENT AND WORLD PEACE, U.S. CATHOLIC CONFERENCE
CATHOLIC BISHOPS OPPOSE RENEWING MFN

The U.S. Catholic Bishops lead a community of faith, not a political or economic interest group. The Bishops' Conference opposes renewal of MFN for China because it is the only available means to send a clear signal to the Chinese government that the United States will not ignore pervasive violations of religious liberty, human dignity and workers rights.

The Bishops are not newcomers to this important cause and we welcome those who join with us from diverse political, religious and ideological communities. We come together, despite our differences, to insist that U.S.-China policy must more clearly reflect fundamental moral principles. From across the political spectrum, we are affirming that there are ties of common humanity that are deeper and stronger than those of trade. We are joining in solidarity with those who are persecuted for their faith or their political courage; we are affirming the rights of workers to labor freely; we are standing profiteering from slave labor, and we are defending married couples from the inhumanity of coercive abortion policies.

In urging the Congress not to renew MFN for China, the U.S. Catholic Conference recalls that religious liberty is a foundation of our freedom, and that hard experience has shown that a free society cannot exist without freedom of conscience. Freedom for markets without freedom of worship is not really freedom at all. Despite the claims and hopes of the Administration and others, religious persecution in China is serious and apparently growing. As a result of recent laws, regulations and practice, many believers in China—underground Catholics, Tibetan Buddhists, Protestant House Churches and others—are denied their right to practice their faith without government interference, harassment or persecution.

Our Church seeks a constructive and positive relationship with China and its people. We support reconciliation and dialogue between the U.S. and China and among the Chinese, but these vital tasks must reflect fundamental respect for human life, dignity and rights. The U.S. must reorder its priorities in China policy insisting that protecting the rights of believers, workers and dissidents is as important as combating piracy of CD's and videos. Let us send a message so clear that those who wish to do business in China will spend less effort lobbying the U.S. Congress to protect their economic interests and more effort to help China understand that U.S. concern for human rights will not go away.

Current policies have failed; it is time to send a clear message. MFN may not be the perfect vehicle but it is our best chance to insist we will no longer ignore religious persecution, violation of worker and human rights, and coercive abortion policies.

INTERNATIONAL CAMPAIGN FOR TIBET,
Washington, DC, May 21, 1997.

Hon. NANCY PELOSI,
House of Representatives,
Washington, DC.

DEAR CONGRESSWOMAN PELOSI: I wish to submit, for the May 21 press conference on most-favored-nation (MFN) trade status for China, a brief description of the difficult situation in Tibet and, in particular, China's

repression of religious freedom which has worsened in recent years.

In 1994, President Clinton abandoned the use of trade privileges as a mechanism to move China into compliance with internationally-recognized human rights norms. It is now evident that China consequently accelerated its course of repression in Tibet from a negative direction to an extreme degree. In the place of linkage, the Clinton administration has chosen to pursue a policy of "engagement" with China while, ironically, China has taken up the policy of linkage and blatantly doles out significant economic favors to all who are willing to halt criticism of its human rights record. At this year's U.N. Human Rights Commission meeting in Geneva, important U.S. allies in previous efforts to condemn China's human rights record, withdrew their support for lucrative trade contracts with China. Three years after the U.S. delinkage of trade and human rights, President Clinton himself has judged the U.S. engagement policy a failure as China has completely silenced its dissidents and has given up all pretense of tolerance for the distinct cultural, linguistic and religious traditions of the Tibetan people.

We do not know how many political prisoners there are in Tibet today, although some 700 have been at least partially documented. One young Tibetan, Ngawang Choephel, was sentenced in December 1996 to 18 years for videotaping traditional Tibetan music. This extremely harsh sentence was handed down in spite of personal appeals to the Chinese leadership by U.S. Government officials, including Members of the U.S. Congress. It even appears that Ngawang Choephel's status as a Fulbright scholar was used against him by the Chinese authorities who, on this basis, added collusion with the West to his list of so-called espionage charges.

There are reports from Tibet that popular and successful Tibetan language programs at middle schools and universities have been discontinued. While these programs were few in number, they removed the enormous and unfair obstacle of Chinese language proficiency for some Tibetans. Indeed, those children in Tibet who are schooled in their mother tongue in the primary grades are blocked from continuing education by obligatory tests administered in Chinese only. This Chinese language-only policy exacerbates the increasingly high drop-out rate for Tibetan children whose schools have taken the brunt of government cut-backs and must operate without resources, including heat. Money for blankets has come to mean no money for food in most Tibetan schools.

It is, however, the lack of religious freedom that is the most revealing of China's malicious intentions in Tibet. The State Department, in its "Country Report on Human Rights Practices for 1996" mistakenly qualifies China's actions in Tibet by stating that "the Government does not tolerate religious manifestations that advocate Tibetan independence." The trust is that China has determined to eradicate completely Tibetan Buddhism as an enduring threat to the Chinese communist state. This was China's original motivation for going into Tibet, temporarily laid aside by the threat of international scrutiny, and taken up with renewed verve at the time of delinkage in 1994. The abduction of the child Panchen Lama is yet the most recent symbol of a conscious choice by Li Peng and Jiang Zemin articulated over the last three years, to crush Tibetan Buddhism.

Last month, His Holiness the Dalai Lama visited Washington where he was received in the Congress, the State Department and the White House. At each stop, he was given assurances of support for his proposed negotia-

tions with China on the future of Tibet. Thus far, China has resisted calls for negotiations, and the United States has demonstrated a lack of resolve in pushing China to make concessions in the area of human rights. I would urge the U.S. Government in 1997 to take the kind of stand against China's policy in Tibet that would be experienced in Beijing with the same intensity as was the President's MFN delinkage in 1994. If it is the case that U.S. dollars fuel China's power and its powerful, then U.S. leverage must be of the economic kind to be appreciated.

While the world's sole superpower pursues a China policy that takes the position that the engagement of Western and Chinese businesses will bring about gradual changes in China's human rights policies, it is providing a fig leaf for every Western nation to do business with China regardless of its human rights practices. I urge the United States to go beyond its diplomatic rhetoric, assert its world leadership and elicit significant and positive changes in China's Tibet policy.

Sincerely,

LODI G. GYARI,
President.

[From the Freedom House News, June 3, 1997]
CHINA'S PERSECUTION OF UNDERGROUND CHRISTIAN CHURCHES CONTINUES TO INTENSIFY AS AUTHORITIES SEEK THEIR ERADICATION FINDS HUMAN RIGHTS MISSION

NEW TREND NOTED TO ARREST HOUSE CHURCH LEADERS; TORTURE REPORTED; ANNUAL UNDERGROUND CATHOLIC PROCESSION SUPPRESSED

WASHINGTON, D.C.—Today (June 3, 1997) Freedom House released the findings of its mission to China during the last two weeks of May that investigated state persecution against underground Christian churches. The investigation revealed that China is continuing and intensifying its campaign against the Christian underground.

"Some Provinces are more repressive than others, but repression has intensified in all the Provinces from where we received reports," reported Dr. Marshall who conducted the fact-finding in China for the Puebla Program on Religious Freedom of Freedom House. In addition to closing unregistered churches (Christian gatherings that occur without government sanction), authorities are now aggressively seeking out and arresting members and leaders of the Christian underground. Eighty-five house-church Christians were arrested in May in Henan Province alone. New incidents of torture by beatings, binding in agonizing positions, tormenting by cattle prods and electric drills and other brutal treatment by Public Security Bureau police against Christians were reported to the Freedom House representatives.

Ninety percent of the underground Protestant church members interviewed by Dr. Marshall said the repression is the worst since the early 1980's. Repression against the underground churches began to rise in 1994 after Beijing issued decrees 144 and 145 mandating the registration of religious groups, with a marked increase from the summer of 1996.

Puebla Program Director Nina Shea observed, "The ferocity of China's crackdown against the underground Christian community can be explained by the fact that these churches constitute the only civic grouping that has survived outside of government control in China proper. Even in the underground in China there are no independent human rights groups, labor unions or samizdat presses. These underground churches by their very existence defy the state and cannot be tolerated by the aging communists in power."

The Freedom House team met with 15 underground church members, 12 of whom are pastors or in other leadership positions and are viewed as highly credible. It received reports from over half of China's Provinces and regions (Henan, Hubei, Sichuan, Heilongjiang, Xisang, Shanxi, Guangdong, Anhui, Hunan, Shandong, Liaoning, Hebei, Inner Mongolia, Jilin, Guizhou, Beijing and Shanghai).

House church leaders interviewed by Freedom House representatives reported the following:

The standard sentence for illegal church activities is now three years of "re-education through labor" in a labor camp. This is applied on the third offense for ordinary church members, often to leaders on the first offense, and is usually applied to preachers who are out of their home area.

In Henan Number One Labor Camp (laojiao) approximately 50 out of the 126 inmates are imprisoned for underground church activities. A ratio of about forty percent holds for Henan generally, evidencing that Henan Province is where house-church evangelicals are experiencing some of the harshest repression.

In Louyang, approximately 300 underground Protestants have been detained since July 1996.

On September 24, 1996 in Tenghe, Henan, a Public Security Bureau raid arrested Elder Feng, Brother Zheng, Brother Xin, Sister Li and Sister Luo. Several of these who were in leadership positions were beaten and tortured during interrogation to force them to reveal more names of those involved in the house-church organizations. Sister Luo had her arms tied tightly behind her back in an excruciating position, and was beaten unconscious, leaving her in a coma for several hours. One of the other detainees was beaten almost to death over a period of nine days. They were also abused with electric cattle prods, often in a bound position. Since Elder Feng is 72-years-old and not able to perform hard labor, he is being detained indefinitely. The other four have been sentenced to three years of "reeducation through labor" in Luoyang, Henan.

Other forms of torture widely used by police against Christians entail forcing underground Christians to kneel while police stomp on their heels. One detained underground church member in Shanxi was beaten with an instrument that pulled out flesh. He was also bound and tormented with an electric drill. In December 1996, in Langfang, Hebei, several underground Christians were caught at the train station carrying imported Bibles. They suffered crippling beatings at the hands of the Public Security Bureau police and they remain unable to walk without assistance.

In Zhoukou, Henan, 65 underground Christians were arrested on May 14, 1997. An accompanying raid resulted in the arrest of 20 other Christians. Since all 85 underground evangelicals had been previously arrested at least two other times, their fellow congregants anticipate that their sentences will be three years of "reeducation through labor."

The annual pilgrimage to the Marian Shrine at Dong Lu in Hebei Province by underground Catholics was prevented by government authorities from occurring this year. In 1995, according to the Far Eastern Economic Review, the procession attracted some 10,000 Catholics loyal to the Holy Father. The event was crushed in 1996 and the priest in charge of the Shrine, Rev. Xingang Cui, remains in prison after his arrest in Spring 1996. The Shrine itself has been desecrated. A foreign journalist who attempted to visit the area was immediately stopped and detained for nearly a day before being expelled from the area.

The underground Catholic bishop of Shanghai, Bishop Joseph Fan Zhongliang, whose home was raided before Easter is under virtual house arrest with heavy police surveillance. He is effectively prevented from meeting with foreigners. [As has previously been reported, four other underground Catholic bishops are detained, imprisoned or their whereabouts are unknown at this time.]

All the church representatives (both registered and unregistered, Catholic and Protestant) gave reports of a three- to four-fold increase of members since 1990, and a greater than ten-fold increase since 1980. Freedom House estimates that China's Christian population numbers about 60 million. In many areas, the boundaries between registered and underground churches are blurred, as members and even leaders move back and forth between both. Dr. Marshall observes: "Ironically, the very campaign to eradicate the underground churches by the government may be spurring their growth. Underground leaders say the commitment required to practice one's faith in China leads to a strong, disciplined and growing church."

Mr. BUNNING. Mr. Speaker, I reserve the balance of my time.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. RAMSTAD], our distinguished colleague.

(Mr. RAMSTAD asked and was given permission to revise and extend his remarks.)

Mr. RAMSTAD. Mr. Speaker, I thank my distinguished chairman for yielding me the time.

Mr. Speaker, I strongly support the bipartisan effort to renew normal trade relations with China and oppose the disapproval resolution we are considering today. United States engagement in China through continued trading relationships is clearly, clearly the best way to influence China's policies. How can we be a force for change in China's human rights policies if we are not there?

We learned during our Committee on Ways and Means hearing last week that many evangelical Christians and humanitarian groups which actually work in China strongly support MFN renewal. Let me quote from two.

First, Joy Hilley of Children of the World, which is a nonprofit international relief and adoption agency operating in China, said that her group's concern for continued access to China is based on their belief that their presence in China has not only enriched the lives of the children who have been adopted but has actually helped save the lives of those children who remain in orphanages in China.

MFN renewal is also supported by the Rev. Ned Graham, son of another well-known minister, the Rev. Billy Graham, who heads a ministry which works with the churches in China.

With all that in mind, Mr. Speaker, I must say that we do not need to apologize for recognizing that the United States-China trade relationship is also very important to jobs and to businesses in this country.

An aggressive free trade policy is absolutely essential to our economy and our workers. We in Minnesota know

what this means. In 1996, we exported over \$60 million worth of goods to the growing Chinese market. We are currently working on improving that figure through the Minnesota Trade Office's Minnesota China Initiative. In fact our State legislature just authorized \$350,000 for this effort to establish Minnesota companies as known and preferred vendors in China.

The workers understand what this MFN means in terms of jobs. Let us hope the Congress understands. Vote down this disapproval motion.

Mr. STARK. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I thank the gentleman for yielding me this time and congratulate him on his leadership on this issue.

Mr. Speaker, I heard all these arguments before against United States involvement on human rights issues. We were told with the Soviet Union that the United States would be alone. Just the opposite was the case when we stood up and denied most-favored-nation status to the Soviet Union. Other countries followed the United States leadership. I heard the same arguments about South Africa, that would hurt the blacks of South Africa. By standing up for human rights, we have brought down that apartheid government of South Africa. We said that we were going to hurt our own interests because of the richness of South Africa and their natural resources. We stood up and we changed South Africa. When the United States leads, the world will follow.

China's human rights record is horrible. Listen to our own State Department. I quote:

Overall in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism. All public dissent against the party and government was effectively silenced by intimidation, exile, the imposition of prison terms, administrative detention, or house arrest. Nonapproved religious groups, including Protestant and Catholic groups, also experienced intensified repression as the government enforced the 1994 regulations. Discrimination against women, minorities, and the disabled, violence against women, and the abuse of children remain problems.

China's human rights records are horrible. Listen to what Professor Nathan of Columbia said: Human rights in China are of our national interest to the United States. Countries that respect the rights of their citizens are less likely to start wars, export drugs, harbor terrorists, produce refugees. The greater the power of the country without human rights, the greater the danger to the United States.

I have heard all the arguments against involvement. MFN is supposed to be for immigration only. MFN is for nations that respect human rights. China does not respect human rights.

□ 1130

We never have to apologize for this Nation standing strong against nations that abuse human rights. Let us stand

up for what this Nation believes in. Vote to deny China MFN. They do not deserve it.

Mr. MATSUI. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Speaker, I rise in opposition to House Joint Resolution 79, disapproval of most-favored-nation trade treatment for China.

Mr. Speaker, this is one of those fascinating arguments that confronts this institution, where there is some truth to what everybody says. But it is ironic that we opened this century with the Boxer rebellion and now we close the century with MFN; and it highlights how this relationship between our Nation and China has been mishandled for the better part of one century.

I think that the issue for us today is really to take the long view of our relationship with China. Every year since 1980, Presidents have requested waivers from Jackson-Vanik in an effort to discuss MFN status as it relates to China. The Jackson-Vanik amendments were enacted to address the freedom of immigration issue. But through most of the 1980's, Presidents have indeed requested this waiver of MFN for China and the waivers, for the most part, were noncontroversial.

Now, I acknowledge that after 1989 and the massacre of Tiananmen Square that the situation changed. But, as we all know, the United States-China relationship remains precarious, and we have to decide the best manner in which to improve this relationship.

In May 1994, President Clinton decided to delink human rights from China's MFN status and to establish new programs to improve human rights in China. This decision was based upon the belief that linkage was no longer useful. I agree with President Clinton's decision.

This does not mean that we have forgotten about the students in Tiananmen Square and we have not forgotten about China's human rights record. We constantly raise these issues with China, and the Tiananmen Square sanctions are still in place. We continue to enforce United States laws banning prison imports.

But the sincere question in front of this House today is, how do we best engage China and to encourage those structural reforms that will retain and bring China further into the relationship of civilized nations? We have gotten away from the original intent of the Jackson-Vanik amendment. None of us endorse all of our actions as they relate to China. But if we want to improve our relationship with China, the best way to do it is to continue to engage them through current actions of trade.

We are not asking to condone China's egregious actions of the past, but we need to remember that renewing MFN is not providing China with special trade provisions. MFN is the normal trade treatment we provide to almost

every other country. I believe that if we engage China, we can make China take actions and move toward familiarizing them with international standards.

In recent Chinese history, the worst human rights violations occurred in times of international isolation. Engagement is working. China is making improvements. Even though it seems as though these steps are baby ones toward conforming to international standards, these are steps in the right direction.

I am going to close the way I opened. In this argument, there is truth to what everybody says in this institution. But let us not retreat today from MFN status for China.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in rising in support of the Solomon resolution, let me just say that enough is enough is enough. If ever there was a policy out of touch with reality, it is our current policy of appeasement toward Communist China. And, of course, the continuous unlinked granting of MFN is the cornerstone of that appeasement policy; and that is why I have introduced this legislation, which would revoke MFN for China temporarily until the communist Chinese Government decides to change it, to change its ways by stopping its religious persecution, its human rights atrocities, and selling deadly missiles and poison gas factories to rogue nations like Iran. That does not even mention its trade discrimination, costing hundreds of thousands of American jobs.

Mr. Speaker, hardly a day goes by when the economic and trade picture with China does not get worse. We have heard it alluded to earlier today. China's refusal to grant fair and open access to American goods has resulted in our trade deficits with that country skyrocketing to \$38 billion last year, and it is going toward \$50 billion this year because our goods are not allowed in China.

Mr. Speaker, engagement theorists claim that United States exports to China currently support 170,000 United States jobs, which they say would be jeopardized if we cut off most favored trade status for China and China then retaliated against us. Well, Mr. Speaker, leaving that aside, this 170,000 figure has not changed since last year and the year before and engagement theorists say it should be going up, it should be creating more U.S. jobs. Considering that over one-third of China's exports come to us, versus 2 percent of ours going to them, does it not seem rather odd for us to be afraid of a trade spat with China? Two percent of our total exports go to China, and 33 percent of theirs come here. We clearly have the upper hand, my colleagues. But the engagement theorists do not have the guts to truly engage China and let them know that their behavior is disgusting.

More importantly, hardly a day goes by without reading of yet another act

of aggression, another act of duplicity, or another affront to humanity committed by the dictatorship in Beijing. Consider human rights, the same people who conducted the massacre in Tiananmen Square and the inhumane oppression of Tibet have been busily eradicating the last remnants of democracy in China. And as we speak, they are preparing to squash democracy in Hong Kong.

I invite all my colleagues to go with me in about 3 or 4 months and see what is over there. According to the U.S. State Department's annual human rights report, and I quote, and my colleagues ought to hear this because it is coming from this administration.

Overall in 1996, the authorities stepped up efforts to cut off expressions of protest and criticism. All public dissent against the party and government was effectively silenced by intimidation, by exile, the imposition of prison terms, administrative detention, or house arrest.

That is what they say, Mr. Speaker. And I emphasize the words "stepped up" because human rights violations in China are getting worse, according to the report I just read you. And that is the exact opposite of what is supposed to be occurring, according to the proponents of engagement theory.

China has also ramped up its already severe suppression of religious activity having, among other things, recently arrested the co-adjutor Bishop of Shanghai. We all know this is happening. Engagement theorists on both sides of this aisle know it. They know that this is happening, and all they can talk about is dollars for multinational corporations. It is enough to make you throw up sometimes.

Just read all these newspaper ads that have been appearing all over the country. We have a right to stand up for America and not business interests in this country, Mr. Speaker.

And even worse, in the field of national security, and I would hope that everybody is listening to this, in the field of national security, the engagement theorists completely ignore our national interests by appeasing the communists in Beijing. They totally ignore the relentless Chinese military buildup, ever more frequent exports of technology for weapons of mass destruction, and an increasingly belligerent Chinese foreign policy.

While every other major country has reduced its military spending, Communist China has increased its military spending by double digits each year, increasing their military budget by more than 50 percent in the 1990's alone, when every other country in the world has been cutting back.

What are they buying with all that money that is being financed by the trade deficits in this country? Soviet-made Sunburn missiles from Russia, that is what. We debated that on the floor here last night. The Sunburn was designed with the express purpose of taking out United States ships and killing American sailors, and Com-

munist China is buying it with the express purpose of intimidating the United States Navy in the Taiwan Strait and in the Asian-Pacific theater. Or they are going to give it to Iran to attack American ships, as Iran did when they killed 37 American sailors aboard the *USS Stark* a few years ago.

Meanwhile, China's irresponsible missile proliferation activities continue unabated. Are my colleagues not concerned about that? I know some of them are. I have talked to some on that side of the aisle who are formerly for MFN and now they have changed their mind for this very reason. Despite engagement, or because of it, China continues to export ballistic missiles and nuclear technology to Pakistan—do my colleagues not think something is going to happen over there?—and missile, nuclear and chemical weapons technology to the avowed enemy of America, Iran. I did not say they are our enemy. They said they are our enemy.

Let me repeat. Has anyone around here thought about who these missiles that the Iranians are buying, who they will be used against? They will be used against the U.S. Navy because we will be called in over there, the same as we were in the Persian Gulf. And it is going to be used against Israel and a lot of other decent human beings over in the Mideast who will not be able to protect themselves against this nerve gas and the poison gas and the missiles.

Every Member of this body that claims to be a supporter of Israel should come over here today and vote for this resolution. Because if they do not, Iran's chief weapons supplier, Communist China, will be off the hook once again, and once again we will be back here next year, as we were last year and the year before.

Let me just note that the denial-inducing effects of the engagement theory are especially visible in the case of China's nuclear transfers and C-802 missile sales to Iran. These transactions are in clear violation of the 1992 Iran-Iraq Nonproliferation Act and should initiate sanctions against China, not more appeasement.

The principal author of this legislation is none other than Vice President AL GORE, but the numbing effects of the engagement theory have precluded the administration from invoking the Vice President's own legislation.

If it were not so serious and so sad, Mr. Speaker, it would be a laughable matter. These are the very bitter fruits of engagement. And I want to know just how long it is going to take for the engagement theorists to wake up. We will be going on here for another 5 years.

To show just how much the engagement theory seals its proponents off from reality, Mr. Speaker, I would like to quote from a recent "Dear Colleague" signed by four senior members of the Committee on Ways and Means, all of whom are card carrying engagement theorists. They say, and I quote,

"The Chinese would interpret the severing of normal trade relations as an unfriendly act."

Mr. Speaker, I do not know whether to laugh or to explode in anger when I hear such statements. This rogue, vicious dictatorship commits murder, it commits rape, and intimidates countries with missiles. It makes aggressive land grabs, makes veiled threats of nuclear attacks against Los Angeles. Did we just overlook that? It sells deadly missiles to our archenemy Iran and buys missiles designed to kill Americans.

And the proponents of engagement are worried about us making unfriendly acts. What an outrage, Mr. Speaker. What a deep offense against the victims of this regime, both inside China and, God forbid, without. And what a deep offense against the United States military personnel that are on watch in the Pacific and in the Middle East, who may one day be a victim of China's military aggression or of China's irresponsible missile proliferation policy.

What has to happen? Does China need to commit a second Tiananmen Square in Hong Kong or elsewhere? Do they have to invade Taiwan? And if so, what is Congress going to do about it, Mr. Speaker? More appeasement? Do they have to take out American ships and kill American sailors with Sunburn missiles? Then what are we going to say? "Oh, my goodness, you should not have done that, China!"

Mr. Speaker, it is nothing short of a disgrace that we would even consider waiting that long. But that is exactly the fix that the engagement theorists have put us in. And I resent it. Mr. Speaker, we owe it to this country to temporarily cut off MFN, now it does not have to be permanently, to temporarily cut it off until China becomes a responsible member of the international community. Is that not what we want?

□ 1145

Is that not what we want? Because if we do not, Mr. Speaker, the proponents of engagement may very well be responsible for the lives of Americans 5 or 6 or 7 years down the line. I do not want Members coming back to me and saying, "Oh, my gosh, I made a mistake," because then it is too late.

Mr. Speaker, no MFN was given to the Soviets under Ronald Reagan. Peace through strength brought down the Iron Curtain and brought an end to that deadly atheistic communism in that part of the world. At the same time we were giving most-favored-nation treatment to China. Some of my colleagues will say, "Well, we were playing the China card" and, yes, maybe we were but the China card is over. Now is the time to stand up to this rogue regime in Beijing and let them know we are not going to take it anymore.

That is why Members ought to come over here and vote to send a message

that we are going to protect American lives and American interests around the world and that China had better become a decent actor in the world.

Mr. Speaker, I reserve the balance of my time.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Pennsylvania [Mr. ENGLISH].

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings is a violation of the rules of the House.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, in the debate on whether to continue normal trade relations with China, the opponents of trade have failed fundamentally to answer one question: What will ending our engagement with China accomplish? It will not improve human rights or political rights on the mainland. It will not benefit American security interests in Asia or stabilize the Pacific rim. It certainly will not improve trade opportunities for American companies and American workers in the world's largest and fastest growing market. Our severing of normal trade relations with China would be the greatest windfall that we would have bestowed on our European competitors since the Marshall plan. American companies would likely lose their favored position in the Chinese market permanently.

So what would ending normal trade relations with China achieve? For one thing it would devastate our longtime trading partners in Hong Kong at a sensitive time when they are returning to Chinese sovereignty but seeking to retain their autonomy. Ending MFN would undermine Hong Kong's economy and potentially their liberties as well.

Mr. Speaker, the best way for America to influence Chinese society is to pursue a policy of constructive and comprehensive engagement with China utilizing our economic role to leverage reforms that benefit individuals on the mainland. In this way we can stimulate market activity and growth on the mainland which has proven subversive of totalitarian bureaucracies worldwide.

Oppose this resolution.

Mr. STARK. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from California [Mr. BERMAN].

(Mr. BERMAN asked and was given permission to revise and extend his remarks.)

Mr. BERMAN. Mr. Speaker, I rise in support of the resolution of disapproval. For me it is a very difficult decision and a very close call. I regret having to oppose the administration on this issue. As a general proposition, I favor engagement over containment. While we have many contentious issues with the Chinese in the area of treatment of political dissidents and reli-

gious minorities and the curtailment of democracy and civil liberties in Hong Kong and the treatment of Tibet and our growing trade deficit and the creation of artificial trade barriers, none of these cause me to reach the conclusion that I should oppose the continuation of MFN. My decision instead is really based on the Chinese failure to abide by their international commitments in the area of the proliferation of weapons of mass destruction, a proliferation which threatens world peace and stability. I am voting against MFN because China has not lived up to its commitments not to promote the export of these weapons. I am voting against MFN because preventing the proliferation of weapons of mass destruction is the most serious immediate challenge for the future for all of us.

China has ratified the Nuclear Non-Proliferation Treaty, the Chemical Weapons Convention, and the Biological Weapons Convention. They have announced stronger nuclear export controls and adherence to the Missile Technology Control Regime. But commitments without compliance mean nothing. They have made many excuses for their failure to keep these international commitments. "How can we monitor every businessman exporting millions of dollars of chemical weapon production materials to Iran?" But they can find every dissident working secretly on a subversive pamphlet and imprison that person.

"We adhere to the Missile Technology Control Regime. We just don't recognize the Annexes" which give that commitment any meaning whatsoever.

Mr. Speaker, what I want is for this administration to scream as loudly about the proliferation of weapons of mass destruction as it has about the manufacturing of counterfeit CD's and stolen computer software and video games. I want this administration to threaten the import controls and higher tariffs on key products imported here from China as forcefully and effectively as it has waved and wielded that weapon to remedy violations of intellectual property agreements. What I want this administration to do is to hound and to badger our key allies like Japan and Germany and France and Britain to pursue meaningful multilateral export controls that tell China that their movement to a fully modern society depends on stopping the weapons of mass destruction and their export.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Speaker, I rise in opposition to the resolution before us today. I think this annual debate on trade with China is healthy, for through our voicing our dissatisfaction with not only human rights but other activities in that country, I think we make them aware of our posture as a

nation. However, I think it is important to restate that this is not a special privilege to China. This is the same type of trade relations that we give to 184 other nations around the world. Let us set that out and it should be repeated over and over again. This is not privileged trade for that country.

Know full well that in the last decade, we have had some \$12 billion in exports to China and the author of the resolution indicates that this might not be accurate but, yes, there are 170,000-plus jobs, American jobs, connected to those exports.

In my State of Wisconsin, major companies like ABB Drives and Rockwell—Allen-Bradley—have penetrated the Chinese market and over the last year we have seen a 29-percent increase in exports to China. Our colleagues in support of the resolution indicate that going it alone will work, and I say to them, it will not and it has never worked on behalf of this country. I cite the grain embargo against Russia because of their activities in Afghanistan. Know full well that there were countries waiting at the door to pick up those grain sales, grain sales that to this day we have not gotten back. The same is true for any and every export to China. The European Community is just waiting at the door. Japan is waiting at the door. Those trading items are lost. Those American jobs connected to that trade is lost forever. Let us continue the engagement like we have over the years. Let us keep the pressure on, but let us look to people on the ground in China like missionary groups which indicate that it would hinder the cause of human rights if we were to stop our trading activity.

The China Service Coordinating Office, an organization serving over 100 Christian organizations in service and witness there, fear that ending MFN would close the doors to China through all sorts of educational and cultural reforms. Let us defeat the resolution. Let us continue normal trade with this country.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Speaker, those who support most-favored-nation status for China argue that maintaining open trade with China would spur economic growth, as well, and have a consequence of social reform. While I sympathize with this position, I am opposed to extending MFN status to China, and instead favor imposing conditions upon our future trade designation.

China has a continuing legacy of human rights violations and oppression of its citizens which cannot be ignored. The events of Tiananmen Square provided the world with a clear picture of the Chinese Government's ruthless and immoral nature. Year after year we have been told, "Give most-favored-nation status to China and we can win them over." We heard that during the Bush years. We hear it during the Clinton years.

Let us look at the score card a little bit regarding this strategy. We gave most-favored-nation status and they continue their policy of population planning with forced abortion. We gave most-favored-nation status and they continue not to tolerate any dissent of any kind, and the imprisonments, the torture, and the killings go on. We gave most-favored-nation status and they continue to try to stamp out any religion that is not state-supported religion, and the murders of priests and ministers continue.

We gave most-favored-nation status and they throw out the elected legislators in Hong Kong and replace them with handpicked Beijing lackeys. We gave most-favored-nation status and they made plans to invade Taiwan. When we stood in their way of that, they threatened to send nuclear missiles to our west coast.

We gave most-favored-nation status and they tried to smuggle automatic weapons into the United States to supply gangs in this country. We gave most-favored-nation status to them, and they have the biggest buildup of nuclear missile development of any country on the face of the earth.

Let us look at the score card. Do my colleagues suppose maybe that strategy is not working? How long before we get a new strategy?

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER], our distinguished conference chairman.

Mr. BOEHNER. Mr. Speaker, I come to the floor today to support continued normal trade relations with China. We have heard before the term most-favored-nation status, which I do not think really says the true story. Most nations of the world, almost all the nations of the world, have most-favored-nation trading status. The fact is, what we are looking for is the same status for China.

Mr. Speaker, I understand my friends on both sides of the aisle are concerned about the issue of human rights, religious persecution and other abuses that go on in China. I and those who support MFN and normal trade relations with China are as concerned as they are. The issue is, how do we best address those? By delinking ourselves from China, by walking away from East Asia, or by staying engaged with them economically?

I think the best two examples that I have seen are what has happened in Taiwan and what has happened in South Korea. Twenty years ago both of those countries had brutal dictatorships, lack of religious freedom, lack of any kind of democratic freedom. Today both nations have popularly elected Presidents of their countries, real democracy.

Where did the democracy in those two countries come from? It came through expanded trade, expanded economic freedom that was engaged because the United States was engaged economically with those parts of the world.

Second, I would point out to my colleagues that when we talk about normal trade relations, if we want to delink this and we want to say no, who are we really hurting? Those in East Asia, those in China? Or are we really hurting the people in our own country, the people in my district?

Let us talk about agriculture, our country's No. 1 export, some \$50 billion a year of exports going all over the world, and China being one of the main customers of our agricultural products. How about Procter & Gamble in Cincinnati? It has a huge presence in my district. Or Parker Hannifan in Eaton. French Oil Co. These are jobs in my district. Let us not hurt our people in order to raise our case about human rights in China.

Mr. STARK. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Stark County, OH [Mr. TRAFICANT], one of the experts on foreign trade in this House.

Mr. BUNNING. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. SOLOMON. Mr. Speaker, I also yield 30 seconds to the gentleman from Ohio [Mr. TRAFICANT].

Mr. STARK. Mr. Speaker, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from California.

Mr. STARK. I thank the gentleman for yielding to me.

Mr. Speaker, I just wanted to point out, as I listen to this debate, that it becomes very clear what the issues are. The issues are, do you believe in human rights? And everybody does. But there are some who believe in making money more, and feeling that trade and money and campaign contributions from major corporations in this country are more important than human rights. So that while we all believe in human rights, are you willing to forgo the money to enforce them?

□ 1200

Mr. TRAFICANT. Mr. Chairman, China sells missiles to our enemies, China threatened to nuke Taiwan and Los Angeles. China is buying intercontinental ballistic missiles, attack aircraft, and nuclear submarines. Congress, China is literally building a military juggernaut with American dollars.

China enjoys a \$50 billion trade surplus, they have a 17-cent an hour labor wage, they deny most American products, and they impose up to 30 percent tariffs on nearly all of our products.

In addition, China shoots their own citizens, treats their women like cattle, laughs in the face of the United States.

And finally, China is a Communist dictatorship, and American law, current law, says no Communist nation shall get MFN.

Now the President wants to waive that. I ask the Congress, what did China do to deserve this waiver?

Now the President talked about building a new bridge to the future. I

was always under the impression that new bridge was in America. It is evident to me the President was talking about building a new bridge over the River Kwai here.

I am opposed to this madness. We are, in fact, empowering a super dragon that is powerful enough some day to eat our assets. I think we are foolish.

China has become a powerful military problem. We better recognize it now before we arm them to a degree where we may have trouble reinforcing our freedom and national security in the future.

I commend the gentleman from New York [Mr. SOLOMON], proud to join forces with him. Vote "no" on MFN, vote "aye" on the resolution.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, I rise in opposition to the disapproval resolution. On critical issues relating to China we need a policy, not a protest.

We do have serious problems with China; let us not paper them over: human rights, national security, trade. But for too long we have gone through the annual spasm over MFN only to more or less forget about China the rest of the year. It is time for more sustained and serious effort. Congress needs to roll up its sleeves, not throw up its hands.

On economics and trade, our problems with China are rooted in a fundamental change that has taken place in the nature of international trade. In earlier decades trade was mainly among industrialized nations, and the focus of trade negotiations was on tariffs and later market access. But today economic competition is increasingly between industrialized and developing nations, often with centrally managed economies with dramatically lower wage and salary levels sustained by government intervention.

These fundamental economic issues with China cannot be addressed through the annual MFN debate; they can be addressed directly through negotiations about China's accession to WTO, and they can be addressed as to other developing nations through comprehensive, hardheaded fast track legislation.

I urge all of my colleagues to confront these key issues, persuade the media to shine the light on them and help the administration play a central role by addressing them as we take up fast track and China's WTO accession. MFN has become a diversion rather than an answer. I oppose this resolution.

Mr. BUNNING. Mr. Speaker I yield myself 30 seconds to respond.

It has been brought up that we have normal trade relations with China. That is absolutely not true. We did not have normal trade relations with the Soviet Union because we did not grant

most-favored-nation status, and we do not have a normal trade relationship with Cuba because we do not grant most-favored-nation status to Cuba. So it is not true when people talk about normal trade relations.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ROHRBACHER].

Mr. SOLOMON. Mr. Speaker, I yield 30 additional seconds as well to the gentleman from California.

The SPEAKER pro tempore. The gentleman from California [Mr. ROHRBACHER] is recognized for 2½ minutes.

Mr. ROHRBACHER. First and foremost, Mr. Speaker, we are not talking about severing our trade ties with China, or talking about walking away from China, or talking about isolating China. That rhetoric does not meet the reality. What is being argued today is whether we should extend most-favored-nation status to China.

Now we have heard today that we are really talking about normal trade relations with China. Well, I too do not think it is normal trade relations. What we have is an unfair trading relationship with China. But, OK, a normal trading relationship with Communist China, yes, it is an unfair, irrational, unbalanced relationship that is unfair, yes, to the American people and putting our own country at risk. Why our corporate elite keeps pushing to maintain MFN is easy to see, but we have to get a little bit below the surface.

This is not about whether we should sell our products to China or corporations can still sell their products to China. Extending MFN means that these corporations will continue to get taxpayer subsidies. That is what it is about. When these big corporations go to China to use their slave labor or near slave labor, what they want is the taxpayers of the United States to guarantee their interests on their loans and guarantee the loans so it is easier for them to set up manufacturing units using slave labor in China than to do it in the United States.

This is an abomination, an attack against the well-being of the people of the United States who are paying those taxes. We end up putting them out of work so they can set up these companies and make a bigger profit in China. It is a terrible policy; it is unfair to our own people.

By the way, this unfair trading relationship burdens our goods when we want to sell over there that are made by our laboring people with a 35-percent tariff. Their goods flood into the United States of America with a 2-percent tariff. Yes, that is what we are talking about today, not most-favored-nation status. What we are talking about is an unfair trading relationship that we want to end by ending most-favored-nation status with China.

The trade deficit with Communist China is expected to be \$50 billion this year. What are they using that money for? Again they are using that money

directly against the interests of the people of the United States. They are buying weapons that could some day be used to kill Americans.

This is an abominable policy. Our policy makers should have their head examined for kowtowing to a Chinese dictatorship that is working against the interests of the American people. Vote for this resolution.

Mr. CRANE. Mr. Speaker, I yield 2½ minutes to the gentleman from Arizona [Mr. KOLBE], our distinguished colleague.

Mr. KOLBE. Mr. Speaker, I rise today in opposition to House Joint Resolution 79, the resolution calling for the United States to revoke the so-called most-favored-nation status with China. I oppose it so we can send a message to that nation about American principles and American values. I agree with the proponents of this resolution, let's send a message. Let us send a message to China, let us send a message about hope, let us send a message about freedom and democracy, let us send a message about prosperity, individual liberty, and the rules of law.

I strongly support institutions and organizations that promote American values abroad. I always have. I do so because I think America can be a shining example to the world, and I think these groups send powerful messages about America. When our people work abroad, they carry with them the best of what America has to offer, principles of fairness, of individual responsibilities and individual choice. Those are embodied with American businesses and organizations when they work abroad.

This is the best way for America to carry its message. Let us not isolate ourselves. But do not listen just to my words. Listen to those of others who have argued that a vote for MFN is a vote for religious freedom in China. Listen to these words of Reverend Sirico, a Paulist priest in China. Quote:

Sanctions won't bring freedom for religious expression in China. They can only further isolate China and close off avenues for greater Western influence.

A vote for MFN is a vote for the people of Hong Kong. Listen to the words of Chris Patten, Governor of Hong Kong:

Unconditional most-favored-nation trade status is unequivocally the most valuable insurance America can present to Hong Kong during the handover period.

A vote for MFN is the best hope for democracy. Listen to these words of Nick Liang, a former student leader in Tiananmen:

The spirit of the Tiananmen Movement is not one of confrontation, not one of hatred, not one of containment, but of engagement. As one of the students from Tiananmen carrying on this spirit, I support MFN trade status, which is a very primary and effective vehicle of engagement.

Mr. Speaker, let me end with this quote by Daniel Su, an evangelical minister who spoke privately to some of us last week, and his words rang in

my ears then and they ring here today. He was talking about why this debate and the motives of those, who support or oppose MFN. Either way, we should not question those motives. They are honorable, but Daniel Su also urged opponents of MFN to think about the consequences of their opposition. He said these words:

To sacrifice ourselves for a principle is heroic. To sacrifice others for that same principle is insensitive.

Mr. Speaker, let us not sacrifice the Chinese people on our principles. Let us support MFN. Oppose this resolution.

This past January 1 led a 22-member, bipartisan congressional delegation on a fact-finding mission to Hong Kong and China to see first hand the impact that the United States policy of engagement is having on the Chinese economy and the Chinese people. I was truly astounded to see all the positive changes that have occurred since my first visit to that country in 1994, and I returned more committed than ever to our policy of economic and political engagement.

The changes we witnessed in China reflect many of the changes we have seen grip other Asian nations. Over the past decade, economic liberalization has generated powerful currents of democracy and freedom that have rippled throughout Asia. These currents have reshaped the socioeconomic landscape of the region.

Economic growth, driven by United States policies of free markets, free trade, and peaceful dialog among nations, has allowed countries like Japan, South Korea, and Taiwan to emerge as prosperous industrialized nations. Invariably, economic growth in these nations has led to expansion of individual freedom and liberty. Today, these countries have developed into true democracies characterized by political pluralism, functioning independent political parties, and greater respect for the rights of the individual.

Admittedly, these changes did not occur overnight. They were part of a long-term, evolutionary process. I believe we are seeing the same forces of change at work today in China. I am convinced that if we remain steadfast in our policy of engagement, with confidence that American values of freedom and democracy will ultimately prevail over the tyranny of repression and the economic stagnation that accompany state controlled economies, we will ultimately see the same economic and political transformation in China that we have seen in Japan, South Korea, and Taiwan.

Two decades ago, virtually every aspect of Chinese society was under state control. Today, more than half of China's output is generated by private enterprise. The development of a strong, vibrant, private sector—particularly in southern China—continues to weaken centralized control. This, I think, continues to represent the best hope for political freedom to spring full-blown in China.

Economic liberalization and growth of trade and economic links with the United States over the past two decades already have enhanced freedom for the Chinese people. That is undeniable. Millions of Chinese citizens are now employed in non-state enterprises, and they have the basic freedom to select their own employment and to change jobs when they are dissatisfied with working conditions or

wages. This environment is the direct result of our policy of engagement.

Clearly, civil liberties and personal space have increased over the past two decades as the Chinese economy has improved. In my view, the ongoing process of political reform in China would be severely compromised if we were to erect barriers to trade and economic exchange between our two countries. This is reason enough to support renewal of China's most-favored-nation trading status.

But there are other reasons. In just a few weeks the world will watch as Hong Kong undergoes the peaceful transfer of sovereignty from Britain to China. If we pass the resolution of disapproval in the House of Representatives on the very eve of this transfer, what message will we send to the world and the people of Hong Kong? That America wants to turn its back on them, break economic and political ties with that region, and abandon its citizens at the precise hour of their greatest need? I do not think that is what the United States stands for.

I also fear that passing the resolution of disapproval in the House will result in a backlash against American goods and American values. It would be nothing less than a unilateral declaration of political and economic war, providing just cause to hard-line elements in the Chinese Government who advocate more state control and less foreign influence.

I fear the result will be the exile of groups associated with the United States who promote western values. Groups such as the International Republican Institute, which works to develop the rule of law in China and strengthen the nascent village democracy movement, would be discredited. Missionary organizations, like the Evangelical Fellowship, would no longer be welcome. We would be extinguishing some of the brightest rays of hope to the Chinese people, ultimately hurting the very people we are trying to help.

Maintaining normal trading relations with China does not mean that we can't also speak frankly and firmly to the Chinese Government about issues and values important to us. There are opportunities where we can and should let our concerns about human rights, trade, and nuclear proliferation be known. I have certainly done so in my meetings with top Chinese leaders. But if we disengage, if we pull back our most effective resources, what incentive will those Chinese leaders have to listen to, or care about, what we have to say?

I certainly think there is more that we can do. For example, I favor bringing China into the World Trade Organization on commercially viable terms. I think doing so would oblige the Chinese leadership to implement difficult domestic economic reforms while providing the United States with a strong multilateral vehicle for dealing with issues such as market access in China.

I also favor accelerating and funding efforts to work with the Chinese to promote the rule of law and encourage and support the village election process. In fact, I am currently working with Representatives JOHN PORTER of Illinois and DAVID DREIER of California to examine just such an approach.

But one thing is clear. The United States must remain a major influence in Asia. We must strengthen our relations with our allies and maintain a strong military presence in the region. And we must be clear and consistent

in our message to the Chinese Government. This annual debate over whether we will continue our political and economic relations with China destructive and counterproductive. It hampers our ability to formulate a comprehensive and effective policy toward the region. And I think it is time for it to end.

Thus, I strongly urge my congressional colleagues to renew MFN status for China. History has shown that economic growth is the most effective catalyst for political change. The principles of freedom and individual liberty embodied in economic liberalization will ultimately prevail—but only if we have the political courage to allow them to flourish.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island [Mr. KENNEDY].

Mr. KENNEDY of Rhode Island. Mr. Speaker, let us see what the appeasement strategy of MFN has gotten us.

On military aggression China sales of weapons to Iran are well-documented. But even worse than being well-documented, China defends their sale of weapons to Iran.

We have heard about the trade deficit approaching nearly \$50 billion a year. Those are jobs, my colleagues. Between 1989 and 1994, our trade deficit with China increased tenfold. I wonder why. Well, maybe it is because despite the fact that they have agreed to end trade and prison labor it is estimated that between 6 and 8 million Chinese are enslaved in labor camps. I thought they said they gave us their word they were not going to engage in slave labor any more. Whoops, small detail there. Well, according to Amnesty International, this is continued every year. In addition, over 3,500 documented executions occur every year in jails in China.

My colleagues, vote "yes" on the resolution and "no" on MFN.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I rise to speak against the resolution to disapprove. It boils down to whether my colleagues want China inside the tent or outside the tent.

Now all of this China business, there is one segment of trade that has not been discussed as thoroughly as it should, and that segment is agricultural exports. So today I speak for the American farmer, I speak for the rural Missourians who sell products abroad.

United States should again extend normal trade status to China. Failure to do so will jeopardize American agricultural sales to that country that last year topped \$3 billion. Overall, our country enjoys a substantial agricultural trade surplus with China of \$2½ billion. Moreover, agricultural exports to China stand to gross significantly in the coming years as income growth in China leads to continuing dietary improvement.

Let us look at some of the sales statistics that we have. Nineteen hundred ninety-six corn sales to China topped 90 million bushels; fertilizer, \$1.1 billion; wheat, \$426 million; cotton, \$736 million; soy beans, \$414 million; soybean

meal, \$116 million; soybean oil, \$104 million, and poultry, \$408 million.

China is already a major market for American agricultural exports and has the potential to become an even bigger customer as the economy continues to grow. So for the American farmer, for the Americans and those who live in rural Missouri and rural America, I say let us continue to sell agricultural products to that country.

□ 1215

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York [Mr. PAXON].

(Mr. PAXON asked and was given permission to revise and extend his remarks.)

Mr. PAXON. Mr. Speaker, it is with great sadness that I rise today to oppose the renewal of MFN for China. This decision has been a difficult one for me. I am a firm believer in free trade.

Trade is of vital importance to American jobs and the world economy, but our foreign policy is about more than simply trade. There are sound arguments on both sides of this debate. There are no black and whites here, there are no absolutes, except one: the absolute failure of the Clinton administration to effectively represent American interests and values on the world stage.

I wish I could stand here today and support MFN. Each of the four times that President Clinton has asked this body to renew, I have given him my vote. But when the Clinton-Gore administration fails to use our trade relationship to promote free and fairer trade, encourage human rights improvements, or to limit the proliferation of arms, it is time to try something else.

I will admit it: Trade for trade's sake is the closest thing this administration has to a consistent foreign policy, but the world is more complex than that, and American foreign policy is about more than champagne toasts and caviar receptions.

This administration's failures are not limited to Asia. Their debacles litter the globe from the Middle East to central Africa. Clinton-Gore foreign policy has made a mockery of this Nation in the eyes of the world. We have gone from being the world's policeman to its Keystone cops. Today, bumper sticker slogans substitute for honest dialog and fundraisers have replaced fact-finding.

America is best represented, I believe, by a cohesive, coherent, and disciplined foreign policy executed by the President of the United States. Sadly, the current administration refuses to address seriously even the most basic of human rights, trade, and national security concerns when it comes to United States-China relations.

I will be the first to admit it: Denial of MFN to China would be at best a blunt, imprecise instrument, but I believe it would send a message to China

that the United States believes in something more than the blind pursuit of trade.

Do I wish the President would step up to the plate and do his job? Absolutely, yes. But absent that leadership, what choice does Congress have? Denying MFN will not solve all of our problems with China, but at least someone will have signaled to the leadership in Beijing that trade with America is not just a right, but a privilege.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. FOLEY].

Mr. FOLEY. Mr. Speaker, I rise in opposition to this resolution to deny MFN trading status for China. Many of us share great reservations about the fate of Hong Kong under Chinese rule. Most of us also share deep concerns about human rights abuses, whether those abuses are in China or elsewhere. But denying MFN to China is the wrong way to address these issues.

Hong Kong Governor Chris Patten has made it crystal clear that denying MFN status will only hurt Hong Kong. His quote: "For the people of Hong Kong," he said, "there is no comfort in the proposition that if China reduces their freedoms, the United States will take away their jobs."

Christian missionaries are also pleading with us not to endanger their work and their people by denying MFN. We cannot address the issue of human rights in China, or anywhere, if we are not engaged, and we cannot help Hong Kong retain its freedoms and its status as the center of trade if we undercut our influence there and undercut Hong Kong's economic health.

From my days as a real estate broker I can tell my colleagues that we gain nothing if we are not at the table. We cannot serve our interests or those of our clients by being absent during a closing. If we are not in the room, we are not a player, period, and that goes for trade as well.

I urge opposition to this resolution denying MFN trading status for China.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DeLAURO. Mr. Speaker, I want to build a strong relationship between the United States and China, but the most-favored-nation status that China enjoys has done little to build a strong and mutually beneficial relationship between our two Nations.

China has engaged in unfair trade practices, pirated intellectual property, spread weapons and dangerous technology to rogue nations, suppressed democracy, encroached on democratic reforms in Hong Kong, and engaged in human rights abuses.

They have profited. They send one-third of their exports to the United States and allow only 1.7 percent of American exports to crack the Chinese market. The result? A \$40 billion trade deficit which is expected to reach a staggering \$50 billion by the end of this year.

The United States should use our trade laws to pressure China for greater access for American companies and goods. I am voting against MFN for China because we need to let China and our trade leaders know that more of the same from China is not acceptable. If our Government wants support for free trade, then it must insist on fair and equal standards and compliance with our trade laws. When that happens, there will be broader support for MFN.

Mr. MATSUI. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from New York [Mr. RANGEL].

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I rise in support of the President's decision to extend most-favored-nation status to the products of China for another year, and urge my colleagues to vote "no" on House Joint Resolution 79.

As most of my colleagues know, we are not really talking about giving privilege or favorable treatment to the Republic of China; what we are talking about is treating them as we would normal trading partners.

I think, too, one of the reasons I support it is because this is not just a trade issue, it is a foreign policy issue, and I think the President and the State Department should have more information as to where we can go as a nation and what proper tools we have available to use in order to bring the entire free world around to understanding that democracy really and truly works.

It seems to me that boycotts and using trade as a weapon can only work if we have a consensus among the world leaders that we are going to be working collectively. Here we see a situation which should be proven to us by the embargo against Cuba that there are too many countries willing to fill the vacuum that America would leave, if we just decided unilaterally that we had a higher sense of human rights than the people that we were dealing with.

It is just hard to see what our history of doing business with dictators in South America and around the world, including the former Soviet Union, than how with China we find this new high moral standard in dealing with them. It is not as though withdrawing and not communicating is going to improve the situation. Most no one denies that job creation in our country can be the difference in whether we trade or whether we do not, or whether someone else gets the jobs.

Mr. Speaker, on the question of human rights, I would just like to say that our great Nation exceeds the world in the number of humans that we have incarcerated per capita. If we take a look at the profile of those people that are locked up and have had their liberties taken away from them, and knowing the fact that statistically people who look like them will be ending up in jail, we would be hardpressed

on American soil to explain that we are not talking about political prisoners.

Most all of these people, at least 80 percent of them, come from poor communities; one way or the other they have been affected by drugs; most of them of color; most all of them are uneducated, untrained, and most of them do not think much about their lives and the lives of other people. It would seem to me that if we really were concerned, we would find out the source, the poverty that exists in communities, the failure of our school system to work, and to see how close to 2 million people could possibly enjoy the benefits of expanded trade which we hope this great Nation will be looking forward to.

What I am saying is that we all are seriously concerned about the human rights of every individual, and we should be, but I do not want any country ridiculing or telling my country, the greatest republic in the free world, what we are doing wrong. I do not want anyone setting these standards for my country.

I think that the fights that we have, we are able to fight back because we have the opportunity to do it. We have the ability to try to impress each other, to make America better, and I think the only way we can get this idea across to other countries is to be there and let them see who we are, how we succeed to have a better life. I think it is true in Cuba, if we went there and showed them what American capitalism is like, and I think that the United States as an economic showcase has changed the lives of many people in China.

Mr. Speaker, by continuing the dialog and creating the jobs on this side of the ocean, I truly believe that is a better solution to the problem than us determining what human rights should be in the Republic of China.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, this Tickle-Me-Elmo made in China is more coherent than the trade policy of the Clinton administration.

Let me turn this fellow off.

Trade is a balancing of interests. Whether we engage with a nation with respect to trade is a balancing of interests.

What are we getting? We are getting a smaller export to China than we get to Belgium. They are not a major trading partner except for the one-way street, except for the \$50 billion-plus coming back to China, the trade surplus that they enjoy over us, the enormous sales throughout our Wal-Marts and K-Marts with hundreds and hundreds of products, many of which are made by the People's Liberation Army, and what are we getting in return for that?

Have we stopped any of the poison gas sales to Iran by China? Have we

stopped any sales of ring magnets that are used to make ICBM's sold to Pakistan? Have we stopped the purchase of the missile destroyers that were purchased from Russia, that have one purpose, and that is to kill American sailors and destroy American ships on the high seas?

My colleagues have spoken of the policy of engagement, but not one CEO, not one president, not one trade negotiator can point to a single case of technology transfer or military transfer that they have stopped by engaging with the Chinese, nor can any of them really point to any attempts that they have made to stop this amassing of military capability in China and the transferring of military capability to outlaw nations around the world.

So in the balancing of interests, we are getting about the same exports that we get to Belgium, which is very little, and in return for that we are making China strong with hard American dollars. They are militarizing with their strength, and the same children, the 5- and 6-year-olds playing with that made-in-China Tickle Me Elmo today, may well be facing us on a battlefield in Korea when they are 17 or 18 years old. Vote against MFN for China.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Sanibel, FL [Mr. GOSS], chairman of the House Permanent Select Committee on Intelligence.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from California for yielding me this time.

I continue to believe that we must remain engaged in China; clearly the power to be reckoned with both now and in the next century. However, I have to say it is with increasing reluctance this year that I am going to support these normalized trade relations. I have just about had it.

As chairman of the Select Committee on Intelligence, I have two major concerns: First, China's flagrant and inexcusable weapons proliferation activities; no denying it. Specifically, the provision of advanced weapons systems, equipment, and technologies to nations, including some that are hostile to America, that are known to have active programs to develop weapons of mass destruction. I want to be sure President Clinton knows how serious this is; I want to hear him say it, I want to hear him say he is going to do something about it.

The other issue clouding the debate for me is the serious allegation that Chinese officials engaged in improper and possibly illegal activities to influence the outcome of U.S. elections.

□ 1230

This matter is still unresolved, and it deserves cooperation, and I hope also we will get the cooperation of the administration on this.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. PASCRELL].

(Mr. PASCRELL asked and was given permission to revise and extend his remarks.)

Mr. PASCRELL. Mr. Speaker, let us not surrender to the China lobby. I rise today to make known my strong support for House Joint Resolution 79, disapproving the extension of most-favored-nation trading status to Communist China. The debate that this body is now engaged in is of the utmost importance for American jobs today and the security of our Nation tomorrow.

Let me say that I know my colleagues in this Chamber want nothing more than for our trade deficit with China to narrow, for human rights to improve, for the grave incidents of nuclear and weapons proliferation to cease, and finally, for democracy to take root in China. Let us be honest about this discussion. There is not a single Member in this body who does not want to achieve these laudable goals.

But I have come to realize that the annual exercise of renewing China's most-favored-nation status has been a complete failure in its annual exercise of futility. In fact, continuing MFN treatment for China has been based upon a series of broken promises. First, we have heard that engagement is critical for the United States to achieve its economic goals with China. We ought to engage the American worker, that is what we need to engage, in America, to protect our jobs and stop shipping them across the ocean.

We ought to visit China, but we should visit the shops and factories in our own districts back home where those folks have to work, where those folks need to be producing products that need to be sent to China, not to have a 35 percent duty or tariff on it, and ours a 2 percent, so China can send goods to us and we cannot send goods to them.

Mr. Speaker, our argument is not with the Chinese people, it is with their authoritarian government. The China lobby which did us in in the end of the Second World War is alive and well in Washington, DC. We should make the decision for our workers and working Americans, instead of shipping jobs across the ocean.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Oregon [Mr. BLUMENAUER].

(Mr. BLUMENAUER asked and was given permission to revise and extend his remarks.)

Mr. BLUMENAUER. Mr. Speaker, this is a high water mark for me in the last 2 years I have been able to be in Congress, being able to be a part of this discussion on our relationship with China. It is bipartisan, it makes a difference, it is Congress at its best and its most exciting.

Over the last 25 years, since President Nixon reversed our policy of isolating ourselves from China and the rest of the world, we have seen a safer

and more prosperous world. It helped hasten the end of the cold war, it helps keep peace today on the Korean peninsula, where China is one of the few countries that actually exercises some control over the North Koreans. It has pointed toward more prosperity and freedom for the Chinese. Even the progress with American missionaries on the ground in China in the last half dozen years would have been unthinkable 20 or 30 years ago.

Most important, it has planted seeds for a dynamic change in the future with access to information and to markets. The reason it sounds to people today that we are talking about a multiplicity of countries is the fact that China, although large and with an ancient culture, is complex and it is not monolithic. We cannot treat it as such.

The notion that somehow MFN will force a monolithic Chinese ancient society to change and accommodate us is misguided. It did not work during World War II, when there were over 1 million Japanese soldiers on Mainland China and we were giving them billions of dollars. The Chinese risked nuclear war and fought us to a draw in Korea, and tens of thousands of Americans needlessly died because we thought we could force China. It does not even work with a two-bit dictator 90 miles away with Cuba today.

We need to engage the world to work with us, not cutting ourselves off from China, but to work cooperatively, providing leadership. This Congress needs to support policies that enable the administration to continue the process of engagement and progress. We need to defeat this resolution.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS].

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, the question can be summed up in two words: self-aggrandizement. Is our interest in self-aggrandizement in this Nation more important than the principles involved? Are we a Nation whose purpose is expanding business at all costs, no matter what? Or do we have a Nation where some principles are important to us? Is expanding trade with China more important than the fundamental principles that define the beginning of this Nation? Is the loss of trade harmful to the economy, so harmful that we are willing to sacrifice any principle, or is there a higher good in which to lead our Nation in our trading practices?

I believe there is a much higher purpose today. How can we support trade policy with a Nation that believes in the power of the State rather than the power of the people? We are subsidizing through our trade policy China's economic interests, which is controlled by the State, and the people who are existing in that country get no benefit.

Mr. Speaker, I do not pretend to know all the answers. Maybe there is a

compromise. China in the very near future can become a strategic threat, and this strategic threat is more important to us than trade.

The esteemed Frank Gaffney, the director of the Center for Security Policy, this is what he said: "China is utilizing most of the huge trade surplus that it enjoys, thanks to this privileged trading status, to mount a strategic threat to the United States and its vital interests in Asia, the Middle East, and beyond."

The United States trade deficit with China is \$40 billion for 1996 alone. Because the State owns nearly all the businesses in China, the hard currency they receive from the United States trade deficit is used to purchase advanced military weaponry, such as advanced naval vessels from Russia that can be a direct threat to the United States in the western Pacific.

Our vote today is very important. Keep the principles in mind.

Mr. DREIER. Mr. Speaker, I am happy to yield 2 minutes to the gentleman from Metairie, LA [Mr. LIVINGSTON], the chairman of the Committee on Appropriations.

(Mr. LIVINGSTON asked and was given permission to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, I thank my friend for yielding time to me.

Mr. Speaker, the people of China are light years better off today than they were 15 or 20 years ago. There is a whole world of difference between the way the Chinese people were treated by their own Government back then and the way they are treated today. They are coming out in the open. They are gravitating toward Western styles, and maybe they will not even want to hear that, but to democracy. They are not open, they are not perfect. Everything that everybody has said on the floor today is right about the atrocities committed by the Chinese Government. But they are moving in the right direction, and most-favored-nation status is important to preserve normal trading relations with China.

If we cut them off, isolate them, are we going to enhance the plight of the Chinese people, or all the people they control? Not according to Martin Lee, who is the leader of democracy in Hong Kong; not according to Chris Patten, the former Governor of Hong Kong, who is on his way out; not according to the Dalai Lama from Tibet. These three leaders and proponents for democracy say that cutting off MFN for China is going to increase the probability that people will be oppressed by the Chinese Government.

If MFN is not extended, Hong Kong will stand to lose \$20–30 billion in trade and 60,000–85,000 jobs. Moreover, their economy will be cut by over 50 percent and incomes will be reduced by \$4 billion.

The United States has an estimated 170,000 jobs dependent on exports to China.

United States exports have more than tripled over the last 10 years and China is now

our fifth largest trading partner, accounting for \$12 billion of United States exports.

A number of religious groups in and out of China favor MFN. Taking away MFN will only hurt the Chinese people, particularly those who are persecuted because of religious faith.

Engagement does not mean we support all of China's policies. We should, and will continue to, press China on proliferation, human rights, religions freedom, and the rule of law. Revoking MFN?

What in the world are we doing? We have realized sanctions do not work. They have not worked in other places in the world, and they are not going to work against the most populous nation on Earth. The Chinese people deserve to be free. The people in Hong Kong deserve to be free. The worst thing we can be doing is cutting off MFN now, before we find out what happens to the people of Hong Kong.

Six months from now, a year from now, if things go badly, maybe then, maybe then we can cut off MFN, but not now. Let us give the only hope for freedom to the people of Hong Kong that we have. Let us extend normal trading relations.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume.

I would like to comment, I have been informed that the Dalai Lama did not endorse MFN and suggest that it was necessary. Quite the contrary, he supports our position.

Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. KUCINICH].

Mr. KUCINICH. Mr. Speaker, I rise in opposition to most-favored-nation status for China. The American people have heard that trade at all costs with China serves United States interests, but here are the figures. The United States trade deficit with China has grown at a faster rate than that of any other major United States trading partner. The level of United States imports from China more than doubled between 1992 and 1996. The United States trade deficit was nearly \$40 billion in 1996, and it is on its way to surpassing that mark in 1997.

These figures mean lost jobs in the United States, and it is just beginning, because United States-based multinational corporations are investing to build new plants and new equipment in China. Contractual agreements with the Chinese Government require that the supply of goods for those new factories will have to come from China as well, and that means more United States jobs lost.

Human rights are important in this. Why have we tolerated for so long the United States double standard of fierce commitment to the rights of intellectual property, important to multinational business, while the rights of workers in the United States and independent thinkers in China are cast aside?

Mr. Speaker, I say human rights are as important as copyrights.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [MRS. TAUSCHER].

(Mrs. TAUSCHER asked and was given permission to revise and extend her remarks.)

Mrs. TAUSCHER. Mr. Speaker, this debate is what makes us different. It is exactly what should be happening in this great country of ours. America should never base its decisions solely on the power of economics. I commend those Americans, particularly those Members of Congress, particularly my good friend, the gentlewoman from California, MS. NANCY PELOSI, for raising so many of the important issues related to extension of normal trade relations to China.

So it is with some reluctance that I oppose this resolution and support extension of MFN to China. Secretary Madeleine Albright has stated, "Engagement does not mean endorsement." I believe engagement does mean opportunity, opportunity to export our values and lifestyle, and an opportunity to promote a better and more secure world for our children and the children of China.

I worked on Wall Street for 14 years before I left to raise my family. I recognize the opportunities economic integration can provide. I believe there is no greater opportunity or challenge in American foreign policy today than to secure China's integration into the international system as a fully responsible member, not just in economic terms, but in terms of human rights, the environment, weapons proliferation, intellectual property protection, and other issues.

I believe we can better influence China's direction by exposing them to our Democratic ideals through engagement. We can effectively move the Chinese to change by increasing their exposure to the alternative model. We can work to end human rights abuses by continuing the dialog through trade and exchange. Revoking MFN would severely damage American interests and undermine our ability to influence China's direction. I urge my colleagues to vote "no" on this resolution and support extension of normal trade relations to China.

Mr. BUNNING. Mr. Speaker, I have the distinct privilege of yielding 3 minutes to the gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I rise in strong support of this resolution, House Joint Resolution 79, offered by the distinguished chairman of the Committee on Rules, the gentleman from New York [Mr. SOLOMON], disapproving the extension of MFN trading status to China.

Mr. Speaker, this legislation sends a clear signal to Beijing that our Nation does not reward unsavory economic and political practices. Our Nation must do right and value principle over practice.

The regime in Beijing repeatedly has violated international trade agree-

ments, spread weapons of mass destruction, committed terrible human rights abuses, both in China and in occupied Tibet, and persecuted all those who pursue religious freedom, while at the same time enjoying the privilege of an open trade agreement with our own Nation.

The so-called constructive engagement policy favored by the administration I think has been ineffective in moderating the Chinese Government's policies. It has not brought about a level economic playing field for American businesses and exports. The situation shows no sign of improvement.

What have we achieved in return? A \$40 billion trade deficit, which, by the way, is likely to top \$50 billion this year.

□ 1245

Chinese tariffs on American exports average 23 percent, a bewildering array of nontariff barriers to United States goods. The piracy of our intellectual property and the intentional diversion and illegal transfer of American dual use technology. The key to a successful policy of engagement is supposed to be reciprocity. The administration's advocacy for renewing MFN is a policy of appeasement, not reciprocity. China's weapons proliferation practices are a source of international concern and serve to embroil regional turmoil.

We must be willing to use our tremendous economic influence in order to stop any nation from violating international nonproliferation agreements. We should be willing to use our economic power to foster measurable progress on human rights around the world. The government in Beijing has a deplorable human rights record, and the administration's decision to delink human rights from the MFN debate has not helped but has contributed to a worsening condition in China.

A recent poll by a major United States news outlet showed that nearly two-thirds of Americans believe that we should demand progress from China on its human rights practices before extending any trade privileges. I agree.

We should base our foreign policy on the values that have made a great Nation of America: democracy, freedom, universal human rights, and the rule of law. Accordingly, I strongly encourage my colleagues to support this resolution. I invoke the words of the great American, Dwight D. Eisenhower, who said a people that values its privileges above its principles soon loses both.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. STUPAK].

(Mr. STUPAK asked and was given permission to revise and extend his remarks.)

Mr. STUPAK. Mr. Speaker, how can we endorse products manufactured by slave labor, child labor, and prisoners? We as United States citizens and as citizens of the international community, we cannot, we should not endorse these Chinese labor practices. We must

reject trade agreements whereby low-cost products of countries which lack effective labor laws are sold in the United States at considerable profit for these countries.

My second concern involves the trade deficit with China. This trade deficit now stands at \$40 billion. It is expected that our trade deficit with China will exceed Japan's within the next 12 months. In 1989, it was only \$3 billion. Less than 10 years later, it is now \$53 billion.

Mr. Speaker, that is not a trade policy. It is a trade giveaway. I hope we will all vote in favor of House Joint Resolution 79.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. DOOLEY].

(Mr. DOOLEY of California asked and was given permission to revise and extend his remarks.)

Mr. DOOLEY of California. Mr. Speaker, every year that I have been in Congress we have had this debate regarding China. The one thing that has been very consistent and very constant is that all Members, regardless of what their position is on China MFN, do agree that there are serious problems with human rights in China, with nuclear proliferation, with religious freedom. And there certainly are trade barriers. But what there is great disagreement on is, how can this country be most effective in addressing and improving upon those problems?

I agree with what every President since the 1980's has agreed to, that it is by maintaining economic engagement with China that we are going to be more successful in empowering the citizens of China to be able to be more successful in improving their human rights situation.

Since many of my colleagues have discussed many issues surrounding the China debate, I want to spend a little bit of time talking about agriculture. As a farmer from the most productive agriculture region in the country, I believe that the most useful action the Federal Government can undertake is to expand market access for agriculture products.

Few people realize that China is currently the sixth largest export market for United States agriculture goods. In 1996, China bought over \$1.9 billion of United States agriculture products. When we look to the future with 1.2 billion people in China, with limited arable land, it is now expected that China will consume almost 50 percent of the increases in United States agricultural exports in the coming decades.

China is already No. 1, the world's largest wheat importer, and in the last 4 years China's feed grain consumption has increased by over 50 million tons. We must ensure that this country can be a reliable supplier to China. We must not repeat some of the mistakes of the past when this country put in place a grain embargo, when we acted unilaterally. The only people who suffered when we put in the grain embargo

were United States farmers. If we do not choose to go forward with China MFN policy, we will in fact be putting another embargo that will also be unilateral which will ensure that it be will the United States farmers who will have the most to suffer. Let us vote against this resolution.

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would advise all Members that the gentleman from Illinois [Mr. CRANE] has 3½ minutes remaining; the gentleman from California [Mr. STARK] has 30 minutes remaining; the gentleman from California [Mr. MATSUI] has 30½ minutes remaining; the gentleman from Kentucky [Mr. BUNNING] has 17 minutes remaining; and gentleman from New York [Mr. SOLOMON] has 3½ minutes remaining.

The Chair recognizes the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, almost exactly a year ago, I stood before this body to oppose extension of most-favored-nation trading status for the People's Republic of China. I did so with reluctance because I am a strong supporter of business and I have a fundamental commitment to free trade, also because I believe that the United States should remain engaged with China, which is an emerging superpower.

However, I do not believe in commerce at all cost. I could not in good conscious support normal trade relations with the PRC in view of a number of the Chinese Government's activities. I had hoped to be able to support MFN this year. But unfortunately, the actions of the Chinese Government over the last 12 months and this administration's lack of a coherent response to those actions leave me no choice but to oppose MFN once again.

In addition to its egregious human rights violations, including the use of slave labor, outrageous abuse and neglect of baby girls and persecution of Christians, the PRC continues to actively engage in weapons proliferation activities around the globe and to be a one-stop shopping center for Third World nations hoping to acquire or develop weapons of mass destruction. These proliferation activities pose a clear and present danger to our national security and to our young men and women in uniform, and the current administration has done little or nothing to address this situation.

I believe that supporting MFN would amount to tacitly approving both China's dangerous weapons and technology sales and this administration's lack of a coherent policy for dealing with the PRC. I can do neither and I will vote in favor of this resolution as a way of sending a message that this Congress will no longer tolerate the current state of affairs.

I urge my colleagues to do the same.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in support of MFN for China. I rise in support of the common sense proposition that we continue to normalize trade relations with the People's Republic of China. We live in a global economy and it simply makes no sense to turn our back on a nation of a billion people. It is in our own national security interest as well as our economic interest that we have normal relations.

We are all concerned about human rights and individual freedom, but the best way to promote those causes is to be present in China with our values and our products. In my district alone I have heard from large and small companies whose futures for products and jobs largely depend on new markets. Mr. Speaker, I can think of no more important export to China than each and every example of the American success story.

I urge my colleagues to oppose this resolution and to support MFN for China.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, every year China promises to open its market to American products. Every year Congress grants most-favored-nation status to China. Yet nothing seems to change and we are about to do it again.

MFN is a job killer for America. MFN is a job killer for America because China refuses to open its markets to us. MFN is a job killer for America because China uses slave labor in prison labor camps. MFN is a job killer for America because it uses child labor to make things like these Spalding golf balls or this Mattel Barbie doll. Twelve-year-old Tibetan boys and girls in slave labor camps in China make these soft balls for 12-year-old kids to play with on America's playgrounds. Chinese children make these Barbie dolls in sweatshops—12-year-old Chinese children make these Barbie dolls in sweatshops—so America's 12-year-olds can play with these Barbie dolls in their bedrooms.

Mr. Speaker, repression in China today is much more than an isolated mock trial here, a closed newspaper there. Instead it encompasses the arbitrary arrest, torture, and execution of thousands of prisoners of conscience. It is systematic. It is wholesale. It is thorough, it is complete.

When I hear the State Department say that no dissidents are known to be active in the People's Republic of China, as it did in its 1996 human rights report, I am reminded of a line from Star Wars which is chillingly applicable to China. It is as if millions of voices cried out in terror and were suddenly silenced.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the distinguished gen-

tleman from New York [Mr. LAFALCE], ranking member of the Committee on Banking and Financial Services.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, in January 1979, I was fortunate to be a part of the United States congressional delegation that represented the United States at the ceremonies reestablishing relations between the United States and China. That was the first time I was in China. We met extensively with Deng Xiaoping; we viewed China. It was a drab, terrible place. But it was good that we reestablished relations.

This year, 18 years later, January 1997, I had occasion to go to China again, met with President Jiang Zemin and saw China 1997.

Mr. Speaker, I doubt that any country in the history of the world has advanced as much in an 18-year period as China has. I doubt that the human rights condition of a people has advanced in any country in the world as much in 18 years as China has. That would not have happened had we not reestablished relations. That would not have happened had we not established normal trading relations with China. So if Members want to pursue the cause of human rights in China, continue normal relations with China, do not make the single largest foreign policy mistake in the history of the United States.

Mr. BUNNING. Mr. Speaker, I yield 1½ minutes to the gentleman from Iowa [Mr. GANSKE].

(Mr. GANSKE asked and was given permission to revise and extend his remarks.)

Mr. GANSKE. Mr. Speaker, in 1995 and 1996, I voted for MFN. This year I will not. I will support this resolution.

Why the change? Well, it is not just one reason. I think that China's human rights record is no better and it may be worse. Second, I know for sure that our trade deficit is worse because we are not making any progress on bringing down their import tariffs. And we are losing American jobs because of it.

Third, we just learned that the Chinese sold cruise missiles to Iran. This places American troops in harm's way. And how about Chinese sales of nerve gas technology to Iran?

Finally it appears that the Chinese have tried to influence our own elections with illegal contributions. United States-China policy made in China.

Mr. Speaker, we need to send China a message. First, lower your tariffs. Second, stop persecuting religious freedom of speech. Third, stop selling weapons of mass destruction to terrorist states and, fourth, do not ever meddle in our elections again. Vote "yes" for this resolution.

Mr. Speaker, I include the following for the RECORD:

Today I vote on whether to extend most-favored-nation [MFN] trade status to China. Everyone agrees that the United States-China relationship is very important and I have spent

much time thinking about our country's relationship with the most populous nation on Earth. I voted for China MFN the last time. This year I will not. Why the change?

I believe our foreign policy should promote democratic freedoms, stop the proliferation of weapons of mass destruction, and promote U.S. exports. Indeed, since the Tiananmen Square massacre of 1989, Congress has been concerned about China's violation of trade agreements, sales of weapons of mass destruction, and human rights violations. There is new information available on abuses in each of these areas. In addition, it appears that the Communist Chinese Government tried to influence the outcome of our election in 1996. United States-China policy made in China.

I believe that free markets around the world lead to higher standards of living for all. However, free markets mean free markets. The United States, under MFN for China, levies an average 2 percent tariff on Chinese goods coming into the United States. The Chinese levy a 35 percent tariff on United States goods exported to China. Is it any wonder that the United States trade deficit with China has soared from \$6 billion in 1989 to \$50 billion projected in 1997? In January 1997 alone, imports from China were up 18 percent over the month before and United States exports to China were down 28 percent.

Despite the 1995 and 1996 intellectual property rights agreements, piracy of United States software and CD's continues in China. In 1996, that piracy cost our economy over \$2.3 billion. China wants our technology, requires a "certification" of that technology by Chinese research and design institutes, and then disseminates that technology to Chinese domestic ventures. Is it any wonder that the CEO of one of Iowa's largest seed companies told me that they won't do business with China until his company's intellectual property is better protected?

Congress has had concerns about Chinese sales of arms, but just this past week the State Department officially informed Congress that the Chinese Government has sold cruise missiles to Iran that enhance Iran's ability to disrupt Persian Gulf shipping and strike United States forces there. In addition Chinese companies have recently sold Iran chemicals and technology that help Iran make nerve gas. China has provided Iraq and Libya with materials to produce nuclear weapons, have provided missile-related components to Syria and have provided Pakistan with advanced missile and nuclear weapons technology.

United States companies have sold supercomputers to China that allow the Chinese to do small underground nuclear tests at the same time that Chinese companies have exported AK-47's to be used by gangs in Los Angeles.

The United States should not ignore Chinese transfer of weapons technology to rogue nations like Iran when we are spending billions of dollars a year to promote Middle East peace. Furthermore, just last week United States military intelligence reported that the Chinese are developing an intercontinental ballistic missile that will give Beijing a major strike capability against the Western United States within 3 years.

In the human rights area, there was a recent report released by the State Department in January 1997 stating, "The (Chinese) Government continued to commit widespread and

well documented human rights abuses, in violation of internationally accepted norms, stemming from the authorities' intolerance of dissent, fear of unrest, and the absence of laws protecting basic freedoms."

Since the State Department release, additional information has been provided to Congress about the Chinese Government persecuting evangelical Protestants and Roman Catholics who choose to worship independent of the government church, promoting a policy of forced abortions, and brutally repressing the people of Tibet. The takeover of Hong Kong by China is scheduled for July 1, 1997. Already, the Chinese Government has moved to disband Hong Kong's democratically elected legislature and to repeal its bill of rights.

The current policy of so-called constructive engagement has bolstered the Chinese Government and has made little progress in promoting Chinese-United States fair trade, stopping Chinese nuclear proliferation to countries which are dangerous to us, and in promoting the political freedoms we will be celebrating ourselves this 4th of July. A "no" vote by the House of Representatives on MFN would send a message to the Chinese regime and also to the Clinton administration that the status quo is not acceptable.

□ 1300

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. OXLEY].

(Mr. OXLEY asked and was given permission to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, I rise in support of a productive engagement with China, support of American jobs, in support of the people of Hong Kong, in support of human rights, in support of religious freedom, and against the resolution disapproval.

I have had an opportunity to visit China on three different occasions. And as my learned friend, the gentleman from New York [Mr. LAFALCE], had said earlier, China has changed dramatically, has changed dramatically much more than any of us could have anticipated in so many ways.

I remember having a discussion with a young lady who was working in this case for an American company in China on our most recent visit. She had been educated here in the United States at a rather prestigious university and then went back to China and began working for an American company based there. She told me that about 20,000 Chinese students are educated in the United States, a total now of over 250,000 of the bright, elite people in China, the people who are the future of China, and that they have been educated in the United States, have gone back to their home country, and have participated in changing China in so many ways.

And I thought to myself as I spoke to this young lady that she really represented the future of China, that China is changing dramatically and continues to change in a positive way. And the fact that these students are going back and working for American companies based in China providing

modern telecommunications, modern pharmaceuticals, and the like, I think was a real eye opener for all of us who were part of that delegation.

It would be a mistake, a huge mistake, if we are going to think somehow that by revoking normal trade relations with China, the same relations we have with everybody else, if we reject MFN, that we in fact have made a huge mistake in our trading relationships with the largest country in the world.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, no one will stand on this floor today to defend China's arms trafficking to terrorist nations, Iran, Iraq, Libya, Syria, America's enemies. But the apologists also say MFN is not a tool to stop illegal traffic and weapons of mass destruction. No one will stand on this floor today to defend the human rights atrocities of the Chinese regime. But the apologists will say MFN should not be used to defend human or labor rights. The apologists say MFN for China is just normal trade relations. How can you have normal trade relations with an outlaw regime? How can we have normal trade relations with the most unfair trading nation on Earth?

The Chinese systematically exclude nonstrategic United States goods. First, there is a 23 percent tariff, on average. Then they have their discriminatory 17-percent value-added tax, which often only gets added to United States goods, not Chinese goods. Then, if that is not enough, they have nontariff barriers that make the Japanese nontariff barriers look like the work of amateurs. And finally, something might somehow get past that they have unwritten rules that change day-to-day, port-to-port in China to keep out anything that might get past those barriers.

The bottom line is, the only United States goods allowed in are those that enrich China's corrupt leaders or add to their store of critical technology and military weaponry. Yeah, it is about jobs. It is about Chinese jobs, not American jobs.

With a \$50 billion trade deficit this year, according to the Commerce Department's own way of figuring exports and imports, we will export 1 million United States' jobs to China. Yes, this is free trade. One-way Chinese free trade into America, the largest consumer market on Earth, and not through their protected barriers into China.

Stop the apologies. Stop the appeasement. Send the Chinese a tough message they will respect.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, I rise in favor of normal trade status with the

Chinese. Back in 1919, then-President of the United States Woodrow Wilson said this, and I quote,

We set this Nation up to make men free and we did not confine our conception and purpose to America.

Now I say that for two reasons. One, because in 1920, the United States, after 140 years, extended the right to vote to women; 140 years. We did the right thing. We are still having problems in this Nation at times doing the right thing. Yet Members of Congress parade down here and they want to see China do the right thing in 1 year, in 6 months, in 2 weeks.

I think what Woodrow Wilson said in that quote was not only recognizing that we stand up for human rights in this country, but we should insist on it in other countries. And that is what constructive engagement is doing slowly, day by day. And if we go back to when we recognized China, they can now vote for somebody that is not a Communist and not be thrown in jail. There is tangible progress.

Now I know we have a lot of experts here in this body on foreign relations. But when we go to the real experts on foreign relations and we are concerned about religious freedom, Billy Graham, the Reverend Billy Graham has written, "Do not treat China as an adversary but as a friend."

If my colleagues were concerned about human rights, ask Martin Lee, who is over there in the trenches. "Do not take away MFN," he says. If my colleagues are concerned about Hong Kong, Gov. Chris Patten says, "Do not take away MFN for Hong Kong or China."

Finally, for us, if we go forward and revoke MFN, we will spend billions of dollars in defense, with a new cold war era, we will spend billions on environmental problems, and we will give up billions to trade for the Japanese and the Koreans.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington, Mrs. LINDA SMITH.

Mrs. LINDA SMITH of Washington. Mr. Speaker, I rise today to give voice to millions of Americans who have grave concerns about America's relationship with China. I guess the rainbow to this long debate over most-favored-nation status for China has ended with Americans realizing that something is wrong, deeply wrong.

Americans know in their hearts and minds the difficult social, moral, and economic issues involved. We knew something was wrong when we watched our President change his mind and turn his back on the issue of slave labor, which he said he would change if he were elected. We knew something was wrong when he decided that it no longer made any difference that we saw more labels "Made in China" that used to be carrying proudly the "Made in U.S." label.

Americans are weighing this issue, and they are thoughtfully, thoughtfully but adamantly, against giving

MFN to China. Just this week, a poll came out and it is growing the opposition. It is now 67 percent against giving most-favored-nation status. It is not a third for. Only 18 percent would support it at this point after this long debate.

Furthermore, Americans are dissatisfied with the current status quo. Recently, I got another letter from a union in my area, the Machinist Union, and they echoed the concerns of this poll. They echoed the concerns that China has to open up its markets. We have very few products and very few commodities now going into China. But they really had a loud voice in this letter, and also in the poll, that said a country that tortures its own to keep the rest terrified is not acceptable.

I would urge my colleagues to join the American people and vote "yes" on this resolution.

Mr. CRANE. Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Speaker, I am here today, of course, to talk about most-favored-nation status. Much has been heard about our bilateral trade deficit with China. It is the same argument that protectionists use as a reason not to trade with Japan. These protectionists argue that because we have a large trade deficit with a specific country, we should erect trade barriers or force them to purchase more American goods to level the playing field.

In the 1980's, Japan was the culprit. Today it is China. And if China is treating us unfairly simply because of our trade deficits, then we are treating nations like Australia, Argentina, Egypt, and Poland unfairly and they should erect trade barriers to level the playing field with American products.

The fact is, all Americans run up life-long trade deficits with their local restaurants, grocery store, department store. We do not demand that our local grocer or retailer purchase something from us in return for patronage. Of course, that is where I believe the so-called fair traders are incorrect. It is difficult to find a majority of economists who agree on anything, but they do agree erecting trade barriers hurts the nation doing it.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. KAPTUR], a champion on this issue.

Ms. KAPTUR. Mr. Speaker I rise in support of the motion of disapproval and ask the question: Why renew the terms of an abnormal relationship that is not working? Have freedom and liberty of the Chinese people expanded? No. Repression has increased. Has the United States earned income from this trade deal? No. Our trade deficits with China have exploded, as we watch China spend their dollar reserves to arm themselves militarily while they keep their tariffs against our goods at 40 percent, and give us no reciprocity in their market. For America, freedom

should mean more than selling fertilizer.

John F. Kennedy inspired the world when he said that human progress is more than a doctrine about economic advance. Rather, it is an expression of the noblest goals of our society. It says that material advance is meaningless without individual liberty and freedom.

Exercising economic sanctions against South Africa's repressive regime resulted in an advance of freedom. But in our Chinese engagement, America's efforts have resulted in creating more powerful oligarchs that feast off our misdirected trade policies.

Upend this abnormal trade relationship, support the motion to disapprove.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Speaker, I thank the gentleman from California [Mr. MATSUI] for yielding me the time.

Mr. Speaker, I cannot think of a more compelling argument made in the U.S. House of Representatives today than the words of a very dear friend and inspiration of mine, Dr. Billy Graham. As many of my colleagues remember, last February we bestowed a great honor on Dr. Graham and his lovely wife Ruth, the highest award, the Congressional Gold Medal.

Dr. Graham is not a politician or a policymaker. He is not going to be pulled into the political debate. But he understands China and he understands the world because he has traveled it extensively. He said recently, and I think he said it so well, "In my experience, nations respond to friendship just as much as people do."

Dr. Graham is exactly right. MFN approval is not a vote or a referendum on China's behavior. It is a vote on how best to promote U.S. values. The only way to change China is to continue to engage China, not to declare economic warfare.

Mr. Speaker, please look at the big picture. I firmly believe that without MFN, human rights abuses will worsen and the dream of achieving democracy in America will dim. Vote "no" on House Joint Resolution 79 and "yes" to the rising voices and change in China.

Mr. BUNNING. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana [Mr. BURTON].

(Mr. BURTON of Indiana asked and was given permission to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, I strongly oppose MFN for China.

My reasons to defeat MFN.

HUMAN RIGHTS

Every year since 1980, when President Carter first extended China MFN, supporters have argued that this action will help the United States promote human rights in China.

It has failed. State Department's own Country Reports on Human Rights (January 1997) admits:

The Chinese Government continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms, stemming from the authorities' intolerance of dissent, fear of unrest, and the absence or inadequacy of

laws protecting basic freedoms. * * * Overall in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism.

And from Clinton's Assistant Secretary for Asia:

Frankly, on the human rights front, the situation has deteriorated * * * They're rounding up dissidents, harassing them more.

In addition: Over 1,000 forced labor camps; harvest and sale of organs from executed prisoners; forced abortions; and persecution of religious believers.

Nongovernment churches are outlawed.

Independent worshippers of the government church are harassed and imprisoned.

Their house churches are being forcibly closed or destroyed.

NATIONAL SECURITY

Selling nuclear material, weapons and military technology to rogue states (ex: Iran)

Purchased 46 American-made supercomputers which could design nuclear warheads for missiles capable of reaching the United States.

COSCO lease of Long Beach Port gives PLA base of operations in the United States.

TRADE

Economic espionage: U.S. workers lose when U.S. technology is stolen.

Violations of intellectual property rights: \$40 billion trade deficit; 2 percent of United States exports are allowed in China, 33 percent of China's exports come to United States.

China charges American products with huge tariffs:

Even if we would extend least-favored-nation [LFN] status to China, their tariffs would still tower ours.

China import tax on United States cars: 50 percent. United States import tax on LFN cars: 25 percent, that is one-half the rate charged by China.

China duty on shoes: 50 to 60 percent. United States duty on LFN shoes: 35 percent.

Allegations of attempting to influence our Presidential elections through campaign contributions. Vote "yes" for House Concurrent Resolution 79.

Yet, the administration has chosen to stand up to China on only one issue: intellectual property rights.

When they were faced with trade sanctions over this issue, they backed down.

If this type of muscular action is justified for the music industry, then it is justified for persecuted Christians, murdered infants, and nuclear proliferation. We need to put away the carrots and break out the sticks. The President's policy isn't just one of engagement, it's a see-no-evil strategy.

□ 1315

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Nebraska [Mr. BEREUTER].

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, as chairman of the Subcommittee on Asia and the Pacific, I oppose House Joint Resolution 79.

There is perhaps no more important set of related foreign policy issues for the 21st century than the challenges and opportunities posed by the emergence of a powerful and fast-growing

China. However, today we are not having a debate focused on those challenges. Instead, we are debating whether to impose 1930-era Smoot-Hawley trade tariffs on China that the rest of the world and China knows we will never impose.

This particular annual debate has become highly counterproductive. It unnecessarily wastes our precious foreign policy leverage and seriously damages our Government's credibility with the leadership of the PRC and with our allies. It hinders our ability to coax the PRC into the international system of world trade rules, nonproliferation norms, and human rights standards. Moreover, Beijing knows the United States cannot deny MFN without severely harming American companies and workers, or without devastating the economy of Hong Kong or Taiwan.

It is true, as MFN opponents argue, that ending normal trade relations with China would deliver a very serious blow to the Chinese economy, but the draconian action of raising the average weighted tariff on Chinese imports to 44 percent instead of the current average of 4 to 5 percent would severely harm the United States economy as well. And after China's certain retaliation, many of the approximately 175,000 high-paying export jobs related to United States-China trade would disappear while France, Germany, Canada, and other major trading nations would rush to fill the void.

But MFN is about much more than trade. China is an emerging power with a potentially wide range of interests and influence around Asia. Ending normal trade relations with the PRC would not only send that economy into a tailspin, making China's neighbors especially nervous, but would have a devastating impact upon Hong Kong and Taiwan. For example, the Hong Kong Government estimates that as many as 86,000 Hong Kong workers would lose their jobs.

Mr. Speaker, ever since President Nixon traveled to China, United States policy has sought to promote a stable and peaceful Asia where America's trade interests could be advanced without sacrificing security. Successive administrations have made expansion of trade relations and economic liberalization key tenets of our China policy. The goal has been not only to expand United States trade, but also to provide a means of giving China a stake in a peaceful, stable, economically dynamic Asia-Pacific region. This approach has worked well and protected not only our national interests, but also those of our friends and allies. Immediately, U.S. dock workers, transportation workers, and retail workers would be harmed until alternative sources for Chinese manufactured goods could be found.

For example, the Hong Kong Government estimates that as many as 86,000 Hong Kong workers would lose their jobs if the United States ended normal trade relations with China and, almost incredibly, they project that Hong Kong's gross domestic product would decline by nearly half. That is why Governor Patten recently stated in a letter to Members of Congress that "unconditional renewal of

MFN is the most valuable gift that America has within its power to deliver to Hong Kong at this critical moment in its history." And Hong Kong is not alone—Taiwan also quite appropriately, but too quietly, recognizes the importance of MFN. Last year, key business leaders publicly supported normal trade relations between the United States and China.

Mr. Speaker, the United States has convinced nearly every other country in the region that the best way to avoid conflict is to engage each other in trade and closer economic ties. Abandoning this basic tenet of our foreign policy with China would be a serious shock and set back what we have been trying to achieve in the entire Asia-Pacific region. It would send many countries scrambling to choose between China or the United States.

Opponents of MFN say that human rights in China have not improved and that the human rights situation in China has deteriorated. I certainly do agree that very serious human rights problems remain including arbitrary detentions, widespread religious persecution, suppression of nearly all political dissent, and coercive abortion practices. But, it is simply wrong to ignore the fact that since the United States embarked on normal trade with China, the day-to-day living standard of the Chinese people has improved dramatically. Moreover, the denial of normal trade relations with China will not directly improve the plight of those courageous advocates of democracy and reform in China—indeed it may worsen their plight and cause repressive action on many more Chinese citizens.

In making somewhat of an exit assessment on January 1, 1994, then-United States Ambassador Stapleton Roy said that in the history of China "[t]he last two years are the best in terms of prosperity, individual choice, access to outside sources of information, freedom of movement within the country and stable domestic conditions." Now, 3½ years after Ambassador Roy's observations, those general trends continue; the Chinese people enjoy even more personal choice concerning their career, education, or place of abode. Just last year modest legal reforms were advanced in the area of criminal procedures which make it more likely that individuals will be considered innocent until proven guilty, will have a right to a lawyer at the time of detention, and will be able to challenge the arbitrary powers of the police. Although these reforms have far too many caveats that permit the government to suppress political dissent, they nonetheless represent progress toward a rule of law in China.

There have been other positive developments in China. The National People's Congress showed small but encouraging signs of assertiveness by attacking a government report that failed to adequately address corruption. Village elections, once the sole domain of local Communist party functionaries, have suddenly become contested events—with non-Communists elected in many places.

For these reasons, many human rights leaders support normal trade relations. For example, Wei Jingsheng, a prominent dissident still jailed for his eloquent and strongly held democratic beliefs, urges the United States to continue MFN. Similarly, Martin Lee, a democratic leader in Hong Kong, argued for unconditional renewal of MFN on his recent visit to the United States.

Mr. Speaker, as the chairman of the Asia and the Pacific Subcommittee, this member

has become convinced that the annual MFN process is counterproductive and undermines United States foreign policy interests with respect to China. However, the United States has other points of leverage where we can encourage China's leaders to be responsible actors in the world community.

For example, China's leaders will be faced with many difficult economic reform decisions in the next several decades; Therefore, rather than devoting attention to MFN, the United States should focus on one of the most important foreign policy decisions for the United States: China's accession to the World Trade Organization [WTO]. A good way to maximize our trade leverage is embodied in legislation that this Member and the gentleman from Illinois, Representative TOM EWING recently introduced. That legislation, the China Market Access and Export Opportunities Act, requires China to pledge adherence to the world's trade rules and accede to the World Trade Organization or face "snap-back" tariffs on goods imported to the United States. It would induce China's leaders to join the WTO by eliminating our annual MFN review upon China's membership in the World Trade Organization. Alternatively however, the China Market Access and Export Opportunities Act would require the President to impose realistic, pre-Uruguay Round tariff increases—4–7 percent—on Chinese imports if the PRC continues to deny United States exporters adequate market access or if it does not make significant progress to become a member of the WTO.

The PRC's desire to get into the World Trade Organization represents a historic opportunity for the United States to level the playing field for United States companies and workers wanting to sell their products in China. But we should act now. Recent press reports indicate that the PRC's trade negotiators may be walking away from the currently unproductive negotiating table. This news is especially disturbing given that last year's U.S. trade deficit with China was nearly \$40 billion and this year's imbalance has risen by 37 percent. Secretary of Commerce, William Daley, recently said that "China remains the only major market in the world where U.S. exports are not growing and this despite significant economic growth in China."

The China Market Access and Export Opportunities Act is a tough but fair approach to China's WTO accession. The Congress should immediately consider this legislation to accelerate the forces of change that have been unleashed by the PRC's desire to become a part of the world trade community. Economic and trade liberalization reforms in China, which this legislation will promote, not only will reduce our enormous bilateral trade deficit and benefit United States workers and consumers, it will also continue to provide the most positive forces of political and social change in China.

Mr. Speaker, I urge opposition to House Joint Resolution 79.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Kentucky [Mrs. NORTHUP].

Mrs. NORTHUP. Mr. Speaker, I rise to speak against the resolution and in behalf of continuing normal trading relationships with China.

We are all here today for one reason, because we are very concerned about China. We are very concerned about

human rights and civil rights, and we are wondering in what way we can best reach out and change China's current policy. The fact is that we recognize that China is a growing power, and there are some things, Mr. Speaker, that no matter what we do today in our vote, we are not going to change.

We are not going to change the fact that China is growing militarily. We are not going to change the fact that technologically China is advancing at a very rapid pace. We are not going to change the fact that China is going to have a profound impact on our world in the coming years.

And so, Mr. Speaker, the question before us is not how do we stop those things which we cannot stop, but how do we most influence them? Over the last 20 years, China has changed, China has grown, it has become more aware of civil and human rights, and their citizens have demanded more than they ever have before. Is it fast enough for us? No, it is not. But the fact is, it is that relationship, it is that continued relationship that gives us the most chance to affect China as it inevitably grows and advances.

Mr. Speaker, we can do a lot from the outside, demanding and asking for civil and human rights in China. But the way it will most change is when the Chinese people begin to be able to think, because of prosperity, about something more than where their next meal is coming from and how to meet their basic needs. When they begin realizing what is available in other countries in terms of their own civil rights and human rights, they will also demand more from within as we are demanding from without. Please, let us continue this relationship so that they will be able to enjoy the civil and human rights that we do.

Ms. PELOSI. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. LEWIS], a champion for human rights throughout the world.

Mr. SOLOMON. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, I do not propose cutting off relations with China, but I simply cannot accept the situation as it is with China today. We cannot stand by while innocent people in China and Tibet are fighting and dying for democracy. Thousands of innocent Christians, Muslims, and Buddhists are dying in Chinese gulags. Millions of Chinese women are not allowed to plan their own families. They are not allowed to make the most basic, the most private decisions. The Chinese Government intrudes on families, their beliefs, their lives. They are desperate for our help. Yet we do not help. We continue business as usual. The abuse of human rights continues. And the United States renews MFN. China will not work with the community of nations to stop nuclear proliferation. And the United States renews MFN. Business as usual. Trade as usual.

We cannot accept and we must not accept what is happening in China. To

quote Gandhi, "Noncooperation with evil is as much a duty as is cooperation with good." We can never forget Tiananmen Square. Those students bravely stood for democracy, and they were slaughtered. I was a student once, fighting for what I believed, I was fighting for a nation free of racism, free of segregation. During the 1960's, some among us were jailed and beaten during that struggle. Some even died. Schwerner. Goodman. Chaney. Three young men gave their lives so that others could register and vote, so that others could participate in the democratic process. They did not die in vain.

Now it is the 1990s and China is on the other side of the world from us but their struggle is just as important. Their lives and their struggle must not be in vain. In a real sense, Mr. Speaker, our foreign policy, our trade policy must be a reflection of our own ideals, our own shared values.

What does it profit a great nation, a compassionate and caring people, to close our eyes and look the other way? As Martin Luther King said, "There comes a time when a Nation and a people must stand for something or we will fall for anything." I feel that the spirit of history is upon us. We must make a decision today and it should be on the right side of history. We must stand with the people who are struggling for freedom, struggling for democracy. If we fail to act, no one will act. They are our brothers and our sisters.

Yes, Mr. Speaker, I believe in trade, free and fair trade, but I do not believe in trade at any price. I ask my colleagues on both sides of the aisle, how much are we prepared to pay? Are we prepared to sell our souls? Are we prepared to butcher our conscience? Are we prepared to deny our shared values of freedom, justice and democracy? Today I cast my lot with the people in the streets, with the students of Tiananmen Square, and with the people of this country who understand that a threat to justice anywhere is a threat to justice everywhere.

I urge and I beg of my colleagues to oppose MFN for China. I thank the gentlewoman from California and the gentleman from New York for yielding me this time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings is a violation of the House rules.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas [Mr. GREEN].

(Mr. GREEN asked and was given permission to revise and extend his remarks.)

Mr. GREEN. I thank the gentleman from California for yielding me this time.