

In 1995, the last records we have, the Justice Department cataloged nearly 8,000 hate crimes. Those are the only ones reported; many were unreported. This number is growing at an alarming rate. Hate crime is an affront to our basic commitment to religious liberty and racial tolerance, and it poses a challenge to our entire Nation and our future as a common community.

The remarks made by this school board member are disturbing. They are indicative of an increasing racial and religious intolerance and serve only to incite maliciousness against Muslims, Buddhists, and non-Christians in general. This school board member's comments are illustrative of the need in this country for increased understanding and patience. It is also, Mr. President, I believe, a call for us to speak out against this intolerance. It is this understanding and patience that we need to have which provides the foundation for a more tolerant America. Tolerance and understanding are crucial for us to continue fostering quality, dignity, and peace within America.

Mr. President, I suggest the absence of a quorum. I withhold for my friend from Wyoming.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I ask unanimous consent to speak for 10 minutes.

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

MOST-FAVORED-NATION STATUS FOR CHINA

Mr. THOMAS. Mr. President, I come to the floor today as chairman of the Senate Subcommittee on East Asia and Pacific Affairs to discuss and formally state my support for the extension this year of most-favored-nation status to the People's Republic of China. I want to stress at the beginning that supporting China MFN is not an issue of approving or disapproving China's behavior. Rather, it is an issue of how we best work to influence that behavior in the future. For several reasons, I do not believe that withholding MFN is an effective tool in doing that.

First, I firmly believe that invoking most-favored-nation status would hurt the United States more than the Chinese. It would be the economic equivalent of saying, "Lift up a rock and drop it on your own foot."

Simply put, we are talking about American jobs. It is estimated that United States exports to China support around 200,000 American jobs; the Chinese purchases now account for 42 percent of our fertilizer exports and over 10 percent of our grain exports as well.

Last year, China bought over \$1 billion worth of civilian aircraft, \$700 million in telecommunications equipment, \$340 million in specialized machinery, and \$270 million of heating and cooling equipment.

As China's economy continues its dynamic growth, the potential market for increased sales, of course, will grow as

well. Our withdrawal of MFN would certainly be met with in-kind retaliation by the Chinese, who are fully capable of shopping elsewhere for their imports, as we have seen with Boeing and Airbus, with resulting harm to America's economy.

Second, revoking MFN would have a damaging effect on the economies of our close allies and trading partners Hong Kong and Taiwan. The vast majority of Chinese trade passes through Hong Kong. Putting the brakes on that trade would result in a 32 to 45 percent reduction—around \$12 billion worth—of Hong Kong's reexports from the PRC to the United States.

In addition, it is estimated that there would be about a \$4.4 billion drop in income to Hong Kong, a loss of 86,000 jobs, and a 2.8 reduction in GDP.

Moreover, revoking MFN would have the greatest negative impact on the southern China provinces where Hong Kong and Taiwanese businesses have made substantial investments, as well as the United States. But I want to stress this point. It is in these provinces that the political and social changes for the better are occurring.

Mr. President, on my last trip to China—my only trip to China—I traveled from Beijing in the north through Shanghai and on to Guangzhou in the south. In Beijing, talks with the Chinese centered solely on politics, Taiwan particularly. The vast majority of the population still ride bicycles. The availability of western goods, while increasing, is limited. The role of the party in the people's daily lives is still significant.

But as we traveled further south, I was struck by the change in attitudes and interests. People were much less concerned about politics and ideology and much more concerned about continuing trade, their standard of living, as well as budding democratic freedoms. Western consumer goods are widely available, the minority of people ride bikes, and most instead drive cars and motorcycles. The party apparatus is much less ideologically communistic and more bureaucratic.

In my view, there is one cause for these changes, changes in the everyday lives of the average Chinese citizens—commercial contacts with the West, especially the United States.

Mr. President, by opening up their economy to market reforms and economic contacts with the rest of the world, the Chinese authorities have let the genie out of the bottle. If we revoke MFN, in effect cutting off trade with China, we only serve to retard this opening-up process, a process that we should be doing in every way to advance and encourage the advancement there.

Third, revoking China's MFN status would place it among a small handful of countries to which we do not extend this normal trading status. Most favored nation is a bit of a misnomer. It is actually normal relations. But we exclude that normal relationship with Cuba, Laos, North Korea, Serbia, and Afghanistan. We would be relegating

China to this grouping, and I believe it would do irreparable harm to our bilateral relationship and to the security and stability of East Asia as a whole.

China is very attuned to the concept of face. Placing it on the same level as the world's most outcast nations, while perhaps not undeserving in some fields, would needlessly provoke a backlash from the Chinese which would frost over whatever strides we have made in the past.

Now, I want to make it clear that I in no way condone the policies of the Chinese nor the actions. I am by no means an apologist for the PRC nor a proponent of foreign policy solely for the sake of business interests. No one can argue that China's actions in many fields do not deserve some serious response from us. The PRC has, at best, a sad, sad human rights record. It imprisons prodemocracy dissidents. It has done so in such numbers since the Tiananmen Square incident that there are no active dissidents. It prosecutes religious minorities, including Christians, focusing most harshly on the Buddhists in Tibet where it has closed monasteries and jailed monks and nuns. And it persecutes ethnic minorities, concentrating their attention recently on the Tibetans.

The PRC consistently fails to live up to the terms of its trade agreements with us, especially in the areas of trade barriers and intellectual property rights. It has taken two separate agreements and several years to get intellectual property rights moving in the proper direction, but they are still not doing what they are supposed to do.

It has made several decisions which call into question its commitments to preserving democracy in Hong Kong, including the most recent round involving the so-called Provisional Legislature. It ignores its commitments to some international agreements.

So all in all, it is not a good situation. The question of course is, how do we best deal with that?

Mr. President, I am the first to insist that we need to address these serious issues, but it is clear that our current China policy, which the administration characterizes as constructive engagement but has recently retooled as multifaceted is not up to the task. The Chinese will continue to walk over us as long as their actions meet with little or no credible repercussions.

But while we need to make some response, it is equally clear to me that most favored nation is not going to solve any of these problems. As I have mentioned, its revocation would only cause more problems than it solves. Moreover, threatening MFN withdrawal has come to be hollow and meaningless. We know it and the Chinese know it.

It is like watching a movie you have seen several times before; you know the plot, you know the actors, you

know their roles and the dialogue, and indeed you know the outcome all before the movie even starts. With each cry of wolf we make by threatening to withdraw most-favored-nation status and then do not, the credibility of an already tenuous threat declines.

Yet, without a responsible alternative, Members of Congress are forced to face the Hobson's choice between voting to revoke MFN or doing nothing. Many, with no constructive way to vent their policy frustrations, choose revocation.

I am convinced it is time to rethink the United States-China policy and come up with a workable way to get China to act as a responsible member of the international community and to live up both to the letter and the spirit of the agreements they have reached with us. In addition, I believe the United States has to be more prepared to say what it means and mean what it says.

On March 22, in my subcommittee, we held a hearing on exactly this topic. It was the opinion of every panelist, save one, that we need a workable alternative to most-favored-nation as a tool of American foreign policy. I hope that in the next year policymakers, both in the Government and outside it, can recognize that the old policy has failed and move on to try and formulate a new one. It will not be a quick or simple process, but the sooner it begins the better off we will be and the better for the health of our bilateral relationship.

In closing, Mr. President, let me reiterate that I strongly support most-favored-nation renewal. But at the same time, I equally strongly urge this administration to pursue a clear, more consistent and effective foreign policy towards China. Frankly, the latter will do more toward setting our countries down the path of a strong relationship. I yield the floor.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent to proceed for 10 minutes in the morning hour.

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

OPPOSITION TO MOST-FAVORED-NATION STATUS FOR CHINA

Mr. HUTCHINSON. I rise in opposition to extending most-favored-nation status to China. I was deeply, deeply dismayed at the recent revelation that a State Department report on religious persecution in China and human rights conditions in China, originally scheduled for release back in January, was postponed, originally until June, and then it was announced that it would again be delayed and postponed until after the vote on most-favored-nation status, that vote that would take place now in the House next week.

I think it is unconscionable, when we consider the seriousness and the im-

port of this vote, for a report from the State Department that has relevant and pertinent information regarding what is going on in China today in regard to human rights and in regard to religious persecution, that that report should not be made available to the American public and to Members of the House of Representatives and to the U.S. Senate prior to our vote on MFN.

Yesterday, I wrote the President and Secretary of State Albright, asking them for an immediate release of that State Department report so that Members of the House who are yet undecided on how they are going to vote on MFN will have that very important report at their disposal.

Mr. President, I ask unanimous consent that that letter to the President printed in the RECORD.

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

U.S. SENATE,
Washington, DC, June 18, 1997.

Hon. WILLIAM JEFFERSON CLINTON,
The President,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to express our grave concern regarding the recent reports that suggest the U.S. Department of State is deliberately delaying the release of its findings on religious persecution throughout the world. This report places specific focus on the persecution of Christians and other religious minorities around the world, and singles out China for especially tough criticism.

As the Congress begins to debate whether to renew Most Favored Nation (MFN) trade status for China, it is vital that all information critical to the debate be in the public domain. It is our understanding that the report was to be released January 15, 1997. However, it has been brought to our attention that it will not be released until after the Congress votes on MFN. Furthermore, State Department officials have said that the report is being held up to broaden its findings.

The oppression and persecution of religious minorities around the world, specifically in China, have emerged as one of the most compelling human rights issues of the day. In particular, the world-wide persecution of Christians persists at alarming levels. This is an affront to the morality of the international community and to all people of conscience.

The 1996 Department of State's Human Rights report on China revealed that the Chinese authorities had effectively stepped up efforts to suppress expressions of criticism and protest. The report also states that all public dissent was effectively silenced by exile, imposition of prison terms, and intimidation.

As the original co-sponsors of the resolution of disapproval on MFN for China, it is our view, and that of many others, that serious human rights abuses persist in all areas of China and that the delay of this year's report on religious persecution demonstrates the Administration's unwillingness to engage in an open discussion of the effect of U.S. policy on human rights in China. We strongly urge that the State Department report be delivered in a timely manner to ensure its full disclosure and debate prior to a vote on the extension of MFN to China.

Sincerely,

TIM HUTCHINSON,
U.S. Senator.

RUSSELL FEINGOLD,
U.S. Senator.

Mr. HUTCHINSON. I think to postpone the release of that report indicates that the likelihood that conditions in China have improved over the course of the last year are remote.

The last State Department report, the China country report issued in 1996, was a blistering condemnation of the Chinese Government's repression of their own people and the new wave of the religious persecution that has spread across the country inflicted by this current regime:

The administration continues to coddle China despite its continuing crackdown on democratic reform, its brutal subjugation of Tibet, its irresponsibility in nuclear missile technology.

Mr. President, those are not my words. Those were the words of then Candidate Bill Clinton in a speech to Georgetown University in December 1991. Then Candidate Clinton was exactly right, and those very words are equally applicable to the policy of appeasement that has been promoted by the Clinton administration.

President Clinton, then Candidate Clinton, went on a few months later in March 1992 and said:

I don't believe we should extend most favored nation status to China unless they make significant progress in human rights, arms proliferation and fair trade.

He was right then. He is wrong now. They have not made significant progress in any of those categories, human rights, arms proliferation or fair trade.

And then in August 1992, then Candidate Clinton said:

We will link China's trading privileges to its human rights records and its conduct of trade weapon sales.

Of course, we all know that that strong position taken as a candidate was repudiated after he was elected President. What a difference an election makes.

So today, Mr. President, I called for the immediate release of this State Department report so that an intelligent and informed decision can be made by this Congress when they vote in the House and, hopefully, when a vote yet in the future, in the coming weeks, in the Senate takes place.

I believe that the change that occurred by this administration was ill-advised and has led to both a failed and flawed policy toward China.

Not long ago, in the last hour, I had a conversation with former Secretary of State Eagleburger, who is an advocate of most-favored-nation status, favors extending that trading status to China once again. I said, "Things are worse in China since we adopted this constructive engagement policy." He said, "In what regards?" And I said, "In every regard." Whether it is human rights, whether it is religious persecution, whether it is military expansionism or the export of weapons of mass destruction, you name the measure, you name the standard, and conditions