

as we know them, human rights also encompass such social and economic rights as the rights to subsistence, to development, to employment, to education, and the special rights of women and children and the elderly. Political and civil freedoms are not the only things that people value in their political lives. Other political goals, including stability, effective governance, and absence of corruption, are also worthy of pursuit."

As we shape our strategy, we need to keep these words of wisdom in mind. If we do, our justifiable criticisms of abuses are likely to have more credibility and more effect not only in China but also with our friends throughout Asia.

This review of America's foreign policy interests reveals that a thick web of partly convergent and partly divergent interests now binds the United States and China. In recognition of this reality, I believe that a new fragile consensus on China policy is slowly emerging in Washington and among the American people.

This fragile consensus rejects the extremes of rigid hostility or unconditional friendship with China. It seeks cooperation with China while realistically accepting disagreement where our values and interests diverge. If strengthened, this consensus has the potential to embrace several fundamental concepts.

First, Sino-American relations merit high level sustained attention of the United States Government. Management of this relationship cannot be relegated in chaotic fashion to the lower levels of each department in the executive branch, but must be coordinated at the highest levels of Government, including the Congress. The exchange of Presidential visits is a strong step in the right direction.

Second, the United States has an interest in a prosperous, stable and unified mainland that is effectively and humanely governed, not a weak, divided or isolated China which would surely threatened the region's peace and prosperity.

Third, the United States should seek to work constructively with China to facilitate its entry into the international regimes that regulate and order world affairs. China will be more likely to adhere to international norms that it has helped to shape. But China's entry must not be permitted on terms that jeopardize the purpose of those regimes.

Fourth, the United States should continue to adhere to our one China policy based on the Shanghai Communiqué, the normalization agreement, and the 1982 joint communiqué. We do not seek to detach Taiwan from the mainland permanently, but neither can we accept Taiwan's forcible reunification with the Mainland. Taiwan deserves a status in world affairs commensurate with its economic and political attainment. But realistically, Taiwan can best secure a greater international voice and stature through cooperation with Beijing and not through provocation.

Fifth, to attain all these objectives, the United States must retain a robust military presence in the Western Pacific. Until multilateral security arrangements are firmly in place and well rooted in East Asia—there will be no substitute for the Japanese-American and Korean-American security treaties—which are not directed against China.

Sixth, the United States—especially the private sector—should cooperate with China in its efforts to develop institutions necessary for its continued modernization: A legal system and the rule of law; a strengthened judiciary; an effective banking and revenue system; a civil service system; representative assemblies; and effective civilian control over the public security and military forces.

Finally, because of the attention that will be focused on the turnover of Hong Kong to China on July 1 of this year, Hong Kong will provide the prism through which Americans will view China. This 1997 view may affect the American people's perception of China for years to come, and may turn out to be the bellwether for the international community in judging Beijing's intent and approach to the world.

Will China carry out its solemn commitment to Britain and the people of Hong Kong to allow Hong Kong its own distinct social, political and economic identity for the next 50 years? If so, this example will lead to a positive view of China throughout the world, including the people of Taiwan. If not, China's relationship to the world will be dealt a severe blow and its relations with the people of Taiwan will be set back 50 years.

It is far from clear that the leaders of China are prepared to meet this responsibility by allowing Hong Kong to retain the qualities that are key to its success—such as a professional civil service, the rule of law, an independent judiciary, and freedom to receive and disseminate information.

Considering the large stakes, I believe that our own country must strive for balance in our assessment and our actions.

We should remember that Hong Kong was seized by force from a weak China and that the British subsequently ruled it as a British colony—not a democracy. Hong Kong and Macau are the last Western colonies in Asia, and represent the end of an era.

China should be told clearly and firmly that their credibility is on the line and that their behavior toward Hong Kong will have a major effect on their standing in the international community—in short, they must keep their world—our measuring stick of Chinese behavior should be based on their own solemn commitments—not on our dream of a Jeffersonian transformation.

It is essential that we not rush to a final verdict based on the first thing that goes wrong. This will be a long uneven process with many rough spots and mistakes. The transfer of power is a British and Chinese agreement, and the United States should not get drawn into a self-appointed role as the arbiter of the details.

The United States should not become the sole critic when China deviates from its commitment to Hong Kong. This will turn Hong Kong into a U.S.-China confrontation and will not be effective with a Chinese leadership that fears the perception in their own country that they are yielding to American pressure. While we have a huge stake in a prosperous Hong Kong and a China which keeps its commitments—so do our allies in Europe and Asia. We, of course, must lead—but we must lead the international community.

In the final analysis, after July 1, Hong Kong will again be part of China and its long term future will be determined by events in China itself. As the eyes of America and the world focus on the important trees of Hong Kong, we must not lose sight of the forest itself—China.

In our country the emerging consensus of U.S.-China policy is very, very fragile. The Presidential visits, the recent stabilization of Chinese-American relations and the prospects for improvement in the months ahead are particularly vulnerable to disruption by possible Chinese actions.

Many observers caution that for deeper reasons, the new consensus cannot be sustained, citing the historical "love-hate" relationship between these two great countries.

Some analysts claim that two civilizations as different as that of China and the United States simply cannot sustain constructive relations.

Other analysts assert that political and ideological differences preclude a close, cooperative relationship between Washington and Beijing.

Yet others claim that accommodations between the United States and China will necessarily prove to be temporary because of our differences in wealth and power and because the United States is a defender of an international system that we helped to create and that advances our interests.

Let us acknowledge and accept the dangers these observers offer. They remind us of the enormous challenges in fostering cooperative Sino-American relations. They caution us neither to harbor illusion nor to allow expectations to soar. But in the final analysis, what should we do with their warnings? Should our policy become fatalistic, devoid of hope that the United States and China can be partners in the building of a more stable and secure world? Should the United States look upon China as an enemy and therefore seek to weaken or divide it, thereby creating a reality we seek to avoid?

I believe the clear answer is no. To move in this direction would become a self-fulfilling prophecy. Forewarned of the difficulties, the leaders of China and the United States must persist in forging cooperative bonds between our two nations.

One conclusion is clear—in no small measure, the future well-being of the American and Chinese people depends on the ability of our two nations to cooperate. I remain hopeful that enlightened self-interest will prevail, as it has in the 25 years since President Nixon and Chairman Mao shook hands.

Thank you, ladies and gentlemen. Thank you, CNA. And thank you and God bless you. Paul Nitze.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank the Chair.

(The remarks of Mr. BUMPERS pertaining to the introduction of S. 237 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BUMPERS. Mr. President, I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair.

THE CASE FOR ENERGY CONSERVATION

Mr. SPECTER. Mr. President, I have sought recognition to address an ongoing threat to our Nation's security and prosperity, a threat with dual roots. In the precarious Middle East and right here at home there is reason for concern about our Nation's increased reliance on potentially unstable foreign sources of oil. I believe it is critical during the 105th Congress that we focus on efforts to increase energy conservation, particularly in the context of reauthorization of the Federal highway and transit programs.

We must think back to the days of the gulf war and further back to the oil crises of the 1970's to better understand the entire picture. American consumers too often forget the interdependence of world events, particularly when it comes to our use of imported foreign oil. There are currently legitimate reasons to question whether instability in

the Mideast will once again jeopardize our access to that region's oil resources, putting our economy and perhaps our national security at significant risk.

By way of background, it is well known that the oil supplies in the Mideast are immense. An estimated 66 percent of the world's recoverable oil resources are found in the region. These supplies are critical to the United States as well as to our European allies. More than 20 percent of the oil we purchase comes from the Arab countries of the Organization of Petroleum Exporting Countries, commonly known as OPEC. Western Europe depends on the region for 25 percent of its oil consumption. These OPEC countries include alphabetically, Algeria, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, and the United Arab Emirates.

I have been troubled that U.S. imports of foreign oil continue to increase. Currently, the U.S. imports constitute more than 50 percent of the oil which we consume. According to the American Petroleum Institute, this equals more than 9 million barrels per day, with a 6-percent increase in the amount of imported oil since 1995 alone. That is cause for real concern. This is a huge jump from the 6 million barrels imported per day in 1973. Further, if these trends continue, analysts say that in 10 years we will look to these overseas sources for two-thirds of our energy needs.

In part because of the ready availability of less expensive sources of foreign oil, it has not been cost effective for U.S. energy companies to increase domestic production. U.S. domestic production of oil continues to decline, with an estimated 17,000 U.S. oil wells ceasing production annually. U.S. industry claims that regulatory relief and tax measures are necessary to jump start domestic production again, and these are areas which we ought to consider.

This is a field that I have some personal knowledge in, Mr. President, from my roots in Kansas where my father ran a junkyard and where he and my brothers bought oil wells for salvage and then flooded wells. We have a great source of supply from those wells and other production in the United States which we really ought to reexamine in the context of this major international problem.

In an effort to protect ourselves against the disruption of oil supplies after the oil crises we faced in the 1970's, Congress established the Strategic Petroleum Reserve. That reserve was intended to minimize the effects of any disruptions from the import of oil, and by the end of 1989 that reserve held 580 million barrels. The first sale from that reserve occurred after the Iraqi invasion of Kuwait in August 1990, demonstrating that the reserve can serve its intended purpose, because it was used at that time.

The effectiveness of the reserve is measured by the number of days of net

petroleum imports the reserve could supply in the event of an interruption in the supply of foreign oil. For example, in 1986 the reserve was said to contain 115 days of imports. By 1995, based on the decreasing U.S. production and a corresponding increase in foreign imports, the reserve was said to hold an amount comparable to 75 days of net imports.

As if it was not sufficient to let the effectiveness of the reserve dwindle, last year in an unprecedented move, the Administration decided to sell approximately 25 million barrels of petroleum from the reserve to generate revenues, an amount equivalent to almost 3 weeks supply of imports from Saudi Arabia. That timing, I suggest, was less than prudent, particularly considering the state of affairs in the Mideast today which should highlight the dangers and disadvantages of reliance on Mideast oil. Saudi Arabia, in particular, poses a unique cause for concern. The sovereign independence of Saudi Arabia is of vital interest to the United States, as President Bush said in 1990 after Iraq invaded Kuwait. If a hostile nation seized Saudi oil wells, the largest reserve in the world, the American economy and the world markets could tumble.

More recent events are again drawing our attention to Saudi Arabia. Last week, Attorney General Reno and FBI Director Louis Freeh publicly acknowledged what has been known for a long time; and that is that the Saudis are not cooperating with the United States investigation into the terrible terrorist attack at Dharhan on June 25 of 1996. We saw the terrorist attack on United States citizens in Riyadh in November of 1995. We saw the Saudi investigation. We saw the Saudi execution of four convicts, people they said were guilty, on May 31, 1996 without giving the FBI an opportunity to question those individuals. Now Director Freeh has been blunt about the lack of Saudi cooperation, and Attorney General Janet Reno said the same thing in public disclosures last week.

It is in the interest of the United States, Mr. President, for our relationship with Saudi Arabia to continue, and we want to have a good relationship with the Saudis. But we have some 5,000 U.S. military personnel there. We have thousands of other U.S. personnel there. I think it is important for the Saudis to understand that continued United States cooperation requires fair treatment for our investigative efforts.

Along a parallel line, it is important for the Saudis to understand that respect for United States personnel there, for their religious freedom, is of enormous importance. It was not too long ago, in the mid 1980's, when United States citizens were arrested in their households by the so-called "religious police" and held in detention.

But this effort to maintain our relationship with the Saudis, while of enormous importance, requires that we focus on a potential problem of what

we will do if the oil supplies from Saudi Arabia are in any way threatened.

Mr. President, while our interest in reducing dependence on foreign oil is a difficult task, we can achieve meaningful reductions in energy consumption through prompt reauthorization of the Federal mass transit and highway programs contained in the Intermodal Surface Transportation Efficiency Act of 1991, known as ISTEA, as well as enactment of an Amtrak reform bill and continued public policy initiatives to promote the use of clean burning alternative-fueled vehicles such as natural gas and electric cars.

ISTEA is commonly referred to as the highway bill, but it does much more than pave roads. That legislation expands the mass transit formula and discretionary grant programs, authorizing some \$31.5 billion over 6 years for public transportation. Other provisions established funding for bicycle paths and pedestrian walkways. That bill revolutionized Federal spending on transportation infrastructure improvements by establishing the National Highway System, funding the Congestion Mitigation and Air Quality Improvement Program, granting States and local governments more flexibility in determining transit and highway solutions, and promoting new technologies such as intelligent transportation systems and magnetic levitation systems, which are also important alternatives to help us reduce dependency on foreign oil.

The funding authority for ISTEA will expire on September 30 this year, therefore creating the necessity and an opportunity to focus national attention on the significant link between energy consumption and our transportation infrastructure. A Department of Transportation study of the 50 largest urban areas in the United States suggests that nearly 4 billion gallons of gasoline are wasted each year due to traffic congestion—approximately 94 million barrels of oil. There is much at stake, for the annual economic loss to business in the United States caused by traffic congestion is estimated in itself at \$40 billion by the Federal Transit Administration. We will be correcting many problems if we work on mass transit and road improvements to reduce traffic congestion and also our dependence on foreign oil.

Legislation to reauthorize Federal highway programs will provide an opportunity to improve existing roadways, construct more efficient bypasses and highway interchanges and generally reduce congestion in our cities and towns. Further, a key weapon in our effort to reduce our dependence on oil shipments from potentially unstable regions is public transportation and mass transit.

Mass transit has developed to include traditional bus and subway lines, commuter rail, cable cars, monorails, water taxis, and several other modes of shared transportation. Public transportation is a lifeline for millions of

Americans and deserves substantial funding for that reason alone. However, it deserves even greater funding when one considers that public transportation saves 1.5 billion gallons of fuel consumption annually in the United States and that each commuter who switches from driving alone to using public transportation saves 200 gallons of gasoline per year, according to government and private studies. Transit thus deserves a renewed and expanded Federal commitment as we begin consideration of the reauthorization of ISTEA.

The additional benefits of reducing fuel consumption and improving the environment, not to mention the millions of Americans who are involved in the transit industry, provide extra reason to stop and explore the case for mass transit. In our States, citizens and communities depend on good public transportation for mobility, access to jobs and health care providers, environmental control, and economic stability.

In the context of ISTEA reauthorization, I intend to work closely with my colleagues to ensure that sufficient funds are available for improving our transportation infrastructure, including both highways and transit. As a first step, I was pleased to join 56 of my colleagues in a recent bipartisan letter to Budget Committee Chairman PETE DOMENICI urging that the fiscal year 1998 budget resolution reflect the need for increased transportation funding. Further, I am currently working on legislation that reflects the energy and environmental benefits of public transportation by increasing funding for mass transit and preserving the elements of the transit program incorporated in the 1991 ISTEA law. The additional benefits of reducing fuel consumption and improving the environment will be present if we do have the highway-transit conservation ideas upmost in our minds. Mr. President, I have taken some time today since we are in morning business and since there is not business at hand to speak on the subject of the interrelationship between the way we handle mass transit and oil conservation in the context of what is going on in the Mideast and very serious potential problems which we face there.

Mr. President, I ask unanimous consent that an article in the New York Times from last Sunday be printed at the conclusion of my comments, entitled "Oil Imports Are Up. Fretting About It Is Down," which summarizes some of the statistical basis for legitimate concern if we do not do something about those oil imports and if we do not focus on them. As the headline notes, fretting about oil imports is down. It is *passe*. We do remember those long lines, many of us do, in 1973, and we do see the problems in the Mideast and the issue of stability of the Saudi Government.

This is the interrelation of problems which I think we have to address in a

number of ways. We can address these problems through our foreign policy with the Saudis, and by trying to reduce dependency on foreign oil in a variety of ways, such as first, stimulating our domestic oil production consistent with environmental concerns, and second, reauthorizing the ISTEA programs, which will give us an opportunity to achieve some meaningful economies through mass transit.

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

[From the New York Times, Jan. 26, 1997]

OIL IMPORTS ARE UP—FRETTING ABOUT IT IS DOWN

(By Matthew L. Wald)

WASHINGTON.—In his second inaugural address last week, Bill Clinton made promises on the usual problems, like race relations, education and health. But another hardy perennial, the nation's dependence on imported oil, went unmentioned. Not gone but forgotten, this problem is larger than ever.

Imports have risen to record levels—about 50 percent of consumption, according to the American Petroleum Institute. Needing cash last year, the Government sold off about 25 million barrels from its Strategic Petroleum Reserve, the equivalent of almost three weeks of imports from Saudi Arabia. That hoard might have been precious in a crisis.

But there will not be another crisis quite like the oil shortages of 1973 to 1974 and 1979 to 1980, experts say, and there are reasons that might justify America's profligate course. Last year, domestic production decreased, but the oil companies delivered 2.8 percent more fuel to their customers. As a result, imports, which are relatively cheap, increased 6 percent, the institute said.

The contrast between the bad old days and today is stunning. When imports were 40 percent of consumption, Jimmy Carter, donning a cardigan, said that America should cut imports by nearly a third by 1985 and declared "the moral equivalent of war." As President Carter's energy czar, James R. Schlesinger, but it last week, Americans now have evolved to "indifference without moralizing."

Efforts to find substitute fuels for vehicles continue, along with programs to pump more domestic oil and conserve use. But dependence on foreign sources will grow anyway, the General Accounting Office said last month, because rising demand will outstrip all these efforts as the economy grows. Even without a population increase or new factories to consume more energy, new Chevy Astros, Mercury Villagers and other vans are roaring out of showrooms as old fuel-efficient Chevy Chevettes and Honda Civics head for the scrap heap. That means more fuel per mile.

Combined with declining domestic production, imports could rise to 60 percent of consumption by 2015, the G.A.O. said.

Hazel R. O'Leary, whose job as Energy Secretary ended with Mr. Clinton's swearing-in, said in an interview just before her departure that the American people needed to get the message, but delivering it was beyond the ability of an Energy Secretary. She said it would take another oil shock.

And that appears about as certain as another hurricane in Florida or earthquake in California. The only question is when. Many of the elements are already in place; Larry Goldstein, the president of the Petroleum Industry Research Foundation, said that idle production capacity is only about three million barrels a day, all of it in the Persian Gulf. "If you were to have a disruption in

Kuwait or Saudi Arabia," he said, "the ability of the world to make it up is zero. And nobody would honestly say the Middle East is more secure today than it was a decade ago."

But Mr. Goldstein and other experts say oil is no longer at the top of America's problem list of a number of reasons.

For one, interruptions in supply from the Persian Gulf are possible, but there is no enemy superpower poised to march in. "When the Soviet Union was still around, it had six airborne divisions seemingly ready to fly into the gulf," said Mr. Schlesinger, who also did a turn as Secretary of Defense. OPEC has lost power too, he said.

In fact, the so-called North-South confrontation of the 1970's, with rich oil-consuming nations facing off against poor energy-producing ones, is mostly gone. Daniel Yergin, president of Cambridge Energy Research Associates, pointed out that in the 1970's and 1980's, oil-producing countries nationalized their industries, but now they are privatizing them and asking for Western investment. "It's back to a high degree of interdependence," he said. "Everybody wants to be on the same team now."

And America itself has changed. The amount of goods and services that 20 years ago required five barrels of oil to make now takes only three. Not only have utilities switched to coal and natural gas, but the output of the American economy has also shifted away from products using vast amounts of energy, like heavy manufactured goods, to those that use hardly any, like movies and computer software.

The price of oil is down, too. In 1980, oil sales were about 8.5 to 9 percent of gross domestic product. "Today, it's a little over 3 percent," Mr. Goldstein said.

Mr. Goldstein also distinguishes between dependency and vulnerability. If this country cut its dependency by several million barrels a day, it would still be just as vulnerable to price shock, he said, because in a free international market, "a disruption anywhere is a price shock everywhere." Making a similar point last month, the G.A.O. gave the example of Britain after the fall of the Shah of Iran and the subsequent price shock. That country was nearly self-sufficient in oil at the time, but when the price rose, the economic dislocation was severe. The G.A.O. report found that "vulnerability is linked to dependence on oil, not merely to dependence on imported oil."

Cheap oil is still a boon to the American economy. The G.A.O. put the benefits of cheap oil at hundreds of billions of dollars annually. Its analysis explicitly excluded the cost of human life in sending American soldiers back into Mideastern oil fields—or the limits that import dependency may impose on an American foreign policy. In the current political climate, though, those costs do not seem to be high on anybody's list.

Mr. SPECTER. Mr. President, I thank the Chair and note the absence of a quorum.

The PRESIDING OFFICER (Mr. STEVENS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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