

Moscow looks to them for badly needed foreign exchange through exports. We remain very concerned about the nonproliferation implications of such sales in several areas. Monitoring Russian proliferation behavior, therefore, will remain a very high priority.

Russian entities during the reporting period continued to supply a variety of ballistic missile-related goods and technical know-how to countries such as Iran, India, China, and Libya. Iran's earlier success in gaining technology and materials from Russian entities accelerated Iranian development of the Shahab-3 MRBM, which was first flight-tested in July 1998. Russian entities during the first six months of 2000 have provided substantial missile-related technology, training, and expertise to Iran that almost certainly will continue to accelerate Iranian efforts to develop new ballistic missile systems.

Russia also remained a key supplier for civilian nuclear programs in Iran, primarily focused on the Bushehr Nuclear Power Plant project. With respect to Iran's nuclear infrastructure, Russian assistance enhances Iran's ability to support a nuclear weapons development effort. By its very nature, even the transfer of civilian technology may be of use in Iran's nuclear weapons program. We remain concerned that Tehran is seeking more than a buildup of its civilian infrastructure, and the Intelligence Community will be closely monitoring the relationship with Moscow for any direct assistance in support of a military program.

In January, Russia's cabinet approved a draft cooperative program with Syria that included civil use of nuclear power. Broader access to Russian scientists could provide opportunities to solicit fissile material production expertise if Syria decided to pursue a nuclear weapons option. In addition, Russia supplied India with material for its civilian nuclear program during this reporting period. President Putin in May amended the presidential decree on nuclear exports to allow the export in exceptional cases of nuclear materials, technology, and equipment to countries that do not have full-scope IAEA safeguards, according to press reports. The move could clear the way for expanding nuclear exports to certain countries that do not have full-scope safeguards, such as India.

During the first half of 2000, Russian entities remained a significant source of dual-use biotechnology, chemicals, production technology, and equipment for Iran. Russia's biological and chemical expertise make it an attractive target for Iranians seeking technical information and training on BW- and CW-agent production processes.

Russia continues to be a major supplier of conventional arms. It is the primary source of ACW for China and India, it continues to supply ACW to Iran and Syria, and it has negotiated new contracts with Libya and North Korea, according to press reports.

The Russian Government's commitment, willingness, and ability to curb proliferation-related transfers remain uncertain. The export control bureaucracy was reorganized again as part of President Putin's broader government reorganization in May. The Federal Service for Currency and Export Controls (VEK) was abolished and its functions assumed by a new department in the Ministry of Economic Development and Trade. VEK had been tasked with drafting the implementing decrees for Russia's July 1999 export control law; the status of these decrees is not known. Export enforcement continues to need improvement. In February 2000, Sergey Ivanov, Secretary of Russia's Security Council, said that during 1998-99 the government had obtained convictions for unauthorized technology transfers in only three cases. The Russian press has reported

on cases where advanced equipment is simply described as something else in the export documentation and is exported. Enterprises sometimes falsely declare goods just to avoid government taxes.

North Korea

Throughout the first half of 2000, North Korea continued to export significant ballistic missile-related equipment and missile components, materials, and technical expertise to countries in the Middle East, South Asia, and North Africa. P'yongyang attaches a high priority to the development and sale of ballistic missiles, equipment, and related technology. Exports of ballistic missiles and related technology are one of the North's major sources of hard currency, which fuel continued missile development and production.

China

During this reporting period, the Chinese have continued to take a very narrow interpretation of their bilateral nonproliferation commitments with the United States. In the case of missile-related transfers, Beijing has repeatedly pledged not to sell Missile Technology Control Regime (MTCR) Category I systems but has not recognized the regime's key technology annex. China is not a member of the MTCR.

Chinese missile-related technical assistance to Pakistan continued to be substantial during this reporting period. With Chinese assistance, Pakistan is rapidly moving toward serial production of solid-propellant SRBMs. Pakistan's development of the two-stage Shaheen-II MRBM also requires continued Chinese assistance. In addition, firms in China provided missile-related items, raw materials, and/or assistance to several other countries of proliferation concern—such as Iran, North Korea, and Libya.

Chinese entities have provided extensive support in the past to Pakistan's safeguarded and unsafeguarded nuclear programs. In May 1996, Beijing pledged that it would not provide assistance to unsafeguarded nuclear facilities. We cannot rule out some continued contacts between Chinese entities and entities associated with Pakistan's nuclear weapons program. China's involvement with Pakistan will continue to be monitored closely.

With regard to Iran, China confirmed that work associated with two remaining nuclear projects—a small research reactor and a zirconium production facility—would continue until the projects were completed. The intelligence Community will continue to monitor carefully Chinese nuclear cooperation with Iran.

Prior to the reporting period, Chinese firms had supplied CW-related production equipment and technology to Iran. The US sanctions imposed in May 1997 on seven Chinese entities for knowingly and materially contributing to Iran's CW program remain in effect. Evidence during the current reporting period shows Iran continues to seek such assistance from Chinese entities, but it is unclear to what extent these efforts have succeeded. In June 1998, China announced that it had expanded its CWC-based chemical export controls to include 10 of the 20 Australia Group chemicals not listed on the CWC schedules.

Western Countries

As was the case in 1998 and 1999, entities in Western countries in 2000 were not as important as sources for WMD-related goods and materials as in past years. However, Iran and Libya continue to recruit entities in Western Europe to provide needed acquisitions for their WMD programs. Increasingly rigorous and effective export controls and cooperation among supplier countries have led the

other foreign WMD programs to look elsewhere for many controlled dual-use goods. Machine tools, spare parts for dual-use equipment, and widely available materials, scientific equipment, and specialty metals were the most common items sought. In addition, several Western countries announced their willingness to negotiate ACW sales to Libya.

TRENDS

As in previous reports, countries determined to maintain WMD and missile programs over the long term have been placing significant emphasis on insulating their programs against interdiction and disruption, as well as trying to reduce their dependence on imports by developing indigenous production capabilities. Although these capabilities may not always be a good substitute for foreign imports—particularly for more advanced technologies—in many cases they may prove to be adequate. In addition, as their domestic capabilities grow, traditional recipients of WMD and missile technology could emerge as new suppliers of technology and expertise. Many of these countries—such as India, Iran and Pakistan—do not adhere to the export restraints embodied in such supplier groups as the Nuclear Suppliers Group and the Missile Technology Control Regime.

Some countries of proliferation concern are continuing efforts to develop indigenous designs for advanced conventional weapons and expand production capabilities, although most of these programs usually rely heavily on foreign technical assistance. Many of these countries—unable to obtain newer or more advanced arms—are pursuing upgrade programs for existing inventories.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will now be in a period for morning business.

The Senator from Tennessee.

NATIONAL SECURITY

Mr. THOMPSON. Mr. President, before my colleague from Texas leaves the Chamber, I want to congratulate him on what I consider to be another major achievement of his career. He can add this legislation to the long list of legislation he has either been primarily responsible for or substantially responsible for. While we have disagreements on the legislation, this is something I have seen him work tirelessly on for at least a couple of years now, and certainly Senator ENZI carried a large share of the work, as Senator GRAMM said.

This is another one of those instances where Senator GRAMM took an issue like a dog taking to a bone and did not turn it loose until he got it done. I must say it is another impressive performance, and I want to congratulate my good friend for adding another important legislative victory to his long legacy.

I want to discuss the legislation for a minute in response to my good friend.

We talked of two goals. This bill has been put to bed now, as it were. We are going to be voting on it shortly. We have made some modest improvement to it. The Senators opposite are correct in saying we have been talking about this a long time.

I do not know whether we can take credit for 59 changes or not. They say 59 changes have been made, but I guess we can take credit for some changes that have been made along the way to improve the bill.

We still have problems with the basic concept, and right before we go off into this good night, we need to lodge at least one summary statement with regard to the nature of our concern and where we hopefully will go from here.

The nature of our concern simply is this: It is a more dangerous world out there than ever before, and we have to be more careful than ever we do not export dangerous items to dangerous people that will turn around and hurt this country. The risk of that is greater than ever before.

We do not have two equal goals of trade and commerce on the one hand and national security on the other. The interest of national security dwarfs the interest of trade and commerce, although they are discussed in this Chamber somehow in equipoise. That is not the case. It should not be the case. It is not even set out that way in the bill if one looks to the purposes of the bill. The purposes of the bill are to protect this country. That is why we have an export law, not to facilitate business.

A great majority of the time I am with my business friends, but when it comes to national security I must depart with those who would weigh too heavily the interests of trade. I suggest those who are interested in trade get about giving the President fast track, giving the President trade promotion authority. That will do more for trade and industry and to help the economy of this Nation than exporting dual-use high tech items to China and Russia that may find their way to Iran and Iraq. So that is what we ought to be doing if we are concerned about trade in this country. So those two goals are not equal.

We need to understand what we are doing once again on these issues. Call it a balance, if you will. No matter how you weigh the factors involved, we are giving the Secretary of Commerce and those within the department responsibility for national security. The Secretary, who I have the greatest confidence in—and I think he is a great man doing a great job—should not have the responsibility for national security. That is not supposed to be his job.

We are once again giving the Commerce Department, which we greatly criticized during the Clinton administration for some of their laxness, the life or death decisionmaking power in terms of these regulations or policies, in many important instances—not all instances, not always unilaterally, but

many of them in some very important areas. We are deregulating entire categories of exports.

Foreign availability has always been something we considered in terms of whether or not we would export something or grant a license for something, and I think properly so. We do not want to foolishly try to control things not controllable. So foreign availability ought to be a consideration. We are moving light-years away from that, letting someone over at the Department of Commerce categorize entire areas of foreign availability that takes it totally out of the licensing process, so you do not have a license, and our Government cannot keep up with what is being exported to China or Russia. That is a major move. It is not a good move.

With regard to the enhanced penalties, what sanction is there to be imposed upon an exporter when he is not even required to have a license? It is saying: We will raise the penalty for your conduct, but we will make your conduct legal. That is not very effective in terms of export control, to say the least.

Finally, when I hear the proponents of this legislation say 99.6 percent of these exports are approved anyway, they are arguing against themselves. They use it to make the point this is kind of a foolish process anyway. So if the great majority of them are going to be approved, why even have the process? I assume that is the logical conclusion of their position.

My question is: What about the .4 percent that don't make it? Do we not have to look at the body of exports taking place in order to determine what that .4 is? Or if we didn't have a process, would that .4 be more like 3.4 if people knew there wasn't such a process? The .4 is the important thing to look at. Besides, if all the exports are being approved anyway, why is it so onerous to go through a process that will take a few days and get a clean bill of health so there is no question?

Therein lies the basis of our concern. It is a fundamental disagreement as to how far we should be going in this dangerous time. As the world is becoming more dangerous, as technology proliferates, as we see those we are sending technology to using that technology for their military purposes, then passing it on to rogue nations, and we see our agencies and our committees—like the Cox committee—saying our lax export laws are causing some of this, and we are in the process of loosening export laws, I think that is unwise. I hope I am wrong.

As I said yesterday, I can afford to be wrong. If I am wrong, a few companies have been held up a few days. If the proponents of this legislation are wrong, it could cause problems for the country. I hope I am proven to be wrong and that I am strong enough to be able to stand up and say it when and if that time comes. I hope it does come to that. But we will not know for a while.

In the meantime, hopefully, through changes as we go along, through continuing to work with the administration in heightening their awareness of some of the problems and details we have seen in our committee work over the years, if we see we are going down the wrong track, we will be able to respond and adjust in midstream. I know my colleagues on the other side will join in that hope and desire, and I am sure we will be able to work together toward that end.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

U.N. WORLD CONFERENCE AGAINST RACISM

Mr. TORRICELLI. Mr. President, the U.N. World Conference Against Racism recently proceeding in Durban, South Africa, had the enormous potential to make a contribution in the historic fight against race and intolerance. Indeed, holding the conference itself in South Africa was a tribute to the people of that country and their long struggle against racism and apartheid. It could have been a seminal moment in the evolution, in our long fight for individual liberty.

While much progress has been made, we can all attest that racism and discrimination continue to affect hundreds of millions of people around the globe.

This conference had such potential. It could have addressed issues such as the rising intolerance toward refugees, intolerance towards asylum seekers, the unjustified denial of citizenship because of race, religion, or origin. The conference had the potential for the United States to demonstrate the great progress we have made in this country on issues of tolerance, of the fight against racism. In showcasing the American experience, nothing could have more vividly demonstrated the changes in the United States than the presence of Colin Powell, an American Secretary of State, not only of African ancestry but of ancestry beyond our own shores.

Instead of realizing this potential, the conference has collapsed in a storm of recrimination and venomous rhetoric. The United States and Israel have walked out of the conference. It appears that others will soon follow.

The conference, which was intended to be forward looking and to come up with a plan of action for fighting racism around the globe has instead destroyed itself because of old hatreds and the resurrection of discredited agendas. The insistence of Israel's enemies on using this conference to launch vile attacks on Israel, to attempt to equate Zionism with racism, has fully and completely justified the Bush administration's decision to withdraw from the conference.

I take the floor today because on a bipartisan basis I believe it should be clear this Senate supports the Bush administration's decision to leave the