

renminbi at this rate. This low rate represents a significant reason why China has contributed the most to our trade deficit in manufactured goods. The United States trade deficit with China increased from \$57,000,000,000 in 1998 to \$103,000,000,000 in 2002, while China accumulated dollar reserves totaling over \$345,000,000,000 as of June 2003, keeping the value of the renminbi essentially flat since 1994.

(11) Economists estimate that as a result of this manipulation of the Chinese currency, the renminbi is undervalued by between 15 and 40 percent, effectively creating a 15- to 40-percent subsidy for Chinese exports and giving Chinese manufacturers a significant price advantage over United States and other competitors.

(12) Japan held foreign currency reserves worth \$526,600,000,000 as of June 2003, and for the previous 6 months increased its reserves by an average of \$12,500,000,000 per month. Experts estimate that the yen is undervalued by approximately 20 percent or more, giving Japanese manufacturers a significant price advantage over United States competitors.

(13) In addition to being placed at a competitive disadvantage by foreign competitors' exports that are unfairly subsidized by strategically undervalued currencies, United States manufacturers also may face significant nontariff barriers to their own exports to these same countries. For example, in China a complex system involving that nation's value added tax and special tax rebates ensures that semiconductor devices imported into China are taxed at 17 percent while domestic devices are effectively taxed at 6 percent.

(14) The United States has the right and power to redress unfair competitive practices in international trade involving currency manipulation.

(15) Under section 3004 of the Omnibus Trade and Competitiveness Act of 1988, the Secretary of the Treasury is required to determine whether any country is manipulating the rate of exchange between its currency and the dollar for the purpose of preventing effective balance of payments adjustments or gaining unfair advantage in international trade. If such violations are found, the Secretary of the Treasury is required to undertake negotiations with any country that has a significant trade surplus.

(16) Article IV of the Articles of Agreement of the International Monetary Fund prohibits currency manipulation by a member for the purposes of gaining an unfair competitive advantage over other members, and the related surveillance provision defines "manipulation" to include "protracted large-scale intervention in one direction in the exchange market".

(17) Under Article XV of the Exchange Agreements of the General Agreement on Tariffs and Trade, all contracting parties "shall not, by exchange action, frustrate the intent of the provisions of this Agreement, nor by trade action, the intent of the Articles of Agreement of the International Monetary Fund". Such actions are actionable violations. The intent of the General Agreement on Tariffs and Trade Exchange Agreement, as stated in the preamble of that Agreement, includes the objective of "entering into reciprocal and mutually advantageous arrangements directed to substantial reduction of tariffs and other barriers to trade," and currency manipulation may constitute a trade barrier disruptive to reciprocal and mutually advantageous trade arrangements.

(18) Deliberate currency manipulation by nations to significantly undervalue their currencies also may be interpreted as a violation of the Agreement on Subsidies and Countervailing Measures of the World Trade Organization (as described in section 101(d)(12) of the Uruguay Round Agreements Act, which could lead to action and remedy under the World Trade Organization dispute settlement procedures.

(19) Deliberate, large-scale intervention by governments in currency markets to significantly undervalue their currencies may be a nullification and impairment of trade benefits precluded under Article XXIII of the

General Agreement on Tariffs and Trade, and subject to remedy.

(20) The United States Trade Representative also has authority to pursue remedial actions under section 301 of the Trade Act of 1974.

(21) The United States has special rights to take action to redress market disruption under section 406 of the Trade Act of 1974 adopted pursuant to the provisions of the United States-China Bilateral Agreement on World Trade Organization Accession.

(22) While large-scale manipulation of currencies by certain major trading partners to achieve an unfair competitive advantage is one of the most pervasive barriers faces by the manufacturing sector in the United States, other factors are contributing to the decline of manufacturing and small and mid-sized manufacturing firms in the United States, including but not limited to non-tariff trade barriers, lax enforcement of existing trade agreements, and weak or under utilized government support for trade promotion.

SEC. 3. NEGOTIATION PERIOD REGARDING CURRENCY NEGOTIATIONS.

Beginning on the date of enactment of this Act, the President shall begin bilateral and multilateral negotiations for a 90-day period with those governments of nations determined to be engaged most egregiously in currency manipulation, as defined in section 7, to seek a prompt and orderly end to such currency manipulation and to ensure that the currencies of these countries are freely traded on international currency markets, or are established at a level that reflects a more appropriate and accurate market value. The President shall seek support in this process from international agencies and other nations and regions adversely affected by these currency practices.

SEC. 4. FINDINGS OF FACT AND REPORT REGARDING CURRENCY MANIPULATION.

(a) IN GENERAL.—During the 90-day negotiation period described in section 3, the International Trade Commission shall—

(1) ascertain and develop the full facts and details concerning how countries have acted to manipulate their currencies to increase their exports to the United States and limit their imports of United States products;

(2) quantify the extent of this currency manipulation;

(3) examine in detail how these currency practices have affected and will continue to affect United States manufacturers and United States trade levels, both for imports and exports;

(4) review whether and to what extent reduction of currency manipulation and the accumulation of dollar-denominated currency reserves and public debt instruments might adversely affect United States interest rates and public debt financing;

(5) make a determination of any and all available mechanisms for redress under applicable international trade treaties and agreements, including the Articles of Agreement of the International Monetary Fund, the General Agreement on Tariffs and Trade, the World Trade Organization Agreements, and United States trade laws; and

(6) undertake other appropriate evaluations of the issues described in paragraphs (1) through (5).

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the International Trade Commission shall provide a detailed report to the President, the United States Trade Representative, the Secretary of the Treasury, and the appropriate congressional committees on the findings made as a result of the reviews undertaken under paragraphs (1) through (6) of subsection (a).

SEC. 5. INSTITUTE PROCEEDINGS REGARDING CURRENCY MANIPULATION.

At the end of the 90-day negotiation period provided for in section 3, if agreements are not reached by the President to promptly end currency manipulation, the President shall institute proceedings under the relevant provisions of international law and United States trade laws including sections 301 and 406 of the Trade Act of 1974 with respect to those countries that, based on the findings of the International Trade Commis-

sion under section 4, continue to engage in the most egregious currency manipulation. In addition to seeking a prompt end to currency manipulation, the President shall seek appropriate damages and remedies for the Nation's manufacturers and other affected parties. If the President does not institute action, the President shall, not later than 120 days after the date of enactment of this Act, provide to the appropriate congressional committees a detailed explanation and accounting of precisely why the President has determined not to institute action.

SEC. 6. ADDITIONAL REPORTS AND RECOMMENDATIONS.

(a) NATIONAL SECURITY.—Within 90 days of the date of enactment of this Act, the Secretary of Defense shall provide a detailed report to the appropriate congressional committees evaluating the effects on our national security of countries engaging in significant currency manipulations, and the effect of such manipulation on critical manufacturing sectors such as semiconductors.

(b) OTHER UNFAIR TRADE PRACTICES.—Within 90 days of the date of enactment of this Act, the United States Trade Representative and the International Trade Commission shall evaluate and report in detail to the appropriate congressional committees on other trade practices and trade barriers by major East Asian trading nations potentially in violation of international trade agreements, including the practice of maintaining a value-added or other tax regime that effectively discriminates against imports by underpricing domestically produced goods.

(c) TRADE ENFORCEMENT.—Within 90 days of the date of enactment of this Act, the United States Trade Representative and the International Trade Commission shall report in detail to the appropriate congressional committees on steps that could be taken to significantly improve trade enforcement efforts against unfair trade practices by competitor trading nations, including making recommendations for additional support for trade enforcement efforts.

(d) TRADE PROMOTION.—Within 90 days of the date of enactment of this Act, the Secretaries of State and Commerce, and the United States Trade Representative, shall prepare a detailed report with recommendations on steps that could be undertaken to significantly improve trade promotion for United States goods and services, including recommendations on additional support to improve trade promotion.

SEC. 7. CURRENCY MANIPULATION DEFINED.

In this Act, the term "currency manipulation" means—

(1) large-scale manipulation of exchange rates by a nation in order to gain an unfair competitive advantage as stated in Article IV of the Articles of Agreement of the International Monetary Fund and related surveillance provisions;

(2) sustained, large-scale currency intervention in one direction, through mandatory foreign exchange sales at a nation's central bank at a fixed exchange rate; or

(3) other mechanisms, used to maintain a currency at a fixed exchange rate relative to another currency.

AMENDMENTS SUBMITTED & PROPOSED

SA 1589. Mr. STEVENS (for Mrs. FEINSTEIN) proposed an amendment to the resolution S. Res. 212, welcoming His Holiness the Fourteenth Dalai Lama and recognizing his commitment to non-violence, human rights, freedom, and democracy.

TEXT OF AMENDMENTS

SA 1589. Mr. STEVENS (for Mrs. FEINSTEIN) proposed an amendment to the resolution S. Res. 212, welcoming His Holiness the Fourteenth Dalai Lama and recognizing his commitment to non-violence, human rights, freedom, and democracy, as follows:

On page 1:

In the preamble, strike:

Whereas the Dalai Lama has been a strong voice for the basic human rights of all peoples, particularly freedom of religion; and insert:

Whereas the Dalai Lama has been a strong voice for the basic human rights of all peoples, particularly freedom of religion;

WELCOMING THE FOURTEENTH DALAI LAMA

Mr. STEVENS. Mr. President, on behalf of the leader, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of S. Res. 212 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 212) welcoming His Holiness the Fourteenth Dalai Lama and recognizing his commitment to non-violence, human rights, freedom and democracy.

There being no objection, the Senate proceeded to consider the resolution.

Mr. STEVENS. Mr. President, I ask further unanimous consent that the resolution be agreed to, the amendment to the preamble be agreed to, that the preamble, as amended, be agreed to, that the motion to reconsider be laid upon the table with no intervening action or debate, and that any statements relating to this measure be printed in the RECORD.

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

The amendment (No. 1589) was agreed to as follows:

(Purpose: To make a technical correction)

On page 1:

In the preamble, strike:

Whereas the Dalai Lama has been a strong voice for the basic human rights of all peoples, particularly freedom of religion; and insert:

Whereas the Dalai Lama has been a strong voice for the basic human rights of all peoples, particularly freedom of religion;

The resolution (S. Res. 212) was agreed to.

The preamble, as amended, was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 212

Welcoming His Holiness the Fourteenth Dalai Lama and recognizing his commitment to non-violence, human rights, freedom, and democracy.

Whereas for over 40 years in exile, His Holiness the Fourteenth Dalai Lama has used his position and leadership to promote compassion and non-violence as a solution to not only the present crisis in Tibet, but to other long-running conflicts around the world;

Whereas the Dalai Lama was awarded the Nobel Peace Prize in 1989 in recognition of his efforts to seek a peaceful resolution to the situation in Tibet, and to promote non-violent methods for resolving conflict;

Whereas the Dalai Lama has been a strong voice for the basic human rights of all peoples, particularly freedom of religion;

Whereas the Dalai Lama has personally promoted democratic self-government for Tibetans in exile as a model for securing freedom for all Tibet, including relinquishing his political positions and turning these authorities over to elected Tibetan representatives;

Whereas the Dalai Lama seeks a solution for Tibet that provides genuine autonomy for the Tibetan people and does not call for independence and separation from the People's Republic of China;

Whereas the envoys of the Dalai Lama have traveled to China and Tibet twice in the past year to begin discussions with Chinese authorities on a permanent negotiated settlement of the Tibet issue;

Whereas the successful advancement of these discussions is in the strong interest of both the Chinese and Tibetan people; and

Whereas it is the policy of the United States to support substantive dialogue between the Government of the People's Republic of China and the Dalai Lama or his representatives: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the visit of the Dalai Lama to the United States in September 2003 is warmly welcomed;

(2) the Dalai Lama should be recognized and congratulated for his consistent efforts to promote dialogue to peacefully resolve the Tibet issue and to increase the religious and cultural autonomy of the Tibetan people; and

(3) all parties to the current discussions should be encouraged by the Government of the United States to deepen these contacts in order to achieve the aspirations of the people of Tibet for genuine autonomy and basic human rights.

ORDERS FOR TUESDAY, SEPTEMBER 9, 2003

Mr. STEVENS. Mr. President, on behalf of the leader, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m., Tuesday, September 9. I further ask that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of H.R. 2660, the Labor, Health and Human Services and Education appropriations bill. I further ask consent that the Senate recess from 12:30 p.m. to 2:15 p.m. for the weekly party luncheons.

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

PROGRAM

Mr. STEVENS. For the information of all Senators, tomorrow the Senate will resume consideration of H.R. 2660, the Labor, Health and Human Services, and Education appropriations bill. The hope of the majority leader is that we can work out an agreement which will allow us to proceed with the amendment process. The bill managers will be here throughout the day tomorrow and Senators who wish to offer an amendment are encouraged to contact the bill managers so they can schedule an orderly process for the consideration of amendments.

Members should expect rollcall votes throughout the day tomorrow. Members will be notified when the first vote is to be scheduled.

ORDER FOR ADJOURNMENT

Mr. STEVENS. I ask unanimous consent that the Senate adjourn following the remarks of Senator REID.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Nevada.

Mr. REID. I have nothing to say, Mr. President.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until Tuesday, September 9, at 9:30 a.m.

Thereupon, the Senate at 4:24 p.m., adjourned until Tuesday, September 9, 2003, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 8, 2003:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

MICHAEL O'GRADY, OF MARYLAND, TO BE ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE PIYUSH JINDAL, RESIGNED.

DEPARTMENT OF JUSTICE

DOMINGO S. HERRAIZ, OF OHIO, TO BE DIRECTOR OF THE BUREAU OF JUSTICE ASSISTANCE, VICE RICHARD R. NEDELKOFF, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. RICHARD V. REYNOLDS, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. CHARLES L. JOHNSON II, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. LANCE L. SMITH, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. WILLIAM R. LOONEY III, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral

REAR ADM. (LH) JOHN M. MATECZUN, 0000
REAR ADM. (LH) DENNIS D. WOOTER, 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN THE JUDGE ADVOCATE GENERAL CORPS AND FOR REGULAR APPOINTMENT UNDER TITLE 10, U.S.C., SECTIONS 624, 531, AND 3064:

To be colonel

ANDREW D. STEWART, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

PAUL C. BOWN, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

PAUL H. EVERS, 0000