

I be recognized to speak for up to 30 minutes at the conclusion of their remarks.

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

The Senator from Washington.

AIRBUS

Ms. CANTWELL. Mr. President, I thank the Senator from Oklahoma for yielding to my colleague, Senator MURRAY, and me. We are going to speak about the resolution that the Senate passed, and passed with large support from my colleagues on both sides of the aisle, which we are very happy to see. The issue of a level playing field for a competitive aerospace market is something that is critically important to the American people and to the workforce of America. I thank our leaders, Senators FRIST and REID, and Senator BAUCUS for bringing this resolution to the Senate floor today and for moving this through the process so that we can send a message from the Senate about how important we think it is to have a competitive aerospace market.

My colleague has been following this issue for years and is going to lay out some of the issues that we in the United States have been trying to elevate to the point of awareness so we can establish a competitive marketplace. The bottom line is, negotiations that were begun in January of this year between the United States and the European Union to discuss how to battle the competitive aerospace market today that doesn't unfairly have government backing and subsidization of major aerospace manufacturers, those negotiations have broken down. Now we are at a point where the issues to be resolved, specifically launch aid and the financing of the production of a new A350 plane by the European Union, are something it is important to address quickly.

The reason I say that is because we know when you have the financial backing of a government juxtaposed to the financial backing of the private sector, in the United States, when Boeing builds a plane, it goes out and finances that with the backing of the capital markets, of Wall Street, of the private banking institutions, and they have to prove that plane is a success. They don't get any forgiveness on the loan. They don't get any special rate. They don't get any discounts if the plane is not a success. When they go to the capital markets, they have to prove the success of the marketplace.

I can tell you now that success is happening with the 787 plane, the newest product that Boeing launched a year ago and is out there in the marketplace selling today. But they are competing against a plane that is being or has the potential to be financed by the European Union. So if you think about the A350 getting launch aid, or potentially getting launch aid from the European Union, it doesn't matter

whether the plane is a success. It doesn't matter how many planes are sold. They have a special arrangement so that in the backing of the financing of that plane, the European Union becomes the deep pocket.

What does that mean to consumers who are buying these planes and what does it mean to the workforce? It means simply this: The Americans have a disadvantage when selling Boeing planes around the globe because they have to meet the competitive markets of private financing while the Europeans—it doesn't matter whether their plane is a success—get the backing of the European Union. The whole global economy is based on a fair and competitive marketplace in which we are going to drive down costs to consumers—the airlines, in this particular case—and we are going to let the best airplane win in the marketplace because they have designed a product that the workforce, the consumers, the aviation industry wants to see.

We don't want government making those decisions. We want the private sector making the decisions. That is why I am so glad the administration has taken an aggressive approach on this issue and has pushed for the discussions that are now ending. The administration, through the USTR office in the White House, has said if the European Union continues to use new launch aid subsidies for the A350 plane, then, yes, we are going to go to the World Trade Organization and file a complaint. That is an appropriate action by this administration.

What would be better is if the Europeans would sit down at the table and come back to this discussion that should have been part of the 1992 discussion on how to have a competitive aerospace industry. But that didn't happen. So now in January of this year, the two sides, the European Union and the United States, sat down at a table and said they were going to negotiate in good faith. Part of that negotiation was to have the parties at the table make no new government support agreements during the time of the negotiations. Yet that is exactly what Airbus is now coming in to talk about—subsidies and launch aid for the A350.

It is important that this body send the message it sent today, that we are going to be behind the administration, behind USTR, behind the White House in making sure a fair and competitive aerospace market takes place, that we are not going to sit by and see one manufacturer make a great product that has basically taken off in the marketplace, getting sales, getting people to buy the plane because they built it the old-fashioned way. They had an idea. They had the right feature set. They had the right product. They had the right design and customers are buying that. Yet they may have to compete against somebody who has the deep financial backing of a government that doesn't care whether it is the right feature set or the right product.

So we in the United States care greatly about the competitiveness of this marketplace. We have lots of jobs in aerospace, and we certainly, in Washington State, have benefited from that and so have many of my other colleagues in the Senate because there are probably aerospace manufacturing jobs all over the country.

But the point is that we have to have a competitive marketplace, not just in aerospace but in other areas. The sooner we get back to the table and address the issue of how unfair launch aid is as a concept, the sooner we can get to a competitive marketplace. And the sooner we can get a fair and competitive marketplace, the sooner the consumers will win and the United States will continue to have a level playing field in which our workforce, which is producing a great product that is winning in the marketplace, will continue to win based on the success of their results and not be basically disadvantaged because of an unlevel playing field.

So I am glad to be here with my colleagues on both sides of the aisle to speak enthusiastically about the resolution we just passed. I hope it will be noticed by the European Union that we are united—Democrats and Republicans—in getting this issue addressed and that a competitive aerospace market that is driven by private investment backing is the best way to go for us, not just as a nation but for true global competition.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington, Mrs. MURRAY, is recognized.

Mrs. MURRAY. Mr. President, I rise this evening, as well, to join my colleague in support of the fair aerospace competition resolution that passed this body 96 to 0.

Thousands of American aerospace workers have lost their jobs in the past decade. That trend is going to continue unless we take action.

This evening I especially thank leaders on both sides of the aisle—Senator FRIST and Senator REID—for their help and support of this measure. Senators GRASSLEY and BAUCUS of the Finance Committee have been of great help. And, as always, I am proud to serve with Senator MARIA CANTWELL, my colleague from Washington State and another strong advocate for America's aerospace workers.

Our country invented the aerospace industry 100 years ago. Through it, American workers have done more than feed their families and pay for mortgages; they have made air travel safer and brought economic growth and innovation to every corner of our economy.

Many in this body have heard me talk for years about Europe's efforts to distort the commercial aerospace industry. In short, Airbus has done everything it can to kill our aerospace industry. Airbus has received billions in illegal launch aid. Airbus has tried

to play tricks on this side of the ocean with their slick PR campaign. And Airbus will continue the unfair tactics until they completely dominate the global aerospace market.

While Airbus is doing all of these things to hurt American workers, it is actually trying to get us to think they are a friend to the very men and women they are putting out of work.

Unfortunately, EADS, Airbus, and European governments will do and say anything to dominate the global aerospace market. I am here today to call their bluff and show this body, once again, that Airbus is no friend of the United States or our workers and to ensure that their doubletalk is exposed for all to see.

I have worked closely with several U.S. Trade Representatives on this issue over the years. For the past several months, the United States has tried to negotiate with the Europeans, but it is very clear that the Europeans do not take our concerns seriously. Those discussions appear to have broken down, and the Europeans are threatening a radical escalation if we pursue our right to file a WTO case.

You would think after all Airbus has done to kill American jobs, they would at least make a good-faith effort now that we are finally calling them to account for their behavior. But the Airbus and European leaders have done just the opposite. They have pounded their chest about how their latest subsidized plane will dominate the industry.

Instead of coming clean—or at least stopping their trade-distorting behavior—Airbus has sought to influence public opinion. They have pursued a deceptive public relations campaign. They have taken out ads in the Capitol Hill publications and major newspapers around the country, just like the one behind me.

Airbus claims to be a good friend of American workers, but it is selling to America's sworn enemies. Airbus claims to support hundreds of thousands of American jobs, but they cannot document them. Airbus claims it wants to be a more American company, but then it turns and preaches European domination when they think we are not looking.

We need to stand up for this unfair competition and send a strong signal to the Europeans that this Congress and this country will not allow a European-subsidized company to destroy America's aerospace industry.

They can talk out of both sides of their mouth all they want, but I am here to lay the facts on the table and to stand up for our workers.

Mr. President, I applaud the Bush administration, and specifically Ambassador Robert Zoellick, for the work they are doing to end unfair trade practices in the aerospace industry. This administration entered into negotiations in good faith. They wanted to restore balance and fairness to the commercial aircraft trade.

Unfortunately, Europe has never taken these talks or this issue seriously. Our willingness to seek a negotiated settlement has been greeted by more arrogant entitlement from Airbus and its European backers. While publicly committing to negotiations, Airbus and European leaders have been working behind the scenes to continue subsidies to Airbus in spite of U.S. threats to file a WTO case.

Now European Commission Ambassador John Bruton is saying, "... one result of a case would be that maximum aid would be given" for Airbus's new A350.

Today, this campaign is more directly than ever in Congress's line of sight. I hope to clearly show Airbus is not an American company and Airbus is simply continuing its policy of saying and doing anything to get what it wants.

A week ago last Friday, European Union Trade Commissioner Peter Mandelson wrote an eye-popping piece in the Washington Post. He, once again, restated baseless accusations against Boeing in an effort to justify billions of dollars in illegal Airbus launch aid.

The issue Mandelson correctly identifies as central to American concerns is the massive subsidies in the form of launch aid, landing rights, and other giveaways that European governments give to Airbus. Now the Europeans would like you to think that we offer similar subsidies to Boeing, but the facts simply don't line up. I don't need to talk at great length about the subsidies tonight, but I think it is worthwhile to make you all understand what those subsidies actually do.

European governments give Airbus huge direct subsidies to build new airplanes. These subsidies take the form of launch aid, supplier subsidies, R&D subsidies, and facilities subsidies. These subsidies create an uneven playing field and allow Airbus to do what normal, private companies cannot afford to do. They develop new products without any risk.

One American company is playing by traditional business norms—borrowing money at commercial rates, being responsible to shareholders, and knowing if they don't make a profit, they are in trouble. That is why Boeing "bets the company" when they develop a new plane. Airbus enjoys virtually a risk-free product development, and it operates far outside of the bounds of fair competition. All of this comes at the expense of U.S. companies and American workers.

What does that mean in real terms? Let's take the new superjumbo Airbus A380 as an example. According to a January 20 article in the Financial Post, titled "The Airbus 380," A380 subsidies are officially at \$4.3 billion. Other estimates put it at over \$6 billion.

The same day, the independent newspaper said:

To break even on its own investment, Airbus needs to sell 250 of the A380. To repay the

four governments it needs to shift to 700. To count as a real commercial success, Airbus needs to sell twice that number. So far, it has firm orders for 149.

It is no wonder that last summer respected industrial analyst Richard Aboulafia of the Teal Group called the plane a "bloated airborne welfare queen."

No other company in the world would be able to handle such huge cost overruns. But Airbus can because if the plane fails, they will simply write off the costs and move on to the next one.

To make matters worse, they have been making outlandish claims in this country for years. First, they claim Airbus has created and supports 120,000 jobs in this country. The Commerce Department can only document 500. Airbus says it subcontracts with as many as 800 firms in the United States, though they have moved that number up and down over the years. The Commerce Department can only come up with 250.

This last week, our Commerce Department released an exhaustive study done at the request of this Congress on the U.S. jet transport industry. That 150-page report once again comes to the same conclusion we have heard time and time again. Airbus is not an American company, and Airbus does almost nothing to support the hundreds of thousands of American workers who depend on this important industry.

Airbus and EADS are not helping America's aerospace industry; they are destroying it. In 15 years, 700,000 American workers have lost their jobs while Europe keeps adding new workers to the EADS and Airbus payroll. That is simply unacceptable.

Looking at their claims in American press alone, Airbus appears to be a pseudo-American company looking to create more jobs and helping to grow our economy. That is not the real story. Take a look at what Airbus proprietors say in Europe when they think we are not looking. A few months ago, with a lot of pomp and circumstance, the latest European Airbus product, the A380, was unveiled with four heads of state. Their comments show Europe's true intentions.

From the Spanish Prime Minister, Jose Luis Rodriguez Zapatero:

The European Union has built the plane that is the standard bearer for European and global aeronautics.

He went on to boast:

What we see here today is Europe cannot be stopped.

He is saying that Europe, not a company, cannot be stopped.

From the French President, Jacques Chirac:

It is a technological feat and a great European success. When it takes to the skies, it will carry the colors of our continent, and our technological ambitions to even greater heights.

From the British Prime Minister, Tony Blair:

It is European cooperation at its best. Airbus demonstrates that we can achieve more together in Europe than we ever can alone.

Finally, the German Chancellor, when asked about subsidies to Airbus, said:

We have done that in the past, we are doing it now, and we will do so in the future.

This does not sound like a company bent on doing anything for American workers, but, again, that is what Airbus and its supporters are saying and doing to get what they want.

Unfortunately, the examples only continue. I do not have to look any further than the NBC Nightly News to find another shocking attack on American values and workers. For years, Airbus told us they will do anything to get a deal, and apparently they will sell to anyone. Not long ago, NBC News uncovered direct evidence of Airbus efforts to sell military aircraft to a country focused on destabilizing and undermining American interests in the Middle East, a country that is currently in the pursuit of nuclear weapons, a country to which no real American company would dare sell weapons.

NBC News was able to get a camera crew into an airshow in Kish, Iran, and they found EADS pitching their military helicopters to Iran.

I ask unanimous consent that the full transcript of the NBC story be printed in the RECORD.

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

EUROPEAN FIRMS DISPLAY WARES IN IRAN
[By Lisa Myers & the NBC Investigative Unit]

KISH, IRAN.—As President Bush pressures European allies to get tougher with Iran, NBC News got a rare glimpse inside the country—at an Iranian air show attended by some of the world's leading military contractors eager to do business with America's adversary.

On the island of Kish, mullahs mixed with Ukrainian generals amid photos of the Ayatollah Khomeini. Iran's contempt for the United States was clear—emblazoned underneath a helicopter, in Farsi: "Death to America."

It's generally illegal for American companies to do business with Iran. But NBC News found more than a dozen European defense and aviation firms eager to fill the void. Some do business with the Pentagon, yet they were actively selling their wares to Iran.

"We sell to Iran [sic] Air Force," said Francois Leloup from Aerazur, a French company that markets fighter pilot vests, anti-gravity suits and other protective gear for military pilots.

"We sell mainly to security people like police," said Arnaud Chevalier with Auxiliaire Technique, which was representing a group of companies at its exhibition booth. Some of the brochures on display showed tank helmets, communication systems for light armored vehicles and an "infantry headset." Chevalier said such equipment was "not for sale."

NBC News showed our video from the air show to arms expert John Pike, director of the nonprofit organization GlobalSecurity.org.

"I think that the Europeans would sell their grandmothers to the Iranians if they thought they could make a buck," says Pike.

Also exhibiting at the show—European Aeronautic Defence and Space Company

(EADS) and its subsidiary Eurocopter—which has launched a campaign in the United States to get a bigger share of Pentagon contracts, featuring ads that wrap the company in the American flag.

But if the company is so pro-American, why is it ignoring U.S. policy to isolate Iran?

"As a European company, we're not supposed to take into account embargoes from the U.S.," says Michel Triplier, with EADS.

"The emphasis here is on our civil helicopters. We are not offering military helicopters here," he adds.

Yet, prominent on the company's video in Iran—a military helicopter.

"It says 'Navy' in their own promotional videotape," says John Pike. "I guess they're hoping Iran's navy is going to want to buy it."

EADS says the helicopter just happened to be on the video, and that it abides by U.S. and European rules against selling military goods to Iran.

Another company, Finmeccanica, recently won a contract to build a new version of the presidential helicopter, Marine One, as part of a group led by U.S. contractor Lockheed Martin.

It was also in Kish showing off its helicopters to Iran.

"This company is building the American president's new helicopter, and they're trying to trade with the enemy!" exclaims Pike.

Steven Bryen used to be the Pentagon official responsible for preventing technology from going to countries like Iran. Now he's the president of Finmeccanica in the United States. Does he think Iran is an enemy of the United States? .

"I think they're our enemy at this point," says Bryen. "I mean, they're behaving like our enemy."

So why would Bryen's company trade with an enemy?

"In Europe, they don't call it the enemy," he says. "If it's a civilian item that doesn't threaten anyone, then I don't have a problem with that."

European subsidiaries of NBC's parent company, General Electric, have sold energy and power equipment to Iran, but GE recently announced it will make no new sales. (MSNBC is a Microsoft-NBC joint venture.)

Still, even with the president now pushing hard to isolate Tehran, European allies are likely to continue their role as what one company called, "a reliable partner for Iran."

Mrs. MURRAY. I will read just a bit from that piece:

Also exhibiting at the show, European Aeronautic Defence and Space Company, EADS, and its subsidiary Eurocopter, which has launched a campaign in the United States to get a bigger share of Pentagon contracts, featuring ads that wrap the company in American flag.

But if the company is so pro-American, why is it ignoring U.S. policy to isolate Iran.

As a European company, we are not supposed to take into account embargoes from the U.S., says Michael Tripler, with EADS.

Michael Tripler, from EADS, once again, saying and doing anything anywhere to advance the European interests of a European company. Airbus and EADS clearly sing one tune in newspapers in the United States, another at media events in France, and quite a different one while selling their products in Iran.

Taken together, the goal is clear: EADS and Airbus do not intend to stop until they have gobbled up the entire aerospace market.

So what is next for Airbus? Any question of their intentions was answered as we tried to work out an amicable solution to the dispute this past January. On a day that could have been a turning point in the process, Airbus CEO Noel Forgeard said he would seek new launch aid from European nations for the Airbus A350.

While in one breath Airbus says it does not need launch aid to build the A350, they have nevertheless applied for, and European governments are prepared to provide, \$1.7 billion in new launch aid.

To once again paraphrase German Chancellor Schroeder: They have done that in the past, they are doing it now, and they will do so in the future.

But again, no need to take my word alone on the illegality of the launch aid or their central role in the ongoing dispute. The Financial Times, a European newspaper, called the plan to subsidize the A350 and Forgeard's announcement unwise and deeply unhelpful, and went on to say:

Launch aid, Airbus' unique subsidy, is an especially blatant violation of the principles of fair competition. The EU should let it go. State support for private companies, even those with long lead times and big development costs, becomes indefensible as they mature. Infant industries must grow up.

In a Business Week commentary from the same week, Stanley Holmes writes:

The U.S. should call the Europeans' bluff. Let the facts speak for themselves, and resolve this dispute at the WTO.

Months ago, I made the same suggestion, and although there appeared to be hope of avoiding that fate within the past few weeks, I now believe we must work through the WTO and hold our line.

With the Europeans bent on keeping their subsidies, it is time to take bold action to protect our workers and send a strong message to Europe that enough is enough. Europe has to understand that continued attempts to undermine our aerospace industry and its workers will not stand.

The need to restore a competitive balance to the aerospace industry is not going away. Thousands of American jobs have been lost in the last decade, and thousands more are at risk due to continued direct subsidies to Airbus.

I will continue to work closely with the USTR and with the Bush administration to protect American jobs and ensure the future strength of the American aerospace industry. Whether through the continuation of these negotiations or through a trade case at the WTO, a competitive balance has to be restored. We in Congress have to show the Europeans that we are serious about this action.

I thank my colleagues for supporting the resolution that was just adopted by the Senate 96 to 0. I will continue to be a voice for American workers. Again, I thank the Bush administration, Senator FRIST, and Senator REID for helping us with the resolution.

Mr. INHOFE. Will the Senator yield for a comment before yielding the floor?

Mrs. MURRAY. I would be happy to yield.

Mr. INHOFE. I have been listening intently, and I applaud the Senator for all she has done. It is reminiscent that this is not something new. Back when I was serving in the other body in the late 1980s, Congressman JIM OBERSTAR and I actually made a trip to Europe—that was before the European Union days—both to Germany and France to find out the level of subsidy they had. At that time, we were not able to find out, and we did an exhaustive search. They were denying that they did, and later on they admitted they were subsidizing. With their type of accounting, perhaps it is even worse than the figures the Senator is expressing today. So I applaud the Senator for her efforts.

Mrs. MURRAY. I thank the Senator, and I look forward to working with him to fight for our aerospace industry and to make sure companies in this country have a fair playing field.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

CHINA'S SPREADING GLOBAL INFLUENCE

Mr. INHOFE. Mr. President, I rise for a second time in 8 days to update all of us on an issue of deepest importance. In my recent speech on China I delivered this past Monday, I detailed how China is indeed a growing threat. When the fragmented pieces of current events and policies are glued together, they form an alarming picture of the threat to our national security. I believe this threat is of the most serious order, and until we address it I will continue to draw America's attention to it.

In 2000, Congress established the U.S.-China Security Economic Review Commission to act as the bipartisan authority on how our relationship with China affects our economy, industrial base, China's military and weapons proliferation, and our influence in Asia. I fear that the Commission's findings have largely been ignored.

A major part of our economic relationship with China is the growing trade deficit. This deficit grew to \$162 billion in 2004, by far the largest economic imbalance the United States has with any country. One potential key factor contributing to this imbalance is the undervaluation of the Chinese yuan. Through currency manipulation, China has been able to create an uneven economic playing field in its favor. Let's keep in mind this bipartisan commission worked on this for several years. The Commission recommends that Congress pursue legislation that will push the administration toward correcting these imbalances and for the U.S. Trade Representative and Department of Commerce to undertake an investigation of China's ques-

tionable economic practices. I think this is very sound advice. In fact, I voted last Wednesday to not table a Chinese currency manipulation amendment.

China joined the World Trade Organization in December 2001. Their transition was to be overseen by the Transitional View Mechanism—TRM. Although China has made some progress in the areas of tariffs and other WTO commitments, they have consistently frustrated the TRM's ability to assess China's WTO compliance through lack of transparency. As the Commission recommends, the Bush administration must be encouraged to take action to preserve TRM's oversight and cooperate with other trading partners to create a cooperative effort to address China's shortfalls.

Another problem area is that the Chinese Government has been listing State Owned Enterprises—SOEs—on international capital markets. These companies lack accountability standards that normally track the companies' cash flow. At least one Chinese SOE, China North Industries Corporation, has been sanctioned by the U.S. Government for proliferating illegal weapons technology. As the 2004 Commission report outlines:

Without adequate information about Chinese firms trading in international capital markets, U.S. investors may be unwittingly pouring money into black box firms lacking basic corporate governance structures, as well as enterprises involved in activities harmful to U.S. security interests.

Beyond dangerous investing, there are other security aspects to China's trade practices. The hard currency that China is gaining through its manipulative economy is buying foreign technology and modernizing their military. We used to be concerned about their nuclear capability, but now it is also conventional weaponry, as the Presiding Officer knows, since he sits on the Senate Armed Services Committee. We know China is pushing very hard to get the E.U. to remove their arms embargo. The embargo was put in place after the 1989 Tiananmen Square massacre to protest China's appalling human rights record. The E.U. claims that the embargo is no longer effective, but ignores the obvious—why lift the embargo without replacing it with a better one? Their solution, an informal "code of conduct", allows for no comprehensive enforcement. We can also expect E.U. technology to proliferate beyond China's borders, to countries that would gladly use it against the U.S. The E.U. does not consider this a strategic threat. In fact, President Chirac just demanded an early lifting of the embargo. However, the Commission reports:

Access to more advanced systems and integrating technologies from Europe would have a much more dramatic impact on overall Chinese capabilities today than say five or ten years ago. For fourteen years China has been unable to acquire systems from the West. Analysts believe a resumption of EU arms sales to China would dramatically en-

hance China's military capability. If the EU arms embargo against China is lifted, the U.S. military could be placed in a situation where it is defending itself against arms sold to the PLA by NATO allies.

Think about this: we share military technology with our European allies and then find our security threatened and possibly our servicemen killed by this same technology. All this is made possible because China is exploiting economic grey areas to come up with the money to buy all this new technology. This is a critical issue to which Congress must respond to.

Further, some experts believe that China's economic policy is a purposeful attempt to undermine the U.S. industrial base and likewise, the defense industrial base. Perhaps it is hard to believe that China's economic manipulation is such a threat to our Nation. In response, I would like to read from the book *Unrestricted Warfare*, written by two PLA—People's Liberation Army—senior colonels:

Military threats are already no longer the major factors affecting national security . . . traditional factors are increasingly becoming more intertwined with grabbing resources, contending for markets, controlling capital, trade sanctions and other economic factors . . . the destruction which they do in the areas attacked are absolutely not secondary to pure military wars.

The book goes on to argue that the aggressor must "adjust its own financial strategy" and "use currency revaluation" to weaken the economic base and the military strength of the other country. This is the Chinese saying this, not some American commentator. You need to hear that in context of the U.S.-China Commission's statement:

One of Beijing's stated goals is to reduce what it considers U.S. superpower dominance in favor of a multipolar global power structure in which China attains superpower status on par with the United States.

I think the picture is clear. We must link China's trading privileges to its economic practices. As China's No. 1 importing customer, accounting for 35 percent of total Chinese exports, we have the influence. As I said last Monday, a week ago, I agree that the way we handle an emerging China must be dynamic, but it must not be weak. The Commission puts it well:

We need to use our substantial leverage to develop an architecture that will help avoid conflict, attempt to build cooperative practices and institutions, and advance both countries' long-term interests. The United States has the leverage now and perhaps for the next decade, but this may not always be the case. We also must recognize the impact of these trends directly on the domestic U.S. economy, and develop and adopt policies that ensure that our actions do not undermine our economic interests . . . the United States cannot lose sight of these important goals, and must configure its policies toward China to help make them materialize . . . If we falter in the use of our economic and political influence now to effect positive change in China, we will have squandered an historic opportunity.

The bipartisan U.S.-China Commission has been doing an outstanding job in translating how recent events affect