

March 29, 1979

CONGRESSIONAL RECORD — SENATE

S 3639

the youth unemployment problem, we must lower the minimum wage to develop the creation of more entry level jobs. I do not have to tell anyone how important it is for people to have a sense of personal worth and financial independence. Jobs providing pocket money are a necessary part of growing up. The money gives a young man or woman freedom to buy their own lunches, go on dates, and experience an exhilarating sense of freedom and self-dependence. Earning this extra money teaches the value of money—it is an experience which helps an individual to mature.

An increase in the minimum wage is not the same as an increase in welfare payments. Wages should be paid on the basis of a worker's addition to a product that a buyer wants to purchase. Guaranteeing a worker a set wage, and a pre-established raise rate, takes away all incentive to excel. If everyone is assured of a raise, then why try to do better or more work than the next person, when you will both get the same reward? And when the wages increase, the costs must be made up somewhere else. These increased costs are passed on to consumers. So employers, employees, and consumers lose through the minimum wage system. The average consumer today complains about the costs of everything. The costs we complain about are directly tied to labor costs.

Government-directed increases in wages make it hard for business to hire the inexperienced or less skilled worker. How many businesses can afford to hire a young, unskilled worker at the same price of an older, seasoned worker? If you ask anyone who wants a job but cannot find one, I think he will tell you that it is better to have a job at any price than no job at \$2.90 an hour. These unreasonable rates are reasons why unemployment rates remain high, even during prosperous times, and why public sector jobs are proposed by the same legislators who caused the problem by increasing the minimum wage.

Periodically, but with amazing regularity, I hear from various small business people who have their own experiences to relate in this regard. One person, who owns a supper club in Wisconsin, said that because of the minimum wage level, his profits in the restaurant have disappeared and he is losing money for the first time in 32 years. His prices are up by 15 to 20 cents per item. After Labor Day of this year, he plans to close down his lunch service. He said to me, "We used to have three salad girls and now we have two. They'll simply have to get the work done." Teenagers used to make up half of his staff, but now they only account for about 10 percent.

Another restaurant owner in Missouri wrote to me: "I have not had to lay anyone off, but I have cut back on the number of employees I do keep at any one time. We used to have five or six people for the day shift—now we have three or four. Our girls used to average about 20 or 30 hours a week. Now they average 15 to 20 hours." This restaurant owner is

keeping shorter hours in his restaurant to keep up with the wage rates.

In a recent issue of Fortune magazine, Willard Marriott discussed the effects of the minimum wage on his restaurant chains:

Over-all, we eliminated more than two million man-hours or about 5 percent of the total. It's very difficult for me to be precise because of the growth in our business and the change in its mix. But we stopped hiring at many locations and this cuts our work force by 2 to 3 percent. Unlike many other restaurant chains, we did not open our restaurants later or close them earlier. However, in some cases we closed parts of a restaurant, opening one dining room instead of two. For years, we've been shifting to self-service salad bars in our dinner houses and other restaurants in order to cut down the number of waitress hours. . . .

Another outrageous example was given me by a friend who owned a flower nursery in California. With the constant rises in minimum wage levels, the interference and strictness of child labor laws, he found himself unable to keep up with prices. He packed everything up and moved his entire business to Taiwan, where labor is cheaper. Thus, we have an example where a perfectly good American business moved to another country because of the costs and regulations involved. We are losing good American businesses to foreign countries—to Taiwan, to Singapore, to Mexico, to Guatemala, and elsewhere—because it is too expensive for them to abide by our laws.

These are just a few of the examples I have received from people all over the country. Business and employees alike are being hurt by these increases in the minimum wage, and I think my colleagues in the Senate should give serious thought to our past actions on the minimum wage legislation. How much will consumers take before they realize that it is we in Congress who recognize the problem, yet do nothing about it? I, for one, do not want to be counted among those who have supported increasing the minimum wage, thus adding to our inflation problems. I hope that my fellow Senators will consider all the effects of our constant meddling in the private industry sector, especially the disastrous effects on young people of the minimum wage, and support me in my campaign against it.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes with statements therein limited to 5 minutes each.

The Chair, using his prerogative as a Senator from the State of Kentucky, suggests the absence of a quorum, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TAIWAN RELATIONS ACT—CONFERENCE REPORT

Mr. CHURCH. Mr. President, I submit a report of the committee of conference on H.R. 2479 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2479) to help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of March 24, 1979.)

Mr. CHURCH. Mr. President, this conference report is a vast improvement over the legislation initially proposed by the administration. The measure as it now stands clarifies many uncertainties and ambiguities concerning trade, legal and economic issues. It includes a security clause designed to reassure Taiwan. And it provides for comprehensive congressional oversight of U.S. relations with Taiwan. The test we applied in deciding each of the many complex and difficult decisions before us was not the views of Taiwan or the People's Republic, but the national interest of the United States. I believe that this measure advances our national interest.

Mr. President, I acknowledge the presence of the ranking Republican member on the committee, the able Senator from New York, Mr. JAVRS. His work in drafting this legislation was indispensable. I think he shares with me a general sense of satisfaction with the compromise we were able to hammer out in conference with the Representatives of the House of Representatives.

The purpose of this legislation, Mr. President, is to authorize unofficial, non-governmental relations with Taiwan. It is simply an adjustment to our laws to permit the maintenance of commercial, cultural, and other nongovernmental relationships in the new circumstances that exist after normalization. I intend to describe the principal features of this measure in a moment, but before doing so, I believe that this point needs to be reiterated: the relationship provided for in this bill—however extensive, however close, and however friendly—is not a government-to-government relationship. It is a relationship between two private entities—the American Institute in Taiwan and the corresponding Taiwan in-

strumentality—which will deal with each other in a manner reflecting the unofficial ties between the people of the United States and the people on Taiwan. The unofficial nature of this relationship is evident throughout the act—beginning with the title, which states that the purpose of the act is to promote people-to-people relations.

The central provision in this regard is subsection (a.) of section 2. It recognizes that official, governmental relations between the United States and the governing authorities on Taiwan have been terminated. It is upon this premise—stated at the outset so that there can be no mistake as to its importance—that the rest of the act is based; all other provisions in the act must be interpreted in its light. I refer, in particular, to use of the term "Taiwan." The Senate version referred throughout the bill to the "people on Taiwan" to make clear that it was the people—and not the governing authorities—with whom relations were being continued, and to make clear as well that the bill did not address the issue of Taiwan's international legal identity.

These same purposes are carried out by section 2(a) of the conference report, which leaves no doubt concerning the termination of official relations with the governing authorities on Taiwan. I would point out also that nowhere does the conference report address the question of whether Taiwan is a country or nation under international law. Although the term "Republic of China" does appear several times—most notably in the definition of Taiwan—each such use contains a reference to past U.S. recognition, and none implies current governmental relations. I will elaborate on this point in a moment, but before doing so, I would point out that several other provisions must also be viewed in the same perspective.

Section 4(b) (1), for example, treats Taiwan as a "country" for purposes of U.S. law. This is a technical drafting matter, really; certain statutory authorities needed to be extended to continue the program eligibility of Taiwan, and the simplest and cleanest way of doing that was to treat Taiwan as a country under those statutes. There is absolutely no indication in this provision that the United States views Taiwan as a separate country; if anything, it could be argued that the need to include a provision such as this implies exactly the opposite. But that question, as I stated, is one that is not addressed in this legislation.

Section 4(b) (4) is also a somewhat technical legal provision relating to the question of which law is to be applied in U.S. courts. It provides that, when the circumstances require, that law is to be the law applied by the people on Taiwan. This provision, like other provisions, in no way constitutes recognition of any government and in no way impiles official relations. It simply takes cognizance of the undisputed reality that there is a law applied on Taiwan. It does not freeze the United States into the position, obviously, of forever applying in its own

courts the law now applied on Taiwan; if the law applied on Taiwan were to change, a different law would then be applied by the United States.

Nor is recognition implied in the "security" language appearing in section 2 and 3 of this measure. The conference committee intended that this carefully drafted language support the President's statement of December 15, 1978, that the United States retains an interest in the peaceful settlement of the Taiwan issue by the Chinese themselves. Nothing in these provisions was intended to be inconsistent with the mutually agreed terms of normalization.

The cornerstone of our new unofficial relations with Taiwan is the American Institute in Taiwan. This is a private, nonprofit corporation whose employees are not employees of the U.S. Government. This is an extremely important principle, and is made explicit in section 11 (c) of the conference report. Relations with Taiwan will be conducted through the Institute, and references to it thus appear throughout the bill.

Section 7(a) (3) of the conference report, for example, authorizes Institute employees to perform certain acts "such as are authorized" to be performed for consular purposes. Those words are critically important: they make clear that the functions being carried out are not those of official governmental representatives. Similarly, section 10 requests that the President extend to the Taiwan instrumentality the same number of offices and complement of personnel as were operated previously. Two points bear emphasis: that these are private offices, not consulates, and that they are manned by "personnel," not diplomats or governmental officials of any sort.

Likewise, the immunity that the Congress requests be extended in this section is not absolute immunity—not the full and complete immunity extended official diplomats—but functional immunity, which would extend only to acts performed in the course of one's duties.

Finally, there is the definition. Section 15(a) refers to the "governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979. * * *" This is an historical reference with which no one can argue: It merely acknowledges—for purposes of legal clarity in identifying the authorities to which the section refers—that the United States recognized the Republic of China prior to January 1, 1979. It does not suggest that that recognition continues—indeed, the definition expressly notes that recognition terminated on January 1, 1979. The reference is thus comparable to other references to the Republic of China appearing in the conference report, such as that contained in section 4(c), which relates to international agreements. There, as elsewhere, the reference appears only to make clear, legally, which governing authorities are being referred to; there is absolutely no intent to suggest—in section 4(c) or anywhere else in the bill—that the United States continues to maintain official relations with the people on Taiwan.

Mr. President, I have described these particular provisions of the conference report at some length because it is vitally important that everyone understand that this legislation is entirely consistent with the joint statement issued December 15 by the United States and China. In that statement the President agreed to recognize the Peking government as the sole legal government of China. This was his prerogative under our constitutional system, and it is not within the power of the Congress to overturn that decision. The Congress does not have the authority—constitutionally—to recognize a given government or to establish government-to-government relations with a given country after the President has terminated those relations. The Congress cannot do so, and the Congress will not have done so in enacting this legislation. It will simply have authorized the maintenance of commercial, cultural and other relations without official Government representation and without diplomatic relations.

I should like to turn now, Mr. President, to a summary of the contents of this conference report. The main provisions of the conference report deal with, first, peace and security in the western Pacific; second, the continued applicability of U.S. laws with respect to Taiwan despite the absence of diplomatic relations and recognition; third, the continuation in force of all treaties and agreements not specifically terminated according to law; fourth, legal rights, such as the capacity of Taiwan, its people, and entities established by their law to sue and be sued in U.S. courts; fifth, trade and economic relations between the United States and Taiwan, and property rights of Taiwan; sixth, the staffing, authority and responsibilities of the American Institute in Taiwan to conduct relations with the people on Taiwan as well as the status of its unofficial Taiwan counterpart; and seventh, congressional oversight regarding these relations in general, and of the activities of the American Institute in Taiwan in particular.

It is not necessary to go into all of these matters in detail, although I do want to discuss a few. However, I want to emphasize that both the Senate and the House have been exceedingly thorough and careful in their consideration of all of the issues involved, in view of the great importance of this legislation and the unique situation it addresses. We have combined clear statements of principle with detailed provisions on important matters, and have done so in a way that provides firm policy guidance combined with operational flexibility.

One of the issues that received extensive consideration was Taiwan's security. The provisions dealing with this matter in the conference report represent a constructive compromise between the language of the acts passed by the Senate and the House. The conference report spells out that peace and stability in the area are in the political, security, and economic interests of the United

March 29, 1979

CONGRESSIONAL RECORD — SENATE

S 3641

States; that any effort to determine the future of Taiwan by other than peaceful means, including boycotts or embargoes, would be a threat to the peace and security of the western Pacific and of grave concern to the United States; that the United States will maintain its capacity to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan; and that the United States will make available to Taiwan defense articles and services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.

This should be very reassuring indeed to the people on Taiwan, for it specifies that the United States will oppose any form of external coercion directed against Taiwan. And it provides that we will assist Taiwan to maintain its own defense capability, which the Israelis have demonstrated is the best assurance of any nation's security. These provisions, together with the President's December 15, 1978, statement, our improved communications with the PRC resulting from normalization, the lack of any significant amphibious capacity on the part of the People's Republic, and the fact that any PRC threat directed against Taiwan would dash its hopes for better relations with the United States, Japan and Western Europe—all these elements combine to make it clear that Taiwan's security is not endangered.

The conference report also clearly provides for Congressional oversight of these relations and of the operations of the American Institute in Taiwan. The Institute has the authority and the responsibility to help American citizens carry out their many kinds of dealings with Taiwan, which will enable our commercial and cultural relations to continue to expand. The legislation provides that agreements and transactions made by or through the Institute shall be subject to the same congressional notification, review, and approval requirements and procedures as would normally apply. The conference report also places on the President and the Secretary of State specific reporting requirements concerning the Institute's operations and economic relations between the United States and Taiwan. These provisions were taken from the act passed by the Senate. They will enable the appropriate committees of the Senate and House of Representatives to carry out the responsibilities assigned them in the Act passed by the House—the responsibility to monitor the implementation of this legislation, and to monitor developments in U.S. relations with Taiwan under these unique arrangements.

In connection with these oversight provisions, Mr. President, I submit for the RECORD a letter from the Department of State concerning arms exports to the People's Republic of China and I ask unanimous consent that it be printed in the RECORD at this point.

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

DEPARTMENT OF STATE,
Washington, D.C., March 19, 1979.

HON. FRANK CHURCH,
Chairman, Senate Foreign Relations Committee

DEAR MR. CHAIRMAN: In today's proceeding of the committee of conference on H.R. 2479, the question was raised as to whether the Congress would be informed at least thirty days in advance of the issuance of any license for significant arms export to the People's Republic of China.

It is the policy of the United States, as reflected in section 126.01 of the International Traffic in Arms Regulations, not to license arms exports to the People's Republic of China.

We do not contemplate any change in this policy. In view of the concerns expressed by the conference committee, however, I can assure you that the Department of State would not license significant arms exports to the People's Republic of China without providing the Congress at least thirty days' prior notice. This assurance is in addition to the reporting requirements of existing law, which requires thirty days' prior notice to the Congress of the proposed issuance of licenses for the export of major defense equipment sold for \$7 million or more, or other defense articles or services sold for \$25 million or more.

I trust that the foregoing assurance meets the concerns expressed in today's meeting of the conference committee.

Sincerely,

DOUGLAS J. BENNET, JR.,
Assistant Secretary for
Congressional Relations.

Mr. CHURCH. It is not for the United States to determine Taiwan's destiny. However, we do have an important interest that this issue be resolved peacefully and in a manner that takes into account the will of the people on Taiwan. It is encouraging that the People's Republic of China has adopted a flexible approach toward this issue in recent months. We should do nothing to discourage the Chinese leaders from continuing along this course.

Mr. President, this measure makes clear to the People's Republic of China that the United States has a deep interest in a peaceful resolution of the Taiwan issue. It also makes clear to the people on Taiwan that we are not abandoning them by providing for the continued supply of defense articles and services, and by establishing a sound legal and economic basis for continued relations between the United States and Taiwan.

I believe that this conference report will enable the United States to continue a close and friendly relationship with the people on Taiwan while simultaneously developing a mutually beneficial relationship with the People's Republic of China. I therefore urge the Senate to approve the conference report.

Mr. President, I now defer to the distinguished Senator from New York (Mr. JAVITS), the ranking Republican member on the committee.

I note that a valiant member on the Democratic side, the Senator from Ohio (Mr. GLENN) has come to the floor, and I invite him to take charge of the management of H.R. 2479, while I am required to attend a meeting called by the majority leader.

Mr. JAVITS. Mr. President, before our colleague leaves, may I first say that I join in what he has said, and wish to express my support for this conference report and my deep gratification for this, the first substantial work of our partnership as chairman and ranking minority member of the Foreign Relations Committee. We have worked harmoniously, and I believe effectively, together to effect the accomplishment of the high purposes of our country. I thank him very much.

Mr. CHURCH. I thank the Senator.

Mr. JAVITS. Mr. President, the Taiwan Relations Act, which is the name of this act, is in my judgment an equitable blending of the House and Senate versions of this complicated legislation dealing with a very complicated problem, and therefore, a bill which has to be read carefully to be clearly understood. Although the House and Senate bills contained significant differences of approach and technique, they reflected a close identity of purpose: To provide the necessary legislative basis for continuing close, unofficial relations with Taiwan within the framework of the Sino-American joint communique normalizing diplomatic relations between the United States and the People's Republic of China.

In this respect, the intent of the House and the Senate were the same. Both bills sought to provide legislatively, for the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan in the wake of the President's actions recognizing the Government of the Republic of China on Taiwan.

Neither bill sought to reestablish official relations between the United States and the Republic of China on Taiwan; Congress, as Senator CHURCH has pointed out, does not have the authority to do that even if it wanted to do so. Neither bill challenged the basic understandings on normalization of relations with the People's Republic of China.

The bill which emerged from the conference authorizes a full range of relations with Taiwan on an unofficial basis. Existing rights and obligations are protected, existing programs are preserved. The strength of the ties between the people of the United States and Taiwan is maintained.

A strong statement of the United States' national interest in Taiwan's security is in the bill as it emerged from conference.

This is the principal feature, in my judgment, which the Congress has added on this matter. The People's Republic of China, through its officials, is said to be jumping up and down about this legislation. Mr. President, I think by now they ought to be sophisticated enough to understand that foreign policy in this country is made by the President but with the advice and consent of the Congress, and, therefore, the Congress has a right to insert, in advising and consenting, the conditions which it deems appropriate to its advice and consent. That is what we did here.

Mr. President, when the legislation was debated I made it very clear that great nations cannot bluff and, that therefore if the PRC decided that it could not normalize relations with the United States because of the provisions which we felt compelled to make—unofficial but very real in terms of our obligations and commitments to the people on Taiwan—that we were not fooling about these, and that if they were unsatisfactory, then there obviously could not be normalization.

Therefore, while I recognize and respect in full the protests and the feelings of the Government of the People's Republic, I point out that this simply is inherent in what American policy, in our judgment, must be. We are not asking them to agree with it; we are only asking them to accept it, and accept it they do when they continue the normalization of our relations.

While I pay serious attention to how they feel about it, I think they must understand that this is us, this is the United States of America, in its total governmental manifestation. That includes a very reasonable and very necessary obligation respecting the security of the people on Taiwan.

This legislation is only the first step in a series of steps which may be taken in the process of normalizing relations. We must still resolve the issue of past claims by American citizens against the Government of China; we must consider whether to grant most-favored-nation trade treatment, offer expanded credits and approve a trade agreement with the People's Republic. It is in the interest of both of our countries to continue to proceed along this path of normalization, but each step of the way must be a careful and deliberate one with Congress fully involved and contributing to the outcome. This is the nature of our system, and the very essence of the democracy with which the PRC has chosen to establish a new relationship. We might as well get used to each other right from the beginning.

In this connection, let me quote from the Washington Post editorial of March 27, 1979:

It must have come as something of a shock to the Chinese to discover that the arrangements they had laboriously worked out with the executive branch were tampered with by the legislature. Welcome to America. 'Normalization' means not merely regularizing official relations but opening up those relations to the normal buffeting of the American political process.

I ask unanimous consent that the complete text of this editorial be printed in the RECORD at this point, along with two other articles, one dated March 25, 1979, by Jay Mathews, and the other dated March 26, 1979, by David Binder.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 27, 1979]

PEKING'S POLITICAL EDUCATION

The People's Republic of China has now pronounced "unacceptable" the legislation in which the Congress sought to strengthen, beyond the administration's measure, the formal assurances the United States is offer-

ing Taiwan. Most of the congressional increments were a good idea; and it's not such a bad idea, either, that Peking has been afforded this occasion to deepen its political education.

The increments do not alter the basic framework of normalization, and this is to the good. But by tone as much as by word, they make explicit a certain caution about China's ultimate intentions and a considerable degree of sympathy for Taiwan. In other words, they make explicit what we take to be the feelings of most Americans. It must have come as something of a shock to the Chinese to discover that the arrangements they had laboriously worked out with the executive branch were tampered with by the legislature. Welcome to America. "Normalization" means not merely regularizing official relations but opening up those relations to the normal buffeting of the American political process.

Although Peking is upset, it does not appear to be so upset that it will react rashly, least of all, say, by "denormalizing." Only a handful of those congressmen who supported the new language could have wished to provoke that result. American diplomats are working overtime to limit the damage. But we think it can only strengthen Chinese-American relations for the long run for the two countries to learn that their political systems, and not alone their diplomatic establishments, must meet and interact.

The Chinese are not shy about defining their own national interest. Americans should be no less forthcoming. This is by way of saying that Peking should consider the effect its invasion of Vietnam had on congressional consideration of the Taiwan legislation. The spectacle of China disregarding American urgings and sending troops across a border into a neighboring country surely helped spur Congress to strengthen the assurances being offered Taiwan. We would even go a step further and suggest that that spectacle served as a useful brake on any incipient American tendency to regard normalization as a wholly unmixed blessing for the United States in its continuing attempt to "contain" Soviet power. Normalization is desirable, we believe, but, like any other political act, it carries limits and risks. It is better that Americans proceed with a knowledge of what the risks are.

[From the Washington Post, Mar. 25, 1979]

PEKING PROTESTS U.S. LEGISLATION ON TAIWAN TIES

(By Jay Mathews)

HONG KONG, March 24.—Peking has protested U.S. legislation dealing with Taiwan as doing "great harm" to future relations. It is the first such Chinese warning to Washington made public since the two countries opened full diplomatic ties Jan. 1.

An official New China News Agency dispatch released today said Chinese Foreign Minister Haung Hua told U.S. Ambassador Leonard Woodcock March 16 that bills passed by both houses of Congress were "unacceptable to the Chinese government."

[The State Department confirmed Saturday that Woodcock had been called in by Huang but said it had no comment on the matter.]

A separate official Chinese news agency story described the portions of the nearly identical House and Senate bills committing the United States to Taiwan's security as particularly objectionable to Peking. The story also criticized clauses recognizing the existence of a separate government on Taiwan and barring Peking from taking over property of Taiwan's former embassy in Washington.

Diplomats had expected China to make some protest about congressional strengthening of security guarantees for Taiwan. Pe-

king considers the island to be part of its territory, temporarily controlled by an illegitimate Nationalist Chinese leadership. It is uncertain, however, whether Peking will go so far as to halt or delay developing diplomatic, cultural and trade ties with the United States to underline its displeasure.

The Chinese agency said Huang Hua told Woodcock, "If the bills are passed as they are worded now, and are signed into law, great harm will be done to the new relationship that has just been established between China and the United States."

Huang asked the U.S. government to ensure that the Taiwan legislation does not violate Washington's agreement on normalized relations with Peking, but the Chinese agency gave no hint what action China would take if President Carter signed what it considered unacceptable legislation.

The Chinese protest came shortly after an attack on capitalism and the U.S. human rights campaign in a Peking newspaper that was in sharp contrast to glowing descriptions of American life found in the official Chinese media in recent months. Recently, American businessmen have found negotiations about projects in China slowing down.

The changes seem related, however, to an internal reassessment of China's sudden political liberalization and foreign trade growth over the last several months, rather than to any reaction to American efforts to retain some commitment to Taiwan's 17 million people.

Chinese Vice Premier Deng Xiaoping (Teng Hsiao-ping) reportedly complained at a closed-door party meeting March 16, the same day that Huang met Woodcock, of earlier Peking wallposters that had asked President Carter's help in improving China's human rights record.

An article in the Peking Daily on Thursday appeared to follow this theme, criticizing "certain young comrades" who "will beg the support of imperialism" in their campaign for human rights. This showed "lack of patriotism," the articles said.

The newspaper argued that "privileges" still remained in the United States despite its efforts to "show off, its human rights." It described capitalism as a "mercenary slave system of unemployment, police persecution, suicides, prostitution and so on."

Huang told Woodcock the bills passed by the U.S. Congress "contravene the principles agreed upon by the two sides" when Washington and Peking announced Dec. 15 their formula for ending 30 years of diplomatic estrangement. Huang appeared to be referring particularly to the U.S. promise to end its mutual security treaty with Taiwan and end all official ties with the island.

The congressional bills are designed to continue American trade, cultural and other ties with Taiwan through creation of an unofficial American Institute in Taiwan as a substitute for the U.S. embassy. Following a system used by the Japanese when they broke relations with Taiwan in 1972, the institute is to be staffed by U.S. foreign service officers and other U.S. personnel who will temporarily resign from government service while they work in Taiwan but generally perform the same duties they did as embassy staff.

Carter administration spokesmen assured Congress that Peking was not interested in and not militarily capable of taking Taiwan by force, and that no guarantees of the island's security were necessary, but Congress still insisted on adding language that Peking considers to be interference in its relations with one of its provinces.

The Chinese news agency singled out language in the Senate bill declaring continued U.S. capacity "to resist any resort to force or other forms of coercion that would jeopardize the security, or social or economic system of the people on Taiwan."

March 29, 1979

CONGRESSIONAL RECORD — SENATE

S 3643

The Chinese agency protested parts of the bill that said Taiwan authorities would be considered a "foreign government" under any other applicable U.S. laws.

It complained of another clause that said ownership of the spacious and valuable Embassy grounds in Washington would not be affected by normalization of relations with Peking.

Taiwan turned the properties over to a group called "The Friends of Free China" in December, but the State Department said it would support Peking if it chose to bring suit seeking ownership as the recognized government of China.

The Chinese news agency said the embassy properties "should be legitimate properties of the People's Republic of China."

[From the New York Times, Mar. 26, 1979]

PLEDGE TO TAIWAN UPSETS THE CHINESE

(By David Binder)

WASHINGTON, March 25.—A stiff protest by the Chinese Government against legislation that provides strengthened United States security guarantees for Taiwan has created a predicament for President Carter, Administration officials said today.

The protest was delivered to Leonard Woodcock, the American Ambassador to China, on March 16 by Foreign Minister Huang Hua and repeated here last week by Chinese Embassy officials on a visit to the State Department.

President Carter must seek to soften the Chinese attitude without annoying the Senate and House, which completed a conference committee bill on the Taiwan legislation last week and sent a report on the compromise legislation to the White House, Administration officials said.

The Peking Government published not only an announcement that Ambassador Woodcock had been summoned to receive the protest, but also issued a dispatch via the official New China News Agency that described the American legislation as "unacceptable to the Chinese Government."

FIRST PROTEST SINCE TIES SET UP

The Administration officials said that the Taiwan protest was the first such complaint by China since full diplomatic relations were opened on Jan. 1.

State Department officials said that they were not surprised by the Chinese protest, but had no other comment. White House officials also declined to comment or to indicate the President's reaction.

Mr. Carter had proposed that Congress adopt legislation that would enable the United States to maintain unofficial relations with Taiwan while taking up diplomatic ties with Peking, but at the same time the White House declared that it opposed wording that would give official character to the Taiwan relationship.

The compromise wording that emerged after lively debate in Congress would authorize the United States to continue social and economic relations with the Chinese Nationalist Government on Taiwan through a new nonprofit corporation to be called the American Institute on Taiwan.

CLOSE AND FRIENDLY RELATIONS

The Senate bill declared that United States policy would be "to maintain extensive, close and friendly relations with the people on Taiwan" and "to consider any effort to resolve the Taiwan issue by other than peaceful means a threat to the peace and security of the Western Pacific area and of grave concern to the United States." In addition, the Senate bill, whose wording has largely been retained in the conference legislation, would require the United States "to assist the people on Taiwan to maintain a sufficient self-defense capability through the provisions of arms of a defensive character."

The Senate's version of the bill passed on March 13, three days before the Chinese protest, in a 90-to-6 vote, while the House endorsed its version, 345 to 55. The conference legislation, which resolved the differences between the two bills, was filed yesterday in both houses of Congress. Representative Clement J. Zablocki, the Wisconsin Democrat who heads the House Foreign Affairs Committee, said that the compromise bill would reach the floors of both houses on Tuesday.

Mr. JAVITS. Mr. President, the legislation crafted by the conference committee is, in fact, much better for having had to go through this "buffeting" of the American political process. It is more careful and more thorough than the bill which the administration originally proposed. By protecting the commercial, cultural, and other relations of the United States with the 17½ million people on Taiwan, it provides a firmer political foundation in this country for the improvement of relations with the People's Republic. I think that the leaders of the PRC will come to recognize this fact—that having dealt fairly with our friends on Taiwan, we are in a better position to continue the process of normalization with the People's Republic.

The majority of the Members of Congress, in my judgment, strongly favor the normalization of relations with the People's Republic of China and, in this legislation, sought only to fulfill our basic moral commitments to the people on Taiwan, in a way which is compatible with the goals and conditions for normalization of relations with the People's Republic.

Now, Mr. President, this matter has been very much debated, and I will not reiterate the arguments about it or the meanings of the words which are used. However, I do wish to emphasize two things: First, under section 2(b)(3) we make it very clear that when we sought to normalize relations with the PRC, that policy "rests upon the expectation that the future of Taiwan will be determined by peaceful means."

We mean it. I hope when the President signs this bill, as I hope he will, that the implications of that paragraph will be crystal clear.

And I might say, Mr. President, that is no different from the fact that the PRC normalized relations with us upon the expectation that we would no longer maintain official diplomatic relations with the Republic of China on Taiwan. We have honored our commitment.

Second, Mr. President, when we speak of the future of Taiwan and the fact that it shall only be changed by peaceful means, we also include—and this is, in my judgment, very, very important—the way in which they run their society and their right to determine how they shall run their society. That, Mr. President, is a very important element in our consideration because we say in section 2(b)(6), "to maintain the capacity of the United States to resist any resort to force or other forms of coercion" and these are the pertinent words "that would jeopardize the security or the social or economic system of the people on Taiwan." That means not only their security but the social or economic system

that they choose. I wish to make that crystal clear.

Here, too, I refer the Government of the People's Republic of China to section 2(b)(1) which makes it very clear that we want the same close, friendly, and commercial relations with the PRC, itself. We have wrapped that into this very same security clause so there can be no doubt about our good faith in undertaking a normalization of relations with the People's Republic of China, just as there can be no doubt about our good faith as far as the people on Taiwan are concerned.

Mr. President, the other matter to which I wish to call attention, which relates to laws of the United States, is that we have been very careful to preserve property and other comparable rights without trying to decide the issue of the diplomatic installations which are here, especially the embassy property in Washington. Generally speaking, we have been very protective of property rights, et cetera, respecting the people on Taiwan and what they have created in this country, in the United States.

In that respect, I wish to emphasize, because it is very important to lawyers, the preemption clause which is contained in section 6(c) of this bill, which makes this measure, if signed by the President into law, the governing law, if there is any conflict with other law of the United States or of the District of Columbia where this institute which is provided for is incorporated, or with the law of any State or political subdivision which "impedes or otherwise interferes with the performance of the functions of the institute pursuant to that act."

That is a very important clause, Mr. President, certainly, to the courts, to lawyers, and to people who are engaged in any litigation respecting property rights, and I call special attention to it.

Finally, Mr. President, the definition. We worked on this definition very ardently and with great concern. I believe it spells out precisely what we mean when we use the term Taiwan. It refers not only to corporations and other entities and associations which are private, but also to the public authorities on Taiwan as recognized by the United States prior to January 1, 1979, as well as any successor governing authority there.

I believe we have sought, as far as human beings can, to anticipate all of our problems and we have dealt with them in the text of this legislation.

Mr. President, I hope that we will also now arrive at a relationship with the People's Republic of China which will move on satisfactorily, satisfactorily to them and satisfactorily to us, the ground rules having been laid down so very carefully and so very precisely. Though it has been an arduous task, this represents one of the great decisions in our postwar history. I think it has been made well and wisely. I take great pleasure and deep gratification in the fact that the Congress will have, when this bill is made into law, contributed an affirmative and a very constructive element to this relationship. Congress has demonstrated its ability carefully to architect a piece of legislation which will do what needs

to be done in terms of the national interest and the moral interest of the United States as far as the people on Taiwan were concerned. It does so without in any way transgressing any obligation undertaken by the United States, in the joint communique or otherwise, toward the People's Republic of China, or in any way complicating or nullifying the relationship which we have now agreed it is the high policy of the United States to establish with the People's Republic of China.

Mr. President, I commend this conference report to my colleagues. I commend to them also a careful examination of its craftsmanship in legal terms. I hope very much that the Senate will see fit today, as the other body has already done, to approve this conference report.

Mr. GLENN. Mr. President, I associate myself with the remarks of the distinguished ranking minority member of the Committee on Foreign Relations and the remarks made earlier by our committee chairman (Mr. CHURCH). I only add one thought or two to the statements they have already made.

I read in the newspaper a few days ago, with some concern, Mr. President, remarks by Foreign Minister Huang Hua of the People's Republic of China, as reported in the Washington Post, to the effect that the phrase "unacceptable to the Chinese Government" was Mr. Hua's description of the deliberations of our conference committee with the House in regard to the Taiwan Relations Act. The analysis, as reported in that story, indicated that the PRC, or, at least, Foreign Minister Huang Hua, felt that in our conference committee deliberations, we had apparently gone considerably beyond the security guarantees for Taiwan previously expressed by the administration and previously agreed to in the normalization discussions that were held between the administration and the People's Republic of China.

I do not feel that we did go substantially beyond that, and I hope that in our new relationship, the People's Republic of China representatives do not over-analyze what happens in the U.S. Senate in the treaty ratification process or on a normalization procedure which we have gone through with the House. Those basic interests in the security of Taiwan, and the basic relationship of continuing arms sales during this year that were already in the pipeline, and the capability of making new security commitments—new arms commitments—to Taiwan at the end of this year, beginning on January 1, 1980, were in the original administration agreement of normalization. We basically expressed our prerogatives here, in Congress, as equal partners in this normalization process to establish our "grave concerns," with regard to the long-term security of Taiwan. That term, particularly, was picked up by Foreign Minister Huang Hua as being especially obnoxious.

He went on to say:

If the bills are passed as they are worded now and are signed into law, great harm will be done to the new relationship that has just been established between China and the United States.

I submit to the Foreign Minister of the People's Republic of China that we have gone no farther than the administration in expressing our concerns; the grave concern at this end of Pennsylvania Avenue that there be peaceful resolution of the disagreements with regard to the final status of Taiwan.

In all of our documentation here, and in all of the work of the conference committee, we have recognized, as both sides have said is the case through many years, that it is one nation. We repeated over and over again that we have grave concern, and we would continue our sales to Taiwan at the end of this year at whatever balance of military forces was deemed necessary at that time.

So, I repeat, Mr. President, that I hope the People's Republic of China and their officials, in their new relationship here and their new diplomatic responsibilities for making normalization work properly, are not overanalyzing things and forgetting that we at this end of Pennsylvania Avenue, the Congress, have an equal responsibility, under our constitutional form of government, to express the will of the people. In our checks and balance system the Congress, as well as the President, is responsible for negotiating this new normalization that we have with the People's Republic of China. It does not go that much further and does not change drastically what the President agreed to in the normalization process.

I think, with those few words to be added to the words already expressed by Senator JAVITS and Senator CHURCH, I shall see if anybody else wishes to speak on the subject.

Mr. HOLLINGS. Mr. President, I speak today in opposition to the conference report on the Taiwan enabling legislation. My conviction is that a great power retains both its greatness and its power by dealing forthrightly and resolutely with the other nations of the world. I do not think we are dealing forthrightly and resolutely by this bill. The whole approach is typified by the "Institute" which is being established to carry out our new relationship with Taiwan. This Institute is, we are told, to be private—unofficial—totally nongovernmental. Yet in the same breath, the administration comes to request the public moneys to finance the Institute, making the idea of unofficially a complete sham. I cannot in good conscience be a party to this kind of legislative legerdemain.

We are back to the diplomacy of deception and charade. I thought we had passed that era back in the middle of the decade, but here it is again in full blossom—the secret deals—the weasel words—the decision taken without congressional consultation, in contravention of the law—the hard sell of saying:

Provide the money now, Senator, or blood will flow in the streets of Taipei and the responsibility for that will be yours to shoulder.

The distrust shown toward the people by trying to make abandonment of an old friend look like a policy of principle. There is always a high price which attends the diplomacy of deception and

charade. In this case, we have alienated a friend of many years' standing, for precious little in return. And we have, I am certain, diminished our character and our resolution in the eyes of China's 900 million people, not to mention their self-satisfied leaders.

So we sail to a new breeze. We enter a whole new relationship in East Asia and one that is, in the case of Taiwan, unprecedented. To carry out the unprecedented relationship we have an untested instrumentality, one without legitimate diplomatic parentage—it is instead the child of appeasement. New opportunities for mischief by the People's Republic are rife. In the debate some 2 weeks ago, I described at length the kind of pressures that the People's Republic could well be bringing against Taiwan in the months ahead. I spoke not of the force of military invasion, but of the equally insidious coercion of economic strangulation. The weapons in this war will not be troops and bayonets, but shipping licenses and trade restrictions designed to cut off Taiwan—our ninth largest trading partner—from the world's commercial nations.

Mr. President, there is a great deal riding on our new East Asian initiatives. There is uncertainty, there is lack of adequate safeguards, there is only the reality of change and of danger. And what, then, do we propose to oversee this new relationship? Why a nice little private, non-governmental institute, wrapped in the foil of charade, and probably at this moment bringing tears of laughter to the leaders of mainland China.

Of course, it would have been much better to insist upon some kind of continuing official relationship with our friends on Taiwan. I think we might very well have been able to extract that from the negotiations with the People's Republic. But that was not done, that is history; so, with the hard sell on, I looked to see how we might somehow enhance the relationship and lend some aura of officiality, or at least official oversight, to the new East Asian policies. I hit upon the idea of a Joint Congressional Commission for Security and Cooperation in East Asia. It was to be a small commission, a minor government body, with a similarly minor budget. Small and lean, but able at least to report on how our policies were actually developing, how the untested instrumentality was proceeding, how we might improve our position in that part of the world. It was patterned on the model of the Helsinki Commission, which has done so much to point up the continuing problems in Eastern Europe and the Soviet Union. Certainly it was no threat to the prerogatives of any congressional committee—it was simply a tiny supplement to our overburdened committees—a way of bringing constant monitoring into a constantly evolving environment—simply, cheaply, expeditiously. It would represent, at the same time, notice to the rest of the world that we retained an official interest and an official oversight; that we were watching every development and studying every nuance; and that the United States was sufficiently concerned

March 29, 1979

CONGRESSIONAL RECORD — SENATE

S 3645

about that part of the world as to devote at least some resources to closely monitoring it.

The chairman of the Senate Foreign Relations Committee agreed to my amendment before the debate even began; the committee approved it on the floor; and the Senate passed it March 8. When it got to the House, I understand, it encountered some misgivings as to germaneness—although I do not know how anything could be more germane—and jealousy as to the prerogatives of their Foreign Affairs Committee—although those were in no way threatened. In any event, the House-passed measure was in no way similar to the original amendment. It was watered down to the point of merely calling for that Chamber's Committee on Foreign Affairs and this Chamber's Committee on Foreign Relations to monitor the provisions of the act and the implementation of our policies and report back as appropriate.

Then the legislation went to conference. I was not in attendance, so I do not know exactly what occurred there. I understand that the chairman of the Senate committee fought well for the Senate amendment, but that there was suddenly, from others on the Senate side, expression of concern as to the costs involved—although these had never even been mentioned in the Senate debate. Suddenly, some were troubled by the fiscal implications of the Commission, which was specifically designed to parallel the modest budget of the Helsinki Commission at \$550,000 per annum, hardly excessive. The measure which emerged from conference was almost identical to the House-passed version. It added some language including other appropriate committees who might monitor and report on the act, but, in reality, congressional oversight is reduced to a sham. If this is a compromise of Senate and House differences, believe me, I would hate to see a case where the Senate gives in.

Now, Mr. President, the two Houses will approve the conference measure, and the next question is providing for the appropriation. As chairman of the Appropriations State-Justice-Commerce Subcommittee, I joined our other members in declining the State Department's importunings to shortcut the legislative process by providing the money before we had a bill authorized. With this bill being approved now, the President has a right to expect that the money to carry it forward will be provided. For my part, I have no intention of impeding that process, and our subcommittee will expeditiously move on the matter of the appropriation.

I do think, Mr. President, that this could have been a happier story with a wiser ending had we gone the route of straightforwardness which I have discussed here today. This is an important measure for more reasons than one. It concerns our relationships with a large area of the globe. It concerns the working of our own Government, the coordination between the separate branches of that Government, and the confidence which exists between the people and

their representative institutions. And it concerns the direction of our foreign policy at a time when that policy is under scrutiny, even attack, the world around. We need to move forward on all these fronts. We need to restore our sagging credibility. And we need to develop a policy upon which the American people can look with pride rather than shame and embarrassment. The need for this kind of policy is clear. Equally clear is the sad fact that the legislation before us today, and the administration policy upon which it is founded, fails to meet these tests.

Mr. President, concluding these remarks, I wish I could speak hopefully about the Institute that we have now set up. I wish that the administration would be as categorical and clear as the distinguished Senator from New York was. He reminds us that the committees on foreign relations in both Houses have made tremendous improvements on the administration bill and policy relative to Taiwan. It was obvious the administration had no grave concern, that it was a case of the bum's rush. They said no word could be changed, and they drew the specter that if they did not have immediate funds for Taiwan, there would be bloodshed in the streets of Taipei.

These kinds of things really are disturbing. We talk about grave concern. What is of grave concern to this Senator is when the administration acts in such an immature fashion.

I thought, of course, that the oversight commission would be a very contributing institution to make certain that the policy set by the U.S. Government, through not only its President but its Congress, was properly followed through. The Senate agreed and passed my amendment.

Just a few days ago, I returned from the hearings with respect to the Helsinki Commission. I asked distinguished members of the Foreign Relations Committee there why the Senate and the House Foreign Relations Committees could not take care of the job that the Commission was doing. They said the committees could not give the attention, could not give the visibility, could not be effective handling it. It was a matter of work volume if nothing else. The Commission was needed.

Of course, this applies with respect to Taiwan. I wanted to watch not so much Taiwan as I wanted to watch our own American Institute. I am very fearful as expressed by the Senator from New York, for our continued economic ties. Taiwan is our ninth largest trading partner. I am afraid that the People's Republic will find occasion to exert the economic squeeze. The Taiwanese have enjoyed economic prosperity and success.

The could well begin to act like other folks, when they are not too busy making a living, and develop a concern with their rights. It could be, and I hope so, that they will get a freely elected government over there, or at least they could move against the present government. If and when that occurs, we do have a security problem with respect to a free election. I think an economic

squeeze could be brought by the People's Republic upon these little island people that could well promote discord and upset and cause a real security problem for us in the Far East.

It has been pointed out by some scholars, knowing the background of Chiang Ching-kuo, the President of the Taiwanese Government, that he had trained in Russia. If he was pressed, and had no support from the United States and, perhaps, lost the support of the people of Taiwan itself, then we could be faced with a Far East Cuban situation.

I am not predicting any such thing, but surely it is a matter of possible concern.

The conference report is a great improvement over the bill that was presented by the administration, but I will vote against the conference report. And I go directly to the comments made by our Committee on Foreign Relations about the constitutional right of the President to make foreign policy.

(Mr. BOREN assumed the chair.)

Mr. HOLLINGS. We know that constitutional right. But then he said that there was nothing that the Congress could do about it, or words to that effect. Many of us served in here during the past 13 years, with the Congress going in one direction, the President in another direction, and the people in a third direction. I thought we had learned the lesson of Vietnam.

I want to make it graphic. I recall we had at one time the Secretary of Defense before the Foreign Relations Committee and he was asked about the war in Laos. He said, "What war?"

We said "Mr. Secretary, we are in closed session; go ahead and attest to the war the United States is engaging in, supporting, supplying, and where we actually have personnel."

His answer was that the Department of Defense had no personnel or Americans in Laos. Then the committee invited Director Helms of the CIA, advising him, too, that we were in closed session. We had to make a determination about the amount, how to authorize, and at that time it was running \$178 million.

How do we tell about that real need of the United States in Vietnam? We are asked for money here. We want to have it justified. Tell us about the war in Vietnam.

Director Helms had the "what war" approach, too, but finally he pulled a paper from his pocket and said:

Gentlemen, I am sorry, I am under executive privilege and I am not allowed under the executive privilege of the President of the United States to discuss this war with you.

So we had a secret war in a secret land, and persons living in America were dying in Laos, and their parents and widows would be concerned, and all the Congressman and Senator could say was, "We don't know."

That is how ridiculous this so-called constitutional right of a President to make foreign policy had become.

So I thought we had agreed to a man that, hereafter, whenever we go again in

S 3646

CONGRESSIONAL RECORD — SENATE

March 29, 1979

our policies, that the Congress, the people, and the President would all go together.

I thought that with President Carter we had that higher moral call or obligation that the Senator from New York referred to. Certainly President Carter gave impetus to human rights and morality and we began to feel at last that the true strength of America lay in the moral force of her position.

Now we find chicanery and sham, in total disregard of reality. For, in essence, I think I will put the word "official" against every dollar we appropriate there.

Incidentally, I said earlier in my remarks that I have talked with the President, and the Congress, apparently, will pass this, and he will sign it, so I will not stand in the way if the President wants to get something done, even though I disagree with it.

But what I disagree with most of all is the proposition that this was in good order, that it did not reflect on the way the United States of America conducts its business.

For one thing, the President disregards history. He shows a propensity to do that. He started off as President and tried to remake Midwest water policy, effectuated and evolved over a 75-year period by 11 States, Governors, Republicans, and Democrats, for the use of the Colorado River and other waters, and all the other reclamation. The President immediately characterized them as pork barrel and tried to change the water and reclamation policy of America. Of course, he ran into a hornet's nest, not because it was pork barrel, but because it was good policy. Mistakes were made. We cleaned them up in that particular program. Even in foreign policy, we have water projects and hydroelectric projects, irrigation dams, and what-have-you, under the World Bank and the International Development Agency, to the tune of over \$1.7 billion this year. International, foreign pork barrel, even into Communist Romania. But do not let me go off on that subject. Let us stick to the sense of history.

I do not think Teng Hsiao-ping has ever seen Taiwan. Now, many of us here, probably everyone in this Chamber, has been to Taiwan. I do not think anybody in the Government of the People's Republic has.

The first thing I want to do is get tourist procedures reimplemented, so we can take our Government on visitations, so we can all see the little country of Taiwan, which, for the past 85 years, has not been under the jurisdiction or control of the mainland Chinese. I could go into the background of the island the Portuguese named Formosa, or "beautiful island," and the occupation of Portuguese and Dutch, the history of dynasties, the Japanese, and all the rest.

But the point of the matter is that this so-called government, mainland China, the People's Republic, has never had jurisdiction. Now I respect the People's Republic. I do not resist the normalization, I would have preferred, if asked, to use the formula of the Canadians and

the British, take note of the PRC claim, but not officially "recognize" it.

I would only have taken note of, but never dignified, the idea that a government that has never seen an entity and a territory could claim that entity. And I surely would never have done it categorically and on national television.

So, the administration flies in the face of history, and flies in the face of the people of the United States who desire overwhelmingly that we maintain our normal relations with Taiwan.

On the main point again, on the way we conduct business, let us look at the impact on Japan. We talk of security pacts and our defense umbrella in the Far East, but the other party in Japan has caterwauled for years that Japan could not rely on us. I daresay, Mr. President, that it will pick up substantial political support within Japan, because they can now say, "Security pacts can be undone by the United States with a snap of the finger and an appearance on TV. So we better begin to defend ourselves."

Incidentally, Mr. President, what we will have then is more nuclear proliferation, in spite of all the President's other efforts to stop nuclear proliferation.

And what are we telling Korea? They will say, "The United States tells us as it withdraws its troops that it will take care of our security, but we could not be any more important than the Taiwanese they treated as they did." That puts them in a very tenuous position.

In the Middle East, we are indebted to the President for saving people and his tremendous accomplishment between Egypt and Israel. But we are giving them the idea, too, that when we say we have a security pact, we do not feel too secure in a security pact because, again, it can be cast aside with an appearance on TV, without consultation, even when Congress has asked for consultation. So this matter really reflects on the morality of the position of the United States, more so than any kind of human rights policy. That is what bothers me. That is why I vote "No."

Mr. JAVITS. Mr. President, I thank the Senator from South Carolina for his contribution.

I think that what has made our debate in this matter so useful and what has resulted in such a useful position to the country has come exactly from so deliberately thoughtful and frank an expression of views, positive in their implications, as we have had from the Senator from South Carolina. I certainly thank him for that contribution.

Mr. HOLLINGS. I thank the Senator.

Mr. GLENN. Mr. President, there are no points the Senator from South Carolina brought up that I wish to debate. I will make a couple of comments, however, as to the other commitments he mentioned that we might well have.

They were of great concern to me also when we had the State Department officials before the committee. I also wanted to find out if there were any other commitments. Was there another shoe yet to drop? Was there something else we did not know?

We have been assured in writing by

the State Department that everything with regard to this new relationship, with regard to normalization, with regard to our commitments to Taiwan, is out in the open and that there are no secret commitments. We have that in writing, and I trust that that is exactly the case. If not, there will be a Senate Chamber full of many disgruntled and unhappy Senators, including myself. We do have that certainty.

Mr. HOLLINGS. Does the Senator really believe that we can officially appropriate the moneys authorized here and then officially have no government-to-government contact? Does the Senator really believe that?

Mr. GLENN. We have said all the way through, I say to the Senator, that we all have recognized this as somewhat of a diplomatic charade, which the Japanese went through, which everybody has gone through. It is a way of taking care of this relationship between geographical and people entities, short of formal diplomatic recognition, but it is difficult at best.

I believe that the American Institute on Taiwan will probably be as American as our embassy was previously, but it will not have the sanction of being an official diplomatic entity as we had previously on Taiwan.

Mr. HOLLINGS. It was said that blood will flow in the streets.

Mr. GLENN. I think it is important that we get this Institute established as rapidly as possible. In all sincerity, I am glad to hear the distinguished Senator state that he is going to move ahead to reprogram the money from the embassy to this new American Institute; because the news from Taiwan just this morning indicates that as a result of some of the uncertainty, according to people there, our dollar has been falling against the new Taiwan dollar indicating there is less confidence in our dollar at this point.

Mr. HOLLINGS. I would have less confidence if I were there. I agree with that. Even though we might pass this and pass the appropriation, I can see the lessening in confidence as the years pass.

In fact, if the People's Republic does come to predominate, they will never see any American free enterprise system there. So whatever kind of confidence they have in the economy, bless their souls, tell them they had better get a free election quickly, and I would be glad to recognize them in the U.N. We will have the U.N. hearing on Monday.

Mr. GLENN. They will be glad to hear that advance word.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GLENN. Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there

March 29, 1979

CONGRESSIONAL RECORD — SENATE

S 3647

a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. McCLURE. Mr. President, I congratulate my distinguished colleague from Idaho, Senator CHURCH, the chairman of the Foreign Relations Committee and the floor manager of this conference report, on his success in conference in persuading the House of Representative conferees to accept the McClure-Stone amendments on the full and uninterrupted continuation of all forms of cooperation in atomic energy with the people on Taiwan under the Atomic Energy Act of 1954, as amended, and the Nuclear Nonproliferation Act of 1978. I am extremely pleased to find the McClure-Stone amendment in section 4 (b) (5) of the conference report exactly as passed by the Senate on March 8, 1979, and I know that Senator STONE, my co-sponsor, shares in that pleasure. It is extremely satisfying for this Senator when the legislative process in the Senate can work to affirmatively and constructively protect the best interests of the United States and those of our friends abroad. Again, Mr. President, my most sincere congratulations and appreciation to my colleague from Idaho, the floor manager, for his success in the conference.

My second purpose, Mr. President, for seeking recognition was to finally perfect the legislative history associated with the McClure-Stone amendment, as included in the conference report in section 4(b) (5). To that end, I request that the floor manager enter into a brief colloquy with me on that subsection of the conference report pending before the Senate.

I note that section 4(b) (5) of the conference report is discussed on page 15 in the joint statement of the conference committee. The first full paragraph on page 15 identifies the McClure-Stone amendment, as passed by the Senate, as "consideration of nuclear export applications (section 116)".

The next paragraph on page 15 discusses the combination of the general House provisions and "the more specific Senate provisions without weakening or narrowing the applicability of any of the provisions adopted." The paragraph continues:

* The Senate provisions are to be construed as fully applicable to the matters to which they are directed. . . .

Would the floor manager agree with me that this discussion, on page 15 of the conference report, of the McClure-Stone amendment and the conferees' intentions with regard to its construal clearly and categorically links to section 4(b) (5) the lengthy legislative history

developed by us on the Senate floor on March 8, 1979, during consideration of S. 245, which appears in the CONGRESSIONAL RECORD of that date, beginning on page S2337?

Mr. CHURCH. I agree completely with my colleague from Idaho that the legislative history which we crafted during consideration of S. 245 attaches fully to section 4(b) (5) in this conference report, and further, that the discussion on page 15 makes the conferees' intent absolutely clear to the effect that this specific Senate provision shall be construed as fully applicable to the matters to which it is directed, the continued and uninterrupted cooperation in atomic energy with the people of Taiwan under the Atomic Energy Act of 1954, as amended, and the Nuclear Nonproliferation Act of 1978 and as further effectuated by the procedural provisions of this act.

Mr. McCLURE. Would the floor manager also agree with me that the letter of March 8, 1979, from the Department of State to the Honorable FRANK CHURCH, chairman, Foreign Relations Committee, and signed by Assistant Secretary Douglas J. Bennett, which appears at page S2341 of the March 8, 1979, CONGRESSIONAL RECORD, and which enclosed a "Summary of Nuclear Export Procedures Applicable to the People on Taiwan Under S. 245," would remain completely effective and operative for the bill reported by the conference committee, H.R. 2479, with appropriate references to the new sectioning in the conference bill?

Mr. CHURCH. I agree with the Senator from Idaho that the March 8, 1979, letter from Assistant Secretary Bennett is completely effective and operative for the specific nuclear export procedures to be followed under the provisions of the conference bill, of course, with the appropriate sectional references.

Mr. McCLURE. For example, in that regard, and as discussed in Assistant Secretary Bennett's letter, would the floor manager agree that section 10(a) of the conference bill, as a matter of law clearly establishes that an instrumentality established by Taiwan which the President determines has the necessary authority under the laws applied by the people on Taiwan to provide assurances shall be deemed to have full authority to provide the required assurances for nuclear exports under the Atomic Energy Act of 1954, as amended, the Nuclear Nonproliferation Act of 1978, and the agreement for cooperation with Taiwan, the continuation in force of which is confirmed by this bill?

Mr. CHURCH. My colleague from Idaho is completely correct; the assurances provided by such an instrumentality, as a matter of law, shall be deemed to have been received from the legal entity with full authority to provide the required assurances under those acts and the agreement for cooperation.

Mr. McCLURE. Finally, Mr. President, I ask the floor manager if he would agree that section 4(b) (5) in the conference bill, just as the original McClure-Stone amendment is intended to apply not only to nuclear export licenses and applica-

tions, but also to technology transfers, subsequent arrangements and any other authorized form of cooperation with the people on Taiwan in the peaceful uses of atomic energy pursuant to both the Atomic Energy Act of 1954, as amended and the Nuclear Nonproliferation Act of 1978, and further that the relevant provisions of the conference bill will satisfy the procedural requirements in those acts for those authorized forms of cooperation?

Mr. CHURCH. The Senator is completely correct.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. GLENN. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I intend to vote in favor of this conference report, and I commend the committee and its chairman for the able work done on this important matter.

The conference action is stronger because it not only provides a needed basis for continued relations with Taiwan but also because it continues in force all treaties between Taiwan and the United States which were in force prior to January 1, 1979, "unless and until terminated in accordance with law." This provision is in section 4(c) and is explained on page 15 of the report.

Therefore, Mr. President, the legislation and the conference report cannot and clearly do not imply retroactive approval of the purported termination of the Mutual Defense Treaty between Taiwan and the United States by the executive branch acting alone; nor does the legislation or the conference report contemplate termination of the Mutual Defense Treaty "unless and until" it is "terminated in accordance with law."

Notice having been given that termination may occur—and I emphasize may occur, Mr. President—the question now becomes whether Congress will act to terminate this treaty so that at a date on or after January 1, 1980, it will cease to have been its present status as supreme law of the land.

Thus, Mr. President, unless and until direct action is taken by the Congress to terminate this Mutual Defense Treaty, then under this legislation on which we will soon vote—specifically under its section 4(c)—the Mutual Defense Treaty with Taiwan will continue in full force and effect.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. PERCY. Mr. President, I appreciate very much the managers of the bill, Senator CHURCH and Senator JAVITS, withholding a vote on this matter until I was able to return to the Chamber and to make a few remarks and then address a few questions to them.

Mr. President, I think that the bill before us represents the will of the majority

S 3648

CONGRESSIONAL RECORD — SENATE

March 29, 1979

in this Chamber because it expresses the concern of the American people that the future of Taiwan and the Pescadores be resolved on a peaceful basis. At the same time it does not conflict with the view of the authorities in Peking and the people on Taiwan that there is only one China and that Taiwan is a part of China.

The bill preserves the intent of the President, as agreed in his negotiations with China, that we will not have official relations with Taiwan. In keeping with our long-time friendship with the people on Taiwan, it makes available, on a strictly unofficial basis, the benefit of domestic U.S. programs and of commercial and other contacts between the people of the United States and the people on Taiwan. In this, the bill once again reflects the feelings of the American people and is entirely consistent with the statement made by President Carter on December 15, 1978, in announcing the establishment of diplomatic relations with the People's Republic of China. President Carter said on that occasion:

The United States of America recognizes the Government of the People's Republic of China as the sole legal Government of China. Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan.

In the official U.S. statement made public the same day, it was stated as follows:

The administration will seek adjustments to our laws and regulations to permit the maintenance of commercial, cultural, and other non-governmental relationships in the new circumstances that will exist after normalization.

I submit that this bill clearly carries out the administration's purpose.

On the subject of the concern expressed in this bill for the nonuse of force in resolution of the Taiwan question, we carry out the statement made in the Shanghai communique of February 27, 1972, which notes that the United States "reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves."

On the question of certain property in Washington, the bill in no way resolves the problem. If the People's Republic of China chooses to file suit in our courts, the decision will be made in the courts, as is usual in our constitutional process.

Mr. President, I ask the managers of the bill if in this matter the question simply would be, in a sense, a constitutional question. I do not know of any precedent, because it is a matter that really requires the People's Republic of China to file suit. There is no role for Congress in this. The executive branch cannot resolve it. It really must be resolved by the courts. The initiative would have to be taken by the People's Republic of China.

It is the hope of the Senator from Illinois that this matter could be disposed of expeditiously by the courts, but our role is secondary to the role of the courts.

Is that the understanding of the managers of the bill?

Mr. CHURCH. Yes. I say to the distinguished Senator from Illinois that

when the amendment relating to the Twin Oaks property was before the Senate, I argued against it. At that time I suggested that Congress is not competent to pass judgment on the title of real property, and that the amendment constituted an effort by Congress to declare who owned Twin Oaks.

I do not think that the Congress of the United States could describe the property, or the residence of the distinguished Senator from Illinois and take a vote in here and say, "We hereby confer title on the Senator from Idaho who is now legally recognized as the owner of what was formerly Senator PERCY's residence."

I do not think that can be done because of the constitutional provision against the taking of property without due process and just compensation.

During the original debate I said, when Senators were determined to do something, that it was beyond the authority of Congress, in my judgment, to act. For that reason alone there would be grounds, in my opinion, for a quiet title action.

As the Senator knows, the Twin Oaks property was originally purchased in the 1940's by the then recognized Government of China. Normally, under international law, that property would pass to any successor government that was recognized by the United States as the Government of China.

There is a complication in this case, inasmuch as a conveyance or transfer of title was made just prior to the time that the United States officially recognized the Peking government. As a result of the conveyance there may be a justiciable issue as to whether that conveyance should be recognized as valid. Here again is a question that can only be resolved in the courts.

So I really feel that Congress indulged itself in a futile act when it passed this particular provision. The efficacy of this amendment remains to be determined by the courts, should an action be brought to quiet title to the Twin Oaks property.

Mr. PERCY. I agree completely with the manager of the bill in this regard. I did not feel that we were the competent authority to get into this matter. Possession, it is said, is nine-tenths of the law. There is no way in which we could act, or the executive branch could act, to evict anyone on the property. If a tenant is in a piece of property, no one can move in and evict him except by order of a court; therefore it should be resolved by the court.

And as I interpret the legislation before us we are not changing what the decision of the court might be. They have to go back to the precedent for this and determine that case, and it is really up to the People's Republic of China to take the initiative to institute suit to clearly determine what the court judgment is.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield to my colleague from New York.

Mr. JAVITS. Putting this now in lawyers' terms, and I thoroughly agree with what has been discussed, I construe the act as strictly neutral on the issue of who

owns the diplomatic property, to wit, the Embassy property. The reason it is neutral is this: We engaged in an affirmative act with the People's Republic of China, well recognized by international law in all its implications; to wit, we recognized them and sent an Ambassador. That is unaffected by this act; we could not affect it. That is it. Once done by the President, that is a complete act of recognition.

The only thing this bill seeks to do is determine where we stand with another entity from which we withdraw an Ambassador, not that that was necessary; we could have recognized both, but the PRC and the ROC both insisted that they would not have that, so in that case we derecognized the Republic of China. Now there is no question in international law whatever about the effect of recognition and how that affects Embassy property and so on. There is some question as to what happens to a relationship between us and the entity which we did recognize previously, previous to January 1, 1979, to wit, the ROC Government on Taiwan. That is all this bill deals with. It deals only with something which is not dealt with in established international law. But as to the PRC, it has been deprived of no right whatever. No effort has been made to deprive it of any right which it has as the recognized government of China under international law.

Mr. PERCY. I thank my distinguished colleague.

In conclusion on this matter, I know that one of the hopes is that we will continue to strengthen our cultural, educational exchange, and trade relationships with the people of Taiwan. Also it is in our mutual interest to begin now on a very large-scale basis, the program of dealing directly with 900 million people. There must be opportunities for two-way trade here, and I presume that it would be our intention to move forward now to expand our commercial relations with the People's Republic of China because those are the lasting kind of ties that make more practical the political ties between our people.

A final question: Is there anything in the legislation before us which anyone believes to be inconsistent with the Shanghai agreement reached in the Nixon administration or with the understandings and arrangements reached by the Carter administration in its negotiations prior to our taking this action with the People's Republic of China?

Mr. JAVITS. It is my judgment, if the Senator will yield, that this legislation is consistent with the policy of the United States throughout. What it does contribute is that where that policy left questions blank, the legislation fills in those blanks. Where it left the relationships uncertain, the bill seeks to supply a framework for those relationships with what we define collectively as "Taiwan." But other than that, it does not, in my judgment, contravene the basic policy of the United States as it has developed from 1972 on.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. CHURCH. I wish to say in that

March 29, 1979

CONGRESSIONAL RECORD — SENATE

S 3649

regard that I fully share the opinions expressed by the able Senator from New York.

Mr. GOLDWATER. Mr. President, will the Senator yield for a comment?

Mr. PERCY. I yield.

Mr. GOLDWATER. I doubt that this clears things up, but after the so-called Shanghai letters I engaged Dr. Kissinger in quite a number of discussions on this and he assured me that there was nothing in the original Nixon discussion relative to the abandonment of Taiwan. He even went so far as to tell me that in his discussions with Peking he himself would have to bring the subject up because Peking would never bring it up and usually respond by saying, "Well, that is a problem that we will solve when we get to it."

So while I have never seen the contents of the Shanghai letters, I am merely reciting what Dr. Kissinger has told me which I had learned, by the way, from President Nixon and Dr. Kissinger that Taiwan was not to be abandoned by any plan that was thought up for them.

I merely wanted to say that for the record and not ask for a change, because that cannot be done.

Mr. PERCY. Mr. President, I wish to associate myself with the comments of my distinguished colleague from Arizona. There is no abandonment by any means, implied or expressed, in this legislation. In fact, my opening comments were to the effect that I think the bill before us represents the will of the majority in this Chamber because it expresses the concern of the American people that the future of Taiwan and the Pescadores be resolved on a peaceful basis, and we reaffirm this.

And I do look forward to a constructive unofficial relationship with the people of Taiwan.

We also look forward to an expanding cooperative relationship with the People's Republic of China, the most populous nation on Earth.

I am personally satisfied that this bill allows us to maintain unofficial contacts with Taiwan as we move toward closer and mutually beneficial official relations with China.

Mr. President, because this has been an extraordinarily complicated matter, and it is a matter that is so significant to the interests of this country, it is important that we have an overwhelming vote in the House and the Senate. This is not the kind of an issue we would want resolved by one or two votes on either side. We should have a mandate from the Congress of the United States that we stand together with the executive branch of Government in taking this momentous step forward.

For that reason, I wish particularly to commend my colleagues, the managers of the bill, Senator CHURCH, the chairman of the Committee on Foreign Relations, and Senator JAVITS, the ranking minority member, for an extraordinary job.

Although I have disagreed on a few matters, that does not in any way detract from my great admiration for the skillful way in which they have—in the

highest tradition of statesmanship—proved the Senate of the United States forward, and the House of Representatives forward, to a point where we can overwhelmingly endorse this legislation today.

Mr. CHURCH. I thank the Senator very much for his generous comments.

I simply want to stress my personal indebtedness to the distinguished Senator from New York for his cooperation, and also to the other members of the Committee on Foreign Relations, who throughout this legislation have worked to perfect a bill that would command overwhelming support here in the Senate.

I speak to those Senators of the committee who are present, Senator HELMS from North Carolina, Senator PERCY from Illinois, Senator HAYAKAWA from California, Senator MUSKIE from Maine, Senator GLENN from Ohio, and all the other members of the Senate Committee on Foreign Relations. My thanks and appreciation are extended to them.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. JAVITS. I join with my colleague, the chairman, and associate myself with his remarks.

I want to especially thank Senator PERCY. I am a lawyer, as everybody knows by now, and I always value being put to my proof, and his assiduous concentration on the terms of this bill, I think, had a great deal to do with my own ability to summon what creativity was required in order to do what he now applauds us for. Without him I do not think it would have been done, and I thank him very much.

Mr. DOLE. Mr. President, the House has passed the compromise conference report on the Taiwan Relations Act by a vote of 339 to 50. The overwhelming support for this legislation, which I hope will be reflected as well in this Chamber, reveals the general satisfaction with the amendments the Congress made to this legislation, which resulted in a complete rewrite of the original administration proposal.

We in the Senate were concerned about our security guarantees to Taiwan and we strengthened that language in the bill—now we have made our position perfectly clear to the People's Republic of China: Not only do we expect the differences between Peking and Taipei to be settled by peaceful means, but we will consider actions taken to ruin the economy of Taiwan as a threat also. This means such practices as excluding them from vital communications and economic organizations around the world or by preventing international trade through discriminating bilateral agreements.

I am still not convinced the Carter administration bargained with sufficient diligence on the issue of official relations with Taiwan. President Nixon and Ford could have normalized relations with Peking any time in the last 7 years on these terms. I do believe that the Senator from Kansas and his many colleagues have made the very best of a poor situation, by amending this legislation to include cer-

tain rights and privileges for Taiwan, and the final result is that our future relations will be conducted almost as they once were, official relations in all but name.

This past weekend Peking heavily criticized these actions by the Congress. I welcome this criticism. It means we have gotten our point across. The PRC now knows exactly where we stand on the Taiwan question. Let Peking not forget that the United States has a strong strategic interest in the Asian Pacific area, and still has close ties of friendship and harmony with our allies, the people of Taiwan.

I have here an article written by J. William Middendorf, former Secretary of the Navy and a former Ambassador to the Netherlands. It calls to mind the serious concerns and reservations many of us have about the normalization process and the manner in which it was carried out. I would hope the government in Peking will read these words and, keeping them in mind, temper their future criticism with the realization of how strongly the Congress and the American people have felt about Taiwan.

Mr. President, I submit for the RECORD the text of Ambassador Middendorf's article.

The text follows:

THE SELOUT OF TAIWAN: "MORE THAN A CRIME—A MISTAKE"

(By J. William Middendorf)

It was nearly the night before Christmas 1978 . . . and all through the House, and the Senate, nothing was stirring—everybody was home for Christmas.

But a frenetic activity was going on in the White House, at the other end of Pennsylvania Avenue. They were hard at work producing what many believe was an attempt to divert the attention of the American people from the fact that the so-called Carter Middle East "Breakthrough" had become the Middle East Breakdown. It became a breakdown because Rafshoonery is simply no substitute for facing such problems as the status of the West Bank of Jordan and East Jerusalem—issues dodged at Camp David.

So it appears—another "breakthrough" was arranged—even though it has been described as a breaking of at least three of the President's campaign promises and a big question mark for America's credibility as the leader of the free world.

We ought never to forget Candidate Carter's second TV debate with President Ford—in which in addition to saying "I'll Never Mislead You", he told the American people:

"I would certainly pursue the normalization of relationships with the Peoples Republic of China . . . But I would never let that friendship stand in the way of preservation of the independence and freedom of the people of Taiwan."

How long then is "never" in the reckoning of President Carter? At a news conference in Kansas City just ten days later, Candidate Carter elaborated on this subject:

"We are bound by a treaty to guarantee the freedom of Formosa, Taiwan, the Republic of China. I would like to improve our relationship—our diplomatic relationship with the PRC, mainland China; hopefully leading to normalization of diplomatic relations some time in the future. But I wouldn't go back on the commitment that we have had—to assure that Taiwan is protected from military takeover."

Just 425 days later—with no such assurance whatever from Peking—at night, when the Congress had left town, the hand that

held the dagger plunged it into the back of one of America's most loyal allies, and most lucrative trade partners. Goody-bye, Taiwan.

This was carefully noted—with expressions of joy—by the mob manipulators in Iran. For the betrayal of Taiwan enabled them to realize that being a friend and ally of the United States Government has become almost as dangerous as being a relative of the murderous King Herod—of whom the Emperor Augustus once observed: "I would rather be Herod's pig than his son."

In came Bakhtiar, a new Kerensky, followed by Khomeini; another Potential Kerensky, described by Andrew Young in one of his traditionally questionable statements, as a "future Saint". Good-bye, Iran.

President Carter's alleged "China Breakthrough" was not merely the knifing of a friend and the utter disregard of the Dole-Stone Amendment, which by a vote of 94 to 0 in the Senate requested consultation with Congress prior to any change in the Defense Treaty. The abandoning of Taiwan was not only wrong from the strategic point of view but, as we shall see later, unnecessary. It was an action that recalls the cynical classic of Talleyrand:

"C'est plus qu'un crime; c'est une faute."

Yes, it is more than a crime, it is a mistake. Just how much of mistake it was, has been well summarized by the former U.S. representative in Peking, and former Director of the CIA, George Bush.

Ambassador Bush notes that this Carter sellout "not only diminished American credibility in the world, but has also darkened the prospects of peace."

Bush also recalls that with the leaders of mainland China, the so-called "liberation" of Taiwan was clearly secondary to the forty-five Soviet divisions poised on China's northern border.

And speaking of the word "liberation", is the Carter Administration prepared to claim that human rights are better observed on the mainland than on Taiwan?

They are not. The swimmers and the boats always seem to be traveling away from Asia's communist paradises—never towards. In much the same way, it was not the capitalists of West Berlin who felt obliged to erect the Berlin Wall.

Ambassador Bush dissects the alleged Carter China triumph and finds it not only wanting, but ludicrous—a mistake, as Talleyrand put it, even greater than the moral crime of broken promises. For as Bush notes:

"The terms that the Carter Administration has accepted and even trumpeted, are the same terms that have been available for the past seven years. But they were always refused before because we knew, just as the Chinese knew, they were a figleaf for an object American retreat . . . China, whose primary interest lies in a strong, steadfast American presence in the world, has now seen just how easily we can be pushed around. The Chinese realize that we have given all and gained nothing . . . The United States has put an entire people adrift in a cruel, hostile sea—and for scarcely any purpose."

Just how much of a mistake it was, shows in a recent interview with President Carter that reveals a new dimension in what might be a monumental example of political amateurism. It is now apparent that neither Secretary of State Vance, nor National Security Advisor Brezinski *did even ask* for the continuation of diplomatic relations with Taiwan and for guarantees from the PRC regarding Taiwan's security. It was just overlooked.

Those who spoke about some secret arrangements as to the necessity of giving up Taiwan in order to establish relations with the PRC were proven wrong by these revelations. Taiwan could have been saved but was

lost because of sheer incompetence—no superior state reasons involved.

The whole situation is without sense—breaking diplomatic relations with Taiwan—a faithful ally—in order to please a country which, even in the best possible scenario, will in the long run unmistakably be a competitive super-power; leaving a small, successful democratic nation in the lurch for no cause; raising new question marks (even greater than after pulling out of Vietnam) regarding the reliability of the U.S. as an ally. Why couldn't the U.S. have diplomatic relations with both Chinas? So many countries have relations with East and West Germany, North and South Korea, North and South Yemen. Why did we have to offer the mainland Chinese a total victory? Leading Senators of both parties are now saying "we left something on the table" in our negotiations with Communist China.

Certain moments in history impose strange alliances—like the U.S.-Russian combat cooperative of World War II. But, I cannot see any reason why today the most powerful country in the world (if we are indeed that) should accept all the demands of an internationally isolated, underdeveloped and politically unstable country, even if it has the largest population in the world. To cave in so easily is a sign of weakness, one which the Eastern mentality of the Chinese Communists will certainly not respect, to say nothing of our remaining "allies". The Communist Chinese themselves may well be privately asking of what permanent value is this newly created alliance. Indeed, the true beneficiary of this new "marriage of convenience" may be the Russians, because although we have just established a new "Molotov-Ribbentrop Treaty", we may have laid the groundwork for our final isolation from our most important allies who can see the handwriting on the wall.

It thus appears that a total diplomatic victory, with serious consequences for the credibility of the United States in the world, had been offered to the Communist Chinese. Were they in such a strong bargaining position? The facts do not seem to indicate this.

Despite a recent treaty with Japan and some exchanges of visits with European countries, China is still in the process of overcoming its international isolation of many decades. China needs international recognition, especially in view of present tension with its more powerful neighbor—Russia, and China's new war with Vietnam.

The Chinese economy is in a disastrous situation, 50 years or more behind the Western world; desperately in need of capital, technology and knowhow. It is now estimated that it may take 15 years and \$350 billion dollars of the West's money to finance their infrastructure and industry needs to bring China up to a level where she could be an effective counter to Russian "hegemony". We may find the Russian Bear wandering long before that, and we may also find China's low cost exports to us more than we bargained for in the future.

China's domestic political situation is still not crystallized and the more moderate faction led by Teng H'siao Ping needed the recognition of the U.S. badly.

There is an ominous parallel between the recently concluded agreement with China and the Molotov-Ribbentrop Treaty of 1939; within days after both agreements, war began—with new "security" alliances in hand, these adventurers proceeded with long held plans—aggression.

It is now clear that the PRC needed U.S. negotiation before attacking Vietnam.

In the meantime, the priorities of the Carter Administration are SALT arms limitations with Russia and diplomatic rela-

tions with China. Can we trust the Communists? Instead of remaining strong and building on our alliances for peace through combined strength, we may be putting our neck in one communist lion's mouth to escape another—or maybe putting our neck in the mouths of both.

Today, it appears that the central theme of our foreign policy is a President transfixed with SALT II. Our present policy of comparatively unilateral disarmament and inaction is an invitation to war. Just as a deer is rendered motionless by the headlights of a car on the road at night, Carter appears to be held hostage by the Soviet tactic of dangling goodies just beyond his reach, while they engage in ever bolder proxy aggression all around the world. SALT II may turn out to be another abortive Washington Naval Conference of 1922 which was violated before the ink was dry and was a contributing cause to World War II.

The best guarantee for peace is a strong defense, discouraging any potential aggressor, or as the Romans put it two thousand years ago:

Si vis pacem, parat bellum (If you want peace, prepare for war.)

The Russians, sensing our weakness after their unopposed proxy victories in Angola, Ethiopia, South Yemen, Afghanistan and Cambodia, capitalizing on the turmoil in Iran, and watching us voluntarily give our own friends away in Taiwan, strategic South Africa, Korea, etc. must now feel the surge of destiny to be on their side.

So, while the Russians now challenge us openly in Iran, Africa, and the Arab world, the Chinese who still help the Palestinians and the guerrillas in South Africa and Rhodesia, have recently asked us to get out of South Korea.

Finally, the whole mosaic of these events and U.S. policy is coming into view. Ours are not the actions of a nation confident of the future, but one of defeat. It is becoming all too clear that we are, one by one, throwing out the children to the wolves, as in the old Russian sleigh-ride scenario. First Vietnam, now Taiwan and Iran. There is not much left to give away. Who may be next?

The betrayal of our commitments toward Taiwan is not only abhorrent to the tradition of honesty in the United States, but is also a very serious strategic mistake.

Credibility is the glue that holds together the governing structure of the United States and the system of alliances that defends the free world. It was credibility that seemed absolutely radiant in that enormous smile and safety-accented series of assurances by an ex-Governor of Georgia and active church official, who kept promising that he would never mislead us. That is what he said: over, and over, and over again in his campaign, which began in 1974, two years before he was nominated and then elected.

But Taiwan is not an isolated issue. The leaders of the free world are following with growing concern a series of actions of this Administration that affect the leadership role the United States used to play in the world.

For the titular leader of the party of Franklin Roosevelt has now adopted policies more akin to that advocated by Charles Lindbergh and Senator Burton Wheeler in 1940, and prior to December 7th of 1941.

Commander-in-chief Carter, the Annapolis graduate, has gutted the very Navy that educated him by recently cutting the Navy's five-year ship rebuilding by more than half. And this at a time of the continuing emergence of the largest Russian navy in history and despite the fact that it takes 3 to 10 years to build new Naval ships. Even if we begin today, we are in for scary times ahead because of the 1981-1985 gap when Soviet forces will clearly eclipse ours.

The Commander-in-Chief, who quite

March 29, 1979

CONGRESSIONAL RECORD — SENATE

S 3651

rightfully deplores our excessive dependence on imported petroleum, has just axed a nuclear carrier which needs no such petroleum, and can operate for thirteen years without refueling.

Without getting concessions from the other side, he has shot down the B-1 Bomber and shelved the Neutron Bomb. He has taken the lead in giving the Panama Canal to a Panamanian dictatorship which is the very antithesis of the human rights ideal to which Mr. Carter purports to be dedicated, and it is only now coming out that we will have to pay this dictatorship many millions of dollars to run it.

Carter's human rights policy has hardly been applied to the big, strong and most massively outrageous violators of human rights like the Soviet Union and its satellites. Instead the Carter Administration joins that immoral rabble at the United Nations its repeated stampings of such nations as Chile, South Korea, the Philippines—South Africa; all the while ignoring the comparatively mountainous violations of the Soviets and the battalion of dictatorships and one-party governments that afflict many countries in Black Africa.

President Carter may have gotten his Middle East Breakdown off the front pages last December, but this diversionary Taiwanese backstabbing has made the Middle East crisis more acute. For Israel is reappraising the value of American guarantees for its security in the light of the proposed Israeli-Egyptian treaty.

Comments in many other parts of the world are along the same line. Japan has for some time questioned the ability—or will—of the United States to repel a Russian attack against the Japanese Islands. So Japan is rearming, understandably, in view of the Jimmy Carter Retreat from Taiwan and from Korea and from moral and military leadership all over the world.

Saudi Arabia, perceiving the inadequate support given by the U.S. to the Shah of Iran is considering changing its so-far negative stance toward the Soviet Union.

Somalia, a major defector from the Soviet camp, has not received the help it needed from the West and there are indications it is quietly preparing to return to its former masters.

Certainly, Mexico did not seem to be impressed by our fidelity as a friend or by the role we have played in recent world affairs when it snubbed our President on his recent oil-groveling trip.

In an even more serious development, Western Europe seems to be on its way towards more independent, if not competitive, policy-making, disenchanted with U.S. indecisiveness in world political, economic and military affairs. There are a number of new initiatives. Deeply concerned with the chronic weakness of the dollar (to a large extent due to the lack of confidence of world business in the present Administration), the EEC announced the creation of a European monetary system. Due to their diminishing trust in the strength and determination of the U.S. military power, Western Europe has adopted for the past years a more conciliatory position towards the Soviet Union. Chancellor Helmut Schmidt of Germany recently advocated an even closer relationship with the Soviets. President d'Estaing of France has now suggested the formation of a new bloc that would include the EEC, Japan, the OPEC and the African countries, to counter-balance the U.S.-Soviet-Chinese influence and what they feel is a diminishing U.S. role in this triangle.

A badly managed foreign policy weakens the dollar and the competitive position of American business overseas and affects our economic life through the balance of payments. In the long run, a bad foreign policy can threaten the security of our country.

We are now obligated to face two rather burning questions, whose time has come—in what ought to be a moment of truth:

Is an end of the United States as a world power in sight? And, who stands behind us to carry the mantle of freedom? Are we in the end battle between forces advocating "Command" economies (socialists, communists and totalitarians that would dictate what the citizens needs should be), and "Demand" economies, that permit individual choice?

What is the solution?

In the best tradition of American democracy, we all have the right and duty to speak out on these issues and try to influence them through the established channels. We must begin today in the precious moments of freedom we may have left to rebuild our strength, as a clear signal to potential aggressors, so that we can indeed live in peace we must hug closer to us every potential ally. We would do well to reverse as soon as possible that attitude so widely held among our allies that we only embrace new "old enemies" and will sacrifice at the drop of the hat any "old friend" as long as it is expedient for us.

As Cicero said to Atticus:

Errare humanum est, perseverare diabolicum. (To err is human, to persist is diabolical). ●

Mr. CHURCH. Mr. President, the yeas and nays have been ordered, and I believe the Senate is ready to proceed to a vote.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Colorado (Mr. HART), the Senator from New York (Mr. MOYNIHAN), the Senator from Mississippi (Mr. STENNIS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) and the Senator from Illinois (Mr. STEVENSON) would each vote "yea."

Mr. BAKER. I announce that the Senator from Maine (Mr. COHEN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Wyoming (Mr. SIMPSON), the Senator from Vermont (Mr. STAFFORD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. HUMPHREY) would vote "nay."

The PRESIDING OFFICER (Mr. HEFLIN). Are there any other Senators in the Chamber who have not voted?

The result was announced—yeas 85, nays 4, as follows:

[Rollcall Vote No. 32 Leg.]

YEAS—85

Armstrong	Cannon	Ford
Baker	Chafee	Glenn
Baucus	Chiles	Goldwater
Bellmon	Church	Gravel
Bentsen	Cochran	Hatch
Biden	Cranston	Hatfield
Boren	Culver	Hayakawa
Boschwitz	Danforth	Heflin
Bradley	Dole	Helms
Bumpers	Domenici	Huddleston
Burdick	Durenberger	Inouye
Byrd,	Durkin	Jackson
Harry F., Jr.	Eagleton	Javits
Byrd, Robert C.	Exon	Jepsen

Johnston	Muskle	Schmitt
Kassebaum	Nelson	Schweiker
Kennedy	Nunn	Stewart
Leahy	Packwood	Stone
Levin	Pell	Talmadge
Long	Percy	Thurmond
Lugar	Pressler	Tower
Magnuson	Proxmire	Tsongas
Mathias	Fryor	Wallop
Matsunaga	Randolph	Warner
McClure	Ribicoff	Weicker
McGovern	Riegle	Williams
Melcher	Roth	Young
Metzenbaum	Sarbanes	Zorinsky
Morgan	Sasser	

NAYS—4

Danforth	Hollings	Laxalt
Garr		

NOT VOTING—11

Bayh	Humphrey	Stennis
Cohen	Moynihan	Stevens
Hart	Simpson	Stevenson
Heinz	Stafford	

So the conference report was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WAIVER OF SECTION 402(a) OF CONGRESSIONAL BUDGET ACT—CONSIDERATION OF S. 349

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 52, Senate Resolution 105, the congressional budget waiver.

The PRESIDING OFFICER. The resolution will be stated.

The second assistant legislative clerk read as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 349. Such waiver is necessary because S. 349 authorizes the enactment of new budget authority which would first become available in fiscal year 1979, and such bill was not reported on or before May 15, 1978, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible in this instance because the Council on Wage and Price Stability was designated to monitor the administration's voluntary wage and price standards. This expanded role was not foreseen at the time the previous authorization was approved.

The effect of defeating consideration of this authorization will be to impede seriously the monitoring of the voluntary wage and price standards which are key elements of the administration's anti-inflation program.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia.

Mr. BAKER. Mr. President, reserving the right to object, might I ask the distinguished majority leader if it is his intention to have us vote on the budget waiver resolution this afternoon?

Mr. ROBERT C. BYRD. Yes. We are going to have 1 hour on the resolution under the law so there would be a vote. Whether it is a voice vote or not is entirely up to the Senate.

Mr. BAKER. Mr. President, I have no request on this side for a record vote.

I was trying to ascertain the likelihood that we would have a record vote on it.

Might I also inquire of the majority leader if it is his intention then to proceed directly to the principal legislation after the budget waiver is disposed of, or to consider that at another time?

Mr. ROBERT C. BYRD. It is my intention to proceed to the consideration of the bill S. 349, a bill to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council.

I do not think the Senate will complete action on that today. There may be some opening statements or some Senators may want to offer amendments. My intention would be to go over until Monday, in keeping with my previous promise through April, and on Monday, hopefully, we can get a time agreement to complete action on the bill that day, or even Tuesday.

In answer to the first question of the distinguished minority leader, we will vote on the present budget resolution. A motion to proceed is not debatable. We will vote on it after 1 hour. So far as I am concerned, it can be a voice vote.

Mr. BAKER. I thank the majority leader. I find no difficulty on our side with that arrangement.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

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

Mr. MUSKIE. Mr. President, the Budget Committee has reported Senate Resolution 105 to the Senate and recommends that the resolution be adopted.

Senate Resolution 105 provides for the waiver of section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 349, a bill to increase and extend the authorization for the Council on Wage and Price Stability.

Section 402(a) requires that all authorizing legislation be reported in the Senate by May 15 preceding the beginning of the fiscal year for which it is effective.

Mr. President, the Budget Committee is reluctant to recommend the adoption of resolutions waiving section 402(a) of the Budget Act. This section is intended to assure that, as far as legislative needs can be foreseen, all authorizing legislation is reported in time to be considered in the course of the regular appropriations process.

This procedure gives the Appropriations Committee adequate notice of legislative committees' views of the appropriations needed for the coming fiscal year so that the committee can meet the appropriations timetable spelled out in the Budget Act. Major authorizing legislation reported after May 15 could delay the enactment of appropriations bills past the Budget Act deadline of 7 days after Labor Day for the completion of the appropriations process.

The legislative history of the Budget Act indicates that the May 15 reporting deadline is not to be waived lightly. In deciding whether to report 402 waiver resolutions favorably, the Budget Committee considers such factors as: The reporting committee's effort to meet the May 15 deadline, whether enactment of

the authorization would delay the regular appropriations process or significantly affect the priorities established in the congressional budget, whether an authorization of the kind was contemplated in the second budget resolution, and the possible effects of failing to consider the authorization.

Mr. President, according to the Banking Committee, failure to consider S. 349 this year will hinder the ability of the Council on Wage and Price Stability to administer the President's anti-inflation program.

As the Senators know, COWPS was established in 1974 to monitor inflationary wage and price developments in the private sector and the Federal Government's contribution to inflation. Last October, President Carter announced a voluntary anti-inflation program combining explicit wage and price standards with prudent fiscal and monetary restraint and measures to insure that Government actions are accomplished efficiently and that economic regulations do not impede fair competition. COWPS was designated to monitor the wage and price standards, in addition to its existing responsibilities to monitor generally wage and price developments, and to review and recommend actions to reduce the potentially inflationary effects of the programs and policies of Federal agencies and departments.

To satisfy its expanded responsibilities, it is necessary to expand the agency's staff. Because of the highly technical nature of the work, borrowing people from other agencies means constant and costly training that interrupts progress and efficiency. It is therefore reasonable that the Council have a permanent, highly skilled staff.

In sum, the Banking Committee could not meet the May 15, 1978, deadline for this authorization because it could not have foreseen the October 1978 expansion of the Council's responsibilities which prompted the President's request for an increased fiscal year 1979 authorization.

Mr. President, under these circumstances, to permit orderly consideration of S. 349, the Budget Committee has favorably reported Senate Resolution 105 and recommends that it be adopted.

Mr. President, let me say in closing that in reporting favorably on Senate Resolution 105, the Budget Committee is recommending that the Senate proceed to consideration of S. 349, but is not prejudging the merits of the bill.

There is no doubt that inflation is our No. 1 problem. The American people demand that inflation be brought under control. The President has initiated a thoughtful multifaceted approach to the problem of inflation. That program should be given a chance to work. Opponents of that program claim that something must be done about inflation, but they do not want to give the Council on Wage and Price Stability the necessary funding to implement the President's program. It would be irresponsible for the Senate to deny this waiver and deny the opportunity for full Senate consideration of this legislation.

The Banking Committee could not

have reported this bill before last May 15, as it could not have anticipated the President's move in October to expand the role of the Council. The Banking Committee did report, on a timely basis, an authorization for 1979 at a level consistent with the prior role of the Council. With the expansion in October, it was clearly evident that increased expenditures would be necessary to allow the Council to undertake the significantly greater effort with which it was charged. The Banking Committee has acted responsibly in reporting the legislation as expeditiously as possible, and reporting a waiver resolution.

The Budget Committee is now recommending that the Senate adopt the waiver resolution so that this important legislation may be considered. I urge Senators to support the waiver.

Mr. President, that concludes my statement on the resolution.

Mr. GARN. Mr. President, I rise in opposition to the budget waiver which would allow S. 349 to be considered. I rise as the ranking minority member of the Banking Committee, which the distinguished Senator from Maine has continually referred to. I think the Senate should be aware that, unanimously, all six minority members of the Banking Committee opposed S. 349.

One of the first reasons we oppose it at this time and rushing to take it up today despite the objections, is that we have simply been ignored in the scheduling of this bill, all six members of the minority of the Committee on Banking. Because the authority of the Council on Wage and Price Stability does not expire until September 30, there is simply no rush to consider this today. Whether Senators are for or against COWPS is not the point. It does not expire until September 30. Why it was necessary to override the wishes of the minority, to run a steamroller through here today, I do not really understand, when there are months between now and September 30 when this could be considered.

The second major reason that we did not want it brought up is that it is now a matter of litigation in the courts whether or not the President has the authority to do what he is doing in the way of sanctions in so-called voluntary controls. Most of the President's program is to be implemented by a vastly expanded Council on Wage and Price Stability. S. 349 requests a 500-percent personnel increase and a 300-percent budget authorization increase for fiscal year 1980 COWPS operations.

Of particular concern to the minority is the administration's direct and implied threats to have COWPS impose Federal sanctions to force adherence to the President's wage and price guidelines. We happen to feel that what he is doing is unconstitutional. It is rather interesting just to give a few examples of what some Federal agencies say about it.

GAO, which has significant expertise in procurement policy, explicitly states that the President does not now have the power to impose mandatory controls on Government procurement. GAO reached this conclusion after an exhaus-