

PERMANENT NORMAL TRADE RELATIONS
FOR CHINA

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

LEGISLATION AUTHORIZING THE PRESIDENT TO TERMINATE AP-
PLICATION OF TITLE IV OF THE TRADE OF ACT OF 1974 TO
THE PEOPLE'S REPUBLIC OF CHINA AND EXTEND PERMANENT
NORMAL TRADE RELATIONS TREATMENT TO PRODUCTS FROM
CHINA



MARCH 8, 2000.—Message and accompanying papers referred to the
Committee on Ways and Means and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

To the Congress on the United States:

Last November, after years of negotiation, we completed a bilateral agreement on accession to the World Trade Organization (WTO) with the People's Republic of China (Agreement). The Agreement will dramatically cut import barriers currently imposed on American products and services. It is enforceable and will lock in and expand access to virtually all sectors of China's economy. The Agreement meets the high standards we set in all areas, from creating export opportunities for our businesses, farmers, and working people, to strengthening our guarantees of fair trade. It is clearly in our economic interest. China is concluding agreements with other countries to accede to the WTO. The issue is whether Americans get the full benefit of the strong agreement we negotiated. To do that, we need to enact permanent Normal Trade Relations (NTR) for China.

We give up nothing with this Agreement. As China enters the WTO, the United States makes no changes in our current market access policies. We preserve our right to withdraw market access for China in the event of a national security emergency. We make no changes in laws controlling the export of sensitive technology. We amend none of our trade laws. In fact, our protections against unfair trade practices and potential import surges are stronger with the Agreement than without it.

Our choice is clear. We must enact permanent NTR for China or risk losing the full benefits of the Agreement we negotiated, including broad market access, special import protections, and rights to enforce China's commitments through WTO dispute settlement. All WTO members, including the United States, pledge to grant one another permanent NTR to enjoy the full benefits in one another's markets. If the Congress were to fail to pass permanent NTR for China, our Asian, Latin American, Canadian, and European competitors would reap these benefits, but American farmers and other workers and our businesses might well be left behind.

We are firmly committed to vigorous monitoring and enforcement of China's commitments, and will work closely with the Congress on this. We will maximize use of the WTO's review mechanisms, strengthen U.S. monitoring and enforcement capabilities, ensure regular reporting to the Congress on China's compliance, and enforce the strong China-specific import surge protections we negotiated. I have requested significant new funding for China trade compliance.

We must also continue our efforts to make the WTO itself more open, transparent, and participatory, and to elevate consideration of labor and the environment in trade. We must recognize the value that the WTO serves today in fostering a global, rules-based system of international trade—one that has fostered global growth

and prosperity over the past half century. Bringing China into that rules-based system advances the right kind of reform in China.

The Agreement is in the fundamental interest of American security and reform in China. By integrating China more fully into the Pacific and global economies, it will strengthen China's stake in peace and stability. Within China, it will help to develop the rule of law; strengthen the role of market forces; and increase the contacts China's citizens have with each other and the outside world. While we will continue to have strong disagreements with China over issues ranging from human rights to religious tolerance to foreign policy, we believe that bringing China into the WTO pushes China in the right direction in all of these areas.

I, therefore, with this letter transmit to the Congress legislation authorizing the President to terminate application of Title IV of the Trade Act of 1974 to the People's Republic of China and extend permanent Normal Trade Relations treatment to products from China. The legislation specifies that the President's determination becomes effective only when China becomes a member of the WTO, and only after a certification that terms and conditions of China's accession to the WTO are at least equivalent to those agreed to between the United States and China in our November 15, 1999, Agreement. I urge that the Congress consider this legislation as soon as possible.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *March 8, 2000.*

NORMAL TRADE RELATIONS TREATMENT FOR THE PEOPLE'S
REPUBLIC OF CHINA

SECTION 1. TERMINATION OF APPLICATION OF TITLE IV OF THE
TRADE ACT OF 1974 TO THE PEOPLE'S REPUBLIC OF CHINA
(CHINA)

(a) PRESIDENTIAL DETERMINATIONS AND EXTENSION OF NON-DISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 *et seq.*), the President may—

(1) determine that such title should no longer apply to China, and

(2) after making a determination under paragraph (1) with respect to China, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(b) CHINA'S ACCESSION TO THE WORLD TRADE ORGANIZATION ("WTO").—Prior to making the determination provided for in subsection (a)(1) and pursuant to the provisions of section 122 of the Uruguay Round Agreements Act (19 U.S.C. 3532), the President shall transmit a report to Congress certifying that the terms and conditions for China's accession to the WTO are at least equivalent to those agreed between the United States and China on November 15, 1999.

SECTION 2. EFFECTIVE DATES

(a) The extension of nondiscriminatory treatment pursuant to section 1 (a)(1) shall be effective no earlier than the effective date of China's accession to the WTO.

(b) On and after the effective date under subsection (a) of the extension of nondiscriminatory treatment to the products of China, title IV of the Trade Act of 1974 shall cease to apply to that country.

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