Yeltsin and the Russians, but typically we think of these summits as producing something beneficial for our side. It does not seem to me there has been one single step in the direction that we would like to see us go as a result of this summit.

The issue, of course, is not whether we have a relationship with Russia. We all want to have a relationship with Russia. The question is, What kind of relationship is it going to be?

During the past 2 years, we have seen a real change in the makeup of President Yeltsin's inner cycle or kitchen cabinet. He has fired reformers and replaced them with hard-line reactionary advisers who are suspicious of free market reforms and suspicious of democracy. Some observers have said there is only one reformer left in the cabinet and he is the one they sent over here to the United States to talk to people in the Senate.

In a recent hearing, I asked Deputy Secretary Talbott to identify a single voice of reason in the kitchen cabinet; just one. Secretary Talbott changed the subject.

Yeltsin's decisions are making it very difficult to sustain support for assistance to Russia.

In February, Secretary Christopher said the President would not go to Moscow for a summit if Chechnya were unresolved. Well, the President is there and Chechnya is unresolved. Almost as soon as that line was drawn in the sand by President Clinton, he backed down.

Current Russian policy test United States interests and principles. In fact, current Russian policy makes no sense at all, Mr. President.

In Chechnya, basic principles of democracy and human rights are under siege. It really begs the question: Does a democratic government turn its guns on its civilians, killing 25,000 men, women, and children?

Preliminary indications are we have accepted Yeltsin's determination that this is basically an internal matter and is none of our business. Essentially, that is what President Yeltsin said: ''This is our affair. You butt out, President Clinton.''

Both our security interests and our allies are threatened by the pending sale of nuclear technology to Iran. The biggest current issue between ourselves and the Russians is the pending sale of nuclear technology to Iran. And the President has said earlier in the year he would not go to Moscow for this celebration of V-E Day unless there was progress on that issue. Well, there has been no progress. The nuclear sale continues to go forward.

This agreement that the administration has announced that there will be no sale of the centrifuge technology is simply not adequate. That is a figleaf to allow President Clinton to claim somehow that progress was made on deterring the nuclear transfer to Iran when, in fact, no real progress has been made.

In addition to that, Mr. President, nothing has changed on the issue of NATO expansion and other European security questions. Everyone was surprised by the Russian reversal last December when Yeltsin and Kozyrev denounced NATO plans to enlarge itself and rejected the Partnership for Peace program. Combined with recent statements that Moscow has the right to use force to protect Russian minorities in the Soviet Republics, leaders across the region are justifiably concerned. It should have been essential for the summit to produce a concrete commitment by Yeltsin to respect the political, economic and territorial sovereignty of those countries that used to make up the Soviet Union.

In summary, Mr. President, what is going on here is the Russians are saying, ''We don't want you to expand NATO. And, oh, by the way, all the countries that we used to dominate, that used to be part of the Soviet Union, are our business and none of yours.''

No progress has been made at this summit on any of these issues; not a single shred of evidence of any progress whatsoever on any of these issues.

Mr. President, I, like many Members of the Senate, want to get along with the Russians. Obviously, we have a better relationship than we did during the cold war, but some days I wonder where this relationship is going. It seems to me, by pursuing this Moscow myopia, this view that whatever Yeltsin wants Yeltsin gets, by pursuing that particular point of view, we stand no chance of having the opportunity to build a genuinely constructive relationship with the Russians.

So let me just, in sum, Mr. President, say that I think this summit has been a disappointment. I am sorry that President Yeltsin has been unable to commit to any of the progress that we had hoped for, but mostly I am sorry that President Clinton chose to go. Why is he there?

At virtually every summit in my memory, something has been brought back that was arguably in the interest of the United States. President Clinton has gone to Moscow, gone to Moscow at President Yeltsin's request, given President Yeltsin an opportunity to look good, made no progress on the nuclear sale to Iran, made no progress on the expansion of NATO, and comes home emptyhanded. So, by any standard, Mr. President, this summit is a disappointment.

I yield the floor.

INTERSTATE TRANSPORTATION OF MUNICIPAL SOLID WASTE ACT

The Senate continued with the consideration of the bill.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I am very pleased that the Senate today has turned its attention relatively early in the session to a bill of primary importance to my State of Indiana and to many other States in this Nation. It is a bill that the Senate is very familiar with, one to allow States to limit the importation of out-of-State waste. We have discussed it on numerous occasions.

I want to thank the chairman of the subcommittee, Senator SMITH of New Hampshire, and the chairman of the full committee, Senator CHAFEE, for bringing this bill to the floor, as well as the ranking member, Senator BAUCUS, and, of course, Senator DOLE for scheduling this legislation.

Early in my Senate career, which has not been that long, I observed a phenomenon in Indiana as I was driving through the State. All across the State homemade signs posted on telephone poles or stuck in the ground appeared that said, ''Don't dump on us.''

I began to inquire what the subject was. We checked into that and found that the citizens throughout Indiana, many small towns in particular, found that, instead of the local garbage dump which received a truck or two of local community waste, garbage, a day, suddenly they discovered that 18-wheelers were lined up for blocks waiting to enter the local dump to dump their waste. And people said, ''Where is all this coming from?''

You really cannot call these facilities landfills, because they were designed for receipt of small amounts of everyday household trash, waste, that was picked up maybe a couple of times a week at most and delivered to the local dump.

In a little more than a year, our State saw negligible volumes of out-of-State trash that were coming into the State explode to more than 20 percent of our total waste disposal. Virtually overnight, the State of Indiana became a target for out-of-State trash.

The statistics do not begin to tell the story. Because, as I said, the trash parade targeted many small communities in rural areas in Indiana. So the magnitude of the change was dramatic for the citizens of those communities.

Let me just tell you one story, the story of Center Point. This small town in Indiana, a town of 250 people, had a local garbage dump. Not a landfill, it was not certified as a big landfill. It was just a place where the local citizens were able to dispose of their local trash. A couple of trucks picked up the trash in the community and surrounding areas and disposed of it in this area.

In 1989, the local landfill was purchased by out-of-State investors, and the site was doubled. Ads began appearing in national magazines that said: ''Send us your trash.'' Narrow country lanes were clogged with 18-wheelers loaded with trash and garbage from other States. Local citizens, rightfully so, I believe, began to keep a watch on a daily basis, on a 24-hour-a-day basis. They would log in the license plates of the trucks coming to bring the trash,

and we found that most of it was coming from just a few States.

I heard about the incident. I asked my staff to take me there. We went early one morning, and we stood on a hill overlooking the landfill, which now had been expanded considerably. I saw on this narrow, unpaved country lane a whole long line of 18-wheeler trucks that had driven all night to bring east coast waste to Indiana because the disposal fees were so much less than they were at the point of origin.

Suddenly, this little town of Center Point was overwhelmed, as its fragile country roads were torn up by the weight of the 18-wheelers, as signs and posts were knocked over as the 18-wheelers tried to negotiate the narrow turns, and as a landfill facility, a garbage disposal facility designed to take care of the needs of that community for many, many years in the future suddenly was the subject of unwanted and extraordinary volumes of trash, which became obvious were going to quickly fill up that local community's disposal site, leaving its local citizens with no local option to deal with their own waste problem.

Capacity that was sufficient to meet local needs for years was suddenly being used up in months. Hoosiers were understandably angry, and I was angry. We had a very clear message we wanted to deliver, and I delivered that on this Senate floor: That our State, which had mustered the political will to site landfill capacity in our own State borders, within those borders, to dispose of our own generated waste, were overwhelmed by trash flowing from States that were unwilling to responsibly handle their own waste.

Today, Mr. President, over 15 million tons of trash cross State lines. Indiana, Pennsylvania, Ohio, Virginia, and Michigan have borne a disproportionate share of receiving that capacity. We happen to be on an interstate route that runs east to west, Interstate 70. Interstate 70 has become the trash corridor for the flow of east coast trash to lower fee landfills in the Midwest.

Americans throw away about 180 million tons of solid waste yearly. That is enough trash to spread 30 stories high over 1,000 football fields. The question that confronts us is where are we going to put all this? Some communities have been pretty creative. Ten miles from downtown Detroit, there is an old landfill accommodating 21 years' worth of the city's garbage. It rises 150 feet into the sky. It no longer receives trash, but city officials have covered it with some top fill and they make snow in the winter and they declared it a ski area. It is colloquially called ''Mount Trashmore,'' and it attracts thousands of visitors a year. But for most, trash is not a recreational resource; it is a municipal nightmare. Landfills fill up, and there is nowhere else to take the waste.

So our Nation's heartland is becoming our Nation's wasteland as trash increasingly moves across State lines following the route of cheap disposal from the East to the West.

Of the 15 million tons of trash crossing State lines, Indiana, Pennsylvania, Ohio, Virginia, and Michigan have borne, as I said, a disproportionate share. This rising tide of trash wreaks havoc with our planning efforts which, by our own State law, must ensure local capacity for 20 years.

Some States have reacted to this influx of out-of-State trash by forbidding all new landfill sites. Others have taken measures which amount to the nationalization of the trash industry by banning for-profit disposal facilities in order to give States control over this. Because public facilities may discriminate between in-State and out-of-State, one method of eliminating unwanted out-of-State trash is to restrict the commercial sector altogether.

These are not feasible solutions. These do not go to solving the problem. Our own legislature has tried to take care of the problem, but has found that its ability to act effectively is extraordinarily limited. We had a discussion of that this morning. The Senator from Rhode Island, and others, talked about the fact that under the commerce clause of the Constitution, garbage waste is considered a part of interstate commerce, and unless the Congress affirmatively acts to grant States and local jurisdictions the authority to control the flow of waste, they do not have the power to do so. That is why we are here. That is why we have been pursuing for these last several years the prospect of giving these States and these local communities the authority to regulate the flow of out-of-State trash.

We passed laws in Indiana, for instance, that would impose additional fees, that allowed us to check the content of the material coming in. The statute that we passed was on the books 4 days before it was challenged in the court as a violation of the commerce clause, and that case eventually was lost by the State.

Frustrated by the court decisions, Indiana has turned to bilateral agreements. Our Governor and the former Governor of New Jersey agreed to cooperate in stopping illegal waste from New Jersey. They agreed to share information and to pursue joint investigations.

Mr. President, the vast majority of waste shipped across State lines is not illegal waste, it is just ordinary garbage. It is the coffee grounds and eggshells and orange peels, discarded Dr. Pepper bottles, the newspaper, unless it is recycled—just the ordinary waste that each of us carries out to the trash bin in the garage and puts out once or twice a week in front of the house.

In addition, we have no way to accurately count the amount of trash we are receiving illegally to determine what that is. Many shipments are sent indirectly through collecting points in other States. To determine what came from a particular State to Indiana that might be legal or illegal requires a procedure that is an investigative nightmare.

As our own Governor has indicated, and as many other Governors have indicated, and as I believe a solid majority of Senators and Representatives have indicated, the only hope for a solution lies with Federal legislation.

In November 1989, my first year in the Senate, the 101st Congress, I introduced the first bill in the Senate which would allow States to ban, regulate, or impose fees on the interstate transportation of solid waste. After a strenuous debate, this bill passed by a very significant and, I think, surprising vote of 68–31. Unfortunately, in the conference with the House of Representatives, the bill which was passed here was stripped from that bill and the legislation died before becoming law.

In the very next Congress, I again introduced legislation and again forced the issue on the Senate floor. And, again, the Senate acted decisively on the interstate issue, now by a vote of 89–2. The Senators became aware of the problem and realized that their States may not have been the current target of out-of-State waste, but a little bit further down the road they were going to become targets. Many realized that the problem we identified in Indiana in 1989 was now a problem in their State. Senator EXON came to me and said, ''Since you raised this issue, I have discovered communities in my own State that are becoming the recipients of out-of-State trash and they are overwhelming our efforts to deal with this.''

That bill I introduced in the 102d Congress operated on three basic principles: First, it allowed communities that did not currently receive out-of-State trash to prohibit new shipments without express authorization. Second, it grandfathered facilities that were receiving trash from other States in order to give the exporting States time to site their own State capacity. It recognized that States in the crowded east coast corridor had significant waste disposal problems, and that to simply slam the door and say that, as of this date forward, you cannot export any trash whatsoever was simply not going to be a solution to the problem. So in recognizing that, we grandfathered a certain amount of shipment of out-of-State waste.

Third, it allowed Governors the authority to freeze volumes at current levels at the grandfathered facilities, because we wanted to give the Governors of the importing States the ability to say we can continue to take so much with this capacity but no more. Again, that legislation, while it passed the Senate 89–2, did not pass the House of Representatives and it died in that Congress.

In the next Congress, the 103d Congress, I used those principles to craft

legislation that the Senate again positively addressed and the House positively addressed, but unfortunately it died in the last hours of the session coming very close to being enacted into law.

Now, here we are in the 104th Congress and I indicated back in 1989 that this issue was not going to go away. They can kill it in conference; the House can kill it; it can die by procedural methods, but I was not going to give up. I was like a dog who had his teeth sunk deep in the bone and I was not going to let go; I was going to come back and back and back until we got this thing passed. And here I am in the 104th Congress, and I hope this time we will be successful. I am getting lockjaw from keeping my teeth locked onto this issue. I would like to release that grip, send it to the President, get it signed into law, and move on to some other legislation.

Now, the bill before us today recognizes the principles upon which we have operated. The bill, I think, is a reasonable compromise that grants States and local communities the authority that they need to plan for their own needs, to say ''no'' to out-of-State trash. It recognizes the problems of exporting States, and it gives them methods and ways in which to reduce significantly the amount of trash they send out of State. It balances a lot of different needs. As has been described here, it deals with flow control and ground water monitoring.

The heart and soul of this bill, however, is the question of interstate trash shipment. We are working now on some areas of the bill that we feel may need some adjustment, as it has come out of committee. There are negotiations underway, and I trust they will be successful and will allow us to avoid offering some amendments to clarify some of these provisions.

We will talk a little bit more about that later.

Mr. CHAFEE. I wonder if I can ask a question.

Mr. COATS. I yield to the Senator.

Mr. CHAFEE. First, I want to confirm that indeed the Senator has sunk his teeth and jaws deep into this issue. I will second everything he said about his determination on this whole project. He has been at it for, I guess, 5, 6 years, whatever.

Mr. COATS. Six years.

Mr. CHAFEE. The Senator mentioned he had some amendments which I guess he is going to discuss now.

Mr. COATS. Actually, I plan to defer discussion of those amendments now because we are in negotiation with the Senator from Rhode Island, and other Senators of affected States, to try to reach a resolution on these amendments, which we can hopefully put into a package that would be acceptable and offer them as a package rather than as individual amendments. So I would be premature in offering those amendments at this particular time.

Mr. CHAFEE. I am caught in kind of a bind in that I want to be here when the Senator makes his remarks and offers his amendment. But I may have to step out for a minute or two. Who is working with the Senator in connection with his amendments? You mentioned ''we.'' Is it several of you?

Mr. COATS. I say to the Senator from Rhode Island that it is virtually all of the affected parties, both from the exporting States as well as the importing States that are working together to try to resolve these issues.

Mr. CHAFEE. Fine.

Mr. COATS. I will not bring up any amendments in the immediate time period ahead of us here, and certainly the Senator will have an opportunity to leave the floor.

Mr. CHAFEE. OK. Because there is going to come a time when we are going to want amendments brought forward. If the Senator feels he is not quite ready, we will try and complete any negotiations. As the leader has indicated, he wants to finish this bill by the end of the week. My hope is that we can finish it tomorrow. So we will work with your folks and see if we cannot come to some conclusion at least by the time we go to work tomorrow.

Mr. COATS. I appreciate that very much. Obviously, the Senator's cooperation and input is necessary for this. I am anxious, also, to move forward on this. I would be delighted if we can finish this bill tomorrow and not have to carry it over until Friday. We are working as we speak on this matter and hope to have some answer to the Senator shortly.

Mr. CHAFEE. I thank the Senator.

Mr. COATS. In conclusion, Mr. President, let me just say that we have tried several approaches. We have tried the path of patience. We have waited our turn and bided our time. We have agreed to continue to accept some levels of out-of-State waste in exchange for having realistic controls over how much waste we will receive from other States. There is simply no other way for States to realistically plan for their own future capacity, unless we can enact legislation that gives them the authority to regulate the volume of out-of-State trash which that State receives.

The problem here is very basic. There is no negotiation; there is no arm's length or both-parties-at-the-table negotiation that takes place, because States are virtually powerless to sit at the table with the exporters and sit down and say, let us establish some reasonable volumes, let us make sure that we have the capacity to receive what you are sending in; let us negotiate the fees on which this will be shipped back and forth; let us determine the terms of the contract.

Because of the Constitution's commerce clause, it is possible—and it is a practice that has been used over and over again—for someone outside the State, or even inside the State, to purchase a landfill and suddenly open up that landfill, which was designed originally for local needs, to massive volumes of out-of-State trash, which fills up the landfill in a very short period of time and leaves the local citizens few, if any, alternatives. In fact, it forces them to ship their waste out of State in order to find a place to dispose of it.

So we end up with a game of pass the trash. Everybody is passing it on down the highway, generally from east to west. Not always. Metropolitan areas to rural areas, across State lines, it is pass the trash.

As the landfills get filled up, no new ones get built, no new efforts put in place to dispose of out-of-State waste, to reduce the amount, to recycle, to reduce the amount generated initially, to find other ways to dispose of the waste. So we just are moving it around the country to different locations, filling up the cheapest hole in the ground that is available for a certain fee for out-of-State trash.

In the 5 years that Congress has debated the issue, the trucks continue to roll. The garbage continues to mount. The changes that we are proposing here are not an attack on any particular State. They are a defense of our own States. They are not rooted in bitterness, but they are rooted in urgent need.

Again, I want to commend my colleagues on the Environmental Committee for moving expeditiously in this new Congress on this legislation. I look forward to working with them, to strengthening the bill to ensure that we afford real protection to importing States while allowing exporters sufficient time to get their house in order.

That is our goal, Mr. President. I am confident that we can accomplish that goal in the time that we have in the next day or two. I am very, very hopeful that within 48 hours or so we will be able to report that the U.S. Senate has, once again, taken action to deal with this problem and that we will work carefully and closely with the House of Representatives, which in my understanding is moving forward on this expeditiously also, and finally resolve this issue and send the legislation to the President's desk for his signature, which in the past he has indicated he will sign.

Mr. President I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. 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. LAUTENBERG. Mr. President, I take to the floor to discuss the provisions of S. 534, the legislation to address the issue of interstate transportation waste and flow control authority. Very often when one mentions flow control authority, I sense that heads

begin to drop because of the rather arcane subject but a very important one.

If I can just take a moment to say that flow control—and perhaps it has been discussed on the floor and I missed it but I think the importance of the issue will bear some repetition—gives the States the ability to control the flow of household trash, particularly trash within State borders. And while that does not sound like very much to ask, the fact is that demands are being placed on external facilities' availability so that it can simply be trucked, often out-of-State to other States, where in many cases there is an objection to receiving volumes of trash. Though there was a Supreme Court case decision not too long ago that dealt with this and said you cannot stop this, it directs the Congress to resolve the problem and allowed the parameters under which they were to operate to do just that.

So if it begins to inhibit the trucking or the transportation of waste outside the State, then within a State, they have to have some way of controlling where it goes. Again, though the subject seems a bit arcane, the fact is that it has enormous influence on States like my own who are trying to resolve the need, the ability to deal with their waste in an orderly fashion.

Without significant changes to S. 534, my State is going to experience a severe financial crisis precipitated by the Senate's failure to delegate waste management decisions to the States. I am hoping through the amendment process that we can improve the bill so that States can continue to handle their waste the way they deem appropriate.

Title I of the legislation, which addresses interstate restrictions, which I was talking about earlier, is essentially identical. Title I of S. 2345, which was approved by the Senate Environment and Public Works Committee last year, overturns the decision of the Supreme Court in the case of New Jersey versus Philadelphia. The Supreme Court's decision said that interstate restrictions are unconstitutional because a State cannot discriminate against a commodity—in this case out-of-State trash—from being transported. The court said that States cannot give unfair competitive disadvantage against out-of-State haulers, those who are trucking the material from one State to the other who are out of State, for example, Pennsylvania to New Jersey, who want to dispose of trash where it makes the most economic sense.

So the first title will allow the Governors in each State to restrict imports of trash into their States. I have supported this title in the past and will support it in the future if States are given the authority to find an alternative to this obstructive commerce to find in State solutions that now out-of-State exports would restrict.

Unfortunately, S. 534, while giving States new power over interstate shipment of waste, actually reduces the authority that they have enjoyed within a State to properly handle their waste. That is a principal problem that I have with title II of S. 534, the title that deals with flow control authority within the State. Once again, I will take a moment to explain why States use flow control.

Congress passed the Resource Conservation and Recovery Act in 1976. The acronym is RCRA. RCRA made standards and improved solid waste disposal methods and practices. Under subtitle (d) of that law, State and local governments developed comprehensive waste management plans that meet minimum standards that are set by EPA. Although the law created national standards imposed through the solid waste management plans, Congress recognized that solid waste was a problem traditionally managed at the local level. Under the philosophy of local control, subtitle (d) gave State and local governments the flexibility they needed to determine the best way to meet the national standards.

In response to the Federal mandate that waste should be disposed of in an environmentally sound manner, it is hard to disagree with that. Many local governments constructed modern, state-of-the-art recycling systems, waste-to-energy facilities, and sanitary landfills. Integrated waste management systems were implemented to promote recycling, consumer education and proper management and disposal of household hazardous waste.

While necessary and desirable, these facilities were also very costly. The Federal Government does not share the cost of municipal solid waste management disposal at the State and local level. States and local governments, therefore, adopted various means to finance municipal solid waste management services and facilities. The general approach taken by State and local government was to issue revenue bonds. These bonds were secured by long-term contractual promises which rely on a steady, dependable, and consistent quantity of waste for disposal in new facilities. It was their revenue streams, necessary to pay off the bonds and to meet the financial obligations, that were incurred in financing these facilities. To ensure guaranteed quantities of waste, cities and towns enact laws requiring that trash generated within their borders be disposed of in these recently financed facilities. Those laws are the ones we commonly call flow control laws.

Now, these flow control laws were consistent with Congress' instruction in subtitle D that State and local governments endeavor to secure long-term contracts for supplying resource recovery facilities and other environmentally responsible waste disposal facilities. It is also consistent with several courts of appeal and State supreme court decisions. However, on May 16, 1994, the legal basis for flow control was overturned by the Supreme Court in the case of Carbone versus Clarkstown. In the 6-to-3 decision, the U.S. Supreme Court ruled that a New York municipality could not require that garbage generated in the locality be sent to a designated waste management facility.

And again, though the language is common, I think it is important to understand what the outcome was, that is, if a community suddenly elected to abandon its responsibility to provide trash for a disposal facility, then it left that facility, already financed, with insufficient resources, insufficient revenues to continue to meet the financial obligations, as well as keeping the facility operating. They had a choice in many cases. They could ship it out of State. But interstate commerce, as we now know it, looks as if it is going to be obstructed by the first part of the law being proposed here, the bill that is before the Senate.

The Court held that the Clarkstown, NY, flow control ordinance interfered with interstate commerce and deprived out-of-State firms access to the local trash market. Again, out-of-State firms are those that cart the material to landfills that are licensed in other States.

As in the New Jersey versus Philadelphia case, States could not discriminate against out-of-State haulers. In other words, if New Jersey did not want that garbage, that trash brought into their State, it would have been a violation of law, so said the Court in the case of New Jersey versus Philadelphia.

The Court held that since Congress had not specifically delegated this power to the States, these flow control laws violated the interstate commerce clause of the Constitution.

The May 1994 decision in Carbone invalidated the historic right of local and State governments to manage solid waste. The case overturned almost 20 years of sound solid waste management policy and is jeopardizing the solid waste management systems of the over 40 States that rely on flow control authority to manage their solid waste.

The Carbone decision makes it difficult for cities to guarantee a steady stream of waste to disposal and processing facilities. Without this guaranteed steady stream of revenues, it will be virtually impossible for the communities to get financing to build solid waste management facilities.

Second, this decision could result in localities losing the revenue generated by having garbage sent to municipal disposal facilities.

This would eliminate their ability to subsidize nonprofitable waste management activities such as recycling and household hazardous waste programs, which have been very effective in many communities, especially in New Jersey. As we have seen in the District of Columbia, the loss of flow control authority threatens existing recycling programs. This article, entitled ''District to Suspend Curbside Recycling,'' from the Washington Post of April 12, about a month ago, clearly makes the case

that private haulers taking trash to out-of-State locations to avoid the recycling fees led to this financial crisis.

Finally, the Supreme Court decision puts existing bonds used to finance waste management facilities at risk. If localities cannot send an adequate level of garbage to a facility to generate the revenue needed to pay off the bonds, those communities face default. Citizens in the affected communities could find the possibility of extraordinarily high taxes and the inability to go to the financial markets for any of their needs.

The Public Securities Association estimates that $23 billion of bonds are in jeopardy because of the Carbone decision and every citizen, every taxpayer in almost every State, has to worry about this because suddenly they could be faced with having to make up the revenue that is lost as a result of the decision to ship the material out of State because there is no flow control on this.

In last year's bill, in difficult negotiations with importing States, exporting States, and the waste industry, accommodation was reached. S. 2345 overturned both the Philadelphia case and the Carbone case. It recognized that trash was a local issue and one where States should make the rules, not the Supreme Court and not the Congress.

Some amendments were made to assure the maximum amount of competition was included in any flow control program, competition between simply shipping it out of State and the need to furnish the local facility with appropriate revenue opportunities. Certain restrictions were placed on Governors' ability to overturn existing contractual relationships. Because of concerns of the waste industry, flow control could not be expanded to States that had not used it before the Carbone decision. Unfortunately, at the last minute, the bill failed to win unanimous support.

Instead of starting from last year's compromise, this year's bill goes in two different directions. Almost identical to last year's bill, Governors are given the power to shop interstate shipment of waste. However, the bill goes in the other direction as far as waste within States. Title II, the flow control title, only allows existing flow control where default is likely. The title is based on the philosophy that flow control is wrong and anticompetitive, and that protection should be provided for only those communities that are in immediate financial jeopardy because of the Supreme Court decision in Carbone.

Title I, the interstate title, discriminates against free market solutions by allowing States to say no to economically viable interstate shipments. Title II, however, attempts to enshrine the free market by preventing States from considering long-term social goals in addition to short-term economic benefits. Indeed, in its present form, I find the bill internally inconsistent. Without flow control authority denied to them in title II, States will find it more difficult to meet the self-sufficiency goal that is virtually required by title I. Title II says turn waste control over to free enterprise. It sounds like a good idea. However, title I says if you do allow free enterprise to take over, other States can close the market to you. It is a catch-22 situation.

It is interesting to note that additional amendments are expected to further limit the free flow of trash over State lines. Title I, the interstate restriction title, gives new powers that conflict with the interstate commerce clause to Governors that they have not enjoyed since the Philadelphia case was decided in 1972. Title II takes powers away from the States and municipalities that they enjoyed since the 1970's, powers that they have used to keep the trash flowing within their States to local facilities.

My colleague from New Hampshire, the chairman of the subcommittee on Superfund, philosophically believes that flow control is wrong, and I understand his position. But his position conflicts with a concern of my Governor and many Governors who believe that, after the last election, more authority would be put in their hands rather than in the hands of Congress.

Limiting the bill as the sponsors have intended has not been easy.

Since flow control has been a tool to solve the waste disposal problems, the States and towns across America have been a laboratory of unique and creative solutions to their waste problems. These non Federal solutions to the waste problem have led to nonuniform statutes and nonuniform problems that were inadvertently not fixed by S. 534.

At subcommittee markup, over 50 amendments were filed. Changes were accepted to respond to specific problems in five States. Two of those States need additional clarifying language.

A colloquy was entered into for another State and one other State was promised consideration before floor action. These seven State-specific amendments have one thing in common—each of these States are represented by Senators who sit on the Environment and Public Works Committee.

It is a complicated issue. I wish we had been able to resolve these issues before we got to the floor here. But it was necessary to get this bill on the agenda for all kinds of reasons and, as a consequence, we are where we are. But we still have a lot of work to do.

Because many States have delegated waste control authorities to lower levels of government that do not employ Washington counsel, many communities are still reviewing the committee's reported product, still looking at what is being offered. And we always have that from the States when they have an interest or when they have a particular problem with a piece of legislation. They have not had time enough yet to deal with it.

New situations that seem consistent with the intent of the authors but not exactly fitting the language of the bill, are still being discovered.

Mr. President, flow control is not necessary or even preferable for every State. Each State is different. It has its own unique needs. But this bill, as written, is not acceptable by my Governor, Christine Todd Whitman, and neither is it acceptable to many others. As those who have been involved in the flow control discussions over the years, New Jersey has the most sweeping and encompassing system and it has been a success.

In the 1980's, New Jersey's environmental initiatives to close substandard landfills drastically reduced the State's disposal capacity. New Jersey's waste quickly became a burden for other States as the need to export our waste grew.

The high cost and market volatility associated with exporting waste triggered a garbage crisis and strained municipal resources. It was at this time that elected officials of both parties in New Jersey accepted the responsibility to develop a solid waste management system that would provide long-term stability and ultimately, self-sufficiency.

''Self-sufficiency'' simply meaning that we could take care of all of our waste disposal needs within our State's borders. It could not happen overnight. We tried to stop it when it came from other places, and we were turned down by the courts. As I have said now several times, we could not stand to have our shifting of material suddenly cut off from other States when now we are an exporter.

It was clear to the State that other States would not accept New Jersey's waste forever and Federal legislation to eliminate waste exports was inevitable. To meet the goal of self-sufficiency, flow control laws have been in place in New Jersey since 1979 and control all of the nonhazardous solid waste in the State. Flow control has been a significant part of New Jersey's ability to build an infrastructure, mostly landfills, to handle the 14 million tons of solid waste requiring disposal annually.

Since 1988, exports of municipal solid waste from New Jersey have decreased 50 percent. If the flow control authority from last year's bill is included in legislation that passes this body, New Jersey will be self-sufficient by the year 2000, only 5 years away.

New Jersey's recycling programs are also dependent on revenues received from use of New Jersey waste management facilities. Today, New Jersey recycles over 53 percent of its waste.

Despite New Jersey's system, it is not a system that leaves out the private sector. The private sector has built and operates most of the waste facilities in the State. Through competitive bidding, the authorities within

the State ensure services will be provided at the lowest cost. The collection, transportation, construction of disposal facilities, and their operations, are all services for which bids are sought.

Governor Whitman testified that ''every major waste management firm in America, and a laundry list of smaller waste companies, operate in New Jersey today, and we are in the 17th year of a flow control system. That is not a Government monopoly.''

Because of New Jersey's unique system where all the wastes are now flow controlled, without additional amendments, a waste crisis will inevitably occur. Once part of our system is no longer flow controlled, wastes will flow out of State.

New, in-state replacement facilities will be impossible to finance or justify economically although the supply of trash will be there, the trash will flow out-of-state. Even BFI, the company leading the fight against flow control, acknowledges that new private facilities in the State would not be practical without flow control, without the ability to direct where this trash flows.

Even without the recycling fees, it is and will continue to be cheaper to dump garbage in a landfill in Pennsylvania or other States than to handle it anywhere in New Jersey. This is appealing, in the short term, for some of the mayors and some of the communities and towns in New Jersey.

But the free market available over the border is subject to governmental closure by title I of this very bill. Without flow control, what is now a decreasing waste problem will again become a garbage crisis. Without flow control, communities will again give their garbage to low-cost haulers and hope it ends up in certified RCRA facilities, as opposed to being dumped casually someplace in an unlicensed facility that they do not have control over.

Without flow control, communities will select haulers on the basis of only one factor, and that is price. But all of us know that the cheapest alternative is not always the best or the legal one.

Without flow control, we will see more illegal midnight dumping.

Mr. President, to protect my State, I will be offering an amendment to protect the flow control system in existence in New Jersey. With this amendment, I can state that New Jersey will not be sending garbage out-of-state after the year 2000. We just need that window of time to deal with it.

Another alternative is to not fix State problems one by one, but to have a generic fix that was the essence of S. 2345 last year.

Depending on the amendment process we are going to be using in this debate, I will be considering offering such amendment based on that agreement and which I introduced in this Congress as S. 398.

Mr. President, the Governor of New Jersey, Christine Todd Whitman, testified before the committee on this important issue. She said:

> It has been argued by some, and may be said again, that flow control legislation is at odds with the goals and philosophy of the new Congress. The contrary is true. A flow control bill that ensures private sector competition while allowing local governments to make long-term waste management plans is entirely consistent with the goals of this Congress. If Congress denies flow control authority to New Jersey, it essentially mandates that States like Pennsylvania and Ohio take trash from my State, only because land cost in those States are lower than in New Jersey.

Mr. President, the interests of the exporting States and importing States are not in conflict. New Jersey does not want to send its waste out-of-State. It wants to be self-sufficient. But to be self-sufficient, it needs to protect its flow control system and it needs several years to be totally self-sufficient. Without that protection, the fears of the proponents of interstate restrictions, will be realized and wastes will again flow out of states looking for cheap places to send their garbage.

In March of this year, the National Governors unanimously passed a resolution reaffirming a mutual commitment to each State's management of waste within its borders and endorsed the use of flow control in the pursuit of self-sufficiency.

Because title II is so much more restrictive that last year's bill, it will be necessary for New Jersey to send more of its waste out-of-State. Unless title II is corrected, I must strongly oppose the existing title I and any amendments that further limit the State's options of going out of State.

Mr. President, I know that my dissertation just now does not compare with some of the most important declarations delivered on the floor of the U.S. Senate nor in this great city of Washington. However, without trivializing the problem, I just want to make the case once more that it cannot exist both ways: We cannot say to the States you are not allowed to control the flow of trash within your State and, on the other hand, face the very high risk of having a law created that says, ''Uh-uh, you can't ship it to my State or any other State that now or in the future may import trash.''

So we have to arrive at a balance. That is what I have been saying through that flood of words that I have been issuing for the last 25 minutes or so. The subject is not an easy one. It is not a pleasant one. Garbage never is. But the fact of the matter is that it is our garbage and it is our problem and there is not a State exempt from the problem. Today's importer may be tomorrow's exporter, which we bitterly discovered in the State of New Jersey over 23 years ago.

So I hope that my colleagues in the Senate will comply with our request to give the States the authority that they need to handle their garbage within the State with the same authority they will have to keep waste out of their States.

With that, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

PRIVILEGE OF THE FLOOR

Mr. LAUTENBERG. Mr. President, I promise there will not be a second speech similar to the one I just delivered. This is a simple request, Mr. President. And that is, I ask unanimous consent that Douglas Johnson, of Senator WELLSTONE's office, and Jill Schneiderman, of Senator DASCHLE's office, be given the privilege of the floor during the consideration of S. 534.

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

Mr. LAUTENBERG. I thank the Chair. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. 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. DOLE. Mr. President, first, I remind my colleagues on both sides of the aisle that S. 770 is still at the desk and will be there until the close of business today. If colleagues on either side are interested in cosponsoring the bill which would ultimately move the embassy in Israel from Tel Aviv to Jerusalem, we hope you will take advantage and cosponsor the measure.

Second, we are on the Interstate Transportation of Municipal Solid Waste Act of 1995, and we have not been on it long, only since about 1 o'clock. I know a lot of good opening statements have been made. I understand there are a lot of amendments. I urge my colleagues who may not be on the floor, or their staffs who may be listening in their offices, if Members have amendments, we would like to have some votes here this afternoon. We would like to keep this bill moving.

I am tempted to file cloture on the whole bill this afternoon and have a cloture vote on Friday. I would rather not do that. I would rather have Members come to the floor and offer their amendments. But I am certain the managers are here and they are prepared to do business. I know there is one amendment under discussion now. I have heard there are dozens and dozens of amendments. If we are going to complete action on this bill by Friday, we need to move quickly.

I say to all of my colleagues that if you have an amendment, come to the

floor and let us enter into a time agreement of 30, 40 minutes, whatever, and dispose of some of these amendments this afternoon. Senator SMITH is here, Senator CHAFEE is here, Senator BAUCUS has been here, so I think you are prepared to do business, right?

Mr. SMITH. Yes. If the majority leader will yield, the majority leader is correct. I think if the bill does not get completed this week because these amendments do not get offered, they are jeopardizing the things we are trying to accomplish. We are here, and if those who have amendments get them here, we can finish this by this week.

Mr. DOLE. We may be on the budget resolution as early as Tuesday of next week. So the window is not very broad here. This is important legislation that affects everybody all over the country. Tonight we cannot stay in as late as I would like to because we have the Senate spouses annual dinner this evening. We will have to probably stop about 7. So tomorrow night we can go late and late Friday afternoon.

I urge my colleagues again to cooperate and help us move the business of the Senate so that we can move on to something else.

Mr. WELLSTONE. Mr. President, I wanted to say to the majority leader and to the managers that I appreciate wanting to move forward. We are trying to work out something on an amendment right now. I think it is an important piece of legislation. I hope we are close.

I yield the floor.

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

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

AMENDMENT NO. 750

(Purpose: To clarify the continuation of flow control authority where such authority was imposed prior to May 15, 1994)

Mr. WELLSTONE. Mr. President, I thank the Senator from West Virginia for being kind enough to defer to me. I am hoping that we will be able to go forward with an amendment, if we can do it in a very brief period of time. I asked the Senator from West Virginia for his permission to do so. I will wait for a moment, if the Senator would be patient.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. JEFFORDS). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 750.

Mr. WELLSTONE. I ask unanimous consent further reading be dispensed with.

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

The amendment is as follows:

On page 56, line 10, strike ''is imposed'' and insert ''had been exercised prior to May 15, 1994, and was being implemented on May 15, 1994,''.

On page 56, line 12, insert ''; ' after ''subdivision'' and strike ''in effect on May 15, 1994''.

On page 60, lines 4–5, strike ''was in effect prior to'' and insert ''such authority was imposed prior to May 15, 1994 and was being implemented on''.

Mr. WELLSTONE. Mr. President, I rise today to speak to a subject that is of the greatest importance to many communities in my State of Minnesota, and indeed to communities across the country.

The topic is flow control, and particularly as it relates to S. 534, the Interstate Transportation of Municipal Solid Waste Act of 1995. For those Senators who may not be familiar with the subject of flow control—although you are likely to be very familiar with it once we all finish with this bill—you should take a moment and talk to the people in your communities who are responsible every day of the week for picking up the trash, finding a way to dispose of it, and doing so in an affordable and ecologically sound manner. People like Mr. Rob Dunnette, the plant manager at the Olmstead County Waste-To-Energy facility in Rochester, MN.

Mr. President, in 1980 my State of Minnesota, the cost of disposing of solid wastes in municipal landfills was on the rise * * * and the amount of available landfill space was on the decline. ''At that time,'' says Mr. Dunnette, ''our landfills were filling up, and there was a lot of material going into landfills that shouldn't have.'' The Minnesota State legislature responded by passing the Solid Waste Management Act of 1980, an act which sought to give local communities the tools they needed to deal with the landfill problem. One of those tools was the ability to take on for themselves the authority to control the flow of municipal solid waste. Says Mr. Dunnette, ''The Feds and the State told us to do something different, do something better * * * so we did.''

Mr. President, what Olmstead County did was to adopt flow control. It obtained $27 million in municipal bonds for the construction of three disposal facilities—one for hazardous waste, one for recyclables, and one to convert the remaining solid waste into steam, which was used to heat neighboring buildings and generate electricity.

The entire plan was based on what the State and Federal Government had been encouraging communities to do for years—namely, to adopt flow control authority to integrate and consolidate the disposal of municipal solid wastes.

And it worked. In fact because of the many counties—like Olmstead County—that began to engage in flow control, my State of Minnesota became a national example of how flow control could be an effective tool in managing our local solid waste streams in an economically and ecologically sound manner.

That is until May 15, 1994, when the U.S. Supreme Court ruled that flow control authority was unconstitutional unless explicitly granted by Congress. This is largely why all of us are here on the floor today, talking about flow control.

Mr. President, the issue is simple. The bill before us today, as it is written, excludes many Minnesota communities that have floated millions of dollars in municipal bonds to build facilities under the presumption that they could engage in flow control. But there is a solution to this problem.

Mr. President, I have prepared an amendment, which would ensure that all of the Minnesota counties that had engaged in flow control and had invested money into facilities would be allowed to continue doing so. It clears up a possible misunderstanding, and I thank my colleagues for accepting it.

Let us be clear: My amendment would not authorize flow control for any new communities. Some communities have had good experience with it; clearly, however, it is not right for everyone. What I am saying is that this is a decision that should not be made here in Washington, but rather in the communities directly affected.

My amendment would not require anybody to use flow control. It would only allow those that had been encouraged to engage in flow control since 1980 by the State and Federal Governments, to continue to do so. However without my amendment, millions upon millions of dollars in municipal bonds in Minnesota could be put at risk. As Mr. Dunnette said, ''We're 8 years into our 20-year bond * * * without this fix, it is possible, if not probable, that we may default on those bonds.''

Mr. President, it is as simple as that. If ever there was a clear example of a States-rights issue, this is it. We need to address this issue now, but we need to do so in a manner that is responsive to our communities. Our communities are telling us loud and clear what they need. I hope my colleagues will listen to them.

Mr. President, this is an amendment that really just clears up a possible misunderstanding. I thank the Senator from Rhode Island, the Senator from Montana, and the Senator from New Hampshire for accepting this amendment.

This amendment makes it clear that when a county has gone forward with its own flow control, has bonded, and is implementing this, that they clearly will be covered by this bill. I believe the managers have accepted this amendment.

Mr. CHAFEE. Mr. President, the Senator from Minnesota is correct, this is acceptable to this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 750) was agreed to.

Mr. CHAFEE. I move to reconsider the vote.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Vermont, makes a motion to lay that amendment on the table.

The motion to table is agreed to.

Mr. WELLSTONE. Mr. President, I again would like to thank my colleagues.

This was, for a good many counties in Minnesota, a very, very important question. For all Senators, whether Democrats or Republicans, it always feels good to come through for people in your State. I worked hard at this. I thank my colleagues for their cooperation. I yield the floor.

UNITED STATES ACTION ON JAPAN TRADE

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, our United States Trade Representative, Ambassador Kantor, this morning announced a pair of initiatives regarding our trade relations with Japan for which he is to be commended and which deserve the strong support of this body.

With respect to the first initiative, Ambassador Kantor has announced a plan to impose trade sanctions under section 301 of the Trade Act, pursuant to an investigation into the Japanese auto parts aftermarket. On this issue, this body has already spoken decisively by agreeing to a resolution offered on yesterday by the two leaders and myself, and the vote was 88–8. The Senate, thereby, decisively supports the imposition of such sanctions, given the complete unwillingness of the Japanese to address their market closing practices which block access of the United States parts to Japanese consumers. This has resulted in persistent, large trade deficits which are unfair to our industries and cost tens of thousands of jobs every day.

The Trade Representative is on solid ground to publish a proposed retaliation list under section 301.

Regarding the second initiative, the Trade Representative has also announced his intention to take a broad case against Japan's automotive practices before the World Trade Organization [WTO] by invoking the dispute settlement mechanism. As stated in his letter to the new Director General of the WTO, the case will be based on the fact that ''Japan has failed to carry out its obligations under the WTO'' and thereby ''nullified and impaired benefits accrued to the United States under the WTO'', and ''impedes the attainment of important objectives of the GATT and the WTO.''

As my colleagues are aware, in the debate last December over America's accession to the new WTO system, the question of the impact on United States sovereignty by creating binding decisionmaking dispute settlement bodies in that organization was discussed. In fact, it seems clear that some other nations were quick to sign up to the WTO, specifically in order to attack United States trade laws.

In testimony before the Senate Finance Committee today, a former United States trade negotiator, Alan Wolff, stated with respect to the context of negotiations creating the WTO,

> Our negotiators should have begun to recognize that there was something suspect about the U.S. proposal for an automatically binding system when the rest of the parties to the negotiation made an about face and embraced it. They thought that they were curbing America's ability to act under section 301.

So, some opinion has been expressed that it would be risky to go before the WTO in that a dispute settlement panel could rule against United States 301 action in imposing new retaliatory tariffs on Japanese products.

But the question is, what is in the national interest of the United States? Let us keep our eye on the ball. The case of Japanese discrimination on a very persistent and massive scale has been clear for many years in the automotive market as well as in other markets. No serious person can take issue with this.

I commend the approach taken by Ambassador Kantor. There should be a good case against Japanese automotive industry barriers before the WTO because they are so overwhelming—Japanese practices overwhelm tariff schedules and make them irrelevant to the real dynamics of the market. If there is not a winnable case, I, for one, would suspect something deeply flawed with WTO decisionmaking and not the United States' case. Let me say that again: If there is not a winnable case, then I, for one, would suspect something deeply flawed with the World Trade Organization decisionmaking and not something flawed about the United States' case.

The U.S. Trade Representative has maintained consistently that the operation of section 301 as a bilateral mechanism regarding specific barriers and practices is completely appropriate at the same time that we also attempt to breathe life into the new WTO dispute system. WTO rules do not cover the complete range of barriers that are practiced by the Japanese and, therefore, 301 treatment is totally appropriate in many instances. Furthermore, as a general matter, it certainly appears reasonable to believe that if Japanese practices nullify the value to be gained from the tariff-lowering regime of the GATT, then the United States should prevail in a World Trade Organization dispute.

The Trade Representative has established a two-track approach taking the initiative before the WTO and exercising our bilateral rights under our trade law. I do not see any inconsistency in this approach. It is the right approach because our practices in our market are transparent and open, while Japan's practices are not. Thus, it is a fair challenge to the WTO to recognize and act on the reality of the market situation.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter sent yesterday from Ambassador Kantor to the new Director General of the WTO, Mr. Renato Ruggerio, which gives prefiling notification of the intention of the United States to initiate a WTO challenge against Japanese automotive discrimination. In addition, I also ask unanimous consent to include an op-ed piece from today's Washington Post by the vice chairman of the Chrysler Corp., Mr. Thomas G. Denomme, outlining in detail problems that Chrysler has experienced in attempting to break into the Japanese market.

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

EXECUTIVE OFFICE OF THE PRESIDENT,
U.S. TRADE REPRESENTATIVE,
Washington, DC.

RENATO RUGGIERO,
Director-General, World Trade Organization, Geneva, Switzerland.

DEAR DIRECTOR-GENERAL: I am writing you today to give pre-filing notification of the intention of the United States to invoke the dispute settlement mechanism of the WTO to challenge the discrimination against United States and other competitive foreign products in the market for automobiles and automotive parts in Japan. It is our intention to officially file a case with the World Trade Organization (WTO) in approximately 45 days.

Through its actions and inactions with respect to the automotive sector, Japan has failed to carry out its obligations under the WTO, has nullified and impaired benefits accruing to the United States under the WTO, and has fostered a situation in the automotive sector that nullifies and impairs such benefits, and impedes the attainment of important objectives of the GATT and the WTO.

The market access problems in the automotive sector reflect problems endemic in many sectors in Japan. Relative to gross domestic product, Japan imports far fewer manufactured goods than any other G–7 country and maintains a persistent surplus in its global trade and current accounts. Japan's imports of manufactured goods are one-fifth to one-tenth the level of European countries and nearly one-third the level of the United States, relative to GDP. Overregulation, toleration of market restrictive practices and market structures, and pervasive and unwarranted intervention in the Japanese economy all work together to systematically discriminate against foreign competitive imports.

The United States has focussed on the automotive sector because of its central importance to the United States and other economies, and its huge contribution to the U.S.-Japan trade imbalance. This sector accounts for almost 5 percent of the U.S. GDP, and it directly provides jobs for 2.5 million Americans. The 1994 U.S.-Japan trade imbalance in the automotive sector was $37 billion, nearly 60 percent of the total U.S. trade deficit with Japan and nearly a quarter of the entire U.S. global trade deficit.