

fiscal surplus and expects a similar result again in 1995.

The balance of payments in Trinidad and Tobago has also begun to demonstrate a new robustness. Following 11 years of continuous deficit, for the past 2 years the external accounts were in surplus. A supportive monetary policy is in place, aimed at restraining exchange reserves. As a result, inflation is moderate and falling. The inflation rate from September 1993 to September 1994 was only 6.4 percent. The government floated the Trinidad dollar in 1993 and has now fully absorbed the devaluation occasioned by that flotation. The exchange rate has held remarkably firm. Consequently, the inflation rate is expected to fall under 5 percent this year.

The external debt service payments have been onerous—well over a half a billion U.S. dollars last year. Nevertheless, the government has reduced the debt significantly and it now represents barely 30 percent of GDP—this down from 42 percent in 1992.

Trinidad and Tobago has instituted a major structural adjustment away from import substitution and is vigorously pursuing a policy of export led growth. Almost overnight, the old tariff structure has been dismantled. In 1991, 40 percent of the items were removed from the import negative list. In 1995, the temporary surcharge imposed subsequent to the removal of items from the negative list, was reduced to zero.

In 1994, the majority of agricultural items were removed from the negative list. Nevertheless, total output in this sector increased by almost 12 percent. Consistent with the obligations within CARICOM, the existing maximum tariff of 30 percent will be phased down to 20 percent by 1998. It is important to note, however, that a more accurate reflection of the openness of the trade regime is that average tariff rates are now less than 6 percent for imports from the United States.

Favorable Investment Climate. The best proof of the success in creating a favorable investment climate is evidenced by the surge of direct investment. In 1995, the Government of Trinidad and Tobago reduced the corporate tax rate for foreign investors from 45 to 38 percent. In 1994, investment flows from the U.S. reached almost \$700 million and for 1995, the country has commitments for \$1.2 billion. Trinidad and Tobago will easily surpass all other countries in the hemisphere in attracting foreign investment.

Trinidad and Tobago will, as a member of the NAFTA, maintain United States environmental, health and safety workplace standards. Trinidad and Tobago's Government procurement provisions guarantee United States firms the ability to compete for government contracts. Tariffs on most U.S. exports have been eliminated in the computer, oil refining equipment, special industrial machinery, pharmaceutical, telecommunications and photographic equipment and sectors. In addition, Trinidad and Tobago has

signed both a Bilateral Investment Treaty [BIT] and Agreement on Intellectual Property Rights with the United States.

Hemispheric Energy Security. Trinidad and Tobago is a major oil-producing country. Trinidad's 10.6 trillion cubic feet of natural gas reserves represents a 45-year reserves life index. The economy is based largely on its plentiful reserves of petroleum and natural gas. As a result, Trinidad and Tobago has developed good relationships with United States oil companies involved in oil and gas development and extraction. The strategic geographic location of the islands has favored the establishment of large oil refineries and other facilities designed to promote energy research and to produce natural gas and petroleum by-products such as methanol and ammonia fertilizer.

Trinidad and Tobago is the world's second largest exporter of nitrogenous ammonia fertilizer, a natural gas by-product. One-third of the United States 3 million tons of ammonia imports come from Trinidad and Tobago annually, valued at \$240 million in 1994, according to U.S. Commerce Department figures. This is equal to about 5 percent of U.S. ammonia fertilizer usage annually.

The United States currently imports 80 MBD of crude oil and petroleum products from Trinidad and Tobago valued at over \$500 million a year in 1994, or 1 percent of the Nation's oil imports.

Cooperation on Drug Trafficking. Trinidad and Tobago has modernized its customs operations. It has introduced the automated system for the collection of customs data, which is now operational in most of the country. Officials expect that this critical element in the administrative reform of the Customs department will be extended to Tobago and to the industrial estate at Point Lisas during 1995.

Trinidad and Tobago is not a major producer, consumer or trafficker of illegal drugs, precursor chemicals, or money laundering. The Government and the people of Trinidad and Tobago recognize that illegal drugs are disruptive to public health, safety, and the social fabric. Business people contend that money laundering undermines legitimate economic activities. The effects of illegal drug related activity are likely to increase, particularly if economies suffer and drug related work is seen as one of the few income producing opportunities available.

Passage of the Dangerous Drugs Amendment in November 1994 brought the laws of Trinidad and Tobago into conformity with the requirements of the 1988 United Nations Convention. The new law prohibits activities regarding the manufacture of precursor chemicals, money laundering activities, assets forfeiture, and removal of impediments to effective prosecution.

Since 1992, local Trinidad and Tobago banks have voluntarily reported large deposits to the police department's Office of Strategic Services [OSS], a spe-

cial unit built to diminish the availability of banking services to traffickers. OSS collects intelligence on financial transactions and in 1994 published a money laundering information pamphlet for local financial institutions.

Conclusion. Mr. President, the Republic of Trinidad and Tobago deserves consideration as the next country to accede to NAFTA, following Chile. It has successfully undertaken economic reforms that have attracted foreign investment, reduced debt, and expanded the private sector. In order to further expand its economy, Trinidad and Tobago needs greater access to the larger markets of the hemisphere. The reality is that Caribbean economies are small. Domestic markets and intra-Caribbean markets alone, cannot absorb production and therefore cannot foster meaningful trade expansion. Future economic prosperity for Trinidad and Tobago—as well as for other eligible countries—lies in its rapid integration into the North American market. In submitting this resolution, I hope Trinidad and Tobago can soon be considered for membership in the NAFTA.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. LOTT. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet to consider pending business Tuesday, December 19, 1995, at 2:30 p.m., hearing room SD-406.

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

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, December 19, 1995, at 10:30 a.m. to hold a hearing on "Trends in Youthful Drug Use."

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, December 19, 1995 at 3:00 p.m. to hold a conference with the House Intelligence Committee regarding the fiscal year 1996 intelligence authorization.

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

ADDITIONAL STATEMENTS

THE 40TH ANNIVERSARY OF THE DEDICATION OF THE U.S. AIR FORCE ACADEMY

• Mr. CAMPBELL. Mr. President, I rise today on behalf of myself and my