AFRICAN GROWTH AND OPPORTUNITY ACT—Continued

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Delaware.

Mr. ROTH. Mr. President, some of my esteemed colleagues argued this past week that we are losing jobs in manufacturing, particularly in textiles and apparel, because we have set the American standard of living too high through the minimum wage, Social Security, Medicare, workplace safety rules, environmental standards, and social policies such as parental leave. That is the sort of broad assertion we have heard about every trade bill or trade vote that has come to the floor in the past years.

They argue that any trade liberalization will lead to a reduction in our own labor and environmental standards, rather than encouraging an increase in the labor and environmental standards among the beneficiary countries. That attack on this legislation is wrong for three reasons.

First, there is no evidence that trade has weakened our labor and environmental standards—quite the contrary. During the period from 1970 to the present day, while trade as a percentage of American GDP more than doubled from 11 to 25 percent, our labor and environmental laws were strengthened. What we have witnessed has been the exact opposite of what the trade critics would have predicted. Our labor laws continue to provide strong protection to workers, and the reach of our workplace safety laws has continued to expand.

The last 30 years witnessed the passage of landmark environmental legislation, enormous set-asides of wilderness areas, and significant improvements in air and water quality. We have seen sufficient progress on endangered species so that the President recently removed the bald eagle from the list of endangered species. Who would have thought of a more potent symbol of the progress we have made in the last 30 years. Have we done enough? No. There is still more we can do to encourage conservation and environmental protection. Based on the last 30 years of evidence, there is no reason to forgo the benefits of trade based on the errant assumption that trade will somehow undermine the basic fabric of our environmental law or encourage a race to the bottom.

What has been true in the United States has also proved true elsewhere. The truth is that economic growth and a rising standard of living is a necessary predicate for higher labor and environmental standards, and trade is essential to both goals. What the most recent studies have shown is that air and water quality improve as per capita income increases. The growth in pollution declines as incomes rise. There should be no doubt, then, that poverty is the enemy of both labor and environmental standards and that both benefit from economic growth to which trade contributes.

Third, there are sound reasons why higher labor and environmental standards will not lead to a race to the bottom, even in a world of expanding trade. Pollution control costs, even in the dirtiest of industries, account for less than 1 or 2 percent of total production costs. In other words, even in the dirtiest of industries, the cost of compliance with our environmental standards is not sufficient to persuade companies to invest in other countries simply to take advantage of lax environmental laws.

Trade critics who argue that trade will devastate the environment tend to overlook that firms generally invest in the developing world's pollution havens to gain market access, not to take advantage of the lower environmental standards. In other words, the companies generally invest because their exports face tariffs averaging between 10 and 30 percent, a cost disadvantage they can only overcome through investing on the other side of that tariff wall.

Given those facts, we would be better off beating down high tariffs in the developing countries in order to allow the export of goods from clean factories in the United States, rather than encouraging trade restraints that lead to investment in pollution havens.

Equally important, our companies tend to take their existing technology and production techniques with them, even when they do invest in pollution havens abroad, in order to get around the high tariff walls. They do not do this out of altruism. They do it because it makes good, cost-effective, economic sense.

Our companies have found ways of producing in the United States that both allow them to comply with our environmental standards and remain globally competitive. We should be encouraging the export of those techniques of manufacturing wherever we can. But what those facts most assuredly do not mean is that trade has somehow led to a race to the bottom. In fact, trade appears to lead to a rising standard of living in environmental as well as economic terms.

My colleagues say we can no longer compete in textiles and apparel because our producers compete with many countries in the world with far lower standards of living. They explicitly or implicitly argue that we must impose trade restraints in order to protect these industries and the associated jobs.

Let me be blunt: There is no protection in protectionism. For every job we save through trade restraints, we lose many more in other sectors of the economy. As we have learned this past summer during the debate over quota legislation, saving one job in the steel industry by imposing trade restraints puts 40 jobs in the consuming and exporting industries at risk. Those who oppose this legislation do not favor the win-win outcome that the Finance Committee bill would create and the textile industry itself supports.

Mr. MOYNIHAN. Will the distinguished chairman yield for a question?

Mr. ROTH. I am happy to yield.

Mr. MOYNIHAN. The Senator spoke of those who oppose this legislation. I believe we voted to move to this legislation by a vote of 90–8?

Mr. ROTH. That is correct.

Mr. MOYNIHAN. I believe this measure came out of the Finance Committee, under the Senator's leadership, unanimous, both parties?

Mr. ROTH. The Senator is correct.

Mr. MOYNIHAN. Would the Senator think I was out of range if I suggested there are 75 votes for this legislation as it is?

Mr. ROTH. I think that is a fair statement.

Mr. MOYNIHAN. Well, then doesn't the Senator think we should find a way around our self-imposed restraints and vote?

Mr. ROTH. I couldn't agree with my colleague more. I wish we could proceed. I think this legislation is critically important. I think we have, as the Senator says, a vast majority on both sides of the aisle. As we have already said on many occasions, it has the strong support of the President.

Mr. MOYNIHAN. Who is meeting this morning with the President of Nigeria who is here to talk about that.

Mr. ROTH. I understand a number of the ambassadors from the countries in Africa that would be impacted with this legislation have been calling and telling people of the importance they attach to it. It would be a major setback, inexcusable for this legislation not to proceed.

Mr. MOYNIHAN. Exactly, sir.

Mr. ROTH. As I said, there is no protection in protectionism. For every job we save through trade restraints, we lose many more in other sectors of the economy.

Those who oppose this legislation do not favor the win-win outcome that the Finance Committee's bill would create and the textile industry itself supports.

Some of my colleagues would seem, instead, to prefer the ''lose-lose-lose'' option of imposing a regressive form of taxation on the poorest in our society, lowering employment in the textile and apparel sector, and lowering employment throughout the economy.

I want to reemphasize what I have been saying. It is not the chairman and it is not the ranking member of the Finance Committee that is telling you that the Senate bill would lead to higher sales and higher employment in the textile industry. No, it is the textile industry itself that is telling us the Senate bill would increase textile shipments by $8.8 billion over 5 years and increase textile-related employment by 121,000 jobs over the same period.

That is a win-win outcome we should support. I urge my colleagues to support the amendment to the legislation.

With that, I yield the floor.

Mr. MOYNIHAN. Mr. President, it goes without saying that I wholly agree with the remarks and statements of our revered chairman. May I say, there is still hope. It is not over yet.

Mr. HOLLINGS. Mr. President, I obtain the floor in order to thank my distinguished colleague from Illinois, Senator FITZGERALD. He is a banker, a financier. He is far more experienced in financial affairs than I, and he is on the other side of the aisle. His arrival now makes it bipartisan and I am very grateful to him. We had a bipartisan move with Senator Heinz and myself in passing section 13.301 of the Budget Act, which says you could not use Social Security—either the Congress or the President—in reporting a budget. That was approved by 98 Senators in a bipartisan fashion.

Yet the budgeters continue to ignore it. So I have been looking, since we lost Senator Heinz on that side of the aisle, for some assistance. We had otherwise the leadership of Senator Armstrong and Senator Boschwitz. We were in the extreme in 1989, for supporting a value-added tax, a 5-percent value-added tax, allocated to reducing the deficit and the national debt so we would not spend Social Security. In fact, we had eight votes in the Senate Budget Committee. We recommended again another VAT. We tried to pass other laws. But with respect to the distinguished Senator's statement that the Democrats have voted against Social Security several times, let me clarify that observation of his to the extent that we, right now, are in that same situation. Here now, the tree is filled up. You have veritably fast track; namely, you have a bill out from the committee with a substitute or leader's amendment or maybe they want to call it the amendment of the committee itself. But whatever they call it, it is the committee bill and you cannot amend it.

When the tree is filled up that way on cloture, it will be difficult to get cloture because no one is allowed to offer amendments. We need someone to understand this and allow us to begin deliberating. Now, that is what we have. If this persists through tomorrow, I am hopeful, but I don't know because I am a minority of a minority of a minority here, that we can move forward. But it could very well occur that we may not get cloture tomorrow morning at 9:30, if that is when they call the vote. They said they didn't think there are any votes tonight, other than a continuing resolution, which we can voice vote. We may, but I doubt if we could get that vote.

So the reason you don't vote cloture is because you want to try to get some amendments considered to discuss these issues. That was the situation each time they brought up that Social Security. I know better than any because I put in my amendment at the very beginning of the year, drawn, if you please, by the Social Security Administrator himself. We introduced it. It was referred under the rules, of course, of the Budget Committee. I have been on that Budget Committee since they started it as a Budget Committee in 1974, some 25 years. So I have been there. I have been chairman of the Budget Committee. I thought I could get a hearing. They don't want to talk about a true lockbox or taking it off budget. They will vote for a sense of the Senate. Then they will vote for the law and then totally ignore the law. And if you can put in my amendment in, as we have it propounded now in the Budget Committee, I can tell you here and now we really will have lockbox, and you won't be able to touch it.

We won't have to debate whether or not we are. Everyone could see and understand it. That situation happened several times, and the majority was going to call it the lockbox. One proposal was made by the majority leader that allowed three amendments. We would bring it up, have three amendments considered with time agreements, and then vote.

When they found out about my one amendment that was for a true lockbox that is in the Budget Committee, which they won't even give you a hearing on, they would not agree. We had to go ahead and vote against cloture. The distinguished Senator from Illinois calls that a vote against Social Security. Not at all. That is a vote, really, for Social Security.

Tomorrow, when a substantial number vote, let's say, assuming against cloture, someone could say they voted against the trade bill. Not at all. They are for the trade bill. The distinguished minority leader has made that clear. The Senator from South Dakota is for this bill, but he is trying to protect the rights of Senators on both sides of the aisle to offer amendments. The Senator from Illinois was mistaken to characterize that as a vote against Social Security several times, saying, ''Why did you vote against it if you are sincere?'' We are sincere all right, to try to preserve Social Security.

I was one of them and I will go immediately now to the observation made by my distinguished ranking member on the Finance Committee about 90 votes to proceed. I was one of those 90. That doesn't mean you can pass the bill without even considering any amendments. When I voted to proceed, I voted to do just that—proceed to debate the amendments, vote upon them, and get to a final enactment thereof. I have several things that we want to bring up. I see other Members present.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have watched with some interest in recent days the Senator from South Carolina holding forth on the floor of the Senate on trade issues. This isn't the first time. He has often come to the floor of the Senate to engage in interesting and robust debates about international trade.

I also noticed that the bill that is before us, the House bill dealing with African trade, the African Growth and Opportunity Act, if you read it, reads like a lot of trade deals we have dealt with. It is kind of a NAFTA for Africa approach with trade adjustment assistance, CBI, and other things added to it.

As I was thinking about all of this, I realized that nothing really changes very much. I guess it has been 4, 5, 6 or 7 years I have been here on the floor of the Senate talking about trade issues to no avail. The debate never changes.

Those who come to the floor proposing a new trade initiative will speak only about their new trade initiative. They will refuse to speak at all, or refuse to address the residue and the problems resulting from the trade bills we have recently passed, NAFTA being one, United States-Canada being another, and GATT being a third. You never hear anybody willing to tackle the problems.

I had a chart with me. It is lost in a pile of charts somewhere. But I wish I could show it. It shows the trade deficits. After several decades of ballooning Federal budget deficits and after getting those deficits under control, now we have another deficit. It is the trade deficit. The annual trade deficit on a chart is just spiking almost straight up. It is a devastating consequence of bad trade policy and a range of other things, but especially bad trade policy. Yes, the collapse of economies, or the difficulties of economies in Asia contribute to it, and there are some other things that contribute to it, but by and large this has been an abiding trade deficit that has been growing for a long period of time, and a chart would show a very significant spike in this deficit.

It is serious. Our current account balance deficit as a result of this trade deficit is going up and up, and it is unsustainable. We can't continue to do this. Yet there is no discussion on the floor by those who bring trade legislation to the floor to say, well, let's talk about what is happening; let's talk about our current experience with our trade practices.

It is not the case that I believe we should put a wall around our country, or we should restrict trade, or we ought to decide to in some way diminish trade. That is not the case at all. I believe, however, that after about 50 years of post-Second World War experience in trade, we ought to understand what is going on. For the first 25 years after the Second World War, our trade policy was exclusively foreign policy. They called it trade policy, but it wasn't trade policy; it was foreign policy. We used trade as a foreign policy instrument with which to help a range of other countries around the world.

That was fine. We could beat any country virtually on any set of circumstances and any competition with one hand tied behind our back. We were bigger, tougher, stronger, and more able to compete. And we could essentially create all kinds of approaches that would be helpful to other countries in foreign policy, call it trade policy, and still win and still prevail.

But the second 25 years after the Second World War, things were different, especially recently. Our trading partners have become shrewd, tough, economic competitors. This is not any longer, and should not be, about foreign policy. It ought to be about trade policy, about what makes sense for our country's interests and how to engage in policies with other countries that are mutually beneficial, yes, to them and also to us.

As I listened to the Senator from South Carolina, I was thinking about something I told the Senate some many years ago. I had a young son who ordered an ant farm from a magazine. He is 12 now. I guess he was probably 5 years old. He saw this advertisement for an ant farm. It was a thing you ordered by mail. It was a container. It would hold sand. They sent you the container and the sand. They put the sand in the container. Then they sent you the ants separately. They said in the order to put the ants in the container. They said you should put that little vial of ants in the refrigerator for a while to slow them down a bit.

So my son got all of this in the mail. He put these ants in the refrigerator and slowed them down a bit. He poured them into his ant farm and then put the top on. For, I don't know, a month or two, we watched these ants in the ant farm. There must have been 100 or 200 ants in this little ant farm. You could watch them every day. They would go from one end of this little partition to the other hauling all of this sand back and forth, and back and forth, and nothing ever changed. I looked at those ants. I thought, I wonder what they are thinking, if they think; they just keep hauling this sand back and forth, and nothing ever changes.

I thought the Senate is similar to that, especially on trade policy. You could put a blindfold on and earmuffs on, and for 7 years nothing would change—at least it hasn't in the 7 years I have been in the Senate. Back and forth, back and forth, never a change.

Does anybody here have a debate about the provisions in NAFTA that lead to the terribly unfair trade in durum wheat? Did anybody ever hear of that? I have never heard of that. I have been down here and talked about it a lot. In fact, most people probably don't know much about durum wheat at all.

Probably many of the expert staffers working on trade have no interest in and no knowledge of durum. They have no knowledge of durum. They certainly have no knowledge of semolina flour. If they eat pasta, they are eating semolina flour and durum wheat. Eighty percent of the durum wheat in America is produced in North Dakota. Anyone working on trade issues in the Senate and eating spaghetti or lasagna might well be eating something that came from a North Dakota durum field.

After this country negotiated a trade agreement with Canada, we had a trade negotiator who reached an agreement with Canada and put it in writing to Members of Congress. He said in writing—Clayton Yeutter, our trade ambassador—there will not be an increase in the flow of grain back and forth across the border as a result of this agreement. That was a guarantee in writing to Members of Congress. It wasn't worth the paper on which it was written. It wasn't worth anything. The fact is, the trade agreement was enacted by Congress after it was negotiated. It was sent here and voted on by Congress and prevailed. I did not support it.

Immediately, we had an avalanche of Canadian durum coming across our border. That durum undercut our farmers' prices, took a couple hundred million dollars out of the pockets of our farmers in a year, and has happened time and time again. This past year was the largest amount of durum, over 20 million bushels in the first 7 months of this year; for 6 months, up over 80 percent.

People say it doesn't matter; that is technical; that is detail. That is fine for someone wearing a suit and tie, but try farming, raising durum, and having the price collapse and see what it does to your income and wonder whether it is important. Wonder whether you understood it and wonder whether you had a responsibility when you talk of trade the next time or talk of the trade problems you caused for the hard-working people in our country. Wonder about the trade problems you caused them by the previous trade agreements.

The same agreement, NAFTA, which has opened the floodgates for the grain coming in that has terribly hurt the family farmers, was advertised to Members, as the Senator from South Carolina knows, as being a trade agreement that would create several hundred thousand new jobs in our country. It didn't turn out quite that way. When NAFTA was negotiated with Canada, Mexico, and the United States, we had a trade surplus with Mexico and a small trade deficit with Canada—not so small but a trade deficit with Canada. So this Congress passes NAFTA, approves NAFTA. The trade surplus with Mexico has now been changed from a surplus to a $16 billion annual deficit just in the first 8 months of this year alone. The trade deficit with Canada has more than doubled.

In a study by the Economic Policy Institute, Rob Scott says NAFTA has resulted in a net loss of over 440,000 jobs in this country.

But the NAFTA supporters advertised that "a lot of new jobs will be created." The fact is, a lot of jobs were destroyed.

"It will be good for our country." In fact, big trade balances that were positive were turned to very large trade balances that are negative for our country. Yet the same folks continue to peddle the same merchandise on the floor of Senate.

Just make this trade agreement and somehow it will be better. My response is to say if we are going to talk about trade, I am perfectly willing to listen and be reasonable about all of these things. I want to help Africa. I want to help the Caribbean nations. I want to reach out and do all those things. But, I want it to be fair. I want our producers to have fair competition. I am willing to retain these, but I refuse to have people come to the Senate and say: Here is our agenda and we demand you respond to that. And we don't intend at all to address the problems we have created in the previous trade agreements. To us, they are irrelevant. We don't intend to address them. They don't matter. They don't exist, and we don't intend to talk about them.

The remedies that normally would have been available to fight the unfair trade have been traded away in previous trade agreements. Those who have lost their jobs and farms find little solace in those who say: "We have a new agreement now and we don't intend to talk about the old problems."

It seems to me we ought to talk about some of the problems that exist in previous trade agreements and fix them. The quickest way for President Clinton and, for that matter, the committee chairman and the two managers of this bill, to have a thoughtful discussion about new trade initiatives is to agree to have a thoughtful discussion about the problems created by the old trade policies and begin to fix them. If we are not willing to fix some of the mistakes in previous trade agreements, we are not going to get consensus to move to new issues. I told the President the best way for him to get fast-track authority from the Congress is to show a willingness to fix the problems that have existed in NAFTA, the U.S.-Canada Free Trade Agreement and GATT.

When a ship pulls up at a dock in California loaded with grain that is dumped in this country—clearly illegally—and there is no remedy to address it, our farmers say, how can grain be shipped from a European port to a dock in California and be sold for half the price of the grain that is being sold here, even after transportation is paid? How can that be? The answer is it is unfair trade and there is no remedy to deal with it and you can't stop it.

That is why producers in this country are saying to those who are pushing new trade agreements, help fix some of the trade problems we have. When that is done, we will listen. We will work with you. We will address some of these additional trade issues. It is not acceptable to simply ignore the misery, the suffering, and the difficulty that so many producers in this country experience because of unfair trade policies. It is not fair to ignore them. We must get our priorities straight.

I find it fascinating that some who have been so concerned about deficits during the years I have been in Congress are those who are the least concerned about trade deficits. Japan, $50 or $60 billion a year, every year. Want to buy a T-bone steak in Tokyo? Does anybody in this Chamber know what kind of a tariff will be imposed on a T-bone steak coming from the United States and sold in a Tokyo restaurant? Does anybody know the answer to that? I bet not. After a trade agreement with Tokyo in order to get more U.S. beef into Tokyo, we have a 50-percent tariff on all U.S. beef going into Tokyo which diminishes but snaps back if the quantity increases. Today there is a 40.5-percent tariff on every pound of American beef going into Tokyo.

That is considered a failure in any set of circumstances in any trade negotiation. But our trade negotiators, when they reached that deal, thought they won the Olympics. They were feasting and rejoicing, breaking their arms patting each other on the back. It was a big deal.

It is a failure. A 40.5-percent tariff in foreign markets for our beef is a failure. After all of this posturing and genuflecting and trade talks, the average tariff confronting our products going overseas from the agricultural sector is nearly 50 percent.

We will have some discussions in Seattle in December with our trade negotiators. We have been talking with our trade negotiators and we hope very much for once we could win. Will Rogers once said, the United States of America has never lost a war and never won a conference. He surely must have been talking about our trade negotiators.

We must start standing up for the interests of American producers and American workers not in a way that prohibits competition. We can compete; our farmers can compete. They are willing to do that. But they sure are not willing to compete when the ground rules are not fair.

We end a negotiation with Europe on the issue of grain. Let me go back to grain because I represent a farm State. We didn't even cut European grain export subsidies that are multiples of ours. We say that is fair competition. I don't think so. In my hometown, that is not fair competition. It is the best they could get. The result is a trade agreement that is unfair, a trade agreement that hurts our producers.

Senator ROTH from Delaware is managing this bill. He is a Senator for whom I have a great deal of respect. I have worked with him. I like him. We are friends. He comes to the floor and I am sure he believes strongly in this bill.

Senator MOYNIHAN, legislative giant and great thinker, comes to the floor. He believes strongly in this bill. The Senator from South Carolina believes differently. I believe differently in these issues.

The way to deal with them is to have amendments offered and have votes. One would think an elementary lesson in politics is that politics is a process of making choices. You make choices by voting. But we have this vineyard I described earlier that has been planted by the majority leader with a whole series of vines now. He has decided he is the gatekeeper of the vineyard. These are his vines. He will decide who comes through the gate and picks the fruit. His friends will be able to do that. ''My friends will get in, they will offer their amendments, but I will not allow any other amendment because that's a nuisance.''

That is not the way to legislate. That is not an appropriate way to do business in the Senate. It is an appropriate way to do business in the House. The majority leader served there. I served there. We understand that. In the House, you have a Rules Committee, you have a 1-minute rule, you have a 5-minute rule, and everything happens by the clock. That is the way the House works.

When the framers of the Constitution created this Senate, they created a different body. I guess they cannot jettison the habits—they die hard—the habits of those who served in the House and who now want to control the Senate in the same manner. But the Senator from South Carolina, for example, has every right, in my judgment, to come to this floor, when this bill is before the Senate, to offer amendments and say to the Members of the Senate, both Republicans and Democrats: Here are my ideas. Here is the merit I ascribe to my ideas. Here is how I feel about them. Here is my passion. Let's have a vote about it up or down, yes or no. I am not afraid of that.

What we can do, it seems to me, is have a system in this Senate where we allow full, free, and open debate. Unfortunately, that does not always happen. So we have this legislative tree.

Earlier we had a filibuster on the motion to proceed. But we had cloture the motion to proceed. We will move on. Now we have this legislative tree which is totally unacceptable. At some point, I hope we can do this in a different manner. The best way for this Senate to act is for people with ideas to come together.

This week I worked with Senator BROWNBACK on a bill we introduced dealing with wireless telephones. I have been working with Senator CRAIG on a WTO trade caucus. I have been working with a range of others on the Republican side on legislation dealing with telecommunications. That is the best way to legislate: to find good ideas and work together to get them done. But that is not the way the Senate is working these days. In many ways that is regrettable because the public is not well served by this kind of parliamentary tactic we find ourselves in now.

I yield the floor and will listen to the Senator from South Carolina.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank my distinguished colleague, the Senator from North Dakota, Mr. DORGAN. He knows this particular subject intimately. He is an expert in the field. He is right on target on the broad observation that it is very unfortunate we cannot debate trade—just generally speaking.

I am going to make a few comments in just a little while with respect to the overall idea that the software industry, computerization and otherwise, is the engine, this is the engine that has gotten America this wonderful boom of its economy. It has for the stock market, but not necessarily for the strength of the economy. We will have to get into that.

There are a few loose ends. Just recently, for example, the distinguished Senator from New York, as I understood it, questioned the matter of jobs and the statistics used. So I have the statistics from the Bureau of Labor Statistics, dated October 15, at 12:05. We have lost 17,700 textile jobs and 13,500 apparel jobs, for a total of textile and apparel jobs lost in South Carolina of 31,200, and a national loss of 424,000. That is the authority for the statistics, the facts I have been using.

Further, I have heard the debate. I want to be sure that it does not slip my memory. The distinguished Senator from Delaware came up a moment ago, the chairman of our committee, and said: ''Really, the reason for the loss of jobs is high tariffs. That is why they go to get the protection of high tariffs.''

I will try to get to see him later. Maybe he is joining me in my position because we certainly then do not want reduce the tariffs. I ask unanimous consent to have printed in the RECORD the text of the tariffs in the Caribbean and the text of the tariffs in Africa.

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

TEXTILE TARIFFS IN THE CARIBBEAN (AS HIGH AS)

Dominican Republic: 43% (Includes 8% VAT).

El Salvador: 37.5% (Includes 12% VAT).

Honduras: 35% (Includes 10% VAT).

Guatemala: 40% (Includes 10% VAT).

Costa Rica: 39% (Includes 13% VAT).

Haiti: 29%.

Jamaica: 40% (Includes 15% general consumption tax).

Nicaragua: 35% (Includes 15% VAT).

Trinidad & Tobago: 40% (Includes 15% VAT).

TEXTILE TARIFFS IN AFRICA

Southern Africa Customs Union (South Africa, Botswana, Lesotho, Namibia and Swaziland): 74% (Includes 14% VAT for South Africa).

Central African Republic: 30%.

Cameroon: 30%.

Chad: 30%.

Congo: 30%.

Ethiopia: 80%.

Gabon: 30%.

Ghana: 25%.

Kenya: 80% (Includes 18% VAT).

Mauritius: 88%.

Nigeria: 55% (includes 5% VAT).

Tanzania: 40%.

Zimbabwe: 200%.

Mr. HOLLINGS. Mr. President, we have made that point. With NAFTA, we at least eliminated the tariffs. We had the side agreements on labor and environment, we had reciprocities, and we cut down on the tariffs. But here we have no reciprocity. There is no tariff elimination. According to the argument propounded by the distinguished chairman of the Finance Committee, since Zimbabwe has a 200-percent tariff, all of the textile industry should move there immediately, under his reasoning.

The truth is, with the elimination of the tariffs, the opposite is true. With the elimination of the tariffs the investment has gone south. That sucking sound, as Ross Perot talked about, I can hear it. They can't hear it but I have heard it, 31,200 textile and apparel jobs in my State since NAFTA. I continue to hear the sound. I want to emphasize that.

Further, the statement was made by the distinguished Senator from Iowa that we had a 50-year history of removing barriers. Ha. Not at all. Not at all. We have had a 50-year history of removing our barriers, using foreign trade as foreign aid. But take textiles alone—we have the book. This is ''Foreign Regulations Affecting U.S. Textile and Apparel Exports''; from 1994.

Maybe it is on account of me because I used to use this book. Over at Commerce they are not putting it out, but you can get the individual countries and make up an even bigger book—because it has gone up. It has not gone down. They said ''50 years of liberal trade policies eliminating or reducing tariffs.'' The war was over in 1945. To 1995 would be 50 years; to 1994, 49 years. That is 49 years of not reducing foreign textile tariffs and not reducing all the other tariffs and nontariff barriers.

You cannot get in and do business, still, in Japan. If you want to sell textiles or do anything about textiles in Korea, you have to get a vote of the industry. Everybody knows Korea have used the Japanese system of controlled capitalism, and it works. That was the American system under Alexander Hamilton. We point out time and again to the Brits, once we won our freedom in the earliest days—David Ricardo, the doctrine of comparative advantage; Adam Smith, open markets, let's go right now. The Brits corresponded with Hamilton saying: You fledgling colony, now that you have won your freedom, let's trade back to the mother country with what you produce best and we will trade back with you what we produce best.

Hamilton said in a book ''Reports On Manufacturers''—bug off. He said: We are not going to remain your colony.

The second bill that passed this Congress, from which I stand here this evening, on July 4, 1789—the first bill being, of course, the Seal of the United States—the second bill on the 4th of July, 1789, a tariff bill of 50 percent on 60 articles. We started and built this economic giant with controlled capitalism, with protectionism. It is emulated—and I do not blame them, it has worked—in Japan.

It is not about being fair. These American politicians whine: You have to be fair, be fair.

Come on. You have to be realistic. Trade is trade—a fair price for a sound article. It is not a giveaway. Japan is working. Its system is working.

All these articles have been written. That is why I want everybody to read Eamonn Fingleton's ''Hard Industry.'' I cannot put the whole book in the RECORD, but I will make reference to it in a minute.

Japan, with 125 million citizens and the United States with 260 million citizens, still outproduces us. They are outproducing us. They have a stronger economy. They have a better savings rate. There may be one or two banks bankrupt, but a lot of them did not go bankrupt. They readjusted. They continued to take over market share.

This past year, they have taken over, again, more of the American automobile industry than the American manufacturers. It is working. If I were there, I would run it the same way. I would not run away saying they are being unfair. We are being downright stupid.

The Senator from North Dakota pointed out the observation of Will Rogers: We win every war but lose every conference because we run around like we are fat, rich, and happy. That is exactly what we heard from the Senator from Delaware, that we have this booming economy. Not so. We have a $300 billion deficit in the balance of trade and we increased the debt again at the end of the fiscal year. We spent $127 billion more than we took in and one important economic indicator—the consumer confidence index—is falling. Chairman Greenspan is raising interest rates, and our nation has lost textile jobs to the extent that two-thirds of the clothing I am looking at is represented in imports. I am fighting today to maintain the one-third.

This industry is very productive and very competitive but cannot remain so if this bill passes. Within a 5-year period, we are going to have enough problems with respect to the phasing out of the Multifiber Arrangement. So we have to batten down the hatches now and stop putting in these giveaway programs to the Caribbean and to the sub-Sahara on the basis of helping the Caribbean and the sub-Sahara people.

I wanted to put in the book of foreign firms located in Mexico in the fabric field. They said it was too many pages. The reason I wanted to do that, of course, is the fabric field abandoned the apparel industry. Now that industry is locating jobs out of the U.S. and that sucking sound of jobs you hear I am trying to prevent from becoming a roar.

Maybe they are listening because I received a letter from ATMI. I had not seen this letter. It is dated October 1, 1999. There are two dates. September 28, 1999:

Dear Members of Congress: On behalf of the American Textile Manufacturers Institute, I would like to share our views regarding the Caribbean Basin [Initiative] and the Africa Growth and Opportunity Act that was approved by the Senate Finance Committee . . . and to express, for the record, our position on any trade package that might include the measures.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

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

MILLIKEN & COMPANY,
September 28, 1999.

Re CBI, Africa trade legislation.

DEAR MEMBERS OF CONGRESS: On behalf of the American Textile Manufacturers Institute (ATM), I would like to share our views regarding the Caribbean Basin trade bill (S. 1389) and the Africa Growth and Opportunity Act (S. 1387) as approved by the Senate Finance Committee, and to express, for the record, our position on any trade package that might include these measures.

On CBI, ATMI supports the yarn-forward, 807A/809 approach embodied in S. 1389. This approach, which has also been proposed by the Administration, would extend duty-free, quota-free treatment to apparel from the region only if it is made of U.S. yarn and U.S.

fabric, and U.S. thread of fabric shipped to the region in roll form. It would ensure that benefits accrue to all sectors U.S. apparel manufacturers, the CBI countries, U.S. importers and retailers, and U.S. textile and fiber producers while harming none of them. No other CBI proposal strikes such a balance. And, in the current political climate, no other CBI proposal stands a better chance of being enacted.

ATMI cannot, however, support Senate passage of the African Growth and Opportunity Act (S. 1387) in any form as a stand-alone bill or as part of a trade package because of the dangers posed by a conference with the House. While S. 1387 includes critical U.S. yarn and fiber requirements, the House-passed Africa bill (H.R. 434) will promote massive illegal transshipments of Asian and apparel products through the 48 nations of Sub-Saharan Africa to gain duty-free, quota-free access to the U.S. market. The result will be that billions of dollars of illegal Asian, particularly Chinese transshipments will enter the U.S. at zero duty, resulting in job losses for thousands of workers, many of whom are African-American, in the U.S. textile, apparel and fiber industries. The House Africa bill is so fatally flawed that any compromise other than the bill approved by the Senate Finance Committee would be extremely harmful to our industry.

Therefore, without firm assurance that the Senate Finance Committee's Africa bill will be maintained in conference without change, we remain opposed to any package containing the Africa bill, even it were also to include the Finance Committee's yarn-forward, 807A/809 CBI bill. For as beneficial as an 807A/809 CBI bill would be for all the sectors in the textile complex from fiber all the way through retail, it would not overcome the price of a bad Africa bill. Simply put, the Sub-Saharan Africa bill is a poison pill it is so badly flawed and would exact such a heavy toll on the U.S. textile industry at we must oppose it, even at the expense of a balanced and viable CBI bill.

Accordingly, ATM encourages you to oppose any trade legislation containing a Sub-Saharan Africa trade bill and support passage of the Finance Committee's CBI bill (yarn-forward, 807A/809) apart from the Africa bill.

Sincerely,

DOUG ELLIS,
President.

AMERICAN TEXTILE
MANUFACTURERS INSTITUTE,
October 4, 1999.

Re Update on trade and legislative issues.

To Chief Executive Officers of ATMI Member Companies.

DEAR MEMBERS: ATMI's Board of Directors discussed a number of key trade and legislative issues at its fall meeting last month. I want to take this opportunity to inform you of those discussions and to review ATMI's positions on these issues.

One of the key issues discussed at the meeting was the pending Caribbean enhancement legislation, often referred to as the CBI (Caribbean Basin Initiative) bill. Presentations by John Reilly of Nathan Associates and Fernando Silva of Kurt Salmon Associates indicated that the U.S. textile industry will benefit most from a bill that requires Caribbean apparel to use U.S. fabrics made of U.S. yarns in order to gain quota-free and duty-free access to the U.S. market. That approach is contained in the Senate Finance Committee's bill (S. 1389), but not in the bill reported by the House Ways and Means Committee. The Senate bill also requires that if the U.S. fabric is cut in the Caribbean the apparel must be assembled with U.S.-formed thread.

The Senate is likely to vote on this bill within the next three weeks, and it will probably be considered together with the Sub-Saharan Africa free trade bill.

The Sub-Saharan bill was also discussed by the Board and, as noted below, the Board's previous decision to oppose Sub-Saharan legislation was reiterated. Even though the Senate Finance Committee version of the Sub-Saharan bill requires U.S. yarns and fabrics, as with the Caribbean bill, the House-passed Sub-Saharan bill would be so damaging to the U.S. textile industry that ATMI's Board remains committed to opposing Sub-Saharan legislation. The risk of a compromise between the House and Senate versions that would still be damaging to the U.S. industry has made this position necessary.

After extensive discussion, the Board voted to reaffirm its support for the Senate CBI bill and opposition to the Sub-Saharan Africa bill as follows: "The Board of Directors reaffirms its current position on CBI parity and the Sub-Saharan Africa Bill and unconditionally opposes the CBI bill approved by the House ways and Means Committee".

Other trade/legislative issues discussed were reform of the trade rules governing imports from the Northern Mariana Islands, China's attempt to join the World Trade Organization (WTO), and the new round of WTO trade negotiations. Following is a summary of ATMI's positions on each, which were not changed by the Board:

The Board resolution on China's accession to the WTO approved by the Board on March 11, 1999 is as follows:

The ATMI Board holds as a pre-condition for its support for China's accession to the WTO the following:

A. The reduction or elimination of tariff and non-tariff barriers to its textile and apparel market that will result in effective market access to all WTO exporting countries.

B. China must also adhere to equitable conditions of competition regarding: 1. Worker's rights; 2. Environmental preservation; 3. Dumping, countervailing duties (subsidies); and, 4. Transparency.

C. China must go through the full ten-year integration schedule out of the quota system as every other WTO member country.

WTO Negotiations—The U.S. should seek the following as part of a new round of WTO negotiations that will be kicked off at the WTO meeting in Seattle in December:

No cuts of U.S. Textile/apparel tariffs:

Access to key textile/apparel markets, which those countries committed to provide in the previous round of WTO/GATT negotiations;

Maintain U.S. laws against foreign unfair trade practices (dumping subsidies) without any weakening;

No acceleration of the phaseout of textile/apparel quotas.

Northern Marianas—ATMI supports bills (H.R. 1621 and S. 922) that will close a loophole and prevent apparel made in the Northern Marianas from being labeled "Made in the U.S.A." and from entering the U.S. duty-free and quota-free. For more information and to contact your representatives and senators on this, please see the excellent internet site www.takepride.org.

I hope this provides you with a useful update of key trade/legislative issues. I urge each of you to continue to contact your congressional representatives in the House and Senate to support our position.

Please call me, Carlos Moore or Doug Bulcao of our staff if you have any questions or information about these issues.

Sincerely,

DOUG ELLIS,
President.

Mr. HOLLINGS. I do not want to mislead or misquote. They say they are for the CBI part of the bill. I quote from the letter in the third paragraph:

ATMI cannot, however, support Senate passage of the African Growth and Opportunity Act in any form as a stand-alone bill or as part of a trade package because of the dangers posed by a conference with the House. While S. 1387 includes critical U.S. yarn and fiber requirements, the House-passed Africa bill will promote massive illegal transshipments of Asian and apparel products through the 48 nations of sub-Sahara Africa to gain duty-free, quota-free access to the U.S. market. The result will be that billions of dollars of illegal Asian particularly Chinese transshipments will enter the U.S. at zero duty resulting in job losses for thousands of workers, many of whom are African American, in the U.S. textile apparel and fiber industries.

The House Africa bill is so fatally flawed that any compromise, other than the bill approved by the Senate Finance Committee, would be extremely harmful to our industry. Therefore, without firm assurance that the Senate Finance Committee's African bill will be maintained in conference without change, we remain opposed to any package containing the African bill even if they were to also include the Finance Committee's yarn forward 807A/809 CBI bill.

That would have saved me days in this debate because we are using the same authority. I wish we could have the sandwich board back up. They were saying the ATMI, representing all of the textile industry, will support my position.

Let's say they oppose half of my position; namely, the CBI. I at least have support from my own ATMI for the position I have taken. I am beginning to feel a little strength this afternoon where we are picking up a little speed. Maybe I can get the Senator from Florida to support me. I am going to try my best because I want everyone to understand just exactly what was being talked about by the distinguished Senator from North Dakota with respect to the overall trade.

We are finding out with respect to agriculture, where I think it would almost be an embarrassment to ask for another subsidy for agriculture—I support agriculture. Everybody knows it. But we have to be up front and lay it on the line.

We have magnificent agriculture, not on account of market forces but on account of Government forces. They are saying market forces, free market. They always give me that when I bring up my textile bill, and they have, what? The land itself.

We had our friend—Sen. Dale Bumpers—the Senator from Arkansas, talk about the leases ranchers can get for grazing lands to get their wool.

I understand the distinguished ABC announcer who lives in New Mexico has a mohair subsidy. I know the telephone is subsidized with the co-ops. Electricity is subsidized.

These producers have been getting price supports. They get export promotion, trade promotion, and everything else like that. If it rains they get help. If it dries up, they get a drought, they get help.

With durum wheat and these so-called free trade market forces, we have had an amendment introduced on this particular bill for trade adjustment assistance.

So you can see the article by Mort Zuckerman of October 18 in U.S. News & World Report states:

We are becoming two nations. The prosperous are rapidly getting more prosperous and the poor are slowly getting poorer. George W. Bush did well to rebuke his party when House Republicans maneuvered to balance the budget by proposing to delay the earned income tax credit for the working poor—paying it in monthly installments rather than an annual lump sum. ''I don't think they ought to balance the budget on the backs of the poor,'' Bush said. Instead, it is time for aspiring leaders to ponder how the two nations might more closely become one.

The American economy is growing dramatically. But this prosperity is being distributed very unevenly. The America that is doing well is doing very well indeed. But most benefits have gone to those who work in industries where the main product is information. The losers have been the producers of tangible goods and personal services—even teachers and health care providers. The high-tech information economy has been growing at approximately 10 times the rate of the older industrial economy. It has enjoyed substantial job growth, the highest productivity gains (about 30 percent a year), and bigger profits. It can therefore afford bigger wage gains (about four times that of the older economy). And this wage gap is likely to widen for years to come.

The rich get richer. The concentration of wealth is even more dramatic. New York University economist Edward Wolff points out that the top 20 percent of Americans account for more than 100 percent of the total growth in wealth from 1983 to 1997 while the bottom 80 percent lost 7 percent. Another study found that the top 1 percent saw their after-tax income jump 115 percent in the past 22 years. The top fifth have seen an after-tax increase of 43 percent during the same period while the bottom fifth of all Americans—including many working mothers—have seen their after-tax incomes fall 9 percent. The result is that 4 out of 5 households—some 217 million people—will take home a thinner slice of the economic pie than they did 22 years ago.

Mr. President, I ask unanimous consent that article be printed in its entirety in the RECORD.

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

[From the U.S. News & World Report, Oct. 18, 1999]

A NATION DIVIDED

(By Mortimer B. Zuckerman)

WHAT TO DO ABOUT THE EVER WIDENING GULF BETWEEN RICH AND POOR?

We are becoming two nations. The prosperous are rapidly getting more prosperous and the poor are slowly getting poorer. George W. Bush did well to rebuke his party when House Republicans maneuvered to balance the budget by proposing to delay the earned income tax credit for the working poor—paying it in monthly installments rather than an annual lump sum. ''I don't think they ought to balance the budget on the backs of the poor,'' Bush said. Instead, it is time for aspiring leaders to ponder how the two nations might more closely become one.

The American economy is growing dramatically. But this prosperity is being distributed very unevenly. The America that is doing well is doing very well indeed. But most benefits have gone to those who work in industries where the main product is information. The losers have been the producers of tangible goods and personal services—even teachers and health care providers. The high-tech information economy has been growing at approximately 10 times the rate of the older industrial economy. It has enjoyed substantial job growth, the highest productivity gains (about 30 percent a year), and bigger profits. It can therefore afford bigger wage gains (about four times that of the older economy). And this wage gap is likely to widen for years to come.

The rich get richer. The concentration of wealth is even more dramatic. New York University economist Edward Wolff points out that the top 20 percent of Americans account for more than 100 percent of the total growth in wealth from 1983 to 1997 while the bottom 80 percent lost 7 percent. Another study found that the top 1 percent saw their after-tax income jump 115 percent in the past 22 years. The top fifth have seen an after-tax increase of 43 percent during the same period while the bottom fifth of all Americans—including many working mothers—have seen their after-tax incomes fall 9 percent. The result is that 4 out of 5 households—some 217 million people—will take home a thinner slice of the economic pie than they did 22 years ago.

There are those who point out that these income figures do not fully reflect the improvement in the standard of living and say that attention should be paid to what Americans own, what they buy, and how they live. A fair point. Two economists, W. Michael Cox and Richard Alm, have revealed that each person in the average household today has 814 square feet of living space compared with 478 square feet in 1970; that 62 percent of all households own two or more vehicles compared with 29 percent back then; that the number of gas ranges has increased six-fold, air travel four times, and the median household wealth—i.e., the familiy right in the middle—has jumped dramatically. Even given such improvements in life quality, our public policy must not exacerbate the disproportionate concentrations of wealth.

Fortunately, Americans are pragmatists. They know that what you earn depends on what you learn, especially in a digital economy; so 83 percent of our children now complete four years of high school, compared with 55 percent in 1970. This is good news. But vast numbers of people feel marginalized in an information-based economy. For too many, work no longer provides the kinds of wages and promotions that allow them to achieve economic success or security. Wage increases do not substantially increase their real income, so they have to work longer hours, get a higher-paying shift, or find another job. These are the people who are particularly concerned about the benefits they stand to gain from Medicare and Social Security. If they do manage to put together a successful strategy to survive, they should not be hit with sudden shocks—like the denial of the lump-sum tax credit.

Bush may have discomfited his Republican colleagues, but his words served to remind that they are out of touch with the realities of life for so many Americans. He later softened his criticism, but it is time, nevertheless, for a more generous leadership from the House Republicans. They should not berate Bush. Indeed, they may well find themselves in his debt should his appeal to the center of American politics provide them the coattails they will need when voters head to the polls in just over a year.

Mr. HOLLINGS. I emphasize:

The top fifth have seen an after-tax increase of 43 percent during the same period, while the bottom fifth of all Americans—including many working mothers—have seen their after-tax incomes fall 9 percent.

Fall 9 percent? Disappear. That is the issue in the bill before us. That is why the Senator from South Carolina takes the floor, because they are going to disappear. You have seen exactly what causes that disappearance. It is so-called free trade, free trade—the CBI. We are all for liberal free trade.

We can sit around, as politicians, and we can wonderfully agree, in a bipartisan fashion, on this high standard of living. Before you can open up X manufacturing, you have to have clean air, clean water, minimum wage, Medicare, Medicaid, safe working place, safe machinery, plant closing notice, parental leave—all of these ramifications of the high standard of living that Republicans support, that Democrats support. But then when you open it up, without protection of your economic strength—your industrial backbone—you begin to hollow it out, and see free trade, free trade, you can go, for 58 cents an hour, down to—someone used the figure 82 cents an hour—to Mexico with none of those requirements.

I went down to Mexico. I crossed into Tijuana. And the mayor saw me. He said: Senator, I want you to meet with 12 people. I said: Well, yes. I am down here, and you have been nice enough to come out. I will be glad to.

I was looking at all the different industries, of course, and talking to the industrialists themselves, not politicians. But the mayor was very courteous, so I met with them in a little grouping. And in a short word, what happened was—this is about 4 years ago—they had a heavy rain at the end of the year and the beginning of the new year. And it flooded and washed down these little hovels.

There are 100,000 people out in this valley of hard dirt. For a place to live, they take five garage doors and put them together. There are no streets. There are no power lines. There is a little electric wire, but that isn't sufficient other than to hold a light. It cannot run the TV. They have a battery to operate the TV. It is a terrible, miserable existence. But they are proud people, and they work, and they try to get their children to school.

So when the rain fell, they all got bogged down—they missed a day of work. So they went to the plant the next day, trying to hold on to their garage door housing, and they found out, under the work rules in Mexico, they were going to be docked another 3 days. So they lost 4 days' pay. That sort of got them a little discouraged with this plant that had moved down from California making these plastic coat hangers.

A month passed in February. These workers did not have any protection whatsoever on the inside with the manufacturing—as we talk about with safe machinery and a safe working place—and something broke and flew into a worker's eye, which he lost. Then the workers became more concerned.

But on May 1, they had a favorite supervisor. She was expecting. She went to the front office and said: I'm sorry, I'm not doing well. I'm sick. I'm going to have to go home. They said: No, you're not. You stay in here and work or else you are not going to have a job. So she stayed, worked, and miscarried.

Then the employees said: We are going up to California, and we are going to get a union. You know what they did? They went up there and got a lawyer in Los Angeles and found out that they had a union.

These maquiladora owners are clever enough. When they move down, they fill out the papers, saying that they have a union. And the papers are there but the workers never see a shop steward. They never saw a union man, or anybody else around the plant; never met them. No one was ever there. But they swap monies amongst themselves to try to make it look official.

Mexican law says if you have a union and try to organize one, you lose your job. And the 12 I was talking to with the mayor were fired. They could not make a living anymore, could not get a job.

You wonder why illegal immigration is so high—I would have bugged out of that country, too. I would have sneaked into the United States or some other country, I can tell you now, to feed my family.

That is the kind of work conditions that we try to prevent here in the U.S., which still persist in Mexico. These are the kind of side agreements that we had to try to prevent within NAFTA. So we did that, and we don't have that at all with respect to the different companies down there, let's say, in El Salvador. I won't get into every one of them.

A Korean-owned maquila with 900-plus workers, Caribbean Apparel, S.A., American Free Trade Zone, Santa Ana, El Salvador: death threats, workers illegally fired and intimidated, pregnancy tests, forced overtime, locked bathrooms, starvation wages, workers paid 15 cents for every $16.96 pair of Kathie Lee pants they sold, cursing and screaming at the workers to go faster, denial of access to health care, workers fired and blacklisted if they tried to defend their rights. Caribbean Apparel is inaccessible to public inspection. The American Free Trade Zone is surrounded by walls topped with razor wire. Armed guards are posted at the entrance. Forced overtime, 11-hour shifts, 6 days a week, mandatory pregnancy tests, and on and on.

I have to get this in the RECORD this evening because I have been very considerate of my colleagues. Many wanted to talk about our late colleague, the Senator from Rhode Island, obviously. I will always yield for that and for other particular points they want to make.

You have another Kathie Lee (Wal-Mart) sweatshop in Guatemala, San Lucas, Santiago, Guatemala: forced overtime, 11- to 14½-hour shifts, 6 days a week, 7:30 to 6:30 p.m., sometimes they work until 10:00 p.m. The workers are at the factory between 66 and 80 hours a week. Refusal to work overtime is punished with an 8-day suspension without pay. The second or third time this offense occurs, the worker is fired. Below subsistence wages, for 44 regular hours the pay is $28.57 or 65 cents an hour. This does not meet subsistence needs. Armed security guards control access to the toilets and check the amount of time the women spend in the bathroom, hurrying them up if they think they are spending too much time. Public access to the plant is prohibited by heavily armed guards.

You can go right on down this list. I will tell you right now, if you try to organize a union, they will shoot you.

Point: You are going to hear how this is going to be so good—as the Senator from Delaware said, a win-win situation. You are going to hear another Senator now say this is the way we want to go.

Can't we stop, look, and listen and get these dreadful labor situations cleaned up before we go? Is that what we want to put the stamp of approval on, this kind of heinous conduct down there in the Caribbean? This isn't with everybody sitting on the beaches with the suntan oil waiting for the President to call us back in session this fall, maybe, if we don't pass this bill. All kind of threats made, how important the bill is.

In September, Jiovanni Fuentes, a union organizer assisting the workers at Caribbean Apparel, received a death threat from the company. He was told he and his friends should leave the work or they would be killed. He was told he was dealing with the Mafia, and in El Salvador it costs less than $15 to have someone killed.

Whoopee, let's pass the CBI bill. We want to make sure we get that kind of production. The cheap shirt they put on the floor and said, look at what we are doing, the retailers are for this bill. Sure they are because they will kill you if you don't produce for next to nothing down there in the CBI.

It is a broader problem. Let us go right to what I have heard all year long about software, software. Software is the engine that is really running this wonderful economy here in the United States of America. Of course, we have had the pleasure of meeting Microsoft's Bill Gates. I happen to be one of his admirers. I particularly admire the recent initiative with his foundation, that they gave $1 billion to our friend, Bill Gray, United Negro College Fund, to make sure every black in America could receive a college education. Gates is making maybe $2 billion. He can afford it. But that is the finest thing this Senator has heard all year of 1999.

Somehow, somewhere it is an economic situation that we face in the State of South Carolina, Georgia, the southern part of our country, where we have had, for a long time, a lack of any kind of educational facilities for the minorities. When I first came to public office, I went out and saw that little American Freedom School for the blacks. It was one big building. They had four classrooms in one room, a pot belly stove in the middle, and one teacher.

Somehow, somewhere they have been getting jobs. Do you know what? They have textile jobs: 37 percent minority employed; over 50 percent are women.

They wouldn't allow minorities to work in a textile plant when I first came to public office. I can tell you that they do now. That is why the head of the Black Caucus, the distinguished Congressman JAMES CLYBURN of South Carolina, why he is opposed to this bill. Don't give me no sandwich board of Amoco, Exxon, Citicorp, and all the money boys, for Lord's sake. Ask somebody, as they used to say with the Packard automobile, ask the man who owns one. Ask the Congressman who has worked in the vineyards, trained in the public, headed up our human affairs councils, now head of the Black Caucus in the House of Representatives of the United States of America. He is absolutely opposed to this because he is just getting jobs for his constituents. And he knows now we are going to export jobs. That is the biggest export we have. Export, export, export.

Well, back to Bill Gates. I am referring, of course, to ''In Praise of Hard Industries,'' by Eamonn Fingleton: Mr. Gates himself exemplifies in high degree the sort of mind that succeeds in the software industry. He reportedly can recall the telephone extension numbers and car license plate numbers of countless Microsoft employees. According to the authors James Wallace and Jim Erickson, even as a child he displayed amazing memory skills. In particular, he won a local parish contest by memorizing and reciting the entire Sermon on the Mount. The passage is the equivalent of nearly four standard newspaper columns of type. Among the hundreds who participated in the contest over the years, Gates, who was then only 11, was the only challenger who ever succeeded in reciting the entire passage without stumbling or missing a line.

Now, you have to respect that. That is a fellow who deserves a billion a year or whatever it is he is making. I can't keep up with it. I do know he has done extremely well. I visited in Redmond, WA. He has the most magnificent, I don't mean ornate, I mean commonsensical approach to his employees.

I understood from Time magazine, at the close of the year, they had 22,000 employees with stock options, 22,000 millionaires. So they are all well paid, and we respect that and we don't oppose that. We don't expect this bill is going to affect that one way or the other, but it is going to affect the $8.37-an-hour textile and apparel worker in the State of South Carolina, I can tell you that; or the average is even better, about $10 an hour now. They have health care. We are all talking about those who don't have health care. A young lady can work and she can get health care so when her child is sick, they can get to a doctor. When she can save a little every month and get a health insurance policy and send the kids to college, that is a good job.

I have lost 31,200 of them; I can tell you now. The Senator from Delaware says, well, we ought to realize the trend is global competition, better jobs. Let's think on those 31,200 because I know we have had a net loss of manufacturing jobs since NAFTA. Yes, we have BMW and Hoffman-LaRoche and all these industries that are the envy of everybody. I have GE, General Electric. My trouble is, I used to have five General Electrics. I only have one left. They have all left to go to Brazil or Malaysia or elsewhere.

I can tell you now that it isn't easy to hold on to these industries. What has happened to my industry—and the reason I want to emphasize this about software is to disabuse the political minds in the National Congress that it is not the engine on the one hand, and on the other hand, they are headed the same way of textiles.

Mr. President, 1998 ratios of imports to consumption. Aircraft engines, we import 70 percent. You see, the Airbus—market forces, market forces, market forces. Well, the European, very sensibly—not saying it is unfair and just whining about fairness. Come on. That comes from silly pollsters who never ran for office. The Europeans realize that, wait a minute, out of the defense industry came the magnificent research in aerospace. Out of our space program came the magnificent research in aerospace. So we gave that to the Boeing, Lockheed, McDonnell Douglas, and all the rest of them.

We gave them Export-Import Bank financing. It was a predominant industry at one time. The engines are being made by GE, Pratt and Whitney, and the rest. But now we find out that we are importing the majority of the engines. I have seen where USAir, which I travel back to South Carolina on, bought Airbus. There is no such thing as ''buy American.'' I remember when they used to demonstrate when they didn't ''buy American.'' We can go down the list: Tape recorders and video tape players, 100 percent; radio transmission and reception apparatus, 58 percent; television apparatus, 68.5 percent. You can go down to electrical capacitors and resistors, 69.5 percent, and that is where I lost my GE plant. That means we have about 30 percent being produced here. It gets unproductive to produce here, uneconomical. Watches, 100 percent. Look at the watch on your hand; it came from elsewhere, I can tell you that. Footwear, 84.2 percent. Look at the shoes. If they stop working overseas, we have to go barefoot. This is the list.

Now, what about this wonderful engine with this magnificent economy that they brag about? I have stopped them bragging with some of the columns in the financial news, and otherwise.

> In his search for world-beating software talent, [Mr. Gates] has included six Japanese universities among the top twenty-five universities worldwide where he likes to concentrate Microsoft's recruiting efforts. Gates should know about Japanese software talent given that one of his closest friends and confidants in his early days was the Japanese software engineer Kazuhiko Nishi. Before they had a falling-out in the mid-1980s, Gates described Nishi as ''my best guy ever.''

This says:

> Thus, for a software entrepreneur in a low-wage country, the capital cost per job can be as little as $10,000, a reduction of more than 90 percent from the mainframe era. This figure is well within the reach of software subcontracting companies in low-wage countries—and far less than is needed to get started in even the least sophisticated areas of manufacture.

So we know none better than Mr. Gates himself. They have the mentality. We don't have all the Gateses in the world, because Kazuhiko Nishi will probably near equal him, according to Gates himself. What does it cost? It costs $100,000 to create a textile job when you have high-tech machinery now in these plants. They have been spending $2 billion a year. I use that quote on page 18 of this particular volume, which is authoritative. Spinning is a good example, as recounted in the Wall Street Journal. ''The capital required in the state-of-the-art spinning mill these days can amount to as much as $300,000 per job.''

In contrast, this requires only 10,000 in so-called software. The minds ought to flex in the Senate body because what has happened is they are blindly looking at the stock market. Maybe some of them are making a bunch of money. They don't want to see further; all they know is they are making a fortune. But they are not looking at the jobs. I have tried my best to get the figures with respect to the balance of trade in software. I am convinced we have a deficit in the balance of trade. But according to the Department of Commerce figures, the U.S. receipt in software is $3.2 billion and the payments are $.05 billion, for a net balance of $2.7 billion in software trade.

But I looked further and I found out licensing is considered exports. So as they license them in India, for example, and other places to do this computerization—like my light bill in South Carolina is made up in India out of a firm from Columbia, SC. They send it in overnight. When they close down, all that work is done for them, so when they come to work in the office in the morning, it is all a done deal and they pay, let's say, $10,000 a job over there; whereas, it costs at least $100,000 in the American software industry.

We should dwell on this particular volume, Mr. President, and take a hard look at computer software because it goes right down and shows not only the Japanese are coming in, but the Chinese also. I had in here some sections that are easily referred to about the Japanese because they have really got the balance of trade. I read that earlier today. Let me say this.

> Chinese programmers can develop software for, say, a clinic in the United States without knowing anything other than the end-user's basic requirements. Perhaps the most surprising—and for American software workers, the most ominous—aspect of IBM's Chinese affiliate is that it is pioneering a new work shift system linking several low-wage countries. When the Chinese programmers finish each evening, they pass their work on to Latvia and Belarus, where other IBM engineers continue working on the modules during the Chinese night. No wonder Bloomberg News commented: ''The tilt in software design towards more basic, interchangeable products is good news for countries like China with armies of talented programmers.'' Given that IBM has laid off thousands of programmers in the United States and other Western countries in the last five years, the message could hardly be clearer: the software industry's spread into the Third World has already begun—and a challenge to the West's software job base is imminent.

So China is coming in. The truth of the matter is, we are going to be losing this particular industry. And we ought to have a full debate when you start losing your hand tools and machine tools. When you start losing your steel industry, when you start losing the textile industry—found to be the second most important to our national security—when you start losing finally your software industry, then this crowd will sober up and begin to debate a trade bill in the proper fashion.

This is not in the interest of the worker. It is not in the interest of the economy. It is not in the interest of the security of the United States. It is a terrible, fatal blow, final and fatal blow to the textile industry. I know from hard experience. I have been in the work of creating jobs. I know about education and technical training. I know about the best of the best coming in. And I know about the best of the best leaving.

In spite of all the jobs we have attracted to South Carolina, in the last 4 years, there has been a loss of 12,000 jobs. Don't give them the Washington solution of retraining and new skills. We had the Oneida plant. It made just T-shirts. It closed at the beginning of last year. We got it some 35 years ago making these T-shirts. They had 487 employees. The age average was 47 years. They are closed now. But where did the jobs go? They have gone to Mexico. They did not create the jobs for the Oneida workers. They lost the jobs for the Oneida workers.

Now Washington is overly smart here, telling the workers that this is the trend—global competition, engine of the economy, and all that kind of nonsense. Retrain—let's try that on for size.

Let's assume tomorrow morning we have to retrain and have new skills for computer operators. I know the distinguished Chair is an outstanding business leader. He knows business. He knows that business is not going to hire the 47-year-old computer operator. They are going to hire the 21-year old computer operator. Business in competition can't afford to take on the retirement costs of a 47-year-old or the health care costs of a 47-year-old. They are going to take on that 21-year old.

So Andrews, SC, is a ghost town. We have some other industries I helped bring there. But I can tell you, those 487 are not coming back, as the distinguished Chair of the Finance Committee says, by just retraining and new skills.

This is happening with the automobile industry, with the automobile parts industry, with the aircraft industry, Boeing, and now, according to the recent statistics, with the software industry.

This Congress and this Government has a real problem up here. It is not a problem of getting these folks, me included, reelected. It is a real problem that only we can handle, that only we can take care of. Everyone else has their government on their side. When is our Government going to get on our side?

Yes. The Secretary of Labor is not calling over here. It is unfortunate. Do you know who is calling over here? The Secretary of State. The Secretary of State has a European Desk. She has a Japanese Desk. She has a Chinese Desk. She has a Cuban Desk. When are they going to get an American Desk? She is not going to have one. That isn't her responsibility. But she is talking free trade, free trade, so that the striped-pants diplomats can run around and give away even more.

You know how wonderful, fat, rich, and happy we were after World War II. We are going broke. I can prove it. You watch it. You will see it here. It will happen—not totally broke, obviously. The economy is simmering down. Don't worry about it. We are losing that hard industry, hard-core industry in the middle class. That is the strength of the democracy, according to G.K. Chesterton. That is why we have succeeded as a fledgling democracy—the strong middle class. And instead, we are getting rid of it. As Zuckerman says, we are going into two groups of people—the haves and the have-nots. One important industry to our national security is about to bite the dust with this piece of legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Thank you, Mr. President.

PRESCRIPTION DRUG COSTS

Mr. WYDEN. Mr. President, this is the eighth time in recent days I have come to the floor to talk about the issue of prescription drugs because, frankly, I think this is a priority for this session of the Congress and one we can tackle in a bipartisan way.

Senator OLYMPIA SNOWE and I have teamed up on a bipartisan bill. We were able to get 54 votes on the floor of the Senate for a concrete funding plan for our approach.

What I have been doing, as folks can see in the poster right next to me, is urging seniors to send in copies of their prescription drug bills. The poster is very clear. We would like seniors to send copies of their prescription drug bills directly to each of us in the Senate so we can emphasize how important it is that this be tackled in a bipartisan way.

Senator SNOWE and I have heard again and again that this is an issue that just has to be put off until after the 2000 election. The Republicans and Democrats are going to just bicker about it and sort of have an ongoing finger-pointing exercise and nothing will get done.

I happen to think there are a lot of Members of the Senate who want to tackle this issue and want to tackle it in this session of Congress.

Since I have come to the floor of the Senate and brought this poster urging seniors to send their prescription drug bills in, I have heard from a number of our colleagues in the Senate. They have said we need bipartisan action. A number of them have asked for copies of the bipartisan Snowe-Wyden bill. They want to know more about it.

I am going to continue tonight to read from some of these letters, particularly from folks I am hearing from in Oregon. But I want to take a few minutes tonight to talk about some important issues relating to this question of prescription drug coverage for senior citizens and particularly ask about this issue of whether we can afford, as a nation, to cover prescription medicine.

Mr. President and colleagues, I believe America cannot afford to not cover prescription drugs. The reason that is the case is that drugs in the 21st century are going to be preventive. They are going to allow for patients to be treated on an outpatient basis and it will make part A of Medicare, the hospitalization part of Medicare, less expensive.

I mentioned a drug the other night, an important anticoagulant that helps to prevent strokes. It is a drug that would cost perhaps $1,000 a year to assist seniors. If we can prevent those strokes through the anticoagulant drugs, we can save $100,000 that might be incurred as a result of expenses associated with a disability.

There is one bipartisan bill before the Senate dealing with this prescription drug issue. It is the Snowe-Wyden legislation. My view is we can't afford to continue to pass up the opportunity to address these health care issues in a preventive way rather than incurring the extraordinary expenses for more institutional care.

I will mention a few of the drugs that will be particularly important to older people. One is Neupogen, which helps cancer patients and others with compromised immune systems boost their white blood cell counts and avoid hospital stays. Another is Glucophage, which is now being used to help those at risk for diabetes from getting that disease which causes so many other serious health problems.

My mom has had diabetes for a long time. I have seen the costs of these medicines. To think there is an opportunity with a particular drug to cover these seniors with their prescription drug bills seems to me to be an option as a nation we cannot afford to pass up.

Another drug is Vasotec, which treats high blood pressure and helps to stave off strokes and heart disease and other major problems.

These are all important medications. They do cost money, but the bottom line is we can use these medicines.