

Why is the WTO dealing with this case to begin with? Why isn't it sticking to its mandate, which is international trade, and stay out of tax matters?

The EU brought this case to the WTO 2 years ago. In doing so, Europe broke an agreement with us that dates back to 1981. Congress passed the FSC in 1984. I remember very well all the work that we put into crafting the rules to place U.S. exports on a more equal footing with European competition. In crafting the rules, we relied on that 1981 understanding with the EU. It confirmed that foreign source income need not be taxed, and that failing to tax such income is not a subsidy. European exporters are not taxed on such income, and they enjoy value added tax rebates on exports as well.

This case is just another step in a European Union campaign which undermines the world trading system.

We saw it very clearly last year in the run-up to the Seattle ministerial. EU leaders tried in every way they could to avoid coming to the table to talk seriously about their number one problem: agriculture.

First, they started a public relations campaign to downplay expectations. In a number of meetings, they hinted that the Seattle talks would probably fail. Second, they tried to overload the negotiating agenda. They wanted to turn the trade talks into such a complex undertaking that we would never get to the real problem: EU agriculture. Third, they stalled in Geneva, so there wasn't any agreement on the scope of agriculture talks in Seattle. In 1995, they agreed to start agriculture talks in January 2000. But they wanted to put off getting down to business for as long as possible.

They are still trying to put it off. Putting it off hurts American farmers and agro-business. Putting it off hurts developing countries. Putting it off even hurts Europe itself in the long term. It just undermines confidence in the world trading system.

This FSC case makes things worse. Let's be very clear on what's going on here. We can set aside the European rhetoric about "respecting international obligations" in tax policy. That's not what this case is about. If the EU were serious about "respect for international obligations," it would take a close look at the tax policies of its members. This case is not about respecting international obligations.

This case is not about tax policy. If the EU were seriously concerned about the trade effects of tax policy, it wouldn't file a case in the World Trade Organization. That's no way to fix an international tax problem. Instead, it would seek multi-party talks in an organization like the OECD or the UN. But the EU doesn't really care about tax policy in this case.

This case is not even about money. The EU has no real commercial inter-

est at stake here. They haven't demonstrated any appreciable adverse impact on European companies from US tax laws. In fact, a number of European companies benefit from FSC! They have domestic subsidiaries in the United States, and these subsidiaries have set up Foreign Sales Corporations.

So what is this case about? It's about revenge. Pure, simple revenge. The Eurocrats want revenge for losing WTO disputes with the United States over bananas and beef. That's an open secret. Everyone knows where this case came from. It didn't come from European manufacturers facing unfair competition from US firms because of FSC. It didn't come from European banks. Or from European consumers. Or from European farmers. It didn't come from the members states. It came from EU bureaucrats, the gnomes of Brussels.

They were angry over losing the beef and banana disputes with the United States. The cases were long and hard. They took years. The EU fought us all the way. They lost at every turn, because we were in the right. When they refused to correct their illegal policies, the WTO authorized us to retaliate legally. And we did.

For revenge, the Eurocrats wanted to poke us in the eye, and show us that they could hurt us. So they took this case, which had been sitting on their shelf for years. They dusted it off and sent it to the WTO, despite our 1981 agreement with them on tax policy.

Well, they're playing with fire. Using the WTO as an instrument of revenge is dangerous for them, and dangerous for us. The WTO is a five-year old child. Its dispute settlement system is still young and fragile. The FSC case strains its resources, which are limited. But more important, the FSC case strains the political acceptability of the WTO system.

The political leaders of the EU should not have let this case go forward. It was a bad judgement on their part. Now it is in their interest and in the interest of the world trade system for them to settle this case amicably and fast. It will take wisdom and courage for them to do so. I hope they find that wisdom and courage.●

TRIBUTE TO JOHN C. SCHNABEL

● Mr. KOHL. Mr. President, I rise today to recognize the work of John C. Schnabel, who retired after fourteen years of service from the Wisconsin Association of County Veteran's Service Officers. He began his career with the Wisconsin Association of County Veteran's Service Officers in 1989 as the Secretary of the organization. During that time he used his personal laptop computer to electronically record Association records. This included researching and organizing a history of all CVSOs and Assistant CVSOs. He

also developed and printed the first handbook for Association Officers so that policies, procedures and other information were easily transferred from one secretary to the next. John Schnabel was effective in his career as Secretary of CVSO and went on to become Second Vice President in 1994, First Vice President in 1995 and President in 1996. Schnabel has been the Langlade County Veteran's Services Officer for the last 14 years and is the first service officer from the county to be elected president of the organization.

During his time as president he became instrumental in the establishment of the Advocacy Award as well as the state representative to coordinate access to VA OnLine, initiating sites for CVSOs and WDVA. He has worked on many Ad Hoc committees regarding computer operations and program development. He most recently acted as a member of an Ad Hoc committee to establish long term goals and training for the CVSO association. During his tenure, Schnabel was also named a recipient of the Citation for Meritorious Service, awarded by the American Legion's National Veteran's Affairs and Rehabilitation Commission in Washington, D.C.

The staff and veteran clients of the Langlade County Veteran's Service Office and the Wisconsin Association of County Veterans Service Officers will miss John's wonderful advocacy work greatly. However, Nancy, his wife of 36 years will enjoy spending more time with him.●

ALEISHA CRAMER

● Mr. ALLARD. Mr. President—I would like to take this opportunity to commend an outstanding student athlete from my home state of Colorado. Aleisha Cramer of Green Mountain High School has been named the 1999-2000 Gatorade National High School Girls Soccer Player of the Year. Aleisha's hard work and dedication earned her the prestige of being the number one soccer player of 246,000 high school girls across the country.

Ms. Cramer's athletic accomplishments include being the Parade Player of the Year, the National Soccer Coaches of America's Player of the Year as well as being accepted on the U.S. Women's National Team. Aleisha has led her team to the State Finals for three consecutive years, winning the championship in 1997 and 1999. Not only is Aleisha an amazing athlete, she is honor student with a 4.0 grade point average, a member of the student senate and a volunteer for church and school groups.

It is an honor for me to recognize the achievements of this amazing young woman. Aleisha leads by example and her work ethic, talent and civic duties have made her a role model that any