SENATE—*Friday, May 24, 1991*

(Legislative day of Thursday, April 25, 1991)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable TERRY SANFORD, a Senator from the State of North Carolina.

The PRESIDING OFFICER. The Chaplain will deliver the invocation.

PRAYER

The Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Gracious God our Father, You have said in Your Word, "It is required of stewards that one be found faithful." Your servants in the Senate have worked hard this week. They have been faithful stewards of local, State, regional, and national welfare. As they complete their work this morning, grant them a profitable, productive, restful recess that they may return to their duties restored and ready for heavy demands ahead.

Faithful Father, we pray for their families, that recess may be a time for healing and reconciliation wherever needed. Guide them in their way and bring them back safely.

We pray for those whose labors continue, often more consuming than during the sessions.

The Lord bless thee, and keep thee: The Lord make his face to shine upon thee, and be gracious unto thee: The Lord lift up his countenance upon thee, and give thee peace.—Numbers 6:24–26.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 24, 1991.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TERRY SANFORD, a Senator from the State of North Carolina, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. SANFORD thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

EXTENSION OF FAST-TRACK PROCEDURES

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of Senate Resolution 78, which the clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 78) to disapprove the request of the President for extension of the fast-track procedures under the Omnibus Trade and Competitiveness Act of 1988 and the Trade Act of 1974.

The Senate resumed consideration of the resolution.

The ACTING PRESIDENT pro tempore. Under the previous order, the time between 9 a.m. and 10 a.m. will be under the control of the Senator from South Carolina [Mr. HOLLINGS]. The Senator from South Carolina.

Mr. HOLLINGS. I yield 10 minutes to my distinguished colleague, the Senator from Alabama [Mr. HEFLIN].

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. HEFLIN. Mr. President, we have a rather unique lady in my State who is the chief executive officer of National Industries. National Industries makes gaskets and other electrical parts for automobiles, and they are shipped to Detroit, MI, and other places where they are put into automobiles.

June Collier for years fought the import problem. She went everywhere making speeches telling of the danger posed to American jobs and to American businesses by the low labor costs in certain Pacific rim and other foreign countries.

Finally, she said, "I cannot do anything about it. The President will not listen to me." And on occasion she was at the White House. "Nobody will listen to me, so what am I going to do? I am going to move my business to Mexico." And 1,500 jobs left Montgomery, AL, and went to Mexico. She publicly stated that the reason she was leaving was that she could pay the Mexicans $1 an hour, which was 41 cents above their minimum wage, whereas she paid $7 or $8 an hour in Montgomery, AL.

That is an incident which has already occurred and, in my judgment, it gives us an idea of what will occur if the Mexican Free-Trade Agreement is adopted.

We do not claim in my State of Alabama and other Southern States that we did not raid the New England States of their textile operations and their apparel business following the end of World War II. But a great number of our cotton mills closed in the South because of artificial fibers. So we looked to other places to attract mills. The New England States had them, and we convinced many of their mills to move to the South.

Consequently, places like Lowell, MA, a former textile capital, went into a depressed condition. Then, finally after about 25 years, there were predictions a few years ago that Lowell, MA, would be revived with high technology industries. They had gone through about 25 years of complete devastation in regards to depression. But now I understand that even the high technology, service-type industries are not working there and that they are still in a rough condition.

The South attracted those textile and apparel mills because of their lower labor costs, because of lower transportation costs in taking cotton to cotton mills, and because of their receptiveness to new technology. What I want to point out is this. The distance between Lowell, MA, and Montgomery, AL, is 1,183 miles. The distance from Montgomery, AL, to Juarez, Mexico, is 1,118 miles, 65 miles difference.

I think June Collier probably has done well for the Mexicans by paying them 41 cents above their minimum wage. Others will probably not pay them as well or be as good to them.

Others will be drawn to Mexico by other magnets: The absence of environmental law, the absence of child labor laws, the absence of OSHA safety regulations. None of these laws exist in Mexico, and they all act as magnets and as attractions for labor-intensified jobs to move to Mexico.

What is going to be the impact? We are in the midst of trying to pass civil rights laws to give equal opportunity in employment here in this country. But who will lose jobs in the South under proposed trade agreements? It will be primarily minorities and women. Already in the textile industry, 48 percent of the work force is women and 25 percent is minority, and the percentages are much higher in the Deep South.

To me, we are cutting off our nose to spite our face. We are saying we must rush into trade agreements because we have a favorable Mexican President. My goodness, Mexico has changed its

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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President so many times and there is no question they have had corrupt ones. A change can occur overnight and an entirely new atmosphere can be created.

I want to speak a little bit also about the GATT negotiations that are ongoing. In my State, we have a number of agricultural products that will be affected.

If the proposal of the Department of Agriculture and our Trade Representative, the American proposal, were to be adopted, it would have a devastating effect on all of agriculture, and particularly agriculture in the South. Two of our most important crops are cotton and peanuts. And who are our chief competitors in those fields? China and the Soviet Union. But, China and the Soviet Union do not belong to GATT. But here we want to give away certain protections and receive nothing in return from our competitors.

They say fast track has to move forward; it has to be adopted; this is the only way. But 89 multilateral treaties in the last 16 years have been ratified without fast track and they have involved other very complicated matters.

We talk about the Senate and preserving it. We talk about our right to free discussion and we have various other things that we talk about that we are so proud of in the Senate, because they are a part of the checks and balances. Yet here we are giving away the right to amend, which was one of the primary checks and balances that the American forefathers put into the Constitution. It seems to me we are making a terrible mistake, and I urge the Members of this body to vote against this fast track.

We may see changes occur in Mexico, a new President take over, and say, "All right, we will go back to those tariffs and other protections that we had."

And, yes, if we adopt the Mexican Free-Trade Agreement, America will regret it. We will see another form of Montezuma's revenge.

Mr. President, the proponents of this fast-track resolution would have us believe that rushing out and entering into trade agreements as fast as we can would cure our country of all that ails it. But they are wrong. Any trade agreement is not necessarily a good trade agreement.

For that reason, Congress should not agree to speed read any settlement which the administration can reach with our trading partners. Especially in our current economic situation, we should not pass up the opportunity to fully consider measures which will directly influence the economic well-being of our country and its citizens.

Even proponents of fast track acknowledge that the proposed agreement with Mexico will hurt workers in some sectors of the economy. They also acknowledge that the big losers will be those in labor-intensive industries, mostly manufacturing, who stand to lose their jobs if corporations relocate to Mexico to cut costs.

For Alabama, a State where approximately 23 percent of the jobs are in manufacturing, this does not bode well for the consideration of such an agreement under expedited procedures.

THE TEXTILE INDUSTRY

One of the most important manufacturing industries in Alabama, the textile and apparel industry, well illustrates the problems which fast-track authority poses for American manufacturing jobs. In Alabama today, the textile, apparel, and fiber industry has an annual payroll of $2.4 billion and employs approximately 95,000 people—almost one-third of the manufacturing work force in the State. On average, every Alabama county has in operation 2.7 textile plants and 6 apparel plants. Also on average each of its 67 counties employs 502 people in textile mill production and 914 in apparel manufacturing.

These numbers are large for our State and they reflect the historical importance of the textile and apparel industry to Alabama. Many of you may not know that the textile industry was Alabama's first industry, dating all the way back to 1809. That was some 60 or 70 years before the industry became firmly established and began to gain real strength in the South. Early on, it was concentrated in the North, where the first full operation mill—from cotton bale to finished cloth—opened in 1813 in Lowell, MA.

By the early 20th century, however, almost every Alabama community had a cotton mill and largely due to the success of our cotton crop, some of the textile industry began to gradually leave New England and move to the South.

With the introduction of nylon and other synthetic fibers in the 1940's, a number of southern cotton mills went out of operation. However, about this time, southern mills were more competitive largely because they were more receptive to new methods and machinery. Also, the cut and sew operations of the apparel industry were very labor intensive and labor costs were somewhat lower in the South.

By the 1960's, import problems began for the industry. They have, of course, continued up until today as our markets have been wide open for imports while the markets of other countries have been closed. Despite this problem, however, our industry has remained highly competitive. In fact, for the past decade, the industry has invested an average of $1.7 billion annually in new plants and equipment. Today, the U.S. textile industry is among the most modernized and competitive in the world. The apparel industry also remains very efficient but, because of the labor-intensive nature of the work, it is more difficult for it to compete against countries like Mexico and Taiwan where labor costs are a fraction of those in the United States.

MAQUILADORAS

Perhaps the most striking example of manufacturing jobs leaving our country solely because of lower wage rates is Mexico's maquiladora program. Located largely in border area towns like Juarez, Mexico, the maquiladora program allows the United States to export raw materials to Mexico duty-free for assembly in Mexico and then for Mexico to export the final product back to the United States with only a value-added duty applying.

Twenty years ago when the program first began, it employed about 19,000 people in 120 plants. Today, half a million Mexican workers are employed in 1,800 maquiladora operations. In the United States, tens of thousands of workers in companies like Electrolux, Tyco, Zenith, Westinghouse, GE, AT&T, GM, Ford, Chrysler—to name only a few—have seen their jobs disappear to these maquiladora facilities in Mexico.

In fact, National Industries, a manufacturer of automobile electrical systems based in Montgomery, AL, closed four of its eight facilities in my home State earlier this year. With those four facilities went the well-paying jobs of 1,500 people in Alabama. The jobs, of course, showed up in Mexico where the minimum wage is 59 cents per hour.

Naturally, our industry cannot compete with these types of wages, especially when they also bear the costs of United States health, safety, and environmental regulations for which there is no equivalent in Mexico.

Just as we saw textile jobs shift permanently from the North to the South, I fear that we will see them shift from the South to Mexico if care is not exercised in the negotiation of our trade agreements. After all, the distance from Lowell, MA, to Montgomery, AL, is 1,118 miles and the distance between Montgomery, AL, to Juarez, Mexico is 1,183 miles—a difference of only 65 miles. What worries me even more is that this time, the move will occur solely because of cheaper labor and avoidance of minimal social obligations, not because of any technological or agricultural advantage.

IMPACT ON MINORITIES

Mr. President, another issue of concern with regard to fast-track consideration of trade agreements is the effect of those agreements on women and minorities. In addition to threatening the overall number of jobs in various labor-intensive, manufacturing industries, the trade agreements in question pose a serious threat to the employment of a large number of women and minorities. In the textile and apparel industry, for example, 48 percent of the workers are women and 25 percent are minorities. For many of these people

who are low skill workers, there is no alternative employment if they lose their jobs at the textile or apparel mill.

Yet we are asked to expedite consideration of their jobs—of their ability to support themselves—and of their lives. I believe they deserve better than that and I believe that, as their representatives, we owe them more than that.

AGRICULTURE

In addition to the threatened impact on manufacturing, these agreements also pose a tremendous adverse threat to agriculture. For example, under the Hellstrom proposal, the latest American GATT proposal, our farmers would be required to take a 30 percent reduction in price supports without any tangible foreseeable benefits.

Moreover, Alabama's two largest agricultural commodities are peanuts and cotton. In terms of peanuts, China is the largest peanut producing country in the world and in terms of cotton, China and the Soviet Union are our largest competitors. However, neither China nor the Soviet Union is party to the GATT and both have nonmarket economies. Yet the administration has failed to explain by what mechanism third party countries like China and the Soviet Union would be prevented from shipping their products to a GATT-participating country and then having these products shipped into the United States domestic market.

In addition, payments made to farmers under our own GATT proposal would have to be decoupled. That is, the farm payment which is currently tied or coupled to a producer's crop production history would be decoupled so that there would be no correlation between a farmer's output and the Government payment he receives. In other words, decoupling is nothing more than welfare. If in the future Congress wants to provide income supports to farmers, under our own Nation's proposal, we would be required to do so only in the form of a welfare payment. It is this type of proposal which begs for congressional oversight of our trade policies.

CONCLUSION

Given the very serious effects which the proposed Mexico Free-Trade Agreement and other future trade agreements will have on the State of Alabama and our country as a whole, I do not believe the Congress should operate under expedited procedures in its consideration. The argument that fast-track authority is necessary for reaching trade agreements is simply untrue. In the past 16 years, the United States has completed 89 multilateral agreements involving nearly every country on Earth—including complex tax, arms negotiation, environmental and trade agreements—without fast-track authority. We can work out these agreements without fast-track and the result, in my opinion, will be that the agreements are better.

Moreover, Congress ought not abdicate its responsibility under article I, section 8 of the Constitution to regulate commerce with foreign nations. To agree to anything less than a full debate of these important issues would be irresponsible and, I fear, damaging to the economy of the State of Alabama.

I thank the Chair.

Mr. HOLLINGS. Mr. President, I yield 10 minutes to the distinguished Senator from Michigan [Mr. LEVIN].

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I support Senator HOLLINGS' resolution to disapprove extension of fast-track authority. I commend him on the tenacious leadership he has shown.

I support his resolution not because I am against increasing trade between the United States and Mexico. To the contrary, I would like to see trade increased and would like to knock down discriminatory Mexican barriers to American exports.

I support the Hollings resolution because the potential harm from a North American Free-Trade Agreement for American workers and farmers and industry is so great that I believe Congress should not give up its authority to amend the statute enforcing a trade agreement.

After listening to the administration and reviewing its action plan, tremendous uncertainty still remains about what effect this unprecedented fast-track proposal will have on jobs and wages, on the environment, and our Nation's industrial and agricultural base. Never before has a government tried to wed two countries with such disparate economies.

The administration cites a number of economic impact studies to support its argument that a trade agreement would increase U.S. exports and jobs. However, even these studies project only statistically insignificant gains for our Nation and ignore factors which have the potential to make that agreement a disaster for our Nation.

Two of the three main studies cited by the administration do not even take into consideration changes in investment patterns, despite the fact that one of the administration's main objectives in an agreement is to increase United States investment in Mexico by negotiating the removal of current Mexican restrictions on foreign investment. The third study makes the naive assumption that new United States investment in Mexico would not displace any investment in the United States.

Independent studies that do take into consideration likely changes in investment predict we will be exporting more jobs than goods. These studies project hundreds of thousands of American jobs will be lost in key sectors of our economy. For instance, both the study conducted by the Economic Strategy Institute and another by the Economic Policy Institute predict over a half million American jobs may be lost in the next decade under the trade agreement envisioned by this administration. In the auto parts industry alone, the Economic Strategy Institute projects between 42,000 to 63,000 jobs will be lost.

The administration argues that increased foreign investment under a trade agreement will lead to a higher Mexican living standard, better working conditions, and increased demand for American products. But foreign investment in Mexico to date has not resulted in that. Mexican wages have not increased with productivity. While the Mexican workers in foreign-owned factories in Mexico are now almost as productive as workers in the United States, they still earn no more and sometimes less than workers in traditional Mexican factories and only a fraction of what workers in the United States make.

The administration admits that Mexican environmental laws are not fully enforced but argues that increased economic development will lead to their enforcement. In other words, the administration believes we can have development first and clean up later. That approach could spell disaster for both the environment and for American workers.

A recent study by the General Accounting Office documented a large decrease in employment in the Los Angeles furniture industry over the last 3 years as companies have moved to Mexico. Eighty-three percent of these companies cited lower wages in Mexico as a reason for the move and 78 percent cited weaker environmental laws in Mexico.

Unless Mexican labor and environmental laws are as strictly enforced as ours, Mexican wages and working conditions will stay low and American jobs will be exported instead of American products. The administration naively expects enforcement of these laws to automatically accompany increased investment and productivity when in fact such enforcement requires political reform.

Mr. President, to those who say the administration will consult with Congress to ensure that any agreement is in our national interest, I remind them of Japan.

The administration constantly consults with Congress on trade issues with Japan. But when it comes to actions, they ignore our outcry, and their actions have been feeble. The administration has been willing to tolerate discriminatory trade practices despite persistent trade deficits and the resulting loss of entire American industries and thousands of American jobs. Consultation with Congress has been to no avail. This administration, like the ones preceding it, has allowed discrimi-

natory practices against American goods to result in a large number of lost jobs. The rhetoric drones on, and the lack of action is painfully obvious.

This is particularly true in the case of auto parts. Each year the administration has cited Japanese barriers to United States auto parts exports in its annual report on foreign trade barriers. Last year it said that these barriers had virtually locked us out of a $60 billion market. Yet when it came time to act, the administration declined to even name Japanese barriers to auto parts under section 301.

There was no shortage of consultation with the Congress. What was lacking was a strong action in defense of American jobs. And the only way to assure a strong trade policy is to give Congress a normal role in the legislative process, not just a "take it or leave it" role.

The question is not just whether American companies support the agreement but whether it is in our Nation's best interest.

We cannot and should not expect multinational companies' interests to be the same as our Nation's or our workers'. We cannot afford to continue to squeeze American working people.

Contrary to the administration's argument, United States real wages have declined as firms have moved their supposedly low-wage, low-skill work to Mexico. We need to provide incentives to improve our productivity here at home rather than incentives to increase profits by moving to low-wage countries where health, safety, labor, and environmental laws are not fully enforced.

Will the trade agreement level the playing field or leave it tilted in such a way that there will be a net loss of American jobs? We do not know for sure, but the history of our feeble trade policy for two decades is mighty discouraging.

Without the potential for normal congressional involvement, I cannot tell my constituents I am confident the field will be level and their interests protected.

Mr. President, I again commend and congratulate my friend from South Carolina for the great leadership he has shown in this matter.

Mr. HOLLINGS. I thank my distinguished colleague.

Mr. President, I yield 10 minutes to our distinguished colleague from Connecticut [Mr. DODD].

Mr. DODD. Mr. President, I note the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DODD. Mr. President, let me first of all commend my colleagues here, both those who are advocating the fast-track procedure and those who are opposed to it. I, on one level, certainly hope in time to be able to achieve a free-trade agreement not only with Mexico but throughout this hemisphere, as we enter the 21st century moving from a bipolar to a tripolar world.

The Pacific Rim challenge must be responded to economically by a third pole here in the Americas. This will only come about as a result of having some kind of free-trade agreement which will unleash the power of 700 million to 1 billion consumers in this hemisphere.

As I have listened to the debate, Mr. President, over the last number of hours, it seems clear that there is no real disagreement over that particular point. I think we all would very much like to see a free-trade agreement. The question is whether or not, under the present procedures, that is going to produce the kind of result, ultimately, we would all like to see.

I also commend my colleague from South Carolina for having taken the leadership role on this issue. He has raised some very important points that need to be discussed, not only in the context of this particular agreement but for future trade agreements as well. We will not only establish a precedent in terms of negotiating a bilateral or trilateral agreement with a developing country, but one must assume all future trade agreements with all nations will have to be conducted in exactly the same fashion. And any suggestion that we retreat from this process will probably be considered a significant insult against any nation that would not be treated on equal footing with countries with which we negotiated using fast-track procedures, such as Mexico, Israel, and Canada.

So we are not just taking a step in terms of this particular agreement; it would appear that we are now establishing, if this is approved in perpetuity, that fast-track procedures will be the standard by which we negotiate and enter into a trade agreement. That is worrisome to me, not because of the particular agreement before us but because of the precedent it sets for how we conduct our advice and consent role under the Constitution as Members of the U.S. Senate.

Mr. President, there is broad consensus that a North American Free-Trade Agreement between Mexico, Canada, and the United States is not only necessary, it is inevitable in light of the regional consolidation under way in Europe and Asia. I strongly believe that such an agreement would serve the long-term interests of both the United States and Mexico. Such an agreement would also serve as the model for a larger, hemisphere-wide trading arrangement that will some day extend from the Arctic to Patagonia.

As a good friend of Mexico, I want to acknowledge the enormous and positive transformation that has taken place there under the leadership of President Carlos Salinas de Gortari. As a good friend of Mexico I want to acknowledge that President Salinas has set in motion the kind of economic policies that have revolutionized our third largest trading partner. Mexico's doors have been thrown open to foreign competition. Tariff rates are down and vast segments of Mexico's economy are now open to foreign participation and foreign capital. As a result, United States exports to Mexico have nearly doubled in the last few years.

The logical result of this process of liberalization and this expansion in commerce between the United States and Mexico should be the establishment of a more formal free-trade arrangement.

Presidents Bush and Salinas had clearly come to that conclusion last June when they jointly announced their intention to pursue free-trade negotiations. I applaud Presidents Bush and Salinas for their vision. Their announcement represented an historic development in United States-Mexican relations.

But as is often the case, strong support for the effort does not necessarily translate into strong support for the means. A number of different points of view have been expressed here in the United States, as well as in Mexico, concerning the scope and timing of negotiations for a free-trade agreement. And many of these points should be considered during the negotiations. The unique conditions under which this agreement will be reached and the significance of such arrangement make it absolutely necessary that the final product be a good product—one that will stand the test of time.

I am concerned, however, that the administration is too preoccupied with the fast-track issue. It is distracting us from the more crucial matters at hand. The President argues that without fast track a North American Free-Trade Agreement is not possible. I disagree. He argues that without fast track Mexico will refuse to negotiate. I disagree. He has framed the fast-track debate in such a way that a vote against it appears to be a vote against free trade. I disagree.

When the Congress first made the decision to give the President fast-track authority, it stemmed from the complexity of the GATT negotiations—negotiations that included over 100 nations. Although fast-track authority was also used with Canada and Israel, I believe those agreements would have

been reached with or without such authority. And I believe that a free-trade agreement with Mexico is possible without it.

I see no reason why the U.S. Congress should not be involved in a process of such great significance to the future of this Nation and the hemisphere. So, while I fully support the efforts of the Administration to negotiate a free-trade agreement with the Mexican Government, I will vote against giving the President fast-track authority.

I was elected, first and foremost, to represent the interests of my constituents in Connecticut. Approval of fast track will prevent me from doing just that. Connecticut has lost more jobs in the last 24 months—66,000 jobs—than it has lost in every previous recession since 1960. Today, 5.9 percent of Connecticut workers are unemployed; as many as 11 percent of workers are unemployed in towns once known for their strong industrial base. Part of the high unemployment rate reflects the downturn in the economy. The last decade, however, has seen thousands of workers displaced as companies have moved plants out of Connecticut and out of the country. At least half a dozen companies have closed Connecticut plants to move to Mexico

If fast-track authority is approved, my only option will be to vote for or against the free-trade agreement. This is certainly not standard operating procedure for most deliberations in this Chamber. And it puts those of us who would like to see a free-trade agreement in a terrible position.

Fast track would prevent us from assuring that the questions asked by working men and women in our States are answered. Questions about issues different than those articulated by Presidents Bush and Salinas last June. They are questions about jobs, questions about safety and health standards in the workplace, questions about child labor practices and questions about the environment. While these are not traditional trade issues, they are very relevant to the United States-Mexican talks.

The economies of the two nations are vastly different. Wages in the United States are 10 times what they are in Mexico. We used to believe that the capacity for higher productivity could make the United States industries competitive with developing countries. This is no longer the case, according to a report released by the Economic Policy Institute, authored by Walter Russell Mead. Advances in technology make it possible for workers in low-wage, developing nations to produce items at threatening competitive levels of productivity.

Tens of thousands of hard-working Americans have already lost their jobs as United States companies have moved their production to Mexico. Today there are over 1,800 United States plants employing close to 500,000 workers in Mexico. These are jobs no longer available to workers in the United States. Joblessness is a reality for millions of Americans, and we cannot afford to minimize the importance of the trade issues that can have a real impact on their employment opportunities.

Unfortunately, I am not convinced that the President values the significance of these issues. The President's report of May 1 identified the issues but proposed no solutions. The report emphasized long-term job creation but did not address the expected short-term job losses in U.S. manufacturing. The administration cited reports that forecast long-term job growth but did not tell us what kind of jobs those will be or how much will they pay?

Earlier this year, the administration recommended zero funding for the Trade Adjustment Assistance Program while tens of thousands of workers are losing their jobs to lower wage workers in developing countries. How then are we to believe the President when he promises to fund retraining and adjustment assistance programs for workers displaced as a result of a free-trade agreement with Mexico?

In his report, the President referred to the strong Mexican labor laws, but failed to mention that they only cover 3 percent of the Mexican work force and are also poorly enforced. Moreover, the memorandum of understanding which the administration hoped would allay some of our concerns about working conditions, wages, and the environment is merely an agreement by the two nations to communicate and share information.

The President talked about job creation as a result of an expanded export market in Mexico when only 10 percent of the Mexican population has the income sufficient to purchase goods manufactured in the United States. It will be many years before the benefits of free trade raise the income levels in Mexico high enough to afford United States goods. Until then, we need to be concerned about the men and women who will lose their jobs.

Mr. President, United States and Mexico negotiators are going to have to come to terms with these nontrade matters if they expect to produce an agreement that will have the support of the United States and Mexican Congresses. It seems to me that the easiest way to get that kind of agreement is to address these concerns at the very outset of the negotiations. We should roll up our sleeves and sit down at the negotiating table and hash out any and all issues associated with the agreement. If we do this, I predict that the result will be an agreement that will be far superior to any agreement ever negotiated.

Mr. President, I have already spoken at some length on the specific concerns raised by the extension of fast track for many of the men and women of my State of Connecticut. I have also made clear that my doubt about extending fast-track procedures should not be interpreted as blanket opposition to any North American Free-Trade Agreement.

In my view, given historical trends, a North American Free-Trade Agreement is inevitable over the longer term. And, the right kind of agreement would be generally supported by the people of both our countries—an agreement that can be clearly shown to be beneficial to the men and women of Connecticut, to the men and women of the United States, and to the men and women of Mexico.

I have concluded that under the current circumstances, the best way to achieve such an agreement is by dispensing with fast-track procedures.

Mr. President, it is not often that the mere prospect of commencing negotiations on an international agreement should engender such debate in this body. The reason for that debate is clear. It is a reflection of the concerns and fears expressed by constituents in my State of Connecticut and in states across the country. It is a bell weather of the economic vulnerability felt by people in this country. It is a vulnerability that has been engendered by the serious economic problems confronting this country today. The 6 percent of Connecticut citizens who are currently unemployed, the more than 66,000 jobs lost in my State over the last 24 months are merely the impersonal statistics that don't begin to capture the real hardships and suffering taking place in cities and towns throughout this country.

There have been extensive hearings held in the House and the Senate on the concerns raised with respect to a North American Free-Trade Agreement. The Subcommittee on Western Hemisphere Affairs, which I chair, held 3 days of lengthy hearings on the topic. We explored, in depth, the major issues that have been raised with respect to the negotiations—both trade and nontrade issues. The conclusions that I drew from those hearings are that the concerns about jobs, about the environment, about child labor, about wage disparities, and working conditions, are legitimate concerns—that they are concerns that must be addressed in conjunction with any North American Free-Trade Agreement presented to this Congress and to the American People.

President Bush has stated that he understands these concerns "that he is committed to achieving a balance that recognizes the need to preserve the environment, protect worker safety, and facilitate adjustment." I hope that he keeps that commitment in mind assuming that these negotiations do proceed.

The President has also stated that fast track in no way limits the ability of Congress to review any agreement negotiated and that if Congress is not satisfied, it retains the unqualified right to reject whatever is negotiated. I think that he and his advisers should keep that in mind as they make plans to proceed with these negotiations.

I believe that this debate has been a significant opportunity to clearly articulate the kind of free trade agreement that is likely to gain the acceptance of Congress and the American people. I believe that this debate leaves no doubt that an agreement which does not effectively address trade and nontrade matters which have been raised in connection with it will not be acceptable to this body or to the American people.

I hope that United States and Mexican negotiators have listened carefully throughout the course of this debate. I hope that they have taken to heart the concerns expressed and use their considerable talents and expertise to address them in the context of the negotiations. These concerns cannot be dismissed. The economic and foreign policy implications of the North American Free-Trade Agreement they conclude will be significant. Significant for the United States. Significant for Mexico. Significant for the future of our hemisphere.

Mr. President, I hope and pray, if in fact this fast-track proposal is adopted, that these concerns will be addressed properly. I know that those who are principally involved claim they will be addressed properly. But is ultimately important that the American people support this agreement, and we are able to move from this model to other regional or bilateral agreements in this hemisphere that will truly provide that third pole of the tripolar world of global competition in the 21st century. If this agreement fails because we do not put it together intelligently, it will be a major setback, in my view, for hemispheric trade agreements in this decade.

Mr. President, I think it is well known to most of my colleagues that I consider myself to be one of the closest friends Mexico has in the United States Congress. I take great pride in that. I take great pride in my personal relationship with the President of Mexico and many Members of the Mexican Senate and the Mexican Chamber of Deputies. But I think it is in a spirit of friendship that I caution that fast-track procedures could create for us far more problems than we think we are solving.

So if this fast-track procedure is adopted, then I caution those responsible for negotiating it—that they listen to the concerns being raised by Members of this body and the other body, who come from jurisdictions that have been so significantly and adversely impacted by economic decisions over the last several years. I caution that they will not support an agreement that jeopardizes American jobs and the environment of this hemisphere. So those cautions and those concerns must be kept in mind as this process moves forward.

Again I compliment my colleague from South Carolina. He has raised these points not just in the last 24 hours, but day after day, week after week, month after month; not because of some parochial concerns affecting a narrow interest in his State, but because of his deep and abiding concern for working men and women in this country.

We have watched 1,500 firms relocate in Mexico, employing a half million people there. Some 12 or 13 major firms in my State have left. One is in the process of leaving. We do not fear competition, but when there are such disparities and differences, they must be accommodated if the American people are to support this. And, ultimately, the American people must support this agreement. It is not that we support it, or that the other body does, or that the President does. Ultimately, we only speak for those whom we represent, and if the American people feel that this is not a fair deal, then they will reject it and consequently we will be required to accommodate their concerns.

So, Mr. President, I congratulate the Senator from South Carolina and my colleague from Texas, who have taken very noble, forthright and aggresive stands in moving this process forward. My hope is that ultimately it will succeed, and we will be able to have a free trade agreement that will truly benefit all people throughout this hemisphere.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Connecticut, who is most gracious, generous, and most meaningful. He is familiar with Latin American affairs and is on our Foreign Relations Committee.

Over in the House it is called Foreign Affairs, and here it is called Foreign Relations. They say we are too old over in the Senate to have any affairs.

Mr. President, I yield to our distinguished colleague from Michigan.

Mr. RIEGLE. Mr. President, we have been discussing through much of yesterday and into the early hours of this morning the important issues that are contained within this debate about the United States-Mexico Free-Trade Agreement.

To restate a couple of points that I think need to be put on the table in this morning's discussion, this United States-Mexican Free-Trade Agreement is really a jobs program for Mexico; a jobs program for Mexico. What is clear by any measure of our own economy, and our own financial situation, is that the United States needs a jobs program.

And so one of the compelling questions here is, why is it that our administration is expending such great effort to create jobs in Mexico when we desperately need jobs in this country, and there is no program by our administration to deal with that problem right here where our people live.

Today, if you look at the activities of our executive branch of Government, we have an economic strategy for every nation in the world. The President wants to help the Chinese, and so there is pressure now to have a most-favored-nation trading status with China.

We know of all the repression in China and all of the difficulties in that nation. This year, they will have a trade surplus with the United States of about $15 billion, which means that they are taking $15 billion of scarce capital out of this economy, and the jobs that attach to it are being taken out of this economy and being taken to China.

Yet, this administration has an economic program and a job strategy for China. And they have, also, an economic strategy to rebuild Kuwait. And they have economic strategies for just about every country in the world. We are sending money all around the world to these other countries, and American jobs as well. We are exporting jobs to help make these other countries stronger.

Now we are seeing that same thing in the case of Mexico, where in the manufacturing sector, we see that workers on average earn about 50 cents an hour, under miserable working conditions, and in the absence of any meaningful labor law standards, terrible abuses of child labor. And we know in a free-trade agreement with Mexico, that the jobs in the manufacturing base in this country, which are already leaving this country, will leave at a much faster rate, and in much larger numbers, to go south of the border to take advantage of that cheap labor in the absence of any kind of decent working conditions or environmental protections.

That is what is going on here. This is a job strategy and an investment strategy for Mexico. Yet, we desperately need one for the United States, and we do not have one. We have one for every other country but our own. And that is one of the reasons why this whole approach is so distasteful.

Yes, Mexico needs to come along, and in due course, in term of building its economy; but not at the expense of this economy and jobs in America. We do not have enough jobs in America today. We have some 10 million people who are either unemployed, standing in unemployment lines today, or substantially underemployed, who need to be working, need to be working where they can earn a decent income, provide

for themselves, and strengthen this country.

But, no, we have this plan for Mexico. This administration spends virtually all of its time on foreign policy, and almost none of its time on domestic policy or American policy. They look the other way on the problems that are here where we all live.

One area is trade adjustment assistance. It has been recounted before. We know there are going to be tens of thousands, I think hundreds of thousands, and eventually millions, of American workers displaced by a United States-Mexican Free-Trade Agreement.

They say they will make available worker adjustment assistance. That is really a laugh, when you think about it, and a cynical laugh at that. We have workers today who have been identified as having lost their jobs in this country because of unfair trade by other countries. We have something called "trade adjustment assistance." There is an item in the budget for that, and the Bush administration has said: Let us not provide any money whatsoever in this budget for trade adjustment assistance for American workers who have already lost their jobs to all of our so-called friends from around the world.

So the notion that they are going to do anything for the workers who lose their jobs under a United States-Mexico Free-Trade Agreement is just hollow, and it is meaningless, and it is a fraud; it is a fraud, simply a fraud.

You cannot, in good conscience, come forward and say you are going to meet that problem when you have that very same problem today and you are doing nothing about it. There is an elitist view at the highest reaches of our Government with respect to workers in this country, and a lack of interest in the problems facing the workers of this country.

Yet, everything depends on work. The strength of America depends upon whether our jobs are out there, and whether our men and women have jobs to be able to earn incomes and to produce and to strengthen this country. We do not have any money to spend, whether it is privately or publicly, that we do not earn, and we earn our money by working.

We need a job strategy for America. That should be our first goal. And here we are, in here today, with a job strategy for Mexico which, in order to make it work means you have to take jobs from America and send them to Mexico.

We have a crisis in our banking system today. The bank insurance fund is essentially empty. We have just held 20 days of hearings in the Banking Committee to try to figure out what to do about it. The administration has said we are going to have to borrow several tens of billions of dollars to bail out the bank insurance fund. Why? Because this economy is so weak and because we have terrible strains in our economic system.

So why do we not set to work to make sure that we strengthen the American economy by putting our people back to work? We have highways to build, bridges that need to be built, airports that need to be expanded, new factories that need to be built, modern technology that needs to be designed. We have all kinds of things to do in this country, and we are not doing them because we are not focusing on our own problems. We are focusing on helping the Mexicans, focusing on helping the Kuwaitis, helping the Chinese, helping Bangladesh, everybody under the Sun except our own people and our own country, and our country is getting weaker and more endangered by these trendlines, and it is not right; it is just not right.

We need a government that is willing to do something for America. The rest of the world is not going to take care of America. The Japanese, in their trading relationship, are the most skilled predatory traders on this globe today. They have a massive trade surplus with us, taking scarce capital out of this country every single day, taking hundreds of thousands of jobs out of this country. Now the Chinese are following the example of the Japanese and the Mexicans want to do exactly the same thing. We need an administration and a government committed first and foremost to building the economic strength of this country, while we still have some time left to do it.

There is a meeting going on today in Washington over the last couple days of the 21st century Commission on Afro-American males in American society. We have a crisis going on among young black males in our society, and the main part of the crisis is there are not enough jobs to go around. Unless you can get up each day and know that you are important enough that there is a job out there that you can go to work and earn and provide for yourself, things start to get pretty hopeless. This is a great country if you have the money and income to afford to live decently, but if you do not have a job, and no prospect for a job, this is not a very great country to live in. We see terrible statistics in that area and rising hopelessness.

Is this a plan to do something about it? Is there a flicker of recognition that the unemployed workers in this country, whether black or white, are as important, if not more important, than an unemployed worker in Mexico? No sign of that whatsoever. No. Today this administration's view is the Mexican workers come first. They have a problem. They need to build their economy so let us ship some of our jobs down there so they can get stronger. Well, at the same time this country gets weaker.

It is an appalling policy, and we are not even getting a chance to vote on it directly because it has been handcuffed to this other trade agreement on the Uruguay round where you have over 100 nations involved. And that is not right either. It is a device to avoid a direct vote on the United States-Mexico trade issue.

National magazines and newspapers have written about the problem here. U.S. News & World Report, a respected business journal, in this article that is cited here on an enviromental issue entitled "Poisoning the Border; Many American-Owned Factories in Mexico are Fouling the Environment and Their Workers are not Prospering." It is just not right.

The same thing with the Wall Street Journal. Just a month ago, a front page story, lead story, "Underaged Laborers Fill Mexican Factories, Stir U.S. Trade Debate." It is a story about a young boy, 12-years-old, who quit school to go to work in a footwear plant because that is the only way his family can eat. There are widespread abuses of this kind. That is where the jobs are going to go in increasing numbers. And what do we say in States like Michigan? The unemployment rate in my State is 11 percent. In the State of Rhode Island it is 8.5 percent. Those people need jobs. They should not have to move to Mexico to get a job. They ought to be able to have a job right here in the United States, and they ought to have a President and administration that is fighting to see that there are enough jobs to go around.

This job base in America keeps shrinking, health coverage keeps evaporating, wages keep dropping for more and more workers in this country. There is a scramble among our own people for this shrinking number of jobs, and it creates great social tensions, who is going to get the job, who is going to be left out.

And now you can begin to see some politics being made in that area, some race-baiting politics. Is the black worker going to get the job and take it away from the white worker? Is the white worker going to get the job and take it away from the black worker? The fact is there are not enough jobs for black or white workers, and we need a plan for America to see that there are enough jobs for black and white workers. That is what builds a strong America. The rest of the world is not going to do that job for us.

We got into this Persian Gulf situation. We asked the rest of the world to help. They decided they did not want to go fight the war. Ninety percent of the combat forces that went into that war were American. Young American men and women were asked to fight that war. The Japanese did not want to fight it. The Germans did not want to

fight it. Yes, we got a little help from the French and English, but virtually no one else. We said, all right, we will fight it, how about helping us pay for it, at least contribute and help pay for it? The Japanese made a modest offer, and they still have not paid that money. I say to the Senator from South Carolina we went around the world with a tin cup to try to collect some money, and the rest of the world by and large said, "You pay for it yourself."

It is time that we concentrate on building a stronger America. We need an economic program for this country. That is what we ought to be debating in here, not how we ship more jobs to Mexico. How do we create more jobs in America? Work is good. It builds a strong nation. It is what our people need. If we are going to have decent health care in hospitals and chances for our kids to go to college, people have to be able to go to work. That means there has to be enough work to go around, and it cannot be work at McDonald's at $4.50 an hour; it has to be work with enough high value added to the work effort itself that there is enough income for people to be able to have a chance to be part of the middle class in this country.

We are grinding down the middle class. And frankly, I do not see anybody in this administration from the middle class who knows the slightest thing about what life in the middle class is all about. I see an administration that is on the top tier in terms of their outlook and their financial circumstance, and they are disconnected with the basic, everyday realities of working people in this country, and yet that is what builds this country. I know sometimes people who own vast corporate resources, and so forth, feel they are the ones who build the country, and yes, they had a part in it. But the people that really build this country are the ones that get up each day and go to work and apply their hands and brains to the work they do, and they are the ones that build the country, not a handful of elite up at the top. The rank-and-file people build this country, and they deserve to have a job strategy. They are not less important than the Mexican people or the Kuwaiti people or the Chinese people even if our Government at the top seems to think so.

That is what this is all about. That is what this issue is all about. It will not be any surprise to see our companies in this country run south of the border to take advantage of the much lower labor costs and the lack of environmental standards down in this part of the world. They are going to be compelled to do it because we have not faced up to the trade invasion from other nations. Our companies are under great pressure to do anything they can to try to lower their manufacturing costs. They have already gone south of the border. There are hundreds of American plants down there. There will be thousands and then tens of thousands down there and that is where the jobs will be. They are not going to be very many jobs, by the way, in most of the rest of the United States.

I can see why—and maybe this is one of the reasons why this administration likes this so much—I can see why there might be some benefit to the State of Texas in this because it borders Mexico and they will get a tier of business along the border and so forth. We cannot decide national policy on that basis. We have to have a plan that is good for 50 States and not just good for one.

That is one of the reasons this agreement is handcuffed to this Uruguay round situation and why we cannot get a separate vote on it. But what this issue is really all about is the economic future of America and the job future of America.

Mr. President, I have a detailed statement that goes into great detail about the arguments that have been offered, the phony studies that have been done.

One study that was done by the administration says in over 10 years we gained a little tiny sliver of jobs. You get into the study and find that they assume no change in the investment pattern and they assume you have a full employment economy in the United States at the same time, which is total and utter nonsense.

So if you build a study like that, it does not mean a thing. If you do a study based on the realities that we are facing, you can see clearly where hundreds of thousands of our best jobs are going to go south of the border just as fast as they can get there.

I do not know how we get some representation around here that looks after working people in this country. We seem to have become disconnected from that reality.

You go out to talk to people in unemployment lines—and I am talking about people that have worked for 10, 20, and 30 years; I am talking about people with exceptional work records who are some of the best workers in this country, who are today standing in unemployment lines and who are desperate for work to feed their families and hold their lives together—they ask a question: Why can't our country do something for us?

Here we are sitting now with over $6 billion in the unemployment compensation fund, paid in by these very workers who are now unemployed. This administration refuses to allow one dime to go in extended unemployment benefits to those unemployed workers whose lives have been torn apart, even though that money has been collected for this purpose and paid by those very workers. Instead, that surplus is being used to hide the size of the Federal deficit, to make it look smaller than it is.

That is just part of the budget gimmick that is going on and the imagery that is going on. It is part of the "Don't worry, be happy" which is a continuation of "Morning in America." What we need are jobs in America. That is what we should be debating.

This administration has to quit its fixation with foreign policy and coming up with an economic and jobs program for every other nation under the sun and get to work on one for this country, because we are going broke. The Federal budget deficit shows it, the trade deficit shows it, the bank insurance fund shows it, the problems in real estate show it, and the unemployment lines show it. How much evidence do we need?

It seems like that evidence which is piling up all over the place cannot get up into that rarified atmosphere, that rarified policy atmosphere that seems to exist at the top of the executive branch of Government, where they spend a lot of time to think about a jobs plan for Mexico, and how to put those folks to work. They have forgotten our own people. They are giving away our economic future. And it is just not right. It is just not right.

Mr. President, when the Bush administration proposed a bilateral free-trade agreement with Mexico last year, I was very skeptical, United States wages are 8 to 10 times higher than Mexican wages. Mexico's health, safety, and environmental standards are well below ours. Not only is its legal system considerably different from ours; Mexico's judicial system is not fully independent of is executive branch of Government. Indeed, Mexico remains effectively a one-party state, as illustrated by the last, disputed presidential election.

Because of the large difference in the levels of economic and political development of the two countries, I was skeptical that we are ready for the type of economic integration with Mexico proposed by the President. This is not an academic issue for either Michigan or America. United States industrial strength, jobs, and the standard of living of many middle class Americans are directly at stake.

Several months later, I remain deeply skeptical and gravely concerned. Make no mistake. This is not simply a trade initiative. This is an investment in Mexico initiative. Until recently, Mexican President Salinas himself and his political party opposed free trade with the United States. What changed his mind and prompted him to seek on FTA was the realization that Mexico's No. 1 economic problem—its foreign debt—cannot be resolved without significantly higher levels of foreign capital investment. Secretary Brady's debt plan provided some relief for Mex-

ico, but not enough to get the country out from underneath the crushing load of foreign debt that has been depressing economic growth and living standards in that country and much of the rest of Latin America for nearly a decade.

I believe that President Salinas concluded that only a formal free-trade agreement with the United States would generate the confidence necessary for foreign, particularly United States, businesses to invest in Mexico at rates likely to permit the economy to grow without further debt relief and the ruling party to hold on to power. For this reason, we should not be under any illusion that an FTA with Mexico is purely an exercise in swapping trade benefts. The FTA is a vehicle to secure higher foreign investment in Mexico and strengthen the position of its ruling party. At root, it is a foreign policy initiative, not a commercial initiative designed to meet the strategic economic interests of America. In other words, politics, not economics, is what is behind the rush for a Mexico FTA.

In this sense, the administration is playing politics with the U.S. economy. In its rush to score political points at home and abroad, it is painting a rosy, distorted picture of the economic issues at stake in a United States—Mexico FTA. It is using deeply flawed studies, making false analogies, and conveniently looking the other way on important issues. I will elaborate on each of these points in turn.

The administration is not shooting straight with the American public on the United States-Mexico Free-Trade Agreement. In the process, it is playing politics with the standard of living of our middle class, our industrial base, and our quality of life, all of which have taken a beating recently.

For this reason, we ought to think twice about providing fast track authority. When Congress provides fast track authority to the executive branch, it is delegating some of its constitutional power. It is placing its faith in the administration to look after the national economic interest.

But when an administration shows that it is motivated chiefly by something other than the national economic interest; when it demonstrates that it is willing to look the other way on key economic issues in order to expedite its foreign policy agenda; when it paints a rosy, misleading picture of the economic issues at stake, Senators should think twice about placing such a huge degree of faith in the administration. I believe that the administration's insensitivity to the economic stakes of this agreement shows that it does not deserve fast track authority.

I think Senators should be concerned about giving a blank check to an administration which is showing that it is willing to play fast and loose with the facts. Let me illustrate.

First, it has said that an agreement will create jobs and economic growth. But the administration's studies show job gains and growth that are statistically insignificant. The studies show 64,000 jobs will be gained over 10 years. This number is smaller than the standard statistical error in the month-to-month employment statistics—210,000 jobs. Similarly, additions to GDP are projected to be a mere 0.04 to 0.06 percent of GDP!

Equally misleading is the fact that even these statistically insignificant estimates are based on totally unrealistic assumptions: First, no shifts in investment from high wage United States, to low-wage Mexico; and second, full employment which assumes away all job losses.

Investment flows are what this agreement is all about. In Mexico, the Salinas administration is selling the idea of an FTA by saying that investment and trade law changes will trigger a large shift of investment into Mexico. This is the reason it is seeking an FTA. In the United States, the administration is selling the FTA by citing economic studies that assume no investment from the United States to Mexico. Both sides can not be right. You can't have it both ways. You can't say one thing to one audience and the opposite to another audience.

The administration is using badly flawed studies and drawing misleading conclusions from them. As one expert testified, if there is no movement of U.S. plants in response to an FTA, if there is no change in supply relationships with the maquiladora factories, and if displaced workers can change jobs in a free and instantaneous fashion, their results are good indicators of what to expect from an FTA. If any of these assumptions are incorrect, then these models are inaccurate.

I can tell you that these assumptions are incorrect. Any number of Senators can tell you that these assumptions are incorrect. Right now, I have 210 jobs that are being shifted from a plant in Utica, MI, to Mexico. The newspapers have been full of stories of United States plants moved to Mexico; the FTA will accelerate this trend.

The second misleading argument is that a United States FTA with Mexico is like the European Community's expansion to include Spain, Portugal and Greece. The argument goes: If they can do it, why can't we? This is a totally misleading comparison. Mexico's economy is relatively smaller, its population bigger and its wage rates much lower in relationship to the United States and Canada than similar comparisons between Greece, Spain and Portugal and rest of the EC. In particular, Greece, Spain, and Portugal's wages are 46 percent of the EC average. By contrast, Mexico's wages are 13 percent of ours and Canada's.

The more appropriate comparison is with Turkey and the EC. Turkey has asked to be included in the European Community. The EC has turned Turkey's request down thus far because it is at a fundamentally different level of economic development.

The second misleading argument used by the administration is that any job shifts will occur in low wage sectors of our economy. It is reassuring everyone by saying that the United States will keep the high wage jobs and lose only low wage jobs to Mexico.

This is a selective use of the facts at its own disposal. The administration itself has a study which makes the opposite conclusion: high-tech, high value-added jobs are likely to move to Mexico.

The Department of Labor commissioned a study by Prof. Harley Shaiken of the University of California at San Diego which examined five high value-added foreign plants in Mexico, three American and two Japanese. The five plants spanned three industries and all achieved productivity and quality levels comparable to or better than levels in U.S. factories.

The study found:

A central factor in Mexico's economic problems, wage reductions, and employment stagnation alongside industrial diversification has been the country's foreign debt. This debt has meant that much of the foreign exchange earnings from high tech manufacturing and maquila operations goes overseas in the form of interest payments. To make technology transfer benefit Mexican society as a whole, then, significant relief on the debt issue is an essential prerequisite. In addition, an expanding Mexican domestic market and the translation of productivity gains into higher living standards are needed.

In summary, Mexico has significant technological potential in two areas: the growth of high technology production and the development of a broader supplier base. This potential is likely to unfold against a backdrop of closer economic integration between the United States and Mexico in the 1990s as underscored by recent public discussions of a Free Trade Agreement. While many argue that closer economic integration would benefit both Mexico and the United States, the issue is complex with much depending on the way that integration is carried out. Clearly, a strong and expanding Mexican economy would be in the interest of both countries, given the many ties between Mexico and the US, and economic growth is not a zero sum game. Under certain circumstances, however, the very developments that offer the most promise for the Mexican economy could pose problems for U.S. workers and the U.S. manufacturers base in key industries. One important issue would be where transnational firms choose to locate increasingly mobile high tech jobs and manufacturing for the U.S. market. In a period of economic growth in both countries, Mexico's industrial expansion might not be significantly felt in the U.S., particularly if part of it represents a shift from products currently sourced in the Far East. In a period of slower economic growth or recession, however, tensions could increase if U.S.-based production is shifted to Mexico. For both nations to ben-

efit from a new global division of labor, these broader social and economic issues must be addressed.

Another economist, well-known trade expert Peter Morici of the University of Maine, has concluded that "free trade poses real threats to American workers in industries such as apparel, steel, telecommunications equipment and automotive products. The potential disruption to U.S. labor markets, and in the lives of American workers, cannot be dismissed as merely the adjustment problems usually associated with trade liberalization."

How can the administration say that any job shifts will be in the low-wage sector of the economy when two largest categories of maquiladora investment are electronics, 40 percent, and automobiles, 20 percent? These are not low wage industries; they are providers of some of the best jobs we have.

Professor Morici entitled his study, "Trade Talks with Mexico: A Time For Realism." I think he hit the nail on the head. That is exactly the problem: the administration is not being realistic with the American people and the Congress on what is at stake in the FTA.

The third misleading argument used by the administration is that an FTA will boost U.S. exports. This assumes that Mexicans have the incomes with which to buy United States products. But Mexico is less than 4 percent of the size of the United States economy. The main attraction of Mexico for United States business is not Mexico's consumers. Two-thirds of Mexicans are poor, unable to afford automobiles, refrigerators, washing machines, and the like. 1987 per capita GDP was $1,725 compared to $18,436 for the United States and $16,162 for Canada. The chief attraction of Mexico for United States businesses is its labor force of 48 million working for wages that are one-tenth of ours on average and one-fourteenth of ours in the maquiladora plants.

Not only are their wages and income low, but as the chart shows: First, they have been declining dramatically in real terms; and second, they are lowest in the foreign plants, the maquiladoras, the very sector of the economy that an FTA is supposed to help. I ask that the chart be made part of the RECORD.

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

MEXICAN TOTAL COMPENSATION AND MINIMUM WAGE DATA—1979–89

[In 1985 U.S. dollars]

	Total compensation		Minimum wage
	National manufacturing	Maquiladora manufacturing	
Year:			
1979	2.89	NA	1.10
1980	2.85	1.36	1.21
1981	2.98	1.34	1.23
1982	2.95	1.42	1.23

MEXICAN TOTAL COMPENSATION AND MINIMUM WAGE DATA—1979–89—Continued

[In 1985 U.S. dollars]

	Total compensation		Minimum wage
	National manufacturing	Maquiladora manufacturing	
1983	2.26	1.11	.90
1984	2.12	1.09	.84
1985	2.09	1.07	.83
1986	1.92	1.02	.73
1987	1.95	1.00	.71
1988	1.90	.94	.62
1989	2.00	.99	.59

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Mr. RIEGLE. Mr. President, what is particularly disturbing are the wage rates in the maquiladoras. These are the newest, most productive plants run by companies that are very familiar with fair labor standards; however, they pay much less than the older, less productive, traditional Mexican-owned factories. Contrary to what the administration assumes, it appears that foreign investment is not doing much to raise living standards.

This is particularly disturbing when you realize that productivity in these macquiladora foreign plants is as high or almost as high as in United States and Japanese plants. Indeed, all five of the plants examined in the Department of Labor study had comparable or better productivity and quality than similar U.S. plants operated by the same parent company. Similarly, a National Bureau of Economic Research study found that productivity levels in Mexico's electronics, machinery, and metals sectors are 80 percent of United States levels. In most other sectors, Mexican productivity ranged from 51 percent to 68 percent of United States levels.

The combination of high productivity and low, even falling wages means three things:

First, exploitation of the work force;

Second, an unfair incentive for companies to shift production to Mexico which acts just like a subsidy; and

Third, little reason to assume more foreign investment will boost demand for U.S. exports.

If anything, the combination of high productivity and low wages means that an FTA will widen the income distribution gap in Mexico and divide the society further. This is bound to make Mexico less stable politically and make the transition to democracy harder. It also makes the FTA a less durable proposition, since we have to expect that Mexico will someday become more democratic and at that time it may seek to change or repeal an FTA that has not benefited the majority of its population.

The administration's models assume that the labor market in Mexico is like the labor market in the United States and the European Community. They assume that wages rise in line with productivity gains brought by foreign investment. As the charts show, this assumption is wrong and it is very misleading. American workers can expect investment to shift from the U.S. to Mexico, but they cannot necessarily expect that this will result in higher demand for United States exports and therefore more jobs in other United States industries.

By failing to deal with the reasons for the wage-productivity gap, the administration is offering a poor bargain to the American middle class. In effect, it is saying we will shift factories and good jobs to Mexico, but we will do nothing to ensure that Mexicans will have the income to increase their purchase of United States products. The administration is content to just assume that this will happen despite powerful evidence to the contrary.

I think that what this means for the middle class is: "Don't expect good jobs to arise in other American industries as a result of this investment in Mexico. Don't expect that job losses because of investment shifts will be offset by job gains from rising Mexican consumer purchases of our products."

Why is there this huge gap between productivity and wages? Why, as U.S. News & World Report reported, are Mexican workers in foreign plants not prospering?

One key reason for the wage and productivity gap is Mexico's foreign debt burden. Real wages fell by 50 percent in the 1980's as Mexico struggled to repay its debt to foreign banks. Living standards have fallen as Mexico has devoted a larger share of its national income to pay interest and principal to overseas creditors, leaving a smaller share of the national economic pie for wage earners.

In effect, American middle class wage earners are being asked to give up their good paying jobs and take a salary cut to help Mexico pay back the banks. Do not expect the foreign investment to promote the living standards of Mexicans. Do not expect them to boost Mexican consumer demand for United States exports. The reason our exports to Mexico have grown in recent years is we are shipping more components to Mexico for assembly and reexport back to the United States. The export figures cited by the administration never subtract out the exports that come right back to the United States in the form of finished products.

The other reason for the wage-productivity gap is the repression of independent unions in Mexico. The Government effectively controls Mexico's biggest official union, The CTM, and suppresses independent, democratic unions. Labor laws exist, but they are not enforced. The CTM acts to hold wages in line with Government policy. Workers are not free to bargain for their fair share of the prosperity that higher foreign investment is supposed to bring.

People knowledgeable about Mexico know that workers do not have genuine freedom to bargain collectively. But despite the overwhelming body of evidence, the administration chooses to look the other way. It has completely sidestepped this issue. In its predictions of export growth and job creation, it just assumes that Mexican workers will benefit by the foreign investment in Mexico. This does not square with reality. Again, the administration is misleading the public.

Let me cite some of the evidence on labor rights abuses.

First, from a study performed at the Yale Law School:

Although the conciliation boards and minimum wage commissions must by constitutional mandate include representatives of workers as well as employers and the government, the PRI and the closely allied Confederation of Mexican Workers (CTM) informally direct the composition and proceedings of the labor courts and minimum wage boards and otherwise control wage levels through laws allowing government supervision of industry-wide collective bargaining. Lacking recognition from the Ministry of Labor, moreover, a disaffected union or its leaders may not enter arbitration hearings, negotiate labor contracts, nor hold seats on the government wage commissions. Coordination between government policymakers and "official" labor unions has meant that despite severe inflation and declines in real wages since the early 1980s. [w]age agreements are consistently negotiated at levels well below the rate of inflation. * * * Today it is generally recognized that union leaders often limit themselves to cosigning contracts with salaries fixed by the national commission without trying to supersede the levels already set.

Second, according to a 1990 study by the U.S. Department of Labor, "Worker Rights in Export Processing Zones"

[t]he Mexican government has controlled the minimum wage, which acts as both a floor and a ceiling on most Maquiladora production worker wages, allowing some increases but hardly enough to keep up with the rapid rate of inflation.

Third, from a study entitled "Collective Bargaining in Mexico: Stifled by the Lack of Democracy in Trade Unions" in the 1990 issue of the Comparative Labor Law Journal:

Through control of the state, the PRI reportedly distributes to the CTM and other "official" unions government posts at the federal and local levels, financial support with government moneys, and non-wage benefits such as health care and subsidized food, transport, clothing and housing.

Finally, from a study by The National State Workplace Institute:

The most prevalent occupational and environmental health risks among the maquiladoras result from exposure to toxic substances, poor work station design and excessive work pace. Workers are known to be routinely exposed to dangerous levels of lead, methylene chloride, thinner, acetone, alchohol and flux. Many of these chemicals are used in the electronics assembly process, which is the dominant maquila industry. A study group examining maquiladoras owned by Fortune 500 companies reports that "in one plant we all experienced headaches and nausea from spending an hour on the assembly line" and that "we saw young girls working beside open vats of toxic waste, with no protective face covering." Despite these dangers, safety labels on toxic products are almost exclusively written in English."

Further risks and mistreatment include: denial of information on chemicals used in the workplace; machinery that lacks safeguards to prevent severe injury; lack of protective clothing and equipment; inadequate training; and intimidation of those who complain with threats of job loss or wage cuts. Although the maquiladoras generally cite greater dexterity and quickness as their reasons for hiring young women, many independent observers believe that these employers are also seeking to take advantage of a Latino culture which discourages women, and especially young women, from challenging authority.

Mexican industry can in general be characterized as exposing workers in one workplace or another to all the risks enumerated in treatises dealing with occupational health—lead, mercury, arsenic, chromates, vinyl chloride, asbestos, silica, solvents, gases, et cetera; the list is too long to write down.

The Mexican Government's health authorities for all intents and purposes do not recognize the existence of occupational illness, much less do anything about it. Despite the presence of such known carcinogens as asbestos, vinyl chloride, chromates, and petroleum products, the Government says there are no cases of occupational cancer in Mexico. The problem of occupational cancer and other diseases related to exposure, however, is fully documented in the medical press and by the International Labor Organization.

What does the administration say about Mexico's debt and its repression of independent unions?

The response is: "Don't worry, things will take care of themselves."

The administration plans to do nothing further on the debt front, even though Mexico's debt obligations prevent foreign investment for benefiting workers on both sides of the border. It also plans to do nothing of substance about the weak enforcement of fair labor standards. This topic was covered in its May 1 action plan.

In general, the action plan was a set of vague intentions, not a list of specific and concrete solutions to the problems outlined by Senator BENTSEN and Representative ROSTENKOWSKI.

The administration's casual treatment of these issues in its so-called action plan demonstrates that it cannot be relied upon to resolve these problems. The action plan provided no basis for the leap of faith that fast track requires Congress to make. Let me be specific.

(1) LABOR STANDARDS ENFORCEMENT

The administration sidestepped this problem. It said only that an FTA will raise living standards which will tend to increase resources available for enforcement.

This is backwards. Labor standards must improve in order for living standards to improve. Workers must have freedom to bargain for their share of rising productivity created by foreign investment.

Studies have found that productivity in American-owned and Japanese-owned plants in Mexico is 80 or 90 percent of productivity in the United States and Japan. But wages are less than 10 percent. In fact, wages are no higher in these plants than in the rest of the Mexican economy.

The reason is that the major unions are controlled by ruling party. Workers don't have effective right to bargain for their share of rising prosperity. Independent unions are repressed.

If FTA does not address this, demand for U.S. exports is not likely to rise as the administration has advertised. Also, the United States will in effect be endorsing Mexico's exploitation of its work force for competitive advantage. This is an unfair trade practice under U.S. trade law.

(2) ENVIRONMENTAL STANDARDS

Here again, the real problem is enforcement. The administration says it will "seek a commitment to enhance enforcement." What does this mean?

Will we monitor Mexican enforcement? Will we provide funding for an adequate regulatory agency in Mexico? How will we ensure that a dispute is settled fairly when the Mexican businesses and the ruling party often intertwine? Will interested parties be able to petition the Government for enforcement?

The problem requires more than expressing willingness to talk with Mexicans; it requires a commitment as to what actions the USTR will seek.

(3) ADJUSTMENT ASSISTANCE

The administration stated only a general willingness to provide adjustment assistance. It made no specific commitments.

Given the Reagan-Bush administration's track record of repeatedly trying to kill the Trade Adjustment Assistance Program, Congress should not be asked to assume that these vague assurances will translate into support for sufficient program.

(4) RULE OF ORIGIN

The administration says it will work for a strict rule of origin. What does this mean? "Strict" can mean many things to many people.

Its track record in Canadian FTA, 50 percent, suggests the administration may have different definition than many Members of Congress.

(5) DISPUTE RESOLUTION

The administration has never indicated how it will deal with the fact that Mexico's judiciary is not fully independent of its ruling party.

What assurance do we have that disputes over contracts, labor regulations, and environmental regulations will be adjudicated fairly?

Action plan demonstrates the need for the Senate to reserve its right to offer amendments. The administration has made a lot of unjustified assumptions in the face of evidence to the contrary. Congress should not make the same mistake. It is clear from the administration's casual and misleading treatment of these issues that Congress should not assume that these problems will be taken care of. The administration has given us no basis to believe that these issues—so critical to deciding whether the FTA will be in the Nation's economic interest—will be resolved satisfactorily.

There has been a lot of misinformation about the nature of the fast-track process in Congress. The administration and some of our distinguished colleagues have been saying that fast track does not cut Congress out of the process. They say Congress writes the implementing bill with the administration in what is known as a mock markup and Senators have an opportunity to make changes at that time.

This is misleading. Senators should understand that this mock markup of the implementing bill is very different from a normal bill markup session.

First, under fast track, the administration, not Congress, makes the final decision as to what is included in the implementing bill that is submitted to Congress. The only changes that are made in the mock markup are those that the administration decides it will accept. Second, the administration always objects to a proposed amendment if it requires it to go back and renegotiate the agreement. In this way, the administration can have its cake and eat it too. It can sidestep an issue in the negotiations and then, in the mock markup with Congress, block any attempts to address the issue on the Hill. Senators should understand that fast track provides unusual leverage—the upper hand—to the administration in its consultation with Congress. For this reason, Congress has to have a high degree of confidence with the administration's negotiating agenda before providing fast track. After fast track is given, it is too late except in unusual circumstances to put a major item on the agenda.

I am not satisfied with the administration's agenda; I believe they are sidestepping key issues that will determine whether our economic integration with Mexico will:

First, benefit the working people of both nations;

Second, advance the U.S. national economic interest; and

Third, advance long-term political stability in Mexico.

Professor Morici, a noted international trade expert who has written extensively on United States-Canada Free-Trade Agreement and other trade issues has summed up the issues well:

U.S., Canadian and Mexican negotiators will be beset by the complications of widely different, even if somewhat converging, legal and regulatory systems, greatly complicating the harmonization of government policies, practices and business regulations necessary to achieve an integrated North American market. If the United States, Canada and Mexico try to paper over these difficulties and do not harmonize their policy regimes, many of the long-term benefits of creating a single North American market will be lost.

Herein lies a danger for the United States. It could respond to Mexican aspirations with a quick deal that helps shore up President Salinas' political situation in 1991 and 1992 but fails to provide the foundation for a longer-term, more-comprehensive agreement. By the end of the 1990s, the cumulative benefits accruing to both Mexico and the United States could be much smaller than ultimately may be attainable through a more deliberative approach.

It behooves the United States, Canada and Mexico to recognize that modern free-trade agreements, such as the FTA, engage their participants in processes of parallel actions in which concessions are exchanged over many years. If out of enthusiasm for recent Mexican reforms or political haste, American officials get out in front of their Mexican counterparts in making concessions, Mexico could lose important incentives to address some of the most difficult issues—e.g., constitutional, statutory and institutional issues regarding services, investment, energy, intellectual property, import measures, and various business regulations. For the United States, the balance of benefits to costs could easily become negative, and the distributional consequences in labor markets could easily erode American political resolve to assist Mexico further down the road.

Because the administration is sidestepping these key issues, and because I think the strength of our economy is at stake, I urge my colleagues to vote for Senator HOLLINGS' resolution of disapproval. I compliment him for providing leadership on this subject. I will vote with him even though I support fast track for the Uruguay round.

At the same time, I want to place my colleagues on notice that if this resolution is defeated, I will be offering my resolution Senate Resolution 109 at a later date. The resolution modifies fast track authority for the Mexican agreement by allowing amendments in five specific areas: First, monitoring and enforcement of fair labor standards; second, monitoring and enforcement of environmental standards; third, rule of origin; fourth, dispute resolution; and fifth, adjustment assistance.

My resolution modifies fast track for the FTA; it does not eliminate it. The resolution would modify fast track for the Mexican agreement mainly by allowing amendments in five areas. None of these areas involves specific industries or sectors of the economy. In other words, the resolution would not allow Congress to turn the agreement into a Christmas tree of amendments providing special treatment for individual industries. The commercial part of the agreement—the tradeoff of tariff and quota cuts and market access commitments—would continue to be considered as a package.

However, by reserving for Senators the right to offer amendments in the key areas in which they have voiced generic concerns about the impact of an agreement, the resolution provides an insurance policy for their concerns. It creates a greater incentive for the administration to engage genuine, concrete consultation with Senators on their concerns as the negotiation unfolds. USTR would know that if it did not satisfactorily address these concerns, the agreement would be likely to face an amendment when it returned to Congress for approval. This is the only way to guarantee that Senators' concerns in these five areas will find their way into USTR's negotiating strategy.

Finally, the resolution increases the time permitted for floor debate on the resolution from 20 hours to 2 weeks. Twenty hours is too brief a period for amendments to be considered and an issue of such overarching national importance to be debated. At the same time, the resolution retains the requirement that a final vote on the agreement take place at a date certain. Accordingly, the essence of the agreement's privileged procedural status in the Senate is preserved: the commercial part of the deal will be considered as one package without amendment and a final vote is guaranteed. It cannot be said that the resolution would stop the administration from negotiating with Mexico.

The Constitution vests in Congress the authority to set trade policy. Fast track is a discretionary grant of much of that authority to the executive branch. Fast track is not sacred; it is merely the terms of the partnership between the two branches of Government which the Congress itself determines. Congress retains the right to modify the terms of that partnership to suit the national economic interest. My resolution exercises that right. It allows the negotiations to proceed but under tighter rein from Congress in view of large stakes involved and the administration's ideological predisposition not to deal with issues much of Congress views as vital.

In effect, my resolution provides Senators the opportunity to pursue greater economic integration with Mexico and at the same time adequately protect the American middle class, the environment and the United States industrial base.

I urge my colleagues to vote to support Senator HOLLINGS, as well as my resolution when I offer it.

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

Mr. HOLLINGS. Mr. President, with respect to the control of time under the agreement until 10 o'clock, I will go beyond 10 o'clock, obviously, here in making my remarks. So it should be docked from my side's time in the last 2 hours. I think the last 2 hours is divided, an hour apiece.

Mr. President, I must express the same frustration in this entire debate, the same frustration climaxed in the comments by our colleague from Michigan.

He sees the devastation all around him in the State of Michigan. As Governor, I carpetbagged industries from Michigan, but little Jimmy Blanchard, the Governor of Michigan, awoke and he started putting in various incentives. He put in a $350 million research fund and, incidentally, he got a $500 million line of credit backed by the Japanese in the bond marketplace so Michigan could borrow, and they have started rebuilding Michigan. Yet even with that, they find that their industries are still going down, down, down.

We have competitiveness committees and commissions running all around this government like dogs chasing their tails. Do not ever sell the Yankee trader short, the American businessman short. All of this great country was built by American business, by industry acumen, and now it is being sacrificed to Latin and Pacific politics.

The Diet in Japan, Mr. President, is not a Parliament in our sense of the word. It is not a Congress. It is not an assembly. It is a bought and paid for conspiracy. It is a given fact that if you represent a certain geographical area in the Diet, you are sustained financially by 3 or 4 local corporations. You do not live on the modest stipend you receive as a member of the Diet. You live and prosper on the dole of the special interest you represent in cash.

We have heard how wonderful President Salinas is and how we must not insult Mexico. I am not here to insult anybody, I am talking sense. Down in Mexico it is not free trade, it is fee trade. Fee trade. The mordida, the bribe. It is the way they do business.

I had an outstanding industrialist in my office yesterday who operated in Mexico with a profit some years back, but when Mexico had an economic downturn his firm determined, businesswise, to pull out. Now, everything is heading for Mexico anew. With the impending free trade agreement and the bit-in-the-teeth policy in the Bush administration, the call is that we are going pell-mell down to Mexico, everybody is going in down there. But to get a license down in Mexico now, you pay the mordida and the other fixes that have to be taken care of to do business there. It is standing operating procedure, in spite of the fact that Salinas is doing better.

I understood that from the 1920's all up to 1986, Mexico had zero convictions for tax evasion. Now they have had 186 such convictions. Whoopee. That is fine. But they are still taking care of the one-party monopoly down there, the PRI. They are dividing up the communications companies and everything else among the party's clients.

Mexico has not changed overnight, and it is not going to change overnight. And what in essence you are doing is, you are not starting a North American free-trade association of the hemisphere; you are opening up Mexico for those with the wherewithal to exploit it, the Germans, Volkswagen with a billion; the Japanese, Nissan with a billion just announced, and all the rest of them; Korea, Hyundai, with millions, hundreds of millions, all going to Mexico. Then under the auspices of the so-called free-trade agreement, while our corporate America is on its financial back and cannot invest in Mexico, our rivals are moving in with their money, their wealth, and they are setting up interlocking business arrangements that in many instances the Foreign Corrupt Practices Act would land Americans in jail for imitating.

American businessmen are gunshy as all getout because of this Congress. They cannot play by the rules of world trade and particularly in Mexico. So do not give me all of this puffery about President Salinas and what a wonderful country Mexico is, which it is. I went down there with Senator Mansfield and Senator Aiken back in 1967 to an interparliamentary union; I subsequently kept in touch with the speaker and other Mexican legislators, and they are a wonderful, delightful people. But I also went down there and saw the Public Law 480 food donations sitting on the rail siding because the mordida had not been paid. The food was rotting. And you have to take care of bribes to keep things moving down there. So we are going to open up Mexico for those who know how to wheel and deal and bribe, and instead of free trade, it will be fee trade, and honest Americans will continue to lose.

And that is what really frustrates the Senator from South Carolina, because we cannot see these things and understand. As chairman of the Commerce Committee, it is quite obvious to me. The chairman of the Commerce Committee puts in a bill and the opposition takes over, takes it apart, and they allocate you a measley couple of hours, maybe, out of the 20 hours involved.

The fact of the matter is that, yes, the Commerce Committee confirms the Secretary of Commerce, but that is about it. When it comes to the reciprocal trade agreements, tariffs, taxes; when it comes to the Special Trade Representative, we have no jurisdiction. Congress created the USTR because the administration was not representing the United States of America economically, so the Finance Committee years back under John Pastore and Herman Talmadge created this Special Trade Representative to get the administration's attention, because the State Department was totally on the foreigner's side and remains so today.

When it comes to the Export-Import Bank, when it comes to Customs, it is the jurisdiction of Banking and Housing; when it comes to farm products, it is the Agriculture Committee. So here we are in the middle of a trade war now with the fall of the Berlin Wall in Europe, going from the cold war to the trade war, and we do not have an economic Pentagon to orchestrate America's counter attack. Instead, we have a bunch of Katzenjammer Kids, everybody jumping around, crowing, talking about the wrong issue; not even understanding what we are saying; having no idea or hope.

The politics are to just identify airly with an issue, but don't do anything substantive. If you are for free trade then you are deemed to be enlightened. If you are not for free trade, or you are trying to look out for the economic interests of your country, then you are labeled a protectionist and you are deemed parochial. And it is just that same way in opinion polls. If I asked, "do you understand trade, yes or no?" Who knows whether we would get an honest answer out of that one?

So it is with a tremendous frustration that we enter this debate, trying to stop the train on the fast track, all loaded with two-thirds of the Senate already committed, locked up since last November.

My distinguished senior North Carolina colleague, due to a personal loss in his family, Senator HELMS, could not be here. But the administration visited him back in November and December, all the way down in North Carolina, trying to change him. And they have been working it, working it, working it. And the best argument you can get on that side of the aisle, now, is: support the President, support the President.

We love to stage parades, but we are not doing anything for the troops back home. We are sending their jobs south of the border. Some welcome-home present. The workers of America, keeping up the economic backbone, the industrial strength of this country—there will not be a parade for them. We are going to support the President, support the President, and we are getting rolled.

It is very interesting, Mr. President. There has been a lot of last-minute interest now that I did not realize would finally surface. Senators are skeptical of the administration's free-trade promises. I tried to work the back halls myself, as is well known. I had 37 cosponsors, and then I had over 40-some Senators ready to vote last year. Some did not want their names listed because they did not want to hurt the

feelings of the distinguished chairman of the Finance Committee.

One was my particular friend whom we all lost, who has been a vanguard Member, the late Senator John Heinz of Pennsylvania. He was a cosponsor last year. I went to him.

He said: "Fritz, I am trying to see what deal I can get out of Carla Hills, so I better leave my name off while I am trying to deal and take care of the steel industry."

The World Bank, you know, goes to the little fledgling nations. In order to get the loans, the tools of manufacture, the weapons of defense, they need to have a 2-percent steel production capability. We build them up over the years and they dump it, Brazilian steel, on our docks.

So, Senators like John Heinz said, do not worry, I will be with you. After the Easter holidays we will get together.

So I lost my leader who understood this thing and has been working on it for a long time.

But the fact of the matter is the third of the Members that we do have remaining are crying out because they feel, as do the Senator from Michigan and the Senator from Connecticut [Mr. DODD], the chairman—who is probably closer to Salinas down there than any other Senator on the floor of this Senate, who understands, knows, speaks the language fluently, and has worked with them on their particular problems, and he begins to see, economically—that we should not have a gun at our heads. We ought to be able to study and create an awareness of what is going on. In that light, Mr. President, let us get to the subject of consultations.

Because they claim that the distinguished Ambassador for Trade, Carla Hills, she consults. She consults. That is what I am complaining about. These consultations are killing us.

Why? Well, fortunately we have her word and testimony as of April 16, before our Appropriation's Subcommittee of State, Justice, Commerce. Ambassador Hills appeared. We could just tell, just as soon as she started off, it is almost an off-Broadway act.

I quote from her testimony:

> Our exports constitute one of the bright spots in our economy and they continue to be our engine of growth.

Anybody familiar with the economic situation of the United States of America had best understand that that claim is false. You do not have to listen to the Senator from South Carolina. You can listen to the Wall Street Journal. You can listen to Business Week. Exports, incidentally, account for only 7 percent of our GNP. Exports are only 7 percent of our GNP, and could not possibly, with that minimal effect overall be the determining factor in our economy. Yet, they run around and inflate the statistics and claim that 90 percent of job growth is in export industries. Of course we heard that same thing in the Tokyo Round and ended up nude.

And we hear now, in this particular advisory, there is going to be a $1 trillion increase in U.S. exports under the Uruguary Round provisions. But the Economic Institute comes along with their study and says that the impact on exports will be minus $14 billion instead of plus $1 trillion over 10 years.

At the same time, in the Wall Street Journal there is an article, which reports as follows:

> Exports will not pull the United States out of recession. Foreign demand proves inadequate to offset drop on domestic side.
>
> For all the well-deserved attention that U.S. exports are getting these days, they weren't enough to keep the United States from sliding into recession and they won't be enough to pull it out. Even in industries most successful at the export game, foreign demand is proving inadequate to offset the downturn in demand at home. In fact, production actually declined last year in 6 of the 10 most export-intensive manufacturing and mining industries, according to an analysis done for the Wall Street Journal by D.R.I., McGraw-Hill, Inc., of Lexington, Massachusetts, consulting company. "Why wasn't the recession worse? Exports, exports, exports," says DRI economist Vivian Singer, "but it wasn't enough to compensate. It does not matter if an industry is export-intensive or not, it depends largely how its domestic market is doing.

Now we are beginning to talk sense. We are beginning to understand, as Senators, the issue before us, not this sing-song pollster game, "I'm for exports, exports, exports." I have been part of that. The distinguished Senator from Delaware [Mr. ROTH] and I under the Carter administration 12 years or more ago, got tired of the Ambassador not representing the industry of America and so we took a page from agriculture. The agricultural attaché reports directly not to the Ambassador but to the Secretary of Agriculture.

We said, all right, Commerce attaché, you report directly to the Secretary of Commerce. But we found out that was like delivering lettuce by way of a rabbit. I can tell my colleagues that right now. That fellow the Secretary of Commerce, is jumping all around hollering exports, exports, exports. That poor gentleman does not know what he is talking about. They say, oh, but look at the increase.

Ah, Mr. President, if you study any of these economic documents, the increase has resulted from none of these things other than the Plaza accord of 1985. A banana republic, a Third World country the United States has become. That is how we spur exports. We devalue our dollar and, yes, that is when exports picked up. But that effect now is diminishing because in the first quarter we got only 6 percent growth in exports. Look at 1989; it was 18 percent growth—1990 it was 9 percent growth. Now the first quarter of 1991 is only 6-percent growth.

So it is on a declining scale. The devalued dollar now is beginning to strengthen again and we are losing out.

What does Business Week say? "Success overseas is not translating into job creation at home." Can you imagine that?

In recent years, we had to hear from the Senator from Rhode Island and others around here about how grand it would be if we can only move that Caterpillar industry down to Mexico; we are going to create a lot of jobs. Let us follow that logical conclusion: Let us rid of all our industry, and we will have full employment.

Where in the world are they coming from? "Success," says Business Week "overseas is not translating into job creation at home. In recent years, it has been harder to find jobs in the exporting sector than the rest of the economy. Boeing, the top exporter, cut its work force by 3,000 this year even though orders for commercial aircraft may exceed last year's record, and even before the recent round of layoffs, employment in the computer industry had dropped by 5 percent since 1986. Indeed, the exporting sector employs only one-eighth of the work force and its share is eroding."

Do not listen to politicians; listen to business people, their publications, the Wall Street Journal, Business Week, and the rest of them, and you begin to see that this little export sing-song is grossly inflated. I have seen the distinguished Ambassador for trade, Mrs. Hills, come up here with a big smile. It is a real cheerleading performance. You have to believe, you have to believe, and if you believe, we are going to work our way out of it. It's just like what they said about that blooming tax cut, Reaganomics, George Herbert Walker Bush called "voodoo." We are going to grow out of deficits. You've just got to believe and have faith.

Now I see this week that Democrats have taken up the same tack, we are going to grow out of deficits. We are going to have a tax cut for middle America. We say if they play the game and win, then we will play the game and win. This is a sordid game, let me tell you that.

Let me move on to Smoot-Hawley, because that is what Mrs. Hills brought up. I did not think she was getting the attention of the sucommittee on the matter of exports.

I quote again from Ambassador Hills consulting with us:

> We went through the era of Smoot-Hawley bill where every Congressman tried to protect a special constituent interest and it drove us into the Great Depression.

Absolutely false. Absolute nonsense. Absolute nonsense I can tell you that. We have no better authority again than our distinguished late colleague from Pennsylvania. He and I tackled this over 10 years ago, trying to make sense and get the attention of the

American people and particularly this body.

I ask unanimous consent, Mr. President, to print in the RECORD the CONGRESSIONAL RECORD of May 9, 1983, that section from Mr. Heinz of Pennsylvania, starting with S 6341 and the ensuing four pages.

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

[From the CONGRESSIONAL RECORD, May 9, 1983]

THE MYTH OF SMOOT-HAWLEY

Mr. HEINZ. Mr. President, every time someone in the administration or the Congress gives a speech about a more aggressive trade policy or the need to confront our trading partners with their subsidies, barriers to imports and other unfair practices, others, often in the academic community or in the Congress immediately react with speeches on the return of Smoot-Hawley and the dark days of blatant protectionism. "Smoot-Hawley," for those uninitiated in this arcane field, is the Tariff Act of 1930 (Public Law 71-361) which among other things imposed significant increases on a large number of items in the Tariff Schedules. The act has also been, for a number of years, the basis of our countervailing duty law and a number of other provisions relating to unfair trade practices, a fact that tends to be ignored when people talk about the evils of Smoot-Hawley.

A return to Smoot-Hawley, of course, is intended to mean a return to depression, unemployment, poverty, misery, and even war, all of which, apparently were directly caused by this awful piece of legislation. Smoot-Hawley has thus become a code word for protectionism, and in turn a code word for depression and major economic disaster. Those who sometimes wonder at the ability of Congress to change the country's direction through legislation must marvel at the sea change in our economy apparently wrought by this single bill in 1930.

Historians and economists, who usually view these things objectively, realize that the truth is a good deal more complicated, that the causes of the Depression were far deeper, and that the link between high tariffs and economic disaster is much more tenuous than is implied by this simplistic linkage. Now, however, someone has dared to explode this myth publicly through an economic analysis of the actual tariff increases in the act and their effects in the early years of the depression. The study points out that the increases in question affected only 231 million dollars' worth of products in the second half of 1930, significantly less than 1 percent of world trade; that in 1930-32 duty-free imports into the United States dropped at virtually the same percentage rate as dutiable imports; and that a 13.5 percent drop in GNP in 1930 can hardly be blamed on a single piece of legislation that was not even enacted until midyear.

This, of course, is not to suggest that high tariffs are good or that Smoot-Hawley was a wise piece of legislation. It was not. But it was also clearly not responsible for all the ills of the 1930's that are habitually blamed on it by those who fancy themselves defenders of free trade. While I believe this study does have some policy implications, which I may want to discuss at some future time, one of the most useful things it may do is help us all clean up our rhetoric and reflect a more sophisticated—and accurate—view of economic history.

Mr. President, I ask that the study, by Don Bedell of Bedell Associates, be printed in the RECORD.

The study follows:

BEDELL ASSOCIATES,
Palm Desert, Calif., April 1983.

TARIFFS MISCAST AS VILLAIN IN BEARING BLAME FOR GREAT DEPRESSION—SMOOT/HAWLEY EXONERATED

(By Donald W. Bedell)

SMOOT/HAWLEY, DEPRESSION AND WORLD REVOLUTION

It has recently become fashionable for media reporters, editorial writers here and abroad, economists, Members of Congress, members of foreign governments, UN organizations and a wide variety of scholars to express the conviction that the United States, by the single act of causing the Tariff Act of 1930 to become law (Public Law 361 of the 71st Congress) plunged the world into an economic depression, may well have prolonged it, led to Hitler and World War II.

Smoot/Hawley lifted import tariffs into the U.S. for a cross section of products beginning mid-year 1930, or more than 8 months following the 1929 financial collapse. Many observers are tempted simply to repeat "free trade" economic doctrine by claiming that this relatively insignificant statute contained an inherent trigger mechanism which upset a neatly functioning world trading system based squarely on the theory of comparative economics, and which propelled the world into a cataclysm of unmeasurable proportions.

We believe that sound policy development in international trade must be based solidly on facts as opposed to suspicions, political or national bias, or "off-the-cuff" impressions 50 to 60 years later of how certain events may have occurred.

When pertinent economic, statistical and trade data are carefully examined will they show, on the basis of preponderance of fact, that passsage of the Act did in fact trigger or prolong the Great Depression of the Thirties, that it had nothing to do with the Great Depression, or that it represented a minor response of a desperate nation to a giant world-wide economic collapse already underway?

It should be recalled that by the time Smoot/Hawley was passed 6 months had elapsed of 1930 and 8 months had gone by since the economic collapse in October, 1929. Manufacturing plants were already absorbing losses, agriculture surpluses began to accumulate, the spectre of homes being foreclosed appeared, and unemployment showed ominous signs of a precipitous rise.

The country was stunned, as was the rest of the world. All nations sought very elusive solutions. Even by 1932, and the Roosevelt election, improvisation and experiment described government response and the technique of the New Deal, in the words of Arthur Schlesinger, Jr. in a New York Times article on April 10, 1983. President Roosevelt himself is quoted in the article as saying in the 1932 campaign, "It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something."

The facts are that, rightly or wrongly, there were no major Roosevelt Administration initiatives regarding foreign trade until well into his Administration; thus clearly suggesting that initiatives in that sector were not thought to be any more important than the Hoover Administration thought them. However, when all the numbers are examined we believe neither President Hoover nor President Roosevelt can be faulted for placing international trade's role in world economy near the end of a long list of sectors of the economy that had caused chaos and suffering and therefore needed major corrective legislation.

How important was international trade to the U.S.? How important was U.S. trade to its partners in the Twenties and Thirties?

In 1919, 66 percent of U.S. imports were duty free, or $2.9 Billion of a total of $4.3 Billion. Exports amounted to $5.2 Billion in that year making a total trade number of $9.6 Billion or about 14 percent of the world's total. See Chart I below.

CHART I.—U.S. GROSS NATIONAL PRODUCT, 1929–33

[Dollar amounts in billions]

	1929	1930	1931	1932	1933
GNP	$103.4	$89.5	$76.3	$56.8	$55.4
U.S. international trade	$9.6	$6.8	$4.5	$2.9	$3.2
U.S. international trade percent of GNP	9.3	7.6	5.9	5.1	[1] 5.6

[1] Series U., Department of Commerce of the United States, Bureau of Economic Analysis.

Using the numbers in that same Chart I it can be seen that U.S. imports amounted to $4.3 Billion or just slightly above 12 percent of total world trade. When account is taken of the fact that only 33 percent, or $1.5 Billion, of U.S. imports was in the Dutiable category, the entire impact of Smoot/Hawley has to be focused on the $1.5 Billion number which is barely 1.5 percent of U.S. GNP and 4 percent of world imports.

What was the impact? In dollars Dutiable imports fell by $462 Million, or from $1.5 Billion to $1.0 Billion, during 1930. It's difficult to determine how much of that small number occurred in the second half of 1930 but the probability is that it was less than 50 percent. In any case, the total impact of Smoot/Hawley in 1930 was limited to a "damage" number of $231 Million; spread over several hundred products and several hundred countries!

A further analysis of imports into the U.S. discloses that all European countries accounted for 30 percent or $1.3 Billion in 1929 divided as follows: U.K. at $330 Million or 7½ percent, France at $171 Million or 3.9 percent, Germany at $255 Million or 5.9 percent, and some 15 other nations accounting for $578 Million or 13.1 percent for an average of 1 percent.

These numbers suggest that U.S. imports were spread broadly over a great array of products and countries, so that any tariff action would by definition have only a quite modest impact in any given year or could be projected to have any important cumulative effect.

This same phenomenon is apparent for Asian countries which accounted for 29 percent of U.S. imports divided as follows: China at 3.8 percent, Japan at $432 Million and 9.8 percent, and with some 20 other countries sharing in 15 percent or less than 1 percent on average.

Australia's share was 1.3 percent and all African countries sold 2.5 percent of U.S. imports.

Western Hemisphere countries provided some 37 percent of U.S. imports with Canada at 11.4 percent, Cuba at 4.7 percent, Mexico at 2.7 percent, Brazil at 4.7 percent and all others accounting for 13.3 percent or about 1 percent each.

The conclusion appears inescapable on the basis of these numbers; a potential adverse impact of $231 Million spread over the great array of imported products which were Dutiable in 1929 could not realistically have had

any measurable impact on America's trading partners.

Meanwhile, the Gross National Product (GNP) in the United States had dropped an unprecedented 13.5 percent in 1930 alone, from $103.4 Billion in 1929 to $89 Billion by the end of 1930. It is unrealistic to expect that a shift in U.S. international imports of just 0.2 percent of U.S. GNP in 1930 for example ($231 Million on $14.4 Billion) could be viewed as establishing a "precedent" for America's trading partners to follow, or represented a "model" to follow.

Even more to the point an impact of just 0.2 percent could not reasonably be expected to have any measurable effect on the economic health of America's trading partners.

Note should be taken of the claim by those who repeat the Smoot/Hawley "villain" theory that it set off a "chain" reaction around the world. While there is some evidence that certain of America's trading partners retaliated against the U.S. there can be no reliance placed on the assertion that those same trading partners retaliated against each other by way of showing anger and frustration with the U.S. Self-interest alone would dictate otherwise, common sense would intercede on the side of avoidance of "shooting oneself in the foot," and the facts disclose that world trade declined by 18 percent by the end of 1930 while U.S. trade declined by some 10 percent more or 28 percent. U.S. foreign trade continued to decline by 10 percent more through 1931, or 53 percent versus 43 percent for world-wide trade, but U.S. share of world trade declined by only 18 percent from 14 percent to 11.3 percent by the end of 1931.

Reference was made earlier to the Duty Free category of U.S. imports. What is especially significant about those import numbers is the fact that they dropped in dollars by an almost identical percentage as did Dutiable goods through 1931 and beyond: Duty Free imports declined by 29 percent in 1930 versus 27 percent for Dutiable goods, and by the end of 1931 the numbers were 52 percent versus 51 percent respectively.

The only rational explanation for this phenomenon is that Americans were buying less and prices were falling. No basis exists for any claim that Smoot/Hawley had a distinctively devastating effect on imports beyond and separate from the economic impact of the economic collapse in 1929.

Based on the numbers examined so far, Smoot/Hawley is clearly a mis-cast villain. Further, the numbers suggest the clear possibility that when compared to the enormity of the developing international economic crisis Smoot/Hawley had only a minimal impact and and international trade was a victim of the Great Depression.

This possibility will become clear when the course of the Gross National Product (GNP) during 1929–1933 is examined and when price behaviour world-wide is reviewed, and when particular Tariff Schedules of Manufacturers outline in the legislation are analyzed.

Before getting to that point another curious aspect of the "villian" theory is worthy of note. Without careful recollection it is tempting to view a period of our history some 50–60 years ago in terms of our present world. Such a superficial view not only makes no contribution to constructive policy-making. It overlooks several vital considerations which characterized the Twenties and Thirties:

1. The international trading system of the Twenties bears no relation to the interdependent world of the Eighties commercially, industrially and financially in size or complexity.

2. No effective international organization existed, similar to the General Agreement for Tariffs and Trade (GATT) for example for resolution of disputes. There were no trade "leaders" among the world's nations in part because most mercantile nations felt more comfortable without dispute settlement bodies.

3. Except for a few critical products foreign trade was not generally viewed in the "economy-critical" context as currently in the U.S. As indicated earlier neither President Hoover nor President Roosevelt viewed foreign trade as crucial to the economy in general or recovery in particular.

4. U.S. foreign trade was relatively an amorphous phenomenon quite unlike the highly structured system of the Eighties; characterized largely then by "caveat emptor" and a broadly laissez-faire philosophy generally unacceptable presently.

These characteristics, together with the fact that 66 percent of U.S. imports were Duty Free in 1929 and beyond, placed overall international trade for Americans in the Twenties and Thirties on a very low level of priority especially against the backdrop of world-wide depression. Americans in the Twenties and Thirties could no more visualize the world of the Eighties than we in the Eighties can legitimately hold them responsible for failure by viewing their world in other than the most pragmatic and realistic way given those circumstances.

For those Americans then, and for us now, the numbers remain the same. On the basis of sheer order of magnitude of the numbers illustrated so far, the "villian" theory often attributed to Smoot/Hawley is an incorrect reading of history and a mis-understanding of the basic and incontrovertible law of cause and effect.

It should also now be recalled that, despite heroic efforts by U.S. policy-makers its GNP continued to slump year-by-year and reached a total of just $55.4 billion in 1933 for a total decline from 1929 levels of 46 percent. The financial collapse of October, 1929 had indeed left its mark.

By 1933 the 1929 collapse had prompted formation in the U.S. of the Reconstruction Finance Corporation, Federal Home Loan Bank Board, brought in a Democrat President with a program to take control of banking, provide credit to property owners and corporations in financial difficulties, relief to farmers, regulation a stimulation of business, new labor laws and social security legislation.[2]

So concerned were American citizens about domestic economic affairs, including the Roosevelt Administration and the Congress, that scant attention was paid to the solitary figure of Secretary of State Cordell Hull. He, alone among the Cabinet, was conviced that international tade had material relevance to lifting the country back from depression. His efforts to liberalize trade in general and to find markets abroad for U.S. products in particular from among representatives of economically stricken Europe, Asia and Latin America were abruptly ended by the President and the 1933 London Economic Conference collapsed without result.

The Secretary did manage to make modest contributions to eventual trade recovery through the Most Favored Nation (MFN) concept. But it would be left for the United States at the end of World War II to undertake an economic and political role of leadership in the world; a role which in the Twenties and Thirties Americans in and out of government felt no need to assume, and did not assume. Evidence that conditions in the trade world would have been better, or even different, had the U.S. attempted some leadership role can not responsibly be assembled. Changing the course of past history has always been less fruitful than applying perceptively history's lessons.

The most frequently used members thrown out about Smoot/Hawley's impact by those who believe in the "villain" theory are those which clearly establish that U.S. dollar decline in foreign trade plummeted by 66 percent by the end of 1933 from 1929 levels, $9.6 billion to $3.2 billion annually.

Much is made of the coincidence that world-wide trade also sank about 66 percent for the period. Chart II summarizes the numbers.

CHART II.—UNITED STATES AND WORLD TRADE, 1929–33

[In billions of U.S. dollars]

	1929	1930	1931	1932	1933
United States:					
Exports	5.2	3.8	2.4	1.6	1.7
Imports	4.4	3.0	2.1	1.3	1.5
Worldwide:					
Exports	33.0	26.5	18.9	12.9	11.7
Imports	35.6	29.1	20.8	14.0	[3] 12.5

[3] Series U. Department of Commerce of the United States, League of Nations, and International Monetary Fund.

The inference is that since Smoot/Hawley was the first "protectionist" legislation of the Twenties, and the end of 1933 saw an equal drop in trade that Smoot/Hawley must have caused it. Even the data already presented suggest the relative irrelevance of the tariff-raising Act on a strictly trade numbers basis. When we examine the role of a world-wide price decline in the trade figures for almost every product made or commodity grown the "villain" Smoot/Hawley's impact will not be measurable.

It may be relevant to note here that the world's trading "system" paid as little attention to America's revival of foreign trade beginning in 1934 as it did to American trade policy in the early Thirties. [From 1934 through 1939 U.S. foreign trade rose in dollars by 80% compared to world-wide growth of 15%. Imports grew by 68% and exports climbed by a stunning 93%. U.S. GNP by 1939 had developed to $91 Billion, to within 88% of its 1929 level.]

Perhaps this suggests that America's trading partners were more vulnerable to an economic collapse and thus much less resilient than was the U.S. In any case the international trade decline beginning as a result of the 1929 economic collapse, and the subsequent return by the U.S. beginning in 1934 appear clearly to have been wholly unrelated to Smoot/Hawley.

As we begin to analyze certain specific Schedules appearing in the Tariff Act of 1930 it should be noted that sharp erosion of prices world-wide caused dollar volumes in trade statistics to drop rather more than unit volume thus emphasizing the decline value. In addition, it must be remembered that as the Great Depression wore on, people simply bought less of everything increasing further price pressure downward. All this wholly apart from Smoot/Hawley.

When considering specific Schedules, No. 5 which includes Sugar, Molasses, and Manufactures Of, maple sugar cane, sirups, adonite, dulcite, galactose, inulin, lactose and sugar candy. Between 1929 and 1933 import volume into the U.S. declined by about 40% in dollars. In price on a world basis producers suffered a stunning 60% drop. Volume of sugar imports declined by only 42% into

[2] Beard, Charles and Mary, New Basic History of the United States.

the U.S. in tons. All these changes lend no credibility to the "villain" theory unless one assumes, erroneously, that the world price of sugar was so delicately balanced that a 28% drop in sugar imports by tons into the U.S. in 1930 destroyed the price structure and that the decline was caused by tariffs and not at least shared by decreased purchases by consumers in the U.S. and around the world.

Schedule 4 describes Wood and Manufactures Of, timber hewn, maple, brier root, cedar from Spain, wood veneer, hubs for wheels, casks, boxes, reed and rattan, toothpicks, porch furniture, blinds and clothespins among a great variety of product categories. Dollar imports into the U.S. slipped by 52% from 1929 to 1933. By applying our own GNP as a reasonable index of prices both at home and overseas, unit volume decreased only 6% since GNP had dropped by 46% in 1933. The world-wide price decline did not help profitability of wood product makers, but to tie that modest decline in volume to a law affecting only 6½% of U.S. imports in 1929 puts great stress on credibility, in terms of harm done to any one country or group of countries.

Schedule 9, Cotton Manufactures, a decline of 54% in dollars is registered for the period, against a drop of 46% in price as reflected in the GNP number. On the assumption that U.S. GNP constituted a rough comparison to world prices, and the fact that U.S. imports of these products was infinitesimal. Smoot/Hawley was irrelevant. Further, the price of raw cotton in the world plunged 50% from 1929 to 1933. U.S. growers had to suffer the consequences of that low price but the price itself was set by world market prices, and was totally unaffected by any tariff action by the U.S.

Schedule 12 deals with Silk Manufactures, a category which decreased by some 60% in dollars. While the decrease amounted to 14% more than the GNP drop, volume of product remained nearly the same during the period. Assigning responsibility to Smoot/Hawley for this very large decrease in price beginning in 1930 stretches credibility beyond the breaking point.

Several additional examples of price behaviour are relevant.

One is Schedule 2 products which include brick and tile. Another is Schedule 3 iron and steel products. One outstanding casualty of the financial collapse in October, 1929 was the Gross Private Investment number. From $16.2 Billion annually in 1929 by 1933 it has fallen by 91% to just $1.4 Billion. No tariff policy, in all candor, could have so devastated an industry as did the economic collapse of 1929. For all intents and purposes construction came to a halt and markets for glass, brick and steel products with it.

Another example of price degradation world-wide completely unrelated to tariff policy is Petroleum products. By 1933 these products had decreased in world price by 82% but Smoot/Hawley had no Petroleum Schedule. The world market place set the price.

Another example of price erosion in world market is contained in the history of exported cotton goods from the United States. Between 1929 and 1933 the volume of exported goods actually increased by 13.5% while the dollar value dropped 48%. This result was wholly unrelated to the tariff policy of any country.

While these examples do not include all Schedules of Smoot/Hawley they clearly suggest that overwhelming economic and financial forces were at work affecting supply and demand and hence on prices of all products and commodities and that these forces simply obscured any measurable impact the Tariff Act of 1930 might possibly have had under conditions of several years earlier.

To assert otherwise puts on those proponents of the Smoot/Hawley "villian" theory a formidable challenge to explain the following questions:.

1. What was the nature of the "trigger" mechanism in the Act that set off the alleged domino phenomenon in 1930 that began or prolonged the Great Depression when implementation of the Act did not begin until mid-year?

2. In what ways was the size and nature of U.S. foreign trade in 1929 so significant and critical to the world economy's health that a less than 4% swing in U.S. imports could be termed a crushing and devastating blow?

3. On the basis of what economic theory can the Act be said to have caused a GNP drop of an astounding drop of 13.5% in 1930 when the Act was only passed in mid-1930? Did the entire decline take place in the second half of 1930? Did world-wide trade begin its decline of some $13 Billion only in the second half of 1930?

3. Does the fact that duty free imports into the U.S. dropped in 1930 and 1931 and in 1932 at the same percentage rate as dutiable imports support the view that Smoot/Hawley was the cause of the decline in U.S. imports?

4. Is the fact that world-wide trade declined less rapidly than did U.S. foreign trade prove the assertion that American trading partners retaliated against each other as well as against the U.S. because and subsequently held the U.S. accountable for starting an international trade war?

5. Was the international trading system of the Twenties so delicately balanced that a single hastily drawn tariff increase bill affecting just $231 Million of dutiable products in the second half of 1930 began a chain reaction that scuttled the entire system? Percentage-wise $231 Million is but 0.65% of all of 1929 world-wide trade and just half that of world-wide imports:

The preponderance of history and facts of economic life in the international area make an affirmative response by the "villain" proponents an intolerable burden.

It must be said that the U.S. does offer a tempting target for Americans who incessantly cry "mea culpa" over all the world's problems, and for many among our trading partners to explain their problems in terms of perceived American inability to solve those problems.

In the world of the Eighties U.S. has indeed very serious and perhaps grave responsibility to assume leadership in international trade and finance, and in politics as well.

On the record, the United States has met that challenge beginning shortly after World War II.

The U.S. role in structuring the United Nations, the General Agreement on Tariffs and Trade (GATT), the International Monetary Fund, the Bretton Woods and Dumbarton Oaks Conferences on monetary policy, the World Bank and various Regional Development Banks, for example, is a record unparalleled in the history of mankind.

But in the Twenties and Thirties there was no acknowledged leader in international affairs. On the contrary, evidence abounds that most nations preferred the centuries-old patterns of international trade which emphasized pure competition free from interference by any effective international supervisory body such as GATT.

Even in the Eighties examples abound of trading nations succumbing to nationalistic tendencies and ignoring signed trade agreements. Yet the United States continues as the bulwark in trade liberalization proposals within the GATT. It does so not because it could not defend itself against any kind of retaliation in a worst case scenario but because no other nation is strong enough to support them successfully without the United States.

The basic rules of GATT are primarily for all those countries who can't protect themselves in the world of the Eighties and beyond without rule of conduct and discipline.

The attempt to assign responsibility to the U.S. in the Thirties for passing the Smoot/Hawley tariff act and thus set off a chain reaction of international depression and war is, on the basis of a preponderance of fact, a serious mis-reading of history, a repeal of the basic concept of cause and effect and a disregard for the principle of proportion of numbers.

It may constitute a fascinating theory for political mischief-making but it is a cruel hoax on all those responsible for developing new and imaginative measures designed to liberalize international trade.

Such constructive development and growth is severely impeded by perpetuating what is no more than a symbolic economic myth.

Nothing is less worthwhile than attempting to re-write history, not learning from it. Nothing is more worthwhile than making careful and perceptive and objective analysis in the hope that it may lead to an improved and liberalized international trading system.

Mr. HOLLINGS. Senator Heinz, of course, emphasized the fact that the Depression and the crash of the stock market occurred fully 8 months before Smoot-Hawley.

It was October 29 and we all went broke. We had the crash on Wall Street. But it was not until June 30 that we passed Smoot-Hawley, and then trade actually increased. Trade increased under Smoot-Hawley.

But the bottom-line reality is that Smoot-Hawley could not have had too much of an effect at the time because, as Senator Heinz said:

The tariffs in question affected only $231 million worth of products in the second half of 1930, significantly less than 1 percent of world trade: in 1930 to 1932 duty-free imports into the United States dropped at virtually the same percentage rate as dutiable imports.

In other words, Smoot-Hawley only affected a fraction of the trade. The Crash and the Depression had already started. With Smoot-Hawley, we actually had an increase in trade.

When account is taken of the fact that only 33 percent of the $1.5 billion of U.S. imports was in the dutiable category, the entire impact of Smoot-Hawley has to be focused on the $1.5 billion number, which was barely 1.5 percent of U.S. GNP.

Then Senator Heinz noted:

1934 through 1939 U.S. foreign trade rolls in dollars grew by 30 percent compared to the worldwide growth of 15 percent. Imports grew by 68 percent and exports climbed by a stunning 93 percent. U.S. GNP by 1939 had developed to $91 billion, to within 88 percent of its 1929 level.

Smoot-Hawley was called the father of reciprocal free trade. But that is a confusing word to the pollster and they

will never ask about that. Instead, it is a simplistic, are you for free trade or protectionism? Instead, it is this monkey see, monkey do, and jump-like-monkeys-on-a-string kind of politics that we have going on around here. There is no understanding, no debate, and then when you want to have debate, everybody is in a rush—fast track, fast track, fast track.

The fast track passed 4 years ago. Incidentally, Vice President QUAYLE voted against fast track. I have finally found authority. I have been looking for one. Yes, yes, we have Vice President QUAYLE on our side. He said this 4 years ago that we should not fast track, fast track, and he helped us. A little vanguard with our eyes open was trying to stop the steamroller, and Vice President QUAYLE was with us.

Well, what did renowned professor Paul Krugman say about all this alleged protectionsim? The professor of economics at MIT said, "The claim that protectionism caused the Depression is nonsense."

I quote further: "The claim that future protectionism will lead to a repeat performance is equally nonsensical."

Yet we have the spectacle of Mrs. Hills, our lawyer, coming into court, crying exports, exports, Smoot-Hawley. And then when given the conflicting studies, she goes into her cheerleader mode, and that is when I gave up on this administration, I can tell you that.

I said we are in deep trouble now because Ambassador Hills said, and I quote:

> Today our manufacturing sector is stronger than at any time since World War II, and anyone who sells the United States short is making a very grave mistake.

You see, if you are talking facts, if you recognize the recession and almost depression, if you acknowledge that the country is broke, that industry is on its heels, then you are selling the United States short. We are all supposed to be cheerleaders here for free trade and against protection.

She says, "Today our manufacturing sector is stronger than at any time since World War II." Who in the Lord's world believes that?

There are 8.6 percent unemployed Americans—I do not know how many more you want to get—to prove the fallacy of that nonsense.

I am not being negative. We must live in the real world. You can see that in the last 10 years under this same "Morning in America" cheerleader section, we have lost 2 million manufacturing jobs. Thank you for free trade and this wonderful internationalism we have.

The fact is, in that 10 years, while the real wages in Germany went up some 14 percent, and 18 percent in Japan, United States wages went down to the 1973 level in the manufacturing sector in real terms. So we are headed pell-mell in the wrong direction, broke as we are.

The National Association of Purchasing Managers, they say that any time the index of industrial activity falls below 50 percent, you have a manufacturing recession. That index has been below 50 percent for 2 years. Yet we have a lawyer who is going to try our case with all of these nations, and she does not even understand we have a problem.

First quarter 1991 profits—let us come right up to the minute—are the worst in history for the automotive industry, which lost almost $5 billion; IMB, $1.7 billion loss; United Technologies, profits down 70 percent.

The manufacturing sector strong?

Look at how market share in the United States has been seized by foreigners. Import penetration figures of semiconductors, 40 percent. Apparel is now at 60 percent.

Our lawyer says, "It is morning in America. Do not sell America short. Speak up. Get positive."

Look at foreign producers' market share in the United States.

Telephone equipment, 76 percent foreign penetration. Automobiles at 30 percent. Lee Iacocca says if it goes to 40 percent, he is gone. Then we will have only two automobile manufacturers. Well, for 1990, including the Japanese transplants right here in this country, penetration is 37.5. Lee better get himself a good bankruptcy lawyer. He is not coming up to me again. He came to me for that loan before and I got disillusioned when he put in the Korean engines and assembly plants down in Mexico. He followed the 2,000 blue-chip firms already there. But they will be cut off at the pass by this free trade agreement because the Japanese will come in and clean their clock.

Motorcycles, 86 percent foreign penetration of the U.S. market; black-and-white TV's, 100 percent; consumer radios, 100 percent; ferroalloys, 67 percent; toys and games, 72 percent; cameras, 90 percent; watches, 99 percent; VCR's 100 percent. And our Trade Ambassador has the unmitigated gall to say that U.S. manufacturing is stronger than at any time since World War II.

I am outraged by this head-in-the-sand attitude. If you do not realize the dilemma we are in, you are in bad shape. Ambassador Carla Hills is in terrible shape.

For the last 10 years, we have been investing in vacant office buildings, hotels, travel and entertainment, domestic services, while the Germans and the Japanese have been investing and capturing markets in manufactured goods. And there we are, reduced to taking in each other's laundry.

There have been 7,896 corporations downgraded since the first of the year by Standard and Poor's.

Oh, I respect my labor friends, and they are worried about jobs and I am worried about jobs. But it is even worse than jobs, because it is not just the loss of a few jobs here and there; we are losing entire industries. And now, with the total influx of foreign capital into Mexico that is already started, as I have related, we will not be economically even in a position to play catchup ball.

When you raise these points to the administration, they react like an octopus and squirt the black ink about rules, rules, rules. I have talked to the Senators who rationalize by saying we are getting better rules, better trade rules.

I have heard that with respect to textiles. Ten years ago we had an import penetration or deficit in the balance of textile trade of $4.6 billion. The European Economic Community had a deficit of exactly $4.6 billion. In 10 years the European Economic Community, in a sober, measured fashion, enforced their rules and now it is less than a $500 million deficit in Europe's balance of textile trade.

In contrast, do you know where the United States is, Mr. President? We have a $26.5 billion deficit in the balance of textile trade alone. Over a quarter, 25 percent, of the U.S. deficit in trade is in one industry, textiles. And they dare to dismiss textiles as a special interest. I can tell you it is special to this Senator.

I go on Monday of this week to the research center in Spartanburg, SC, and I will recall all of these Senators talk about competition, competition, productivity, productivity, and I will look at a plant where last year they won the Baldrige Award for the most competitive and most productive corporation. You can see how upbeat they are.

But there is no chance to compete under this Congress. Like they told me years ago in the 1950's, when the brother of the distinguished colleague from Massachusetts and I were working on this issue—and I have his original letter—they said, "Senator, I can compete with any company in Japan. But I cannot compete with the country of Japan." And that is the competition we face, contrary to these children running around hollering "Free trade, free trade, free trade, free trade." There is your dilmma.

Rules, we have had rules. We have lost out on the rules. The administration does not enforce any rules. They tell us on the one hand we are protected, and we are supposed to be under the rules. Meanwhile foreign penetration in textile has gone from less than 10 percent in the 1950's, to over 60 percent today, and now it has reached the point where it does not pay to invest in ungrading, computerization, electronic controls, and so on.

So businesswise we are going to fulfill a morbid prediction of being unproductive, but textiles are productive

now. So do not give me this cry of rules. There is no education in the second kick of a mule. I have heard this empty talk about rules for years.

Mr. President, do not tag me with a simplistic label of "protectionist." We are all for truly free trade and we all practice protectionism.

Throughout Western history, all the great civilizations have been propelled forward by aggressive foreign trade. From ancient Mesopotamia and Egypt, to Greece and Rome, right through to Japan, Germany, and the United States in the post-World War II era, the common denominator of success has been foreign trade—robust, self-confident, expanding trade relations with the world. No one disputes this fact. It is obvious that you can't build a great civilization on autarky and isolation.

In the modern world, all of us are in favor of expanding trade, reducing trade barriers, opening new markets, and so on. Again, there is no dispute on this point.

So it is unfortunate that today's political debate is distorted by a false, trumped-up dichotomy between so-called free trade and so-called protectionism. In truth, we are all for free trade, so long as the term is realistically defined. And we are all for protectionism when it comes to defending critical national economic assets. Certainly, every one of our major trading partners practices protectionism, whether they are protecting their rice farmers, their fledgling auto industries, their defense industries, you name it. And certainly, we practice protectionism: the Reagan and Bush administrations—despite all their inflated free trade rhetoric—have implemented buy-American weapons procurement policies, farm-price supports, commodity quotas, and a whole raft of voluntary restraints extracted from our trading partners. So let's get beyond these juvenile labels of "free trade" and "protectionism." We are all freetraders, and we are all protectionists. The real question is this: What is the optimum mix of free trade incentives and protectionist safeguards necessary in order to maximize America's economic success and security?

In the decades since World War II, the United States has had the luxury of not asking that question. To rebuild Europe and Japan after the war—and later to sustain the worldwide economic boom we simply opened the vast U.S. consumer market to commerical onslaughts from around the world. Even in the face of blatant protectionist and mercantilist policies on the part of our trading partners, we essentially kept our market wide open to all comers. We could afford this literally self-sacrificing policy right through the 1970's. But, today, in the face of monstrous trade deficits and with vital domestic U.S. industries on the ropes, we no longer have the luxury of continuing the promiscuous trade policies of the postwar past. Today, with the fall of the Wall and the collapse of the Soviet threat, we are obliged, at long last, to pose the critical question: what is the optimum mix of free trade incentives and protectionist safeguards necessary in order to maximize America's economic success and security?

But we have refused to pose this question in a realistic, hardnosed manner, because—alone among the great nations of the world—we have clung self-righteously and self-destructively to an ideology called free trade. As I pointed out, we hypocritically violate that free trade dogma time and again. Yet the persistence and resilience of our free trade orthodoxy has become a clear and present danger to America's economic security. It has become a fatal blind spot in our national political life—a blind spot which has prevented us from pursuing a mature trade policy that demands true, reciprocal free trade, and that dares to punish nations which refuse to play fairly.

Regrettably, our country has a long history of strategic blind spots. Time and again, we have been struck blind by old thinking or simply wrong thinking on issues vital to our national security.

Prior to the Second World War we suffered from multiple blind spots. In the 1930's, we pooh-poohed the rearmament of Germany, and the aggressive actions of Japan and Italy. We refused to see those dictatorships as a threat to the United States. Even when we broke the Japanese code and got advance word of the impending attack on Pearl Harbor, we refused to believe that Japan would attack us, and we took no defensive action.

More recently, in Operation Desert Shield leading up to the war against Iraq, we were deluded by huge and obvious blind spots. The whole premise of the massive troop buildup was that we could intimidate the Iraqis and back them down. We persuaded ourselves that we were smarter and stronger than Saddam Hussein. Now, after the fact, we recognize our blindness. We couldn't bluff or intimidate Saddam into abandoning Kuwait. And as to who is smarter and stronger—suffice it to say that, 3 months after the war, Saddam still sits entrenched in Baghdad, the Emir of Kuwait is reasserting his dictatorship, and the United States is struggling to extricate itself from the Persian Gulf quagmire.

I am tired of being blindsided by national blind spots. Just this once, let us open our eyes to the hard realities of the real world. The truth is that we are in the thick of a trade war—a no-holds-barred struggle among nations for market share, standard of living, and national security.

To date, we have grossly underestimated the ruthlessness and intensity of this trade war. Heretofore, we have tried to set an example of high-minded free trade openness, and we have gotten mugged. We have tried jawboning, and we have been ignored. If we would only remove the blinders, we'd see that our rivals will deal fairly only when we make it in their raw economic interest to do so.

Certainly, earlier generations of Americans had no blind spot with regard to trade and the national interest. Hamilton, WA, and Madison led the first Congress 202 years ago in erecting a palisade of tariffs—as high as 50 percent on some 30 commodities—so that American industries would not be strangled in their cradles by British exporters.

Similarly, it was FDR who made it his first order of business to protect and expand the American economy. To save the banks, he first closed the banks. To save the farmer, he first ordered the crops plowed under. To save the free market system, he reigned it in and disciplined it.

Today, on trade matters, it is time to take off the blinders and face facts. In the great American tradition of creative, activist government, our challenge in the international marketplace is to selectively raise barriers in order to remove barriers. In order to persuade the Asians and Europeans to remove their own trade obstacles, we must first erect our own, and then negotiate the removal of both ours and theirs in tandem.

I have spoken of our national blind spots and the damage they have caused over the last 50 years. Another word for "blind spot" is simply "conventional wisdom." Our poll-driven society is infested with conventional wisdoms—so much so that Newsweek magazine even has a weekly conventional wisdom watch column. Of course, conventional wisdom is nothing but highly distilled, highly condensed ignorance and nonsense.

According to the conventional wisdom, the civil rights bill is a quota bill. This assertion is made by people who haven't got the foggiest idea what's in the bill. But, that's alright. The conventional wisdom says it's a quota bill, and that's good enough. We Americans love conventional wisdoms because they tell us what to think, they eliminate the need for analysis or debate. Dissenting views are hushed up. The politician's rule is this: simply parrot the conventional wisdom and you're on safe ground.

Likewise, the conventional wisdom is that deficits don't matter, that we don't need new taxes, and that there is indeed, a free lunch. Entire presidencies have been premised on this single foolish conventional wisdom. And woe to any politician who dares to buck it by saying that deficits are crippling our Nation.

Of course, the conventional wisdom is too often simply the convenient wis-

dom, and it fits in nicely with our penchant for feel-good politics and our refusal to face up to unpleasant realities.

Call it conventional wisdom. Call it a national blind spot. The bottom line is that we need to open up our eyes to the realities of the international trading system. As Lincoln said about slavery, the great national blind spot of his own day: "Let us think anew, and act anew." It is time for America to take off the blinders and look at the world as it really is.

They are even talking now about putting in a sense of the Senate resolution. They are beginning to feel, that hot flame on their backs of common sense from the people out there who are realizing that they have been sold a bill of goods. So they want to give the President, the administration, this free-trade gun-at-your-head fast-track nonsense. And then they want to salve their conscience with a mitigating sense of the Senate resolution. That is Mr. GEPHARDT'S approach. He switched around; he is playing to the pollster nonsense now.

I hope they do not come forward with that sense of the Senate now, so we will do one thing and then say we did the other, and you cannot catch us. Good God, let us do something for the troops at home.

Heavens above. American first, we all believe in protectionism. We all believe in free trade. The fact of the matter is that we have been victimized by a national blind spot on this particular score.

That free trade notion started with Ricardo, who was not an economist, incidentally, in England, and Alexander Hamilton understood it well. Thomas Jefferson supported the first bill that passed the U.S. Congress on July 4, 1789, for protectionism, a 50-percent tariff on 30 articles, beginning with iron and going right on down the list.

What happened? The fact is that the cry of free trade is the cry from the developed country to the undeveloped—the developed with the industry looking for markets, to the undeveloped with only raw materials.

That is exactly what the British said to America 200-and-some years ago. They said: Now, you come in here with your fledgling United States of America. What you Americans need to understand is that we ought to have free trade. Under the doctrine of comparative advantage, you ship to us what you produce best. There will be no tariff barriers; we will have free trade. We will ship back to you what we produce best. There will be no tariffs; there will be no barrier.

Our friend, Hamilton, wrote a little book in reply. There is one copy left over in the Library of Congress. It is entitled, "Reports on Manufacturers." We will not take time to read the booklet here this morning, but in a nutshell, what Hamilton said was, "Bug off." He said, "We are not going to remain Britain's colony." That was the first bill passed in the National Congress, a tariff bill, protectionism.

Abraham Lincoln, with the transcontinental railroad. Some advised that he purchase the iron cheaply abroad. Lincoln said, no, we will build the iron plants here, and then we will have both the railroad and the iron-production capacity.

Roosevelt put protected quotas for agriculture; Eisenhower, for oil imports. We have built this economic giant, this industrial powerhouse, the United States of America, with protectionism. But the tables turned after World War II. We were developed, and the rest of the world was undeveloped.

So we went to Europe and the Pacific Rim with our Marshall plan. Industrial policy. Can you imagine that? The Marshall plan was not on fast track, Senator; not on fast track at all. It dealt with all the countries and all of those complex issues.

Well, the Marshall plan passed in this Senate when we had Vandenberg and other Senators talking sense, and not nonsense and pollster politics. So we passed the Marshall plan. And we favored free trade. That is the desirable. But the Japanese built back with MITI and the Keiretsu.

And incidentally, do not bash Japan. It works. If you were the Emperor in the next 10 minutes, you would do the same thing. It is working, is it not? They are taking over the world.

But there has to be some modicum of common sense about competition, some understanding of what opposition is. We sold Fords and Chevrolets in downtown Tokyo long before World War II. But after World War II, they licensed Toyota and Nissan. You cannot get the others licensed there today, after 45 years of the freedom that we gave them.

Economically, we built them, with the technology we gave them and through their own financial manipulation and protrust policies.

In America we have antitrust. We have the Federal Trade Commission. You cannot have price fixing. But Japan has it; protrust. That Toyota that sells for $16,300 in the District of Columbia sells for $23,000 in downtown Tokyo today. I can go down the list of goods, showing the disparity of the fixed price and the fixed profits used to target our markets while Japan's market is totally protected with their inspection and nontariff barriers.

And, of course, the world, is taking it on. If you think it is difficult getting a Ford inspected over there on the docks in Tokyo, about 4 months, you cannot buy a 1991 Toyota in downtown Paris, not until January 1, 1992. It takes the French a year to inspect it.

The truth is that the Europeans and '92 are not orchestrating for free trade. They are orchestrating for the trade battle, the trade war.

We have now a battle in this trade war, and we have a fifth column, that everybody understands, particularly the chairman of our Competitiveness Committee.

I am tired of this crowd over there hollering special interest. The Senator from Texas says that fast track is a victory over the general interest over the special interest. Prune juice. Look here. The multinationals went abroad and said this is terrific. There, they do not have any Congress, any OSHA, any Social Security, any environmental controls, any minimum wage. Congress invades the free market when we pass the minimum wage. We say the heck with market forces, a worker is worth so much an hour. I agee with that. Republicans and Democrats agree. But then we turn around and babble free trade. But there is no free trade or free market.

So the multinationals say, we can make out like gangbusters so long as we can keep open for dumping the largest, richest market in the world, the United States of America. The bankers who financed them, Chase Manhattan, Citicorp, organized ECAT, the Emergency Committee Against Tariff. The bankers said, this is terrific; you are going to make your payments to us, we will organize ECAT, and we will organize a trilateral commission and march these young fledgling politicians up and let them say grace and give their support for free trade, free trade, free trade.

And so they started spewing out the free-trade, special-interest editorials to all the newspapers. Why did the newspapers run the free-trade editorials? Because 80 percent of their revenue comes from retail advertising, and the retailers are for cheap imports. But you have heard our presentation on the textile bill. We have lady's blouses from Bloomingdale's, one made in New Jersey and one in Taiwan, same price, $32.50. We get a catcher's mitt from Herman's, one made in Michigan and one made in Korea, same price. Sometimes I have found imported articles even at a higher price than domestic. So the consumer is not getting a bargin with imported articles, but the retailers make a killing.

The retailers are stronger than my textile people, I can tell you. My distinguised senior Senator and I lost 400,000 jobs in the last 10 years in textiles. Under this particular advise and consent, we are going to lose, by the end of this decade, 1,450,000 jobs. That is why we are so desperate to move on this particular score.

In any event, the special interest multinationals, look at the list of exporters in the United States. I ask unanimous consent, Mr. President, to have printed in the RECORD a list of America's 50 biggest exporters.

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

AMERICA'S 50 BIGGEST EXPORTERS

[Dollar amounts in millions]

Rank and company	Products	Export sales		Total sales		Exports as percent of sales	
		Amounts	Percent change 1989–90	Amounts	Fortune 500 Rank	Percent	Rank
1. Boeing Seattle	Commercial and military aircraft	$16,093.0	46.0	$27,595.0	13	58.3	1
2. General Motors Detroit	Motor vehicles and parts	10,315.9	1.3	126,017.0	1	8.2	40
4. General Electric Fairfield, CT	Jet engines, turbines, medical systems	7,128.0	(1.9)	58,414.0	6	12.2	27
3. Ford Motor Dearborn, MI	Motor vehicles and parts	7,098.0	14.0	98,274.7	3	7.2	41
5. Int'l Business Machines Armonk, NY	Computers and related equipment	6,195.0	13.1	69,018.0	4	9.0	37
7. Chrysler Highland Park, MI	Motor vehicles and parts	5,004.0	(7.1)	30,868.0	11	16.2	16
6. E.I. Du Pont De Nemours Wilmington, DE	Specialty chemicals	4,352.0	(10.2)	39,839.0	9	10.9	29
8. United Technologies Hartford	Jet engines, helicopters, cooling equipment	3,606.0	9.0	21,783.2	17	16.6	15
10. McDonnell Douglas St. Louis	Aerospace prod., missiles, electronic sys	3,538.0	22.2	16,351.0	24	21.6	10
9. Caterpillar Peoria, IL	Heavy machinery, engines, turbines	3,435.0	4.4	11,540.0	39	29.8	4
11. Eastman Kodak Rochester, NY	Imaging, information, and health products	2,957.0	2.9	19,075.0	20	15.5	18
15. Philip Morris New York	Tobacco, beverage, food products	2,928.0	28.0	44,323.0	7	6.6	45
12. Hewlett-Packard Palo Alto, CA	Computers, electronics	2,816.0	6.9	13,233.0	29	21.3	11
14. Motorola Schaumburg, IL	Communications equipment, semiconductors	2,801.0	20.8	10,885.0	42	25.7	6
13. Unisys Blue Bell, PA	Computers and related equipment	2,203.7	(8.2)	10,111.3	49	21.8	9
17. Occidental Petroleum Los Angeles	Agriculture products, coal	2,077.0	4.1	21,947.0	16	9.5	34
16. Digital Equipment Maynard, MA	Computers and related equipment	1,902.3	(8.7)	13,084.5	30	14.7	22
18. Allied-Signal Morristown, NJ	Aircraft and automotive parts, chemicals	1,838.0	8.6	12,396.0	36	14.8	20
21. General Dynamics St. Louis	Tanks, aircraft, missiles, gun systems	1,624.0	6.7	10,182.0	48	15.9	17
19. Weyerhaeuser Tacoma	Pulp, paper, logs, lumber	1,560.0	(0.9)	9,024.3	54	17.3	13
22. Raytheon Lexington, MA	Electronic systems, aircraft	1,435.0	7.1	9,362.3	52	15.3	19
25. Dow Chemical Midland, MI	Chemicals, plastics, consumer products	1,344.0	16.2	20,005.0	18	6.7	43
20. Union Carbide Danbury, CT	Chemicals, plastics	1,280.0	(18.0)	7,621.0	65	16.8	14
33. Intel Santa Clara, CA	Microcomputer components and systems	1,202.3	20.5	4,124.6	119	29.1	5
31. Minnesota Mining & Mfg. St. Paul	Industrial, electronic, and health products	1,199.0	17.7	13,021.0	31	9.2	36
26. Westinghouse Electric Pittsburgh	Electrical products and electronic systems	1,195.0	5.7	12,915.0	33	9.3	35
24. Archer-Daniels-Midland Decatur, IL	Protein meals, vegetable oils, flour	1,162.7	(3.79)	7,925.3	60	14.7	23
30. Merck Rahway, NJ	Health products, specialty chemicals	1,156.3	11.3	7,824.1	63	14.8	21
35. Compaq Computer Houston	Computers and related equipment	1,121.4	25.1	3,625.7	136	30.9	3
40. Sun Microsystems Mountain View, CA	Computers and related equipment	1,117.3	48.7	2,480.7	181	45.0	2
23. Textron Province	Aerospace and consumer products	1,103.0	(8.8)	7,917.6	61	13.9	25
32. Exxon Irving, TX	Petroleum, chemicals	1,101.0	8.0	105,885.0	2	1.0	50
27. International Paper Purchase, NY	Pulp, paperboard, wood products	1,100.0	0	12,960.0	32	8.5	39
29. Hoechst Celanese Bridgewater, NJ	Chemicals, plastics, fibers, pharmaceuticals	1,085.0	4.4	5,881.0	90	18.4	12
28. Monsanto St. Louis	Herbicides, chemicals, pharmaceuticals	1,079.0	.8	9,047.0	53	11.9	28
34. Aluminum Co. of America Pittsburgh	ALuminum products	926.0	(1.0)	10,865.1	43	8.5	38
37. Xerox Stamford, CT	Copiers, printers	900.0	16.9	18,382.0.	22	4.9	47
38. Bayer USA Pittsburgh	Chemicals, health and imaging products	865.0	13.9	5,903.7	89	14.7	24
48. FMC Chicago	Armored military vehicles, chemicals	848.0	18.4	3,754.8	131	22.6	8
36. Rockwell Int'l El Segundo, CA	Electronics, automotive parts	835.0	4.4	12,442.5	35	6.7	44
44. Abbott Laboratories Abbott Park, IL	Drugs, diagnostic equipment	814.5	18.9	6,210.3	82	13.1	26
41. Deere Moline, IL	Farm and industrial equipment	758.0	2.2	7,881.0	62	9.6	33
42. Honeywell Minneapolis	Building, industry, and aviation control sys	750.0	4.5	6,985.2	69	10.7	30
45. Amoco Chicago	Chemicals	743.0	11.2	28,277.0	12	2.6	49
47. Bristol-Myers Squibb NY	Drugs, medical devices, consumer products	741.0	16.1	10,509.0	46	7.1	42
46. Tenneco Houston	Farm, construction, and auto equipment	711.0	10.4	14,893.0	26	4.8	48
50. Cooper Industries Houston	Petroleum & indus. equipment; elec. products	662.7	16.0	6,222.2	81	10.7	31
• Reynolds Metals Richmond	Aluminum, plastic and paper products	639.0	13.5	6,075.7	88	10.5	32
49. Ethyl Richmond	Specialty and petroleum chemicals	592.7	0	2,513.8	178	23.6	7
39. Lockheed Calabasas, CA	Aerospace products, electronics, missile sys	588.0	(22.0)	9,977.0	50	5.9	46
Total		118,544.8		1,045,448.6			

Mr. HOLLINGS. They are all the mutinationals, 90 percent of them. We are going to identify the special interests around here, how we are recovering and doing fine with the special interests. What happens right here in Congress is that these special interests come along with the retailers, the banks, the newspapers, and then they retain hoards of Washington lawyers. If you want to talk about a fifth column, read Pat Choate's book, 100 law firms in Washington, DC were paid over $113 million by the Japanese, and they are chock full of former special trade representatives and top USTR staff. Suppose you picked up the paper this morning and the headline said, "Schwarzkopf now military adviser to Saddam Hussein"? Why, it shocks me to even think or say it. But in the trade war we have the "generals"—our special trade representatives—all getting fees and so forth from the Japanese. Look at the book, and you will see that they have gone over to the other side, and they have the audacity to come on the floor of this Senate with this garbage about special interest, that the general interest is going to prevail. The general interest is suffering here.

I ask unanimous consent to have printed this Wall Street Journal article entitled "U.S.-Mexico Trade Pact Is Pitting Vast Armies of Capitol Hill Lobbyists Against Each Other." Here is the Mexico Trade Lineup.

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

[From the Wall Street Journal, Apr. 25, 1991]

U.S.-MEXICO TRADE PACT IS PITTING VAST ARMIES OF CAPITOL HILL LOBBYISTS AGAINST EACH OTHER

(By Jill Abramson)

WASHINGTON.—The war brewing in Congress over the U.S.-Mexico free trade agreement has spiced up life for this city's lobbyists.

"We've never had a trade issue that has been this hot," says Harry Freeman. "It's quite a donnybrook." Mr. Freeman, a former American Express Co. executive, has been lobbying furiously on behalf of a big business coalition that's pushing for the trade agreement and for congressional extension of the president's trade-negotiating authority.

The trade battle has snapped the Washington lobbying community out of the postwar doldrums and blues over a general downturn in legislative activity. But the burst of lobbying has some lawmakers complaining of overkill.

"They've reached the point of saturation." says democrat Marcy Kaptur of Ohio, who has criticized Mexico for its labor and environmental standards. and sides with a coalition of labor unions and environmental groups that oppose extension of President Bush's trade-negotiating authority.

MEXICO'S BIG GUNS

Mexico, which hadn't previously employed Washington lobbyists, has suddenly upstaged Japan as the foreign government with the most visible lobbying muscle. Beginning in January, the Mexican government began hiring an A-team of lobbyists and lawyers, including such GOP heavy-hitters as Charls Walker, and such politically connected Democrats as Joseph O'Neill, a former top aide to Senate Finance Committee Chairman Lloyd Bentsen, and Robert Keefe, a former strategist for the late Sen. Henry Jackson.

Virtually every major business organization in the U.S. is also combing Capitol Hill, from the Business Roundtable to the U.S. Chamber of Commerce to the National Association of Manufacturers. "It's a panbusiness effort," says Calman Cohen, a former govern-

ment trade official with the Emergency Committee for American Trade. "I've never seen a larger grouping from the private sector." Mr. Cohen coordinates weekly strategy sessions of an ad hoc lobby called the Coalition for Trade Expansion, which includes more than 500 corporate chieftains, association heads and lobbyists.

The most intense lobbying activity now isn't even focused on the U.S.-Mexico treaty itself, which has yet to be negotiated or written, but on countering efforts by the labor-environmental alliance, which is lobbying Congress to block the administration's request for a two-year extension of its so-called fast-track authority.

The existing fast-track authority was approved by Congress in the Reagan administration and allows the president to negotiate international trade treaties and submit them to Congress for approval without amendments. A congressional refusal to extend fast-track authority could doom both the U.S.-Mexico agreement, which would effectively erase the trade borders between the two nations, as well as the Uruguay Round of trade talks. If Congress doesn't act before June 1, the fast-track authority will be automatically extended for two years.

Lobbyists have been working hardest on members of the Senate Finance and House Ways and Means committees, which have jurisdiction over the issue. Democrats are having the toughest time choosing sides. Although union officials deny making a litmus test out of the vote to disapprove fast-track authority, some lawmakers fear that unions will withdraw their support and contributions from Democrats who vote the wrong way.

LABOR STARTED ITS CAMPAIGN EARLY

Labor began its lobbying campaign against fast-track extension last fall and quickly gained congressional converts. The labor-environmental lobby put together a broad, coalition of organizations, from Ralph Nader's Public Citizen to farm groups. Last week, the AFL-CIO sent every member of Congress a video showing poverty-infested Mexican villages and ravines carrying raw sewage. Opponents argue that the U.S.-Mexico trade agreement will bring massive job losses as businesses head south in search of a cheaper work force and looser environmental laws.

Preoccupied by the war and other issues, U.S. corporations were slower to start their lobbying effort for fast-track extension and the trade agreement, which they say will be a boon to the U.S. economy. Last month, Rep. Dan Rostenkowski, chairman of the House Ways and Means Committee, helped jump-start big business's lobbying campaign when he bluntly warned a group of 20 business leaders that they could lose the fast-track fight. According to Mr. Freeman, who attended the meeting, the Illinois Democrat told the group, "If you want to win this thing, move your ass."

Heeding the chairman's words, corporate America assembled a virtual lobbying Who's Who, including corporate chiefs from American Express Co., Eastman Kodak Co., Procter & Gamble Co. and many other blue-chip concerns. The business forces have now regained strong footing and have set up a practically nonstop schedule of meetings with lawmakers. In a show of bipartisan might, a business delegation led by two former U.S. trade representatives, Democrat Robert Strauss and Republican William Brock, met with President Bush on the issue last week. The current U.S. trade representative, Carla Hills, who is herself strenuously lobbying members of Congress, huddled recently with a group of well-known lobbyists to talk over prospects for winning fast-track extension.

These off-the-record sessions between top government officials and business lobbyists irk labor. "There's no reason for a cloak-and-dagger operation," says Robert McGlotten, the AFL-CIO's legislative director. "There ought to be open debate."

Mrs. Hill's office responds that she has an "open door" policy and has met several times with labor representatives, too.

The Mexicans, meanwhile, are getting a crash course in lobbying U.S.-style. The Mexican embassy has been careful to cover both Democratic and GOP flanks with a fleet of lobbyists and lawyers who are regaling lawmakers with Mexico's efforts to modernize its working conditions. Mexican business interests, meanwhile, have formed their own version of the Business Roundtable and have the Washington law firm of Steptoe & Johnson "When in Rome do as the Romans do." says one Mexican government official "When in Washington, do as people inside the beltway do."

MEXICO TRADE LINEUP

THE MEXICAN TEAM

Burson-Marsteller.
Gold & Liebengood.
Robert Keefe.
Manchester Trade.
O'Melveny & Myers.
Joseph O'Neil.
Sherman & Sterling.
Steptoe & Johnson.
Charis Walker.

THE U.S. CORPORATE TEAM

The Coalition for Trade Expansion is a lobbying umbrella that includes more than 500 corporations and lobbyists from five key business trade associations:

The Business Roundtable.
U.S. Chamber of Commerce.
Emergency Committee for American Trade.
National Association of Manufacturers.
National Foreign Trade Council.

THE LABOR-ENVIRONMENTAL TEAM

Coalition covers more than 50 organizations, including.

AFL-CIO.
American Agriculture Movement.
Child Labor Coalition.
Consumer Federation of America.
Environmental Action.
Greenpeace.
Public Citizen.

Mr. HOLLINGS. The list includes the Mexican team. It has the U.S. corporate team and the labor and environmental team. It has them all. You will see who is the most powerful. No wonder they got the two-thirds vote. Nonetheless, you and I still have our foot in the door. We will not win this one, but I think we will oblige the Senate to stop, look, and listen, and the people of America will realize that what we have done has been victimized once again in our history to an inflicted blind spot.

We have inflicted on ourselves a blind spot with regard to the most important issue confronting the American people: Their economic sustenance, their economic security, and of course, the security of these United States. That is what is really at issue.

We are trying to wake America up and correct the record. We have previously passed all kinds of free trade agreements without fast track. We particularly wanted to make sure that we answered the argument to the effect that if you do not have fast track you could not negotiate. S. 636 was introduced the same time as Senate Resolution 78, back in March, to authorize the President to negotiate the Uruguay round, and to negotiate an agreement with the Governments of Canada and Mexico. We are not bullheaded or blind to the idea of expanding and trying to see if what worked with Canada can be extended to the rest of the hemisphere.

But we are opening our borders at a very, very precarious time, and no one is looking and no one is understanding. The Trade Ambassador, our lawyer, says today our manufacturing sector is stronger than at any time since World War II.

We need a new lawyer. We are in the hands of the Philistines and somebody, somewhere, sometime, has to wake this crowd up and make them understand.

We already have fast track on deficits. I do not know where the Grace Commission went, but I can tell you about the biggest waste, the biggest fraud, the biggest abuse, and that is increased spending for interest costs on the national debt.

In Times Square they have a little odometer that is spining around, clocking the rise of the national debt. They tell us in the President's talk that we are headed in the right direction, that we are going to really reduce deficits $500 billion, when the truth, if you look in part 2, page 294 of the President's budget, is that we are increasing the national debt from $3.1 trillion to $4.1 trillion by early 1993, after the election. So we are increasing the debt over a trillion bucks.

We Democrats say we need leadership. We have leadership, but it is headed in the wrong direction. I cannot compete with the bully pulpit of the White House. But we better get off this fast track of fanciful issues, get down to the nub and really get a trade policy that is simple and tough-minded.

Get a lawyer who understands the dilemma America finds itself in, and give the Congress of the United States a chance to perform its constitutional duty.

Back in the founding days, article 1, section 8 of the Constitution says the Congress shall regulate commerce. If you had mentioned fast track to the Founding Fathers, they would have choked. They would have said we have had enough of British kings and fast-track parliaments. We must have a people's government. That is what we need here and that is what this vote will be about. We will lose it, but I think we have made a wake-up call and we will come back to it again and again until people understand that we need a trade policy in this country. We don't need fast track. We need a new

track, a new realism about the trade war that is raging while this Senate sleepwalks.

The PRESIDING OFFICER. Who yields time?

Under the previous order Senator PACKWOOD has 30 minutes at his disposal.

Mr. PACKWOOD. I believe Senator KENNEDY is going to speak next. I ask unanimous consent when he finishes, Senator GRASSLEY be recognized for 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, I yield 10 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. Was there objection to the request of the Senator from Oregon. If not, it is so ordered.

The Senator from Massachusetts [Mr. KENNEDY] is recognized for 10 minutes.

Mr. KENNEDY. Mr. President, I intend to vote against the resolution of disapproval, because I believe the fast track procedure is warranted for the GATT negotiations.

Many of my colleagues, and many Americans across the Nation, have serious reservations about the administration's position in the Uruguay round. I too am troubled by some aspects of the current GATT negotiations, especially the impact it may have in exposing low-paid manufacturing workers to unfair foreign competition.

But it is difficult to envision a multilateral trade negotiation that would allow each nation to amend the treaty. And that is why the fast-track procedure should be approved.

But I want to express my deep concern over the administration's use of the fast-track authority to enter into trade negotiations with Mexico.

The need for fast track for GATT does not justify using it for negotiating with Mexico. I regret that the rules for this debate do not permit us to separate those two negotiations, and I intend to work with other Senators to ensure that our concerns are addressed.

A trade agreement must be designed to increase living standards in the United States as well as in Mexico. It must not become a pretext for big businesses to disinvest here at home, in order to raise corporate profits by exploiting low-wage labor in Mexico.

Yet that is the implication of the administration's unseemly haste to reach this business-driven agreement, while disregarding the legitimate concerns of America's workers.

A responsible agreement can do a great deal to advance our large goals for the hemisphere. When President Kennedy launched the Alliance for Progress and the Peace Corps in the 1960's, he initiated a new era of cooperation between the United States and Latin America.

Then, as now, an economically vital Mexico, with prosperity for all of its people, is in the best interests of the United States and the entire hemisphere.

I have met personally with President Salinas, and I have great respect and admiration for his efforts to improve the Mexican economy.

He has struggled with the crushing burden of debt that has driven Mexican living standards lower during the 1980's. He adopted this trade strategy in large part because the Reagan and Bush administrations have provided no meaningful leadership or assistance on the debt crisis or other issues that confront Mexico.

I am concerned, however, that the administration is seeking an agreement that would encourage displacement of American investment to Mexico. A trade agreement will cut tariffs. But most of the tariff barriers between our two nations have already been substantially reduced, and further progress can be made on tariffs without a new agreement.

So investment, not trade, is the heart of this agreement, but it has been virtually ignored in our debate.

With this wide range of unsettled and important issues, thorough debate is necessary now, not when presented with an all-or-nothing vote on a treaty that has become a fait accompli. But instead, the administration wants fast-track authority. In response to growing opposition in Congress, it has offered a token plan that purports to address some of these problems.

But the plan is vague in many places, and not binding in any. The administration promises a great deal, but under fast track, they are not required to make good on anything.

Too often, the administration has failed to follow through on promised support on other important issues.

They promised full funding for Head Start, but have not made the funds available. They say they don't want families to be divided by medical problems, and then they veto the Family Medical Leave Act. The President wants to be the Education President, but does not propose the expanded Federal help required to meet critical education needs.

This flawed record makes all of us skeptical about the administration's vague promises on key labor and environmental issues in a trade agreement with Mexico. Instead of concrete commitments, the administration's plan offers only promises and rhetoric.

Unfortunately, the administration's probusiness, antiworker record offers little confidence that any of these legitimate concerns will be met. As President Reagan liked to say, this is an area where we need to trust, but verify.

In sum, a United States-Mexico Free-Trade Agreement deserves much more serious consideration by Congress, the administration, and the peoples of both nations. It should not be rammed through Congress on the back of the GATT negotiations.

I deplore the restrictions that have been unwisely and unfairly imposed on this debate. Our concerns are vital for the future of our hemisphere. I urge the Senate leadership to arrange for us to address them in an effective way as soon as possible.

I yield back the remainder of my time, and I appreciate the courtesy of the Senator from Texas.

The PRESIDING OFFICER (Mr. ROBB). Under the order, the Senator from Iowa [Mr. GRASSLEY] is recognized.

Mr. GRASSLEY. Mr. President, I have been able to sit here and listen to the Senator from South Carolina a long time, and I feel that he paints a picture of the sun setting in his America. But I feel that the sun is rising in America and particularly in my State of Iowa. So I rise in support of fast-track.

Shakespeare wrote, "There is a tide in the affairs of men which, taken at the flood, leads on to fortune".

Along the same line President John Kennedy stated "A rising tide raises all boats".

Mr. President, we are riding such a tide today with both the possible success of the Uruguay round of GATT and the success of the North American Free-Trade Agreement. 1991 is a very important year for international trade, one that will test not only the cooperation of the United States and our trading partners, but also testing the cooperation of the legislative and executive branches here at home as we cooperate on the issue of free and fair trade.

The old cliche about the rest of the world getting pneumonia when the United States gets a cold is no longer an accurate description of the international economic system. In recent years, exports have contributed to over half of our growth.

Thus, when the rest of the world falters, we are no longer immune. Conversely, when they perform well, their demand for U.S. exports helps sustain domestic economic growth and helps maintain our standard of living.

Coming from a State like Iowa—where agricultural exports are so important—I know the potential that trade has to lift our economy out of a temporary downturn. I believe our best opportunities will come from a comprehensive GATT round and the successful negotiation of a North American Free-Trade Agreement.

Mr. President, a great deal of attention has been placed on the United States-Mexico Free-Trade Agreement, both in the congressional arena as well as in the media. In fact, we may have focused on this agreement to the ex-

tent that we have lost sight of the bigger picture of the Uruguay round.

One of the responsibilities that we, in Congress, have is to ensure that our citizens have the ability to export their products into foreign markets should they desire. Another responsibility we have is to make sure those markets are open to American producers when and if those decisions are made.

As recently as February of this year, GATT officials announced that all participants, including the European Community, agreed to tackle the problems of agricultural reform, a cornerstone to the entire round, and to achieve specific commitments in: Market access barriers; export subsidies; and internal support.

However, a significant element to this debate is a little-known provision which protects farmers from undue trade risks. And we had speech after speech last night from those who are pessimistic about the future for the world that ought to remember this provision. The provision states that certain agriculture spending reductions enacted in the fiscal year 1990 budget will be nullified if the Uruguay round agreement is not in effect by June 30, 1993. However, this safeguard will be revoked if Congress does not permit the extension of fast track. Specifically, the export enhancement program and marketing loans for wheat and feed grains may be increased, but not if fast track is denied. For my State of Iowa, this element of the agreement is very important and it is a situation that many of my colleagues from agricultural producing States should weigh heavily as well.

Mr. President, there are unquestionably many challenges and obstacles, such as the one I have mentioned, to a successful agreement at the Uruguay round of GATT or with the United States, Mexico, and Canada tripartite agreement to establish a North American free-trade area.

Nevertheless, not giving the President the authority to pursue the avenues of opportunity that may be available, in my opinion, can only result in our forfeiting any hope of resolving the current differences we have with our foreign trading partners.

It is like an ostrich, sticking our head in the sand. And I think we all ought to ask, what harm can come from talking? What harm can come from just plain negotiating, particularly when the Congress of the United States has the final authority to say yes or no? And none of us are going to say yes to an agreement that is not in the interest of our own constituencies or in the overall interest and good of the United States and the American people.

The stakes are enormous: Simply reducing the tariff and nontariff barriers worldwide by one-third could add more than $5 trillion to the global economy over the next decade. The U.S. share of that growth would exceed $1 trillion, as if we had written a check for $17,000 to every American family of four.

We are all aware that the world trading system today is vastly more complex than it was when the GATT was written in 1947. The negotiating agenda runs the gamut of U.S. interests, both in opening world markets and in establishing rules of fair play in areas vital to U.S. competitiveness. Yet, an open multilateral trading system is the best guarantee that United States export opportunities will continue to expand into the next century and the Uruguay round is one of the most important initiatives to expand these opportunities.

We are also about to take up trade negotiations with Mexico which could lead to a North American Free-Trade Agreement. In this process, we will be faced with unprecedented economic and political challenges which will have sweeping implications for the United States and the entire Western Hemisphere. Whatever the outcome of the debate on fast track, I believe a dramatic change will take place between the United States and the rest of the hemisphere, the effects of which we will experience well into the next decade.

Mr. President, it is important for us to create a North American free-trade area which will:

Bring together the energies and talents of three great nations and create the world's largest free-trade area with 360 million consumers and $6 trillion in annual output;

Enhance economic growth by expanding opportunities for our workers, our companies, and our exports; and

Set a standard of open markets for the world to emulate.

Steffen Schmidt, an Iowa State University professor of political science, in a recent article cited several reasons why international trade with Mexico is attractive. I would like to share his comments with my colleagues. He stated:

> A free-trade bloc comprised of Mexico, the United States, and Canada would create a market of 340 million people that is richer and less problem-ridden than the Soviet Union or Eastern Europe. The inclusion of the rest of Latin America would expand this market by 700 million to 800 million people.
>
> The $7 to $8 trillion manufacturing and consumer bloc would be equivalent to the United European Commonwealth and have a 25-percent larger output. The trilateral bloc would also surpass the Japanese East Asian (Pacific Rim) trading bloc.
>
> Mexico is the United States third-largest trading partner, after Canada and Japan, and trade between the United States and Mexico may swell to more than $80 billion in 1991.

With regard to my State of Iowa, he mentions that of the 900 Iowa companies currently exporting, two-thirds export to Canada, while one-fifth or about 185 firms export to Mexico. Mr. Schmidt concludes by saying that there is a lot of room for expanding Iowa-Mexico trade.

And, Mr. President, Mexico is a nation hard at work to improve its status in the economic arena. They have reduced tariffs by 80 percent since joining GATT in 1986. As a result, our exports to Mexico have more than doubled, to $28 billion.

Per person, Mexico now imports more from the United States than the far more affluent European Community imports from us. And, as I suggested at the beginning of my comments, when Mexico prospers, so do we: each $1 billion of additional exports creates 22,000 new United States jobs.

Although Mexico's trade barriers are still too high, there are opportunities for more United States exports and for more jobs, if we can move forward on a fast-track agreement to reduce barriers and open markets.

In conclusion, Mr. President, I would like to quote an editorial from the Des Moines Register which I believe is relevant to our debate today on fast-track authority. The editorial begins as follows:

> The United States remains the world's largest economy by far, and it has impressive gains in exports in recent years. Despite the current recession, there is no reason for gloom. But there is reason for shoring up U.S. economic foundations. Some basic maintenance was neglected for 40 years during which the United States diverted huge chunks of its wealth into fighting the cold war.
>
> Now, compared to its main economic rivals, the United States wastes the lives of far too many potentially productive people by leaving them in ignorance and poverty. It borrows too much money to finance consumption while not saving and investing enough for the future. It has fostered a corporate culture that cannot take the long view. It has done nothing to reduce vulnerability to oil shocks. It has neglected its infrastructure.
>
> If there is to be a New World Order, it will belong to those nations that have taken best care of their economies at home.

This editorial does an excellent job of reminding each of us of our responsibility of keeping this Nation strong, not only against a potential adversary outside of our borders, but also against the twin deficits of trade and Federal budget within our borders. Without a doubt, the United States has recently demonstrated its capacity to lead the world politically and militarily. The real question today is whether the United States can complement these achievements with domestic as well as international economic and trade leadership?

Let me leave you with one last thought: Every economic boom in our history has been led by a major market-opening initiative such as the creation of GATT in 1948. By contrast, every major downturn was preceded by a protectionist drive, like the infamous Smoot-Hawley tariffs in 1930.

Both cases provide the theory that great powers decline not because they spend too much to protect their wealth, but rather because they forget how to create wealth. We must heed these lessons, and work to open, markets and new opportunities around the globe. Moreover, we must work with the executive branch as a partner in trade negotiations as we have done since 1974 when fast track was created.

Mr. President, I truly believe the best is yet to come for our great Nation. For this reason and those I have mentioned previously, I intend to support the President's request for fast-track authority and vote against the resolution of disapproval.

Mr. President, I ask unanimous consent that an article from the Des Moines Register of May 22, 1991, be printed in the RECORD.

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

[From the Des Moines Register, May 22, 1991]

BUILD TIES WITH MEXICO: "FAST TRACK" FOR MORE TRADE

Let it be understood from the beginning: The United States is not ready to sign a free-trade agreement with Mexico. What's made the news recently is a request of the Bush administration to begin the process toward such an agreement with Mexico. Congress should grant it.

Specifically, the administration wants Congress to extend for two years the "fast-track" process, under which the White House would negotiate a deal that would be submitted to Congress for approval, with no amendments allowed. Without congressional action, present "fast track" authority expires June 1. Incredibly, members of Congress are balking even though there's no trade agreement on the table.

What are lawmakers afraid of? Most likely they've been spooked by the labor lobby. Despite White House assurances that it would support retraining and other assistance for displaced workers, the labor opposition to the free-trade idea has been so loud that many members of Congress will feel pressure to disapprove even a reasonable deal. So they are attempting to stop the process now, before it begins.

COMPETITION

That's a terribly shortsighted approach that will, if successful, have unfortunate consequences for the economies of both Mexico and the United States. Free trade may cause some worker dislocation for the short term, but in the long run creates jobs by opening markets for American companies and, in the case of those companies, making them more competitive with industries in Europe and Asia.

American firms have learned they cannot compete by paying skilled-worker wages for jobs done by unskilled hands. They've moved manufacturing plants, by the hundreds, to Mexico's border cities. Raw materials and parts are sent to those plants from the United States, turned into finished products or components, then returned to the United States for further finishing or sale.

In the short run, assembly jobs are lost. But in the long run, skilled and white-collar American jobs are saved as American companies are able to remain in business rather than fail in competition against companies operating in such countries as Taiwan, Hong Kong and Singapore. By providing jobs that boost the Mexican economy, the United States will further open a market that already is the third-largest consumer of U.S. products.

ENVIRONMENTAL CONCERNS

There've been numerous environmental concerns. The record of some of the border industries hasn't been good. But in 1988 Mexico adopted new and tougher environmental laws. A stronger Mexico economy will enhance the country's ability to enforce those laws. And the Bush administration has promised to include representatives of American environmental groups, in an advisory capacity, in the process of negotiations leading to a free-trade agreement.

The Bush administration argues that without authority to negotiate an accord that Congress must accept on a take-it-or-leave-it basis—as the "fast-track" process allows—there will be no negotiations.

Why should Mexico go through a process and conclude a deal, only to have parts of it nixed by Congress? If lawmarkers don't like the results they can reject them. But for them to deny now the administration's ability to enter good-faith negotiations is foolish.

North America soon will have to compete with newly created trading blocs in Europe and Asia. It can do that only if it incorporates the economies of the United States, Mexico and Canada (a U.S.-Canada free-trade accord was signed in 1988) into a common trading market that builds on the strengths of each country. The administration must have the authority to mold such a market, and it must have that authority now.

The PRESIDING OFFICER. Who yields time?

The Chair recognizes the Senator from Texas [Mr. BENTSEN].

Mr. BENTSEN. I yield 3 minutes to the distinguished Senator from New Mexico.

Mr. BINGAMAN. I will vote against the resolution to deny fast-track authority in connection with the GATT negotiation and the Mexican Free-Trade Agreement, but I wish to express my frustration with the debate so far.

I am disturbed by the administration's ability to date to avoid stating any coherent set of strategies for dealing with our Nation's economic problems. It is this body's responsibility to ensure that discussion of the free-trade agreement is broadened to include these issues, and I want to put the administration on notice that, when the time comes, I will not support any agreement that fails to come to grips with those issues.

This discussion should be about how to retool our industrial base, about building regional prosperity, about creating a North American trading bloc that can compete with our European and Asian counterparts. Instead, what we have been asked to do is support the administration in its attempt to give the green light to American industry to build their next plant in Mexico. For the first time, this agreement would provide the broad political assurances that American industry has never had—guarantees that foreign investment in Mexico is a sure bet.

While invoking the sacred dogma of free trade, the administration is asking for our trust for what it will do at the negotiating table. But it asks for that trust without any visible strategy to improve our country's economic position, without a plan to reduce trade deficits, and without a coherent idea of how to increase domestic investment or to properly marry our two countries' trade activities. For the last decade, Mr. President, the administration and the previous one have mis-managed our trade relations. Over the last decade, we have tumbled from our position as the largest creditor nation to the biggest debtor. Our poor trade performance is evidenced by the erosion of our industrial base; by the lack of competitiveness of our goods; and most glaringly, by an annual trade deficit of over $100 billion.

I strongly support increased trade with Mexico and I firmly believe that a vibrant North American trading bloc is crucial if we are to compete effectively with our European and Asian counterparts. But embracing free trade as the primarly cure for our economic problems is shortsighted. What we must work toward is an economic agreement that will strengthen both the United States and Mexico and act as a catalyst for regional prosperity. But that requires some hard thinking and hard negotiating—not just blind faith in the dogma of free trade. Where, I ask, is the administration's consideration of the following issues.

First, the problem of investment capital leaving the United States. A free-trade agreement will draw United States plants, equipment, and facilities into Mexico. Should we be encouraging a diversion of United States manufacturing investment to Mexico at a time when our own manufacturing base is suffering from disinvestment? Between 1979 and 1989, the United States lost more than 2 million manufacturing jobs, mostly in durable goods such as automobiles and electronics. There are those in the administration that believe it doesn't matter what we produce here in the United States; potato chips or computer chips, it's all the same. But I assure you, it does matter—in fact, what we produce is the key to our standard of living. We should be assisting U.S. companies in retooling for a new economy, rather than providing additional incentives for them to relocate outside our borders. Is the administration proposing merely to empower United States firms to invest in Mexico, without any real concern about keeping manufacturing jobs here at home?

Second, we should be concerned about the impact of a free-trade agreement on Mexican and United States workers' wages. Proponents of a free-trade agreement argue that increased

investment in Mexico will eventually raise workers' wages on both sides of the border. But how likely is that? Mexico's work force represents a tremendous pent-up demand for jobs. A large and increasing supply of workers will probably keep wages there from rising. In addition, Mexican workers will be competing with China, Thailand, and other low-wage countries that manufacture goods bound for United States markets. Because the average Chinese worker earns $2 per day, goods from China are so inexpensive that this year alone, United States imports from China will exceed United States exports to China by $15 billion. The ultimate irony is that, if free-trade proponents are right and Mexican wages do rise, United States firms that move operations to Mexico might find that their goods are not competitive with Pacific rim products in the United States market.

The administration tells us that a free-trade agreement will contain domestic content regulations that will prevent Japanese firms from using Mexico as a platform into the United States market. Let me assure you, United States tariffs on goods coming out of Mexico are already so low that they will certainly not be a deterrent to Japanese goods coming from Mexico. United States firms in Mexico should be given incentives to sell goods primarily to third countries and to Mexico itself. This is a win-win scenario: Mexico has access to capital and consumer goods, United States firms prosper, and our domestic industrial base is not further undermined.

What this is about, Mr. President, is defining an economic strategy that will improve our Nation's standard of living. If an abundant supply of workers keeps wages from rising in Mexico, we need to ask ourselves what the prospects are for improving wage rates in the United States. As it stands now, real wages in the United States have stagnated since 1973. Without public and private commitments to increasing American investment in upgrading our manufacturing base, I have real doubt that any new jobs created as a result of increased trade with Mexico will pay as well as the jobs that we lose. Worker adjustment programs alone will not address this issue, and it is well known that the administration has made repeated attempts to zero out the worker adjustment initiatives we currently have. The fact is, Mr. President, the administration's free-trade proposal has no component to deal with structural changes that have been occurring in our economy for the past 10 years—changes that require us to invest in our producers as well as in our workers.

We also need to be realistic about the impact of a free-trade agreement on immigration. Proponents of a free-trade agreement claim that free trade will bring the prosperity that Mexico needs to keep illegal immigrants from coming to the United States. Frankly, I find this to be a questionable proposition. Under a free-trade agreement, what will happen if our competitive advantage drives Mexico's inefficient farming co-ops into the ground? Hundreds of thousands of campesinos would be left without any source of livelihood and would be forced to leave the land. Some will go to Mexico City, as millions already have, but many may decide to head north.

Mr. President, I represent a border State. Increased trade with Mexico is key to the long-term prosperity of my State. As compared to Texas, with $10 billion, California with $3.4 billion, and Arizona, with $635 million, New Mexico's exports to Mexico are a very low $14 million. Clearly, with or without a free-trade agreement, we need to do a better job of trading with Mexico. But would a free-trade agreement, as envisioned by the administration, improve this picture?

We need to realize that the main requirement for building maquiladora plants inside Mexico is that those plants use United States components which are then assembled in Mexico. That is the reason why so many of the plants are located next to the U.S. border. Under a free-trade agreement, that requirement will be gone. Plants in Mexico will be able to obtain components from suppliers in Mexico or elsewhere. The idea of two plants, one on the Mexican side and one on the United States side, will be a thing of the past.

This brings me to the deep concern I have about our Nation's ability to retain manufacturing as a robust part of our economy. For several years the thinking has been that manufacturing was the economic hope for the Nation and my home State of New Mexico. The way we in New Mexico were planning to raise our per capita income from 46th in the Nation was to create more employment in manufacturing. But under a free-trade agreement, Albuquerque will compete directly with Chihuahua and Las Cruces will compete directly with Nuevas Casas Grandes for manufacturing plants. A company which locates in Chihuahua or Nuevas Casas Grandes will enjoy cheap labor. This means that on this side of the border we need to think long and hard about how to compete for those manufacturing jobs and still raise the wages of American workers.

These are some of the questions to which we need answers. I expect the administration to work hard at developing those answers. These are complex issues, and to make matters worse, the terms of the debate have been oversimplified by many of the stakeholders. This is a disservice to us all. We need to commit to investment in high skill, capital intensive manufacturing and to building enterprises that produce goods Mexico needs to import. Finally, we must aggressively market our exports and develop the infrastructure to deliver them to our neighbor. Today, the network of roads, bridges, sewers, and water systems between our two nations is woefully inadequate. In order to enjoy the full benefits of increased trade we must develop the means to move goods and people. Mr. President, a trade agreement presents both opportunities and challenges for the United States and Mexico. But we will fail to capture the opportunities, and will surely fall short of the challenges, if we allow ourselves to be seduced by simplistic promises.

My decision to vote in favor of going ahead with negotiations has been made easier, Mr. President, by recent developments that have demonstrated that our Government can negotiate with Mexico for the good of both countries. During the last 3 weeks, progress has been made toward developing two badly needed border crossings in my State. Presently, New Mexico has no operating port of entry near a major city in Mexico. Without such a port of entry, it is unlikely that any State can capture the potential benefits of increased trade.

On May 9 I sent a letter to Secretary Baker expressing my belief that building the border crossings in southern New Mexico would go a long way to resolving my concerns about our ability to successfully negotiate a trade agreement with Mexico that would benefit New Mexico. In response to my letter, over the last week the State Department and the Government of Mexico had intense discussions on this matter. I appreciate the State Department's hard work, and I am pleased to say that I was informed by the State Department yesterday that plans for the port of entry at Santa Teresa, NM, are moving ahead. In a separate initiative, my distinguished colleague from Arizona, Senator DECONCINI, and my distinguished fellow Senator from New Mexico, Sentor DOMENICI, and I have requested that the administraton program funds for feasibility studies for the second port of entry at Suland Park, NM. To benefit from the increased commerce that will result from a trade agreement with Mexico, we must have open ports of entry to support that activity.

Let me close by saying, Mr. President, that it is possible for us to conclude a trade agreement that will benefit both countries, and it is possible that the adverse trends in our economy could be partially reversed by the right kind of trade agreement. And that's why I'm voting against the resolution before us this morning. Frankly, given the record of this and the previous administration in mismanaging our trade relations, I am not optimistic. I hope this body will demand that a trade agreement with Mexico works for, not

against, the people of this country as well as for the people of Mexico.

The PRESIDING OFFICER. The Senator from Oregon [Mr. PACKWOOD] is recognized.

Mr. PACKWOOD. I yield 4 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho [Mr. CRAIG] is recognized for 4 minutes.

Mr. CRAIG. Mr. President, today we will vote on legislation that will greatly affect the future of this Nation's economy. The legislation pending before us today is more than a disapproval of fast-track authority; it is a disapproval of our ability to move forward and level the playing field for U.S. products and exports.

Without fast track, the President cannot assure our negotiating partners that the deal they strike is the deal that will be voted on by Congress. That would significantly hinder our ability to negotiate a good agreement.

We have all been inundated with information on both the merits and evils of the Uruguay GATT round and the United States-Mexico Free-Trade Agreement. But, as every Senator knows, what many people have failed to realize is that fast track is not a trade agreement. Some have chosen to spread fear and misinformation regarding fast track, blatantly ignoring the reality of the statute enacting it.

Fast track is a process—a process, Mr. President, that directly involves both the Congress and the private sector. I met with the U.S. Trade Representative, Carla Hills, earlier this week to discuss issues important to my State like the impact of trade negotiations on sugar and other agriculture programs and we discussed the process of how she would keep Congress and the private sector informed and involved.

I was very pleased with her responses. She was very clear on the need for direct communications with both the Congress and the private sector—something that is also included in the fast-track provisions.

One of the complaints most commonly made by those opposed to this process, is that the Congress gives up its authority. This is just not the case. Fast track does not undercut Congress' role in the negotiation, approval, and implementation of trade agreements. The statute has extensive notification and consultation requirements. Not only do we have explicit language in the law, but we have precedents to rely on. For example, last year, Members of Congress served as advisers on the United States delegation in the Uruguay GATT round, working very closely with negotiators. Also, after significant sessions, negotiators met with Members and Senators to discuss steps that were taken and to obtain advice on how to continue as the negotiations developed.

Furthermore, Mr. President, in my experience, the Trade Representative's Office has been very accommodating and willing to respond in a timely and helpful manner to my concerns. It is not the process of fast track which would prevent the Congress or private industry from being involved in trade negotiations, but, rather, the choices made by individuals and Members of Congress.

It is the responsibility of the Congress to continue to be actively involved with this process once we defeat this legislation and move forward with fast track, and we will still have the authority to do so.

Ambassador Hills has sent me a letter outlining the working relationship between the administration and the Congress under fast track and how she has worked, and plans to continue to work, to keep the Congress and private interests informed, and to elicit their views and advice. Mr. President, I ask unanimous consent that the letter from Ambassador Hills follow my comments in the RECORD.

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

(See exhibit 1.)

Mr. CRAIG. One last comment, Mr. President, is that Congress holds the final card on whether or not the Uruguay GATT round agreement and the United States-Mexico Free-Trade Agreement are accepted. The U.S. Senate and the U.S. House of Representatives have the final vote to either accept or reject these agreements.

To vote for fast track is not to vote for either of the trade agreements. There is opportunity to improve our trading position through both agreements; therefore, they warrant putting forth the effort to try to achieve a good agreement. The process has worked in the past, and is necessary if we are to move forward with trade negotiations.

Mr. President, I support the extension of fast track, but that does not extend to automatic support of any final agreement. I remain concerned about the impact that both these agreements will have, especially on our agriculture industry. I will work very closely with the Trade Representative's Office to ensure that that the agreement will benefit both Idaho's and our Nation's economy. And, I will not approve any final agreement until I can evaluate the merits of that agreement.

In summary, Mr. President, I will vote in opposition to Senate Resolution 78 this morning and stand in favor of fast track.

I have been fascinated by the New Deal 1930's welfare state rhetoric of the last good many hours as we talk about how this Nation can or cannot create jobs and build a vital economy for the people of our country. We have always known our ability to produce is well beyond our ability to consume, and if we are to grow as an economy, we must grow by finding other markets than those that are domestic to us.

I come from an agricultural State. And now nearly $1 billion of our economy is tied up in world trade; some 35 to 38 percent of everything we grow and produce must be sold abroad if we are to maintain the kind of growth factors in that kind of economy we would expect.

Therefore, it is fundamental to this country that we begin to break down some of the barriers of Europe, of those countries that have engaged in protective types of economies for a good long while.

What we are debating here today, though, is not an agreement. It is not what will ultimately be an agreement. Because if any trade agreement damages the economy of this country, it is not the fault of the negotiator, it is the fault of those who would ultimately approve that agreement.

Today we are talking about process. We are talking about allowing this administration, and more importantly, that unique creation of our trade ambassador, which is really a relationship between the Congress and the administration, to allow a process to go forward that we have defined as fast track.

The letter I have asked be printed in the RECORD that came from Carla Hills is something I would ask all Senators to read and remind themselves, once again, that we are really engaged in a process, or in the ability to recognize one.

The letter breaks down and clarifies how our trade ambassador will begin to work in a continued Uruguay round. What I think is most important is to recognize that we have a direct relationship and a responsibility to participate with our negotiators as that process goes forward. That last December the U.S. delegation, there, included 7 Members of Congress and 55 staff members. Moreover, after significant negotiating sessions, U.S. negotiators routinely briefed Members—both Senators and Representatives and their staffs—and sought advice from them as that negotiating process went forward.

The letter works to break down all stages of the negotiations. And it very clearly shows how we will all become involved, that it really is not just the Finance or the Ways and Means Committee.

Carla Hills speaks of the importance of consultation with all committees of jurisdiction, as they walk, step by step, through what could ultimately be an agreement that they would work very closely with us, that this would be dozens of committees involved.

That is why we are debating a process this morning and not the final outcome.

EXHIBIT 1

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

Hon. LARRY CRAIG,
U.S. Senate, Washington, DC.

DEAR SENATOR CRAIG: I enjoyed the opportunity to meet with you yesterday to discuss concerns you have regarding negotiations underway in the Uruguay Round and in the proposed North American Free Trade Agreement negotiations. I'd like to again assure you of the President's commitment to work with the Congress in the partnership envisioned by the fast track procedures as these negotiations move forward.

For the better part of this century, Congress and the Executive Branch have recognized that the negotiation and implementation of trade agreements require special cooperation. While assuring Congress meaningful participation throughout the negotiation process, fast track procedures reflect the understanding that trade agreements, in which results in one area are often linked to results in others, are particularly vulnerable to multiple amendments which, while possible small in themselves, could unravel entire agreements. Whether the balance of benefits contained in any trade agreement is in the overall interest of the United States can only be determined by looking at the whole package. Through the fast track, Congress gave the President the same bargaining power possessed by his counterparts: the ability to ensure the agreement reached internationally could be the agreement voted on at home.

Congress plays an enormous role under fast track procedures. At the outset, the President must notify the Congress of negotiations toward a bilateral trade agreement. During this pre-negotiation period, the Administration consults with all members with an interest, especially those on committees of jurisdiction over a subject matter being negotiated. In fact, if there are significant misgivings about negotiations, either the Senate Finance or the House Ways and Means Committee may vote to take away fast track for that negotiation during the 60 day period following notification.

Even before negotiations are off the ground, and throughout the negotiating process, we consult closely to ensure that our negotiating positions reflect congressional objectives and concerns. For example, in the Uruguay Round, Members of Congress have served as Advisers on the U.S. Delegation. Indeed, at the Brussels Ministerial meeting last December, the U.S. Delegation included seven members of Congress and fifty-five staff members. Moreover, after significant negotiating sessions, U.S. negotiators routinely brief Members and staff, whose advice on next steps is sought and reflected as negotiating positions evolve.

Congressional participation is not limited to the Finance and Ways and Means Committees. We consult each committee that would have jurisdiction over the various issues in a trade agreement. That included for example more than a dozen committees in the case of the U.S.-Canada FTA.

As the negotiations draw to a close, the President must notify the Congress 90 days before entering into an agreement, and must consult with *every* congressional committee with jurisdiction over legislation involving subject matters that would be affected by the trade agreement. In the U.S.-Canada FTA negotiations, consultations with Congress resulted in material modifications to the draft agreement during this 90 day period. Those modifications included, for example, deletion of maritime services from the agreement, clarification of some rules of origin, and improved tariff provisions (accelerated reductions for telecommunications equipment and furniture).

The close partnership between Congress and the Administration intensifies during the process of crafting legislation to implement a negotiated trade agreement. Congress and the Administration together prepare implementing legislation with full participation and markups in every committee of jurisdiction that seeks to assert it. In addition to reviewing the agreement and formulating any necessary implementing legislation, Congress and the Administration also work together on the Statement of Administrative Action which details how the agreement will be implemented through administrative action.

This process is not subject to time limitations and can go on as long as necessary. It is only *after* implementing legislation is actually introduced that the fast track clock begins, requiring a vote in both houses within 90 legislative days. This fast track clock does not dictate a rushed process. Ninety legislative days can be a very long time.

It should be noted that because the Administration has worked so closely with Congress during the negotiations and in the crafting of implementing legislation for previous agreements, the Congress has elected to vote its approval much earlier than required by the statute. The overwhelming majorities by which each of the three agreements submitted under fast track have been approved is convincing testimony to the success of the consultative process.

As the world's largest trader, the United States has an enormous stake in the future of the global trading system. Exports have become a vital source of strength to the U.S. economy. In 1990, the nearly 8.5 percent growth in U.S. exports accounted for 88 percent of U.S. economic growth. Idaho's exports in both the manufacturing and agriculture sectors have risen drastically in recent years. Manufacturing exports grew an estimated 78.1 percent between 1986 and 1990, and agricultural exports rose from $378 million in 1985 to $724.2 million in 1989—an increase of 92.1 percent. For every billion in exports, 22,000 jobs are created. In order to sustain the expansion of exports and consequent growth, we must continue our efforts to open world markets. We must maintain our active leadership role. Without an extension of fast track, those efforts are futile.

In order to turn those opportunities into realities, Congress and the Executive Branch must continue to work together in the manner envisioned by the fast track. I hope that you and your colleagues will travel to Geneva to observe our GATT negotiations and provide the advice and counsel which is crucial to successful negotiations. Again, I appreciate your support, and I look forward to working with you as these important negotiations move ahead.

Sincerely,

CARLA A. HILLS.

The PRESIDING OFFICER. The time allocated to the Senator from Iowa has expired.

The Chair recognizes the Senator from Oregon [Mr. PACKWOOD].

The PRESIDING OFFICER. The Senator from Indiana [Mr. COATS], is recognized for up to 2 minutes.

Mr. COATS. Mr. President, this year America is presented with a historic prospect. The opportunity to build a free market that stretches to every corner of a continent. The chance to find with neighbors North and South, the general benefits of shared growth. The prospect of becoming the heart of the largest economic market in the world.

If we can find responsible agreement with Canada and Mexico, together we will comprise an economic power containing 360 million consumers with a total of $6 trillion. The market that results will be 20 percent larger than the European Community. By demolishing the walls of protection with our first and third largest trading partners, we will add dramatically to a level of trade that already stood at $236 billion in 1990. Without the barriers that are currently in place it is difficult to see an upward limit.

This move to a continental market is rooted in both the clear merits of cooperation and the increasing urgency of competition. The economic union of the European Community, the emerging power of Pacific economies, the new competitiveness of Third World agriculture and steel; the world is a blurred image of swift change. We have no choice but to take steps ensuring our strength in the world economy and our access to markets close to home.

But while we have yet to start any negotiations with Mexico on a free-trade agreement, there are those in Congress and in important interest groups who hope to kill this process before it can begin. And the method they have chosen is to stop the fast track in its tracks.

The bill that is before us today—to extend the fast-track commitment that Congress has made to the President since the early 1970's—does not deny Congress the ability to reject an eventual trade agreement. It does not keep us isolated from the process while trade negotiations are underway. Before the President puts his signature on any agreement he must give Congress notice of 90 legislative days.

Fast track is simply a commitment to our current and future trade partners that an agreement signed by U.S. Trade Representatives will be the agreement that is ultimately voted on by the Congress—without countless changes. It is also a commitment that any new trade agreement will be considered in a reasonably brief period of time.

Without this pledge, I believe it will be difficult or impossible to convince foreign trade partners that it is worth their while to begin trade negotiations. In the absence of fast track, there is no guarantee other nations will not be faced with 535 trade negotiators rather than one designated ambassador. America would run the risk that trade agreements with our competitors will seem more attractive than with the United States.

There is nothing for Congress to fear in this careful process of negotiations. And I believe there is nothing for our Nation to fear from an outcome that favors free trade.

The criticisms of a North American Free-Trade Agreement are familiar. The Democratic National Committee asserts in a resolution that a free-trade agreement would be a disaster for workers in both countries and would destroy jobs in the United States while perpetuating exploitation of workers and inflicting widespread damage on the environment in Mexico.

Each of the charges is serious. But each of the charges promises precisely the opposite of what free markets can accomplish.

First, the environment. Mexico already has some tough environmental laws, sponsored by President Salinas and modeled on United States examples. And George Bush has promised that his negotiators will try to incorporate better environmental protection into an eventual trade agreement.

The problem is not in Mexican laws themselves, but in a chronic lack of resources to enforce them. There are only 12 Mexican environmental inspectors along the entire American border. Mexico spends just 48 cents per citizen on environmental protection while the United States spends $24.40. In order to fulfill the promise of its environmental laws, Mexico needs more resources and thus more trade. The industry of a nation in poverty is dirty. A wealthier nation can better afford the investment necessary to be responsible. In the words of a New Republic editorial, a more prosperous Mexico is better able to keep its environment clean.

That is clear enough. But the fear that jobs will be exported south of the border in a free-trade agreement is more deeply rooted and more widely argued. No trade agreement should be supported as an act of international philanthropy. American workers and American jobs must be a primary concern. But free markets have a way of working to everyone's benefit. And I am convinced American workers will profit when economic barriers are dismantled.

A trade agreement would begin a process that will bring growth to both sides of the border. First, it will increase American exports to Mexico by lowering that Nation's considerable trade barriers to desirable American products. Second, it will eventually increase Mexican incomes so they can better afford United States goods—building a hungry market close to home.

These increased wages earned by Mexico workers will bring them more in line with United States wage levels, decreasing the current incentive for American companies to relocate manufacturing to Mexico. A trade agreement which would strengthen the Mexican economy and increase Mexican wage rates would actually have the effect of decreasing the temptation for American companies to use workers who have a lower productivity rate than their American counterparts.

We've already had a taste of the future. Until Mexico joined the General Agreement on Tariffs and Trade or [GATT], nations in 1986, it had in place a nearly 100 percent tariff on imported goods from the United States. The situation today is improved, with barriers to U.S. imports now at 10 percent.

In those 4 years since Mexico opened its borders to American goods, United States exports have more than doubled from $12.4 to $28.6 billion in 1990. Manufacturing exports rose from $10 to $22.5 billion. Agriculture exports to Mexico—our fourth largest market—more than doubled to $2.5 billion. Our trade deficit with Mexico dropped from $4.9 to $1.8 billion.

This export expansion has produced in some estimates, 264,000 American jobs. The Department of Labor estimates that a free trade agreement continuing this progress would produce 44,000 to 64,000 new jobs for Americans over the next decade—a conservative estimate.

American workers are among the most productive in the world. Our output per worker is five to six times greater than that of Mexico and our manufacturing productivity grew more than twice as fast as Mexico's since 1980. Trade walls hurt American workers. They increase our trade deficit. Domestic markets alone cannot sustain our growing, productive manufacturing and industrial base. We search for foreign markets for our own good.

My home State of Indiana has a thriving manufacturing community that is increasingly dependent on export markets. Indiana's total exports for 1990 topped $6.5 billion. This figure represents a $1.1 billion increase in export business in 1 year alone—from 1989.

Some of our export products include transportation equipment, chemicals and allied products, industrial machinery and computer equipment, primary metal industries, electronic and electric equipment, fabricated metal products, instruments and related products, rubber and plastic products, and top quality agricultural products.

In 1990, Indiana exported some $160 million in goods—primarily machinery and metal products—to Mexico. This is an impressive amount but could be much higher. Indiana, confident in its products view free trade as an opportunity, not a risk.

A trade agreement would bring great benefits. But the absence of an agreement could do even greater harm. Without a trade pact there is nothing to prevent Mexico from restoring import barriers to our goods to 50 or even 100 percent. Mexico's President Carlos Salinas has proven himself an activist in the field of free trade and open markets. But this President, under the Mexican Constitution, will only hold office for one term. We have no indication of who his successor might be or what trade philosophies he might adopt. This is the time to put in writing a trade agreement with Mexico that will favor United States interests.

Whether or not we can successfully negotiate a trade agreement with Mexico that will benefit the United States remains to be seen. Yet I strongly believe that the potential gains from such an agreement make an excellent case for at least trying. And that will require us to support fast track.

As important as a North American Free-Trade Agreement will be to the future economic health of the United States, this is not the only trade area that would be adversely affected by a failure of Congress to approve fast track. The Uruguay round of multilateral trade negotiations continues and it is vital that we remain an active player in these talks.

The United States is the world's largest trader. In 1990 an 8.5 percent of growth in U.S. exports accounted for 88 percent of U.S. economic growth. While we still maintain a negative trade balance—magnified this past year by the Iraqi invasion of Kuwait and the subsequent jump in oil prices—our exports have continued to grow at a healthy pace. And I don't think anyone will deny that export growth means economic growth, higher employment, and greater investments in the manufacturing and other export sectors.

We can, as some advocate, try to address the trade imbalance with greater protectionism—as was done at various times during this century including the disastrous passage of the Smoot-Hawley Tariff Act of 1930. But it is clear what these policies actually accomplish. They slow our economy, increase the price of consumer goods for average Americans, and forfeit foreign markets to our international competitors.

Why not have enough faith and confidence in the quality of American goods and the productivity of the American worker to be an active player in international markets?

Why close the doors to working out some of our concerns over foreign labor policies or import barriers at the negotiation tables?

Why not put a little trust and faith in the President and his trade team. The last thing they want to do is negotiate a trade agreement with Mexico that is a bad deal for the United States economy and American workers. And I don't think the President will do that. But if he should, the Senate can still reject the deal.

Mr. President, I believe a recommitment to fast track is an essential element to keep the United States ahead

of changes in the global economy. The results from our failure to approve this legislation would be inescapable. Congress will retain the ability to accept or reject trade agreements, but without fast track we won't have any agreements to debate. And America will be left with trade barriers at our borders—barriers that handicap our own growth.

The New Republic, in its editorial supporting a trade agreement, concluded that opponents "seem to believe that if poor countries get richer, Americans will get poorer. Happily, free markets don't work that way. Both sides can get richer." The Indianapolis News concluded,

> Overall when trade is freer, Americans and Mexicans will be better off because both countries will use their resources more efficiently. More will be produced, and the peoples on both sides of the border will have a higher standard of living.

From the Elkhart Truth:

> Some of the opponents of free trade with Mexico haven't yet grasped that economic development is a necessary companion of environmental protection; without it poor countries don't have resources to pay the costs. The effective way to keep from losing jobs through stagnation is to seek to expand U.S. markets. Combined with the United States and Canada [Mexico] would make North America the world's largest market. Rather than focus simply on preserving the status quo the United States will do better to help create this fertile source of new opportunities.

From the Evansville Courier:

> If the protectionists have their way, America will be no stronger, consumers will be deprived innumerable benefits, and poor Mexicans will lose a rare chance to lift themselves out of poverty and dependence.

America has no national interest in Mexican poverty. We cannot preserve our economic health by shutting off vast markets. A more prosperous Mexico is a larger consumer of American products. A more prosperous Mexico is a better defender of its environment. It is a fact: Both sides can get richer.

In summary, Mr. President, I do not believe it is possible to look at the world today, the sweeping economic changes and social changes that are taking place in this world, the challenges that are placed before our Nation in meeting those changes and staying competitive with the rest of the world, without giving the President the authority to negotiate an agreement that can—I stress the word can, I believe it will—be enormously significant to the U.S. economy, both today and in the future.

International trade is critical to the economic health of this country and it is critical to future economic growth. Whether we like it or not, that is a reality that we face. We cannot go back. The world's economy will not let us go back.

So I think it is extremely important that a good agreement be negotiated with Mexico, as we have with Canada; that we form an economic entity here in the North American continent that can compete worldwide. We can structure an agreement that can be good for everything. This is not a zero sum game. We do not have to take away from one to give to another. All can benefit. I think history shows that.

We can create more jobs, more opportunities for more Americans, if we can negotiate a good agreement. Let us have a little faith in the President and his negotiating team. If we do not like the final deal we can always reject it. But there is no way the President of the United States, his Trade Representative, and others can negotiate a deal knowing that 535 people are going to have an input into what is done. Let us give the President that authority.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. I yield 3 minutes to the distinguished Senator from Virginia. Mr. President, I extend that for 5 minutes.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from Virginia is recognized for 5 minutes.

Mr. ROBB. Mr. President, I rise today to express my support for the administration's request to extend fast-track authority for negotiating the North American Free-Trade Agreement and the Uruguay round of GATT.

After carefully considering the arguments on both sides, I have decided to vote against Senate Resolution 78 because I believe that, by disallowing fast-track authority, we will forfeit an important opportunity to explore the enormous possibilities that reducing or eliminating worldwide trade barriers holds, for this Nation's economic growth and prosperity.

Even those who oppose an extension of fast-track authority acknowledge that the United States stands to benefit in many ways from the opening of world markets to American goods and services.

Clearly, exports have increased in importance as a factor in U.S. economic growth in recent years, with nearly 40 percent of the growth in the gross national product since 1986 stemming directly from exports, and 88 percent of that growth in 1990.

It is a fundamental tenet of economic policy that economic growth creates jobs, and there is ample evidence that growth resulting from a removal of worldwide trade barriers will create significant numbers of new jobs in the United States.

Increased foreign trade and investment not only will boost the Nation's economic output in the near term, but will soften the negative impact of future economic downturns.

I am persuaded by all the available evidence that a disapproval of fast-track authority will scuttle any chance of a successful completion of the Uruguay round and will kill any prospect for the negotiation of a treaty of any sort with Mexico, regardless of the terms.

There is little doubt that the already fragile Uruguay round will collapse without the full cooperation and participation of the United States, and years of effort to achieve a real reduction in worldwide barriers to trade will have been wasted.

Further, Mexico and Canada have unequivocally stated that they will not even come to the table with the United States if our negotiators don't have a fast-track extension from Congress in hand.

I am also concerned about the consequences a disapproval would have on the role of the United States in any future international trade agreement negotiations, whether bilateral or multilateral.

Not many nations in the world would still be willing to invest the years of effort, or to negotiate in good faith, knowing full well that any final agreement would be subject to unlimited amendments on the Senate floor, any more than we would negotiate seriously with nations whose legislatures had similar authority.

Mr. President, like many Members of this body, I have some very real concerns about these negotiations and the agreements that could come out of them.

The President and his Special Trade Representative have pledged to address the major issues raised by opponents during the course of the negotiations, particularly those involving displaced workers and the environment.

If they are unsuccessful, this body will have the last word; and we can then exercise our best judgment as to whether the final agreements are in the best interests of the United States.

Without fast-track authority, however, there will not be any meaningful negotiations.

Mr. President, I believe it is important to give the administration the ability to finish what it has started in negotiating a new round of GATT and to allow it to sit down with the Mexican and Canadian Governments and negotiate the best possible agreement for all three nations.

I therefore urge my colleagues to vote against Senate Resolution 78.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield 3 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 3 minutes.

Mr. HATCH. Mr. President, I hope all of our colleagues will consider supporting fast track because it is absolutely critical to our relationship with Mexico. A little less than a year ago, I visited Mexico and met with a number of their top leadership, including Presi-

dent Salinas de Gortari. I have to say I was shocked to find no Senators had visited the leadership of Mexico in more than a decade, and yet I know all of us have traveled all over the world, to the East bloc countries, Russia, South Africa, and everywhere else. Here we have our neighbors to the south, probably among the most important people in the world to us, and we are not even visiting them and showing that kind of concern.

Mr. President, this debate has not been about fast track but about the Mexican Free-Trade Agreement. Some have argued that United States industry cannot compete with Mexican industry, but the opposite is the case. Lower tariffs mean greater U.S. exports and more U.S. exports mean greater job growth in America.

Europe is integrating its economies, Japan is carving out a yen trading zone. If we fail to move forward with the North American Free-Trade Agreement, we will be left on the bench in the world trading game.

Mexico owes $95 billion in foreign debt. We can allow the Mexican people either to repay the debt through foreign trade or to pass the hat and collect the money through foreign aid.

Mexico is struggling to escape the quicksands of poverty and economic mismanagement. We should throw them a lifeline rather than stand on the sidelines. They are our third largest trading partner in the world.

We can create jobs in Mexico through free trade, or we will see the jobs of workers in America taken by illegal immigrants. We have a choice: We can enable Mexico to export goods or export workers.

I am most concerned about the double standard we have applied to Mexico. We passed a free-trade agreement with Canada. We passed a free-trade agreement with Israel. But we balk at passing a free-trade agreement with Mexico.

What was good for the United States before, the other side argues, is not good for the United States now. Those who pose as friends of the downtrodden and as advocates of foreign aid have jumped ship when they have a clear chance to help our Mexican neighbors to the south.

As the chairman of the Republican Hispanic Task Force, I have a special concern for this issue. I am tired of seeing certain Members of Congress pose as friends and supporters of the Hispanic people but turn their backs when they have an opportunity to do what is right, to do what is good. The vote today should be viewed as a litmus test for those who consider themselves to be friends of the Hispanic community.

The Mexican people are our neighbors. They are our friends. They are people who make a difference in all of our lives. The Mexican people do not want charity. They simply want to be treated as equal and valued partners. I suggest, Mr. President, they deserve no less, and they need a big vote today. They need to know we care. We do care, and I think this vote should demonstrate that.

The PRESIDING OFFICER (Mr. ROBB). The time has expired.

Mr. PACKWOOD. Mr. President, I yield 2 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. I thank the distinguished Senator from Oregon for these 2 minutes.

Mr. President, this has been a difficult decision for all of us. It seems like in this body we have attached fast track to legislation or trade agreements that we will be looking at on down the line. Basically, what we are talking about is just the ability to get to the table.

I fear for my own State, for agriculture in Montana, because I have a feeling we are a small constituency as far as people are concerned. We represent a large industry. Sometimes at the trading table, our chip is put on the table too quick, and it is picked up and dealt away, which has tremendous effects on our industry that I love.

I will tell my colleagues this. I will not support the resolution not to extend fast track. I will support fast-track legislation, and I will do it because we need a place at the table. But I also will tell the negotiators this: That as we make progress through it and we are left out of the process, or I see something coming down the road that happens that will impact my cattle business and my grain business and, yes, the biggest share of the industries I represent in Montana, it will be a big enough issue that I will lay down in front of the train to make sure it never comes to be a reality.

But I think we have to get to the table. So I will support the President because I know he has to have a free rein in order to negotiate.

I thank the Chair.

The PRESIDING OFFICER. The time allocated to the Senator has expired.

Mr. BURNS. I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield 5 minutes to the distinguished senior Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for up to 5 minutes.

Mr. BAUCUS. Mr. President, like all Members of this body, I wear a number of hats.

I chair both the International Trade Subcommittee of the Senate Finance Committee and the Environmental Protection Subcommittee of the Environment and Public Works Committee.

I have a deep and abiding commitment both to a strong international trade policy and to a clean environment.

And from my chairmanship posts I have viewed with great interest the convergence of these two critical public policy goals.

Two factors have accelerated the convergence of trade and the environment:

First, there is a growing realization that trade agreements have environmental impacts.

Second, some of our trading partners have disguised trade barriers as environmental protection measures.

Not surprisingly, both of these issues are being discussed in the debate over extending the fast track.

THE NORTH AMERICAN FREE-TRADE AGREEMENT

The debate over free trade with Mexico brought the potential trade impacts of environmental protection into sharp focus.

I had been quite concerned that the combination of lax Mexican enforcement of environmental laws and a free-trade agreement could create serious environmental problems. The danger was that an incentive could be created for United States business to move to Mexico to avoid United States environmental regulations.

Such a migration could cost the United States jobs and spawn pollution.

I am happy to say that the administration's action plan for the NAFTA negotiations largely addresses this concern.

Five major commitments are made regarding environmental protection in the NAFTA negotiations:

First, the administration will appoint leading environmentalists to its trade policy advisory panels. This will build in environmental review of all key trade policy decisions.

Second, the administration ensured that all products imported into the United States meet our health and safety standards, and that the free-trade agreement will in no way undermine U.S. environmental protection laws. Each nation will retain the right to impose whatever scientifically sound environmental protection measures that it sees fit. In short, U.S. environmental protection laws will not be negotiated away.

Third, the administration will develop a joint plan to control all forms of pollution in the border area.

Fourth, the administration will conduct a complete binational review of environmental laws to be completed before the trade agreement.

Fifth, the administration committed to strengthening enforcement of environmental regulations in both the United States and Mexico. I should note in this regard, that Mexico's long dormant environmental enforcement program has sprung to life in recent

months. Since 1989, the Salinas administration has ordered the temporary closing of more than 1,000 industrial facilities and the permanent closing of 82 facilities.

Taken as a whole, the environmental commitments in the action plan are a historic first step toward integrating trade and environmental concerns.

With the action plan in place, there can be little doubt that a NAFTA will improve environmental protection in Mexico. Conversely, pulling out of the negotiations at this point will set back environmental protection in Mexico.

It is no wonder that a number of America's leading environmental groups, including the National Audubon Society, the World Wildlife Fund, and the Natural Resources Defense Council, have responded very favorably to the action plan.

The one major weakness in the environmental Action Plan, however, is the lack of a specific enforcement plan. Before the NAFTA is approved by Congress, I will insist on a mechanism to monitor and enforce these environmental commitments.

THE GATT

The second major trade/environment issue is trade barriers that are disguised as environmental protection.

Unfortunately, some of our trading partners—particularly the EC—have cynically raised new trade barriers under the guise of environmental protection.

For instance, 2 years ago the EC banned importation of all meat that had been raised with growth hormones. The EC took this step even though the National Academy of Sciences and the World Health Organization both concluded that use of such hormones posed absolutely no human health risk.

In fact, there is no scientific evidence to support the EC's action.

Nonetheless, the EC imposed its ban on meat imports and American farmers and ranchers lost $100 million per year in exports.

Unfortunately, this is not an isolated incident.

Korea and Japan have interfered with the importation of American products under the pretext that they were contaminated with dangerous chemicals.

The Europeans also have imposed still other trade barriers against U.S. food exports under the pretext of environmental protection.

Certainly, every nation should retain the right to impose scientifically based environmental and health and safety restrictions.

But we must ensure that nations have a legitimate basis for environmental restrictions on imports. Otherwise, a whole new generation of disguised trade barriers will spring up around the world, and U.S. exports will suffer.

This is the essence of the current United States proposal in Uruguay round of GATT negotiations.

The United States is seeking to require that all environmental and health and safety restrictions on imports have a sound scientific basis and apply both to imports and domestic production. International dispute settlement panels are to be appointed to ensure that nations abide by these standards.

Some have raised concerns that this element of the Uruguay round could somehow lower United States environmental standards.

Nothing could be further from the truth.

The purpose is not to bring all environmental standards down to a lowest common denominator. It is merely to ensure that the standards are imposed for bona fide environmental and health and safety reasons and are not disguised trade barriers.

This is an objective that we can not only all live with, but should strongly endorse.

CONCLUSION

Other environmental issues have also been raised in the debate over the fast track.

In most cases, they are based on misunderstandings.

The administration has been forthcoming in addressing issues ranging from inspection of meat from Canada to United States asbestos standards.

Real progress has already been made. Environmentalists have for the first time been incorporated into our trade policy decisionmaking.

Further progress can be made. The vote on extension of the fast track is not our only chance to address these environmental concerns.

I and others will continue to monitor the trade negotiations to ensure that they promote both our environmental objectives and our trade objectives.

If an agreement is negotiated that threatens the environment, I will work to defeat it.

But I am confident we can negotiate agreements that open foreign markets and protect the environment.

Mr. President, farmers and ranchers have a huge stake in the debate over extending fast-track negotiating authority.

If authority is granted, the administration will use it to complete the Uruguay round of GATT negotiations and to begin negotiations on the North American Free-Trade Agreement.

Both of these trade negotiations—particularly the Uruguay round—are critical to American agriculture.

I strongly support extension of fast-track negotiating authority. Without such authority, others nations simply will not negotiate trade agreements with the United States—history makes that clear. And without trade negotiations, new markets will not be opened for American farmers.

I know that some of my colleagues have concerns about extending the fast track.

Let me assure them that no Senator is more concerned about the welfare of American farmers than I am. In my State of Montana, agriculture is far and away the No. 1 industry. Farmers and ranchers are the backbone of my state's economy.

And in my opinion, the interests of American farmers and ranchers—in Montana and elsewhere—are best served by extending fast-track negotiating authority.

EXPORTS ARE KEY TO AG GROWTH

I am convinced that the future health of American farmers is tied to international trade.

Demand for agricultural products within our borders is likely to remain relatively flat. Yet the productivity of our farmers continues to grow; farmers are able to produce more and more on the same amount of land.

Inevitably, the collision of these trends means we will lose farmers every year unless we find new markets for American agricultural products.

New markets abroad present the best hope for expanding opportunities for American farmers.

In most years, American farmers export 75 percent of their wheat crop and 40 percent of their soybean crop. They also export significant quantities of barley, rice, beef, corn, and many other commodities.

If all foreign barriers to U.S. agricultural products were eliminated, our exports could rise by $8 billion annually.

Already, our trade negotiators' efforts to dismantle foreign barriers to beef exports—in Japan, Korea, and elsewhere—have raised the price of an average steer by $75 to $100. Ranchers in Montana and the rest of the Nation are now enjoying the benefits of those trade negotiations.

FOREIGN TRADE BARRIERS

Unfortunately, barriers to America's agricultural exports remain widespread. The worst offender is the European Community.

In 1990, the EC spent $12 billion on export subsidies alone. The United States spent only $10.4 billion on its entire farm program. And EC export subsidies are only part of the web of European trade barriers.

The EC's barriers will not disappear by themselves. Negotiations in the Uruguay round represent our best hope for comprehensive reform.

IMPACT ON U.S. FARM PROGRAM

One fact sometimes is overlooked in the debate over the treatment of agriculture in the GATT: U.S. agriculture literally has nothing to lose.

As Ambassador Hills pointed out in recent testimony before the Senate Agriculture Committee, the current U.S.

proposal calls for all nations to cut domestic agricultural supports 75 percent from their 1986 level.

Once the 1990 farm bill is taken into account, the United States has already cut domestic supports by 75 percent for most major commodities. No further cuts would be required.

True, the United States may need to make some adjustments in other areas. But the bulk of the cuts in the U.S. farm program already have been made.

The question is not whether we will make those cuts in our farm program. We already have.

The question is will we force our trading partners to make similar cuts by completing the Uruguay round.

If we do not, if we let the EC go on subsidizing agriculture with impunity, our farmers will lose export markets and be worse off than they are today.

For these and other reasons, I am convinced that new trade agreements are in the overwhelming interest of American farmers.

THE BUDGET AGREEMENT

There is another issue in the fast-track debate that I believe has not received the attention it deserves—either here in Congress or in the farm community.

It concerns the agricultural provisions of last year's budget agreement. If the United States and its trade partners fail to reach a GATT accord on agriculture by June 30, 1992, the budget agreement requires the administration to increase spending on agricultural export programs by $1 billion and to extend marketing loans to all major commodities.

The administration also is directed to consider rescinding all farm cuts in the budget agreement.

This provision means that a vote for fast track puts farmers in win-win situation. Either the United States reaches a GATT agreement that expands export opportunities, or the Bush administration must reinstate well over $1 billion in U.S. agriculture supports.

There is only one losing scenario for farmers: a congressional rejection of fast track. The budget agreement provides that the increases in agricultural supports are not mandatory if Congress denies fast track.

Let me repeat: If the Congress disapproves extension of the fast-track, farmers, and ranchers lose at least $1 billion in farm supports.

The debate over fast track often seems hypothetical.

But last year's budget agreement creates one certainty that you don't need a doctorate in economics to understand: A vote against fast track wipes out $1 billion in agricultural supports that otherwise are mandatory. That is a certainty.

I think all Senators concerned about farmers should consider carefully this provision before they vote on the administration's request to extend fast track.

CONCLUSION

I have never been shy about criticizing the administration when I believe it is not aggressive enough in pursuing U.S. interests.

But I fail to see the danger in authorizing negotiations. After all, if we in Congress don't like the agreement that is negotiated, we can simply turn it down.

I believe the administration is making a good faith effort in addressing congressional concerns. Now it's our turn.

Agriculture is an export industry. Our best hope for future growth lies in opening new markets through international trade negotiations.

Those negotiations are only possible if fast-track negotiating authority is extended.

Mr. President, I ask unanimous consent that letters urging us to extend the fast-track from leading agicultural organizations be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FARMERS AND RANCHERS
FOR FAST TRACK,
May 8, 1991.

Honorable Member,
U.S. House of Representatives/U.S. Senate, Washington, DC.

DEAR REPRESENTATIVE/SENATOR: You will soon be voting on whether to extend the President's "fast-track" authority to negotiate trade agreements.

The undersigned farmer and rancher organizations strongly urge you to support the fast-track extension and allow negotiations on foreign agricultural trade barriers to continue. The fast-track approval process allows Congress and the private sector to paticipate actively in the negotiating process and in the development of the implementing legislation before a final vote is taken. As you know, Congress will have the final say on all agreements reached under the fast-track process.

Without fast-track authority, trade negotiations cannot be pursued, and any hope of dealing with the hundreds of restrictions to U.S. farm exports will be lost.

We urge you to keep the trade negotiations alive and vote against the resolution to deny the fast-track extension.

Sincerely,
American Farm Bureau Federation.
American Oat Association.
American Rice, Inc.
American Seed Trade Association.
American Soybean Association.
Blue Diamond Growers, Inc.
California-Arizona Citrus League.
Farmers Rice Cooperative.
National Association of Wheat Growers.
National Barley Growers Association.
National Cattlemen's Association.
National Corn Growers Association.
National Forest Products Association.
National Grange.
National Pork Producers Council.
National Sunflower Association.
National Turkey Federation.
Rice Growers Association of California.
Southeastern Poultry & Egg Association.
Sun-Diamond Growers of California.
Sunkist Growers, Inc.
Tobacco Associates, Inc.
Tri Valley Growers.
United Fresh Fruit and Vegetable Association.

NATIONAL ASSOCIATION
OF WHEAT GROWERS,
Washington, DC, May 17, 1991.

Hon. MAX BAUCUS,
U.S. Senate,
Washington, DC.

DEAR SENATOR BAUCUS: The purpose of this letter is to renew the strong support of the National Association of Wheat Growers for the President's request to extend fast track trade negotiating authority.

The Presidential intends to use the fast-track to complete negotiations under the auspices of the Uruguay round of GATT and to begin talks toward the achievement of a North American Free Trade Agreement. Success in both of these endeavors is critical to the continued health of the U.S. wheat industry.

Wheat is an export-dependent commodity. In an average year, we expect to export over two-thirds of our annual production. Unfortunately, international barriers to expand U.S. wheat trade are legion. American farmers are finding it increasingly difficult to compete against the unfair trading practices of the European Community and others. Farm trade reform is absolutely necessary. The current GATT round represents our only opportunity to achieve this goal. Extension of fast track will permit our negotiators to hammer out an agreement that is badly overdue.

With regard to the proposed negotiations for a North American Free-Trade Ageement, we also have objectives. Mexico represents a good export market for U.S. wheat. In the past, our trade with Mexico has been hampered by arbitrary import license requirements administered by the Mexican government and by the unfair trading practices of competing wheat exporters. It is our strong desire to see the complete elimination of both these barriers to trade.

Expanding on the latter point, brings us to another wheat grower objective in the NAFTA—we believe the negotiations should be used to reopen the U.S.-Canada Free Trade Agreement in order to settle disputes that were left outstanding. We are principally speaking about the issue of the Canadian Wheat Board's discriminatory pricing practices and Canadian subsidized rail freights.

In closing, passage of the Farm Bill and the Omnibus Budget Reconciliation Act of last year have made it clear to wheat producers that the federal government will no longer make available the level of income assistance provided in the past. We therefore need expanded trade opportunities and consistent access to markets in order to strengthen market prices received by farmers.

We respectfully urge you to consider our argument in support of fast-track extension and vote yes to free trade.

Sincerely,

RON RIVINIUS,
President.

MONTANA STOCKGROWERS ASSOCIATION, INC.,
Helena, MT, May 13, 1991.

Hon. MAX BAUCUS,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR BAUCUS: The Montana Stockgrowers Association urges your opposition of any resolution denying President Bush fast track negotiating authority. We believe that the ability of the U.S. to successfully compete negotiations of the Uruguay Round and begin talks with Mexico depends on whether the President has fast track authority. The Montana Stockgrowers Association and the National Cattlemen's Association support the extension of fast track authority.

The nation's cattlemen are just beginning to enjoy the benefits of a strong export trade. Beef exports have increase 600% in the last ten years. This will continue if the U.S. trade negotiations have fast track authority to reach tough bottom line agreements that reduce trade barriers.

We are confident the administration will work closely with Congress and industry organizations like the National Cattlemen's Association to insure equitable and meaningful trade agreements. We would urge, however, that you recommend that any trade agreement implemented insure that all imported beef be inspected and required to pass the same standards of inspection as beef produced domestically in the United States.

Thank you for your support.

Sincerely,

JIM COURTNEY,
President.

THE U.S. TRADE REPRESENTATIVE,
Washington, DC, May 23, 1991.

Hon. MAX BAUCUS,
U.S. Senate,
Washington, DC.

DEAR SENATOR BAUCUS: During the hearings of May 8, you raised some questions about the Uruguay Round and the availability of deficiency payments for farmers. I would like to take this opportunity to clarify the U.S. GATT proposal and the U.S. negotiating position on this issue.

Neither the United States nor any other country has ever proposed elimination of support to producers. We have, however, agreed to a substantial reduction of internal support policies that are tied to production. Such policies would include deficiency payments.

The United States has proposed that trade-distorting internal support be reduced 75 percent over a 10-year period. If our proposal were accepted, at the end of the transition period, a maximum of 25 percent of base period support derived from trade-distorting policies would still remain available to producers.

It is unlikely that we will be able to persuade the European Community, among others, to accept our proposal in toto. You will recall that Ray MacSharry has talked in terms of a 30 percent reduction over 10 years. If his proposal were accepted, at the end of the 10 years, 70 percent of the base period support could still be tied to production, and thus include deficiency payments.

The United States has generally reduced its level of commodity subsidies in recent years. As a result, the United States would have fewer adjustments to make than would many other countries. For example, the U.S. wheat program was modified between 1986 and 1990 and again by the 1990 farm bill and budget legislation. As a result, a recent USDA analysis shows that the commitments proposed by the United States could be achieved with no additional policy adjustments on wheat through 1996. The same holds true for corn and grain sorghum.

Oilseeds have little support and protection in the United States. Reductions in U.S. soybean support based on the policies in effect prior to 1991 would have minimal effect. However, the 1990 farm bill authorized marketing loans for soybeans and minor oilseeds. Marketing loan outlays, if any, would be subject to the reduction commitment on internal support; however, the farm bill projections did not forecast marketing loan outlays through 1996.

It is important to recall that under the U.S. proposal the United States and other countries would have recourse to other types of programs to support producers in ways that do not distort trade. In general, such programs would be designed so that payments or other support to producers are not tied to current or future production; i.e., they would be "decoupled".

We expect to work closely with the Congress to determine exactly how the commitments resulting from the Uruguay Round might be implemented, and what types of "decoupled" programs might be appropriate.

I hope that this explanation is helpful to you.

Sincerely,

CARLA A. HILLS.

Mr. BAUCUS. Mr. President, the Senate will make a historic decision today.

When we vote on extension of fast-track negotiating authority, we will decide what economic path America will follow.

We will decide whether we will try to meet the world's economic challenges or hide from them.

We will decide whether we will go out and compete in the global marketplace or retreat behind protectionist trade barriers.

In many ways, this is the most important decision that we will make during this Congress.

Like many of my colleagues on the other side of this issue, I recognize the serious economic problems we face. But unlike them, I believe it is short-sighted and foolhardy to think we can bury our head in the sand and hide from those problems.

Instead of bemoaning the problems, we should be looking for solutions. And one of the best available solutions is to open foreign markets with trade agreements.

We have within our grasp a freer global marketplace that could create $1.1 trillion of growth in our economy over 10 years.

We can now almost see the outlines of a single North American market of 360-million consumers—the largest single market in the world.

But unless we approve fast track, those opportunities will slip away.

Mr. President, I strongly urge my colleagues to vote to extend fast track and make those opportunities into realities.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 3 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming, [Mr. SIMPSON] is recognized for up to 3 minutes.

Mr. SIMPSON. Mr. President, let me particularly thank these people who have done such yeomen's work on this measure, and particularly Senator LLOYD BENTSEN of Texas. I have watched him. He has been absolutely superb—truly tireless in the cause. I believe the success which will soon be shown is largely attributed directly to him. I also commend my friend, the ranking member of the Finance Committee, Senator PACKWOOD. As usual, he has demonstrated in a remarkable way his skillful debating manner and his knowledge of the facts. There are others that deserve to be praised for their efforts: BILL BRADLEY; AL CRANSTON; DICK LUGAR; JACK DANFORTH; BOB DOLE, our fine leader on this side of the aisle; my colleague from Montana, who just spoke, MAX BAUCUS; JOHN CHAFEE; CHUCK ROBB; DENNIS DECONCINI; DAVE DURENBURGER and PHIL GRAMM. These people have worked in an extraordinarily effective bipartisan way.

This is big stuff. This is not the "kitty league." This is one of the most important things we will do in this Congress—this year—or any year.

I heartily commend Carla Hills. I have never heard anybody complain before that someone in the administration hung around the Chamber too much. It is usually that they are not here enough, or at least you hear that complaint. She has had the courage to do that and put in all the time that was necessary. With respect to the GATT negotiations, she has had the courage to walk away from the table when it was not in our Nation's best interests. And she will do it again if that is what is required. She is superb.

We will solve the problems of agriculture, but we cannot do it until we do this "double-track, fast track" and keep GATT here and keep the North American Free-Trade Agreement here—together.

We are all going to be players. Every one of us will be players before we come down the road with the final product. No one here will be left out. But just to think of having a trade agreement that is the ultimate of stability from the Yukon to the southernmost tip of Mexico, I think, is a most exciting prospect. I look forward to an agreement with Mexico that will be good for both of our countries.

Some of the things that have been said about Mexico were almost as if it was an undeveloped country. What a crude slap at our marvelous southern neighbor. They are a remarkable, burgeoning, highly developed country. They have a very fine President who chose to "go to the mat" on this one.

He is a man of real courage. We ought to protect him and support him in every aspect.

Before this is over, many tough issues will have to be addressed. We are going to tackle environmental problems, immigration problems, and a host of other issues that will come to the table.

I believe it would be highly detrimental to the future competitiveness of the United States to refuse the administration's request. If we pass up the opportunity to strengthen the economies of this hemisphere. We will be doing a real disservice to our country and our respective States.

A vote to extend fast track is a vote for future progress. It will help us to build global bridges between the United States and the rest of the world.

With fast-track authority the President can negotiate a free-trade agreement carefully and deliberately, with ensured consultations with those of us in the Congress, and with the guarantee that Congress can accept or reject the agreement as a package.

Without fast-track authority, the President will not have the credibility to negotiate free-trade agreements.

It is for these reasons that I believe we should ask ourselves: Is fast track in our national interest? Are the proposed North American Free-Trade Agreement and the GATT in our national interest?

I firmly believe in free-trade agreements and see them as important components in getting America back on its own track of prosperity. We will soon see the integration of the European countries into a potent single market. We have already seen the Pacific rim countries—Japan, Hong Kong, Taiwan, Korea, and Singapore successfully expand their market share in the world.

Global competition with these dynamic economies will require more cohesive trade alliances—which are so very much in the national interest.

The President's request to extend fast track included two very important trade agreements. First, fast track is needed to conclude the Uruguay round of GATT. We wisely walked away from reaching any accord last year when it became apparent that the Europeans and Japanese would not deal fairly on agricultural issues. Second, fast track is needed to commence negotiations of the proposed North American Free-Trade Agreement with Mexico and Canada.

Let's get rid of any confusion. We are not voting on a final free-trade agreement when we vote on the Hollings resolution. There has been no North American Free-Trade Agreement negotiated and the GATT negotiations have yet to be concluded.

The President took Congress' concerns to heart regarding the proposed agreement with Mexico and responded with great commitment to those issues in his May 1, 1991, action plan for future negotiations for the proposed North American Free-Trade Agreement. The action plan thoroughly outlined how the main concerns regarding the environment and labor would be addressed.

Under the NAFTA, jobs for American workers, increased trade, environmental improvements, and a stable prosperous neighbor are on the horizon.

The jobs issue is an important one—jobs and wages are the cause of the strident opposition of organized labor.

Dozens of studies on the different sectors of the job market are being conducted in Mexico and in the United States. The results of these studies will soon be released and can be taken into account as the negotiations proceed.

I empathize with the people of this country who are truly concerned with adjusting to increased competition from Mexico, and possible job displacement but many studies indicate that tariff adjustments will likely result in job and wage increases for the United States.

United States workers are well-positioned to adjust to increased competition from Mexico. We have wages that equate to the high productivity of our workers. Many labor opponents say that we should not enter a free-trade agreement with Mexico because of the wage disparity between our countries.

The fact is that if we restricted trade with countries which have low wages, we wouldn't have much trade in the world—most countries have lower wages than the United States.

If there is any net loss of jobs in the United States, we must have adequate adjustment assistance for those who are displaced.

The President will review our labor market adjustment programs as the negotiations proceed, and he will recommend whatever changes are needed in our unemployment insurance program, in the Job Training Partnership Act, and in trade adjustment assistance.

Labor Secretary Lynn Martin and her Mexican counterpart signed a memorandum of understanding last week outlining the shared concerns over labor standards, child labor laws, wages, and labor adjustment programs. The document was a commitment by our two countries to look for solutions.

Oliver Wendell Holmes once said, "I find the great thing in this world is not so much where we stand, as in what direction we are moving. We must sail sometimes with the wind and sometimes against it, but we must sail, and not drift, nor lie at anchor." There are great trade winds blowing in the world so we cannot afford to heave to while our competitors sail on.

As leaders in preserving the global environment, we have a great opportunity to assist Mexico in dealing with its environmental problems. To do this, we must assist Mexico on the road to greater prosperity.

Both countries will prepare environmental plans in conjunction with the NAFTA. These plans will be very comprehensive and they will be prioritized. Pure water will be at the top.

I strongly believe that a free-trade agreement will encourage and accelerate environmental improvements in all three countries—remember, after signing the free-trade agreement with Canada, we moved right into an acid rain agreement.

Mexico's resources—both human and material—and its political stability, combined with President Salinas' movement toward economic freedom can create an enormous market on our border.

For those who cannot clearly see the benefits of a politically and economically strong neighbor, I would call their attention to Canada.

Compare our border with Canada with other borders around the world—electrified fences between South Africa and Mozambique, European nations awaiting with great concern the outflow effects of the collapsing economic and political systems in the Soviet Union and its Eastern satellites, to mention just two.

Some members have raised the issue of the adequacy of the Mexican judiciary to handle disputes which may arise over provisions of the free-trade agreement.

This is an appropriate question, and the development of a dispute resolution device must be addressed in the negotiations between the administration and the Mexican Government in the consultations with the Congress.

I would assume the United States-Canada dispute resolution mechanism will be a model. That mechanism takes dispute resolution out of the Canadian and American judicial systems and puts it in an international arbitration panel. If that model is followed, there is no reason to question the adequacy of the Mexican judiciary.

Immigration is an issue in which I am particularly interested—over the short and long term.

The administration has said the immigration will not be on the table during negotiations, and I believe that may be a mistake. While we should not have free trade in labor between our countries, we should have much better cooperation from Mexico in the control of illegal immigration.

I believe immigration should be an agenda item during negotiations, and we should insist that Mexico work more cooperatively with us in controlling illegal traffic at the border.

A free-trade agreement by itself will not reduce illegal immigration—in fact, it may tend to increase it as improved conditions in Mexico result in more people having the money to make the trip to the United States. That is

true in other countries of immigration outflow.

However, in the long run—20-30 years—basic improvement in the Mexican economy is the only humane way to solve the illegal immigration problem.

Regarding the Uruguay round of GATT—I foresee great progress on the horizon in reducing trade barriers and increasing trade in a variety of sectors of our economy—yet I remain concerned about the agricultural sector negotiations.

The long-term benefits of the present agricultural GATT proposal to reduce market access barriers, internal support subsidies, and export subsidies, has great merit, although my concerns for the U.S. sugar industry remain deep.

Sugar beet producers from my fine State of Wyoming approve of reducing international barriers to trade multilaterally, but not unilaterally. I believe that to ensure the competitiveness of the U.S. sugar industry, any reductions in tariffs must begin at the same starting point—that's what the President meant when he called for a global level playing field.

It will severely disadvantage the industry if we agree to reduce trade barriers without an equitable, reciprocal commitment from the Europeans.

I will continue to work closely with Ambassador Carla Hills and will urge the administration to work more closely with sugar producers to share information and move reasonably toward reducing world sugar supports.

I sincerely believe that without an extension of fast track we will be seen as consenting to the return to the days of protectionism. The entire world is watching us today to determine whether we still have that great American confidence that engenders global confidence.

Victor Hugo appropriately said, "there is one thing stronger than all the armies in the world and that is an idea whose time has come."

My fine colleagues, the time for reasonable free-trade agreements is now. I urge opposition to the resolution before us. The time has come.

I thank the Chair for the time.

The PRESIDING OFFICER. The time allocated to the Senator from Wyoming has expired. Who yields time?

Mr. BENTSEN. Mr. President, I yield to the distinguished Senator from Tennessee [Mr. GORE].

The PRESIDING OFFICER. The Senator from Tennessee [Mr. GORE] is recognized.

Mr. GORE. Mr. President, I want to thank my colleague from Texas for yielding time.

I want to pay my respects to the outstanding arguments made by my distinguished colleague from South Carolina, Senator HOLLINGS.

I would like to say that in the past few months, as we have moved closer to a vote on the extension of fast track, I have read and heard the views of quite a few people who share concerns very close to mine and who are opposed to this measure.

We want to see the interests of American workers upheld. We believe there should be a future for historic and still great American industries like textiles. We are dedicated in protecting the environment, and we are concerned about the economic interests of the State of Tennessee.

The argument that these opponents make, who as I have said share concerns about which I feel very strongly, is that if we in the Senate truly want to serve such causes, we should vote against fast-track authority.

But although I share so many of these same concerns and support these objectives, I find myself in disagreement with this proposed course of action, and I will vote in favor of the fast-track authority.

I do so in the clear knowledge and understanding, which I would like to reemphasize at this moment, that fast track is not a trade agreement. It is a procedure under which Congress agrees to expeditiously consider trade agreements which the President negotiates, and then to vote upon these agreements as a whole, rather than to amend them in piecemeal fashion.

Fast-track is not a way to make negotiations move along at super speed. Negotiations take as long as they need; sometimes many years. Fast track refers only to an assurance that Congress will consider a finished agreement in a predictable and reasonable period of time.

Trade agreements do not necessarily result because fast track is in place. It is no more than a means to an outcome but a very important means.

Since the depression, statesmen like Cordell Hull, from my hometown of Carthage, TN, have known that free trade, fair reciprocal free trade, is essential. And since its inception, fast track has been a powerful tool Presidents have used skillfully in trade negotiations.

Without it, other heads of government realize that although the President may negotiate and sign a trade agreement, Congress may debate that agreement for an eternity or change it beyond recognition. With fast track, other governments know where they stand. A bargain reached with the United States will be dealt with quickly by Congress, and either accepted or rejected.

Fast-track has become, therefore, an indispensable part of the process, allowing successive administrations to destroy trade barriers and promote the great surge in international trade so important to global prosperity and to our own prosperity here at home. Fast track may help to make agreements possible, but it should not be confused with the agreements themselves.

This vote today, if fast track is, indeed, approved, should not be interpreted by anyone as a signal that the Congress is prepared to just roll over and accept whatever agreement is negotiated. We have proven in times past that even under fast-track authority, Congress is willing to say to the executive branch, "Hold the show; we do not like the way this negotiation is going. You better fix some of these problems that are apparent to us."

Mr. President, we in the Congress must be prepared to take steps like those if these negotiations do not go well.

I also think that it is time to call for other measures to improve our Nation's competitive position in order to help make sure that we do gain the benefits which sensible agreements can provide to us.

Fast track does not mean that Congress steps out of the picture, giving the President and his negotiators free rein to wheel and deal with the economic future of our country. Congress has always been closely consulted along the way in trade negotiations, and the outcomes of those negotiations reflect efforts by administrations to obtain concessions they know have strong support in Congress, and to avoid making concessions that might jeopardize congressional approval of the final product. And, it must be stressed, in the end Congress gets to accept or reject trade agreements.

Any major trade agreement will always be a mix of compromises and trade offs. To reach agreement at all, everyone concerned has to give up some things in order to get others. Moreover, because negotiators will be almost literally trading off apples and oranges, there will never be a single standard against which to measure the impact and value of an agreement.

Ultimately, there are only two ways to judge whether such complex bargains are acceptable: You can look for individual flaws so bad they make the entire package not worth having, or you can try to obtain a sense of the balance and impact of the agreement as a whole—a judgment that comes only after taking time to examine the details.

These are the kinds of judgments Congress makes under fast-track procedures. In this way, Congress can exercise its constitutional authority to regulate commerce with foreign nations, without crippling the President's constitutional authority to negotiate the treaties and agreements essential for trade to flourish.

As I considered arguments presented against extending fast track, it became very clear to me that the real issue was not fast track itself, but fears about specific agreements that might be con-

cluded while the extension lasts: Namely, a new multilateral trade pact under the Uruguay round, and, especially, the proposed United States-Mexico Free-Trade Agreement.

There is plenty of justification for economic fear in our country. Our economy has been mismanaged by the Reagan administration in ways the Bush administration seems determined to continue. The kind of economic destruction and withering that we have seen in this country did not have to occur because of some unchangeable economic law.

Our consumer electronics industry did not have to be short circuited. Our textile industry did not have to be pushed to the wall. Our steel industry did not have to look extinction in the eye. Other industries did not have to be decimated.

These things occurred as the result of disastrous mismanagement of national economic policy. It was the result of Reaganomics that for 6 long years, ultra-high real interest rates led to a U.S. dollar so over valued it just sucked foreign imports into this country, and killed off our exports at the same time. It was administration policy to ignore cries for help from industries that were being pushed to the brink by this competition. It was administration policy to block meaningful adjustment assistance. It was administration policy to smile at 10 years of financial fantasy, in which money went down the rathole of junk bonds and market deals, instead of into productive investment.

People are indeed afraid. But they are afraid because of events which were not the inevitable results of foreign competition, but rather, events that could have been avoided. They are afraid because they have tasted the fruits of this administration's inherent preference for what is in the corporate bottom line, rather than what is in the paychecks of working men and women.

On key environmental issues such as atmospheric warming and the greenhouse effect, the Reagan administration was simply beyond reach. On this issue, as on so many others, the Bush administration talks a better game, but at heart is reluctant to recognize the need to shake off complacency and to move forward. In this area, too, people have good reason to believe that this administration, like its predecessor, has only one real index of merit: the short term, shortsighted, well-being of the well-to-do.

But the world is moving whether we like it or not. There is no remedy for our problems and no way to dispel our fears by rejecting the process of negotiating trade agreements, which is what would happen if we reject fast track. Our country does not have the power to solve its biggest trade problems simply by relying on the threat of penalties and retaliations. What we want from other countries cannot be had if all we have to offer is a stick and no carrot.

The stakes are huge. We are losing many scores of billions of dollars a year in potential business because of trade barriers of one kind or another. We can get indignant about that fact, but we had better also understand the realities we have to deal with. Every one of those trade barriers is regarded as absolutely indispensible by some interest group or some block of voters in some other country. What is simple economic justice to us, is not likely to be seen in the same way by others. In this kind of situation, the only solution is to bargain toward compromise that will be politically sustainable on all sides of a negotiation.

Rejecting fast track will, without any doubt, disable this process. It will disable not only this President but his successors, because once the precedent is established that Congress will tie the Chief Executive's hands in this way, the implications will cast a long shadow into the future. Voting down fast track will expose the United States to the certainty of continued loss, but will deny us even the chance to balance those losses with other gains.

To me, it is manifestly clear that the United States must be able to negotiate on behalf of its trade interests. For this to be possible, the President must have Congress' commitment to fast track. If the President brings back to Congress agreements that do not fit our country's needs, it is up to Congress to recognize that and vote down these agreements.

If there is reason to believe that a Uruguay round agreement will destroy the American textile industry, then Congress must struggle with that when it is evaluating the actual agreement. If there is reason to believe that an Uruguay agreement pays insufficient attention to environmental concerns, or may even make them worse, then Congress needs to take that into account when it sees the text, and when it evaluates whether the next round of negotiations can make the necessary improvements.

In the same way, if there is reason to believe a Mexican Free-Trade Agreement will further undermine the living standards of American workers, by encouraging a flight of American industry toward cheap labor, then that needs to be debated as the negotiations proceed, and to be part of the judgment when Congress must vote on the final product.

If there is reason to believe that a Mexican Free-Trade Agreement will create an environmental Hell's Kitchen in Mexico, with effects spilling over into the United States, that too needs careful scrutiny and debate as the negotiations proceed, and as Congress evaluates such an agreement when the results are there to be studied, in concrete terms.

But Congress should not try to protect the American people by striking down the process by which agreements can be fashioned. That process has to go forward, unless we want to see our economic problems multiply until they are overwhelming. Congress must protect the American people by insisting along the way that certain protections either be present in the basic agreement or present in side agreements and in domestic legislation, and that these protections must be in hand, at the moment Congress must vote on trade agreements.

On May 1, the President sent all of us a letter outlining in some detail what he is prepared to do to work with the Congress on a Mexican Free-Trade Agreement. With permission, I will ask that a copy of the President's proposals be placed in the CONGRESSIONAL RECORD along with my remarks, in hopes that people who read one will also read the other. That letter wasn't perfect. But, frankly, it does put the ball back in Congress' court.

As a result we have a choice now, between voting to freeze trade negotiations in their tracks or to accept the President's proposals for a much more intensified collaboration between Congress and the executive branch. I have to say that if we reject the possibility for such collaboration, it seems to me that we will actually be voting no-confidence in ourselves.

You do not have to oppose the fast-track process to support American workers. You don't have to oppose the fast track to support strong environmental protections. Supporting the fast track does not mean you will support any agreement it will finally help to produce. It means only that you believe our trade negotiators must work from the strongest position possible.

It is from that position of strength that the concens of America's working men and women will be addressed, and our environment will be protected. If our negotiators fail—despite the flexibility and bargaining power offered by the fast-track process—and they bring back to Congress an agreement that falls short, then that agreement should be rejected.

Voting to extend fast track means only one clear thing about the future: That America will be in the game, able to protect its needs at the bargaining table. That is why, even though I understand why people are concerned about what trade agreements may bring, and even though I share those concerns deeply, I will vote to sustain fast track.

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

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

EXECUTIVE SUMMARY—RESPONSE TO ISSUES RAISED IN CONNECTION WITH THE NEGOTIATION OF A NORTH AMERICAN FREE-TRADE AGREEMENT

In letters to the President from Chairman Bentsen and Rostenkowski, and from Majority Leader Gephardt, the Administration has been asked to address a variety of economic, labor and environmental concerns that have been raised about the proposed North American Free Trade Agreement (NAFTA). The Administration's response sets forth detailed action plans for addressing these concerns, as well as views on the economic impact of a NAFTA.

The Positive Economic Impact of a NAFTA

From 1986 to 1990, as Mexico reduced import barriers, our exports more than doubled from $12.4 billion to $28.4 billion, generating 264,000 additional U.S. jobs.

Under a NAFTA, we can do even better. Mexico still has higher trade barriers than the U.S. Mexico's average duty is 10% compared to 4% in the U.S. Significant nontariff barriers remain. We therefore have much to gain from the elimination of these barriers.

All three major economic analyses done to date corroborate that the U.S. will benefit from a NAFTA in exports, output and employment.

We will benefit from Mexican growth: for each dollar Mexico spends on imports, 70 cents is spent on U.S. goods; for each dollar of GNP growth, 15 cents is spent on U.S. goods.

Further, the resulting economic integration will strengthen the ability of the U.S. to compete with Japan and the EC.

Adjustment Provisions We Will Seek in the NAFTA

Transition Measures: In order to avoid dislocations to industries and workers producing goods that are import-sensitive, tariffs and non-tariff barriers on such products should be eliminated in small increments over a time period sufficient to ensure orderly adjustment.

In determining import sensitivity, we will rely heavily on advice of the International Trade Commission, the Congress, and the private sector.

We will be prepared to consider transition periods beyond those in the U.S.-Canada FTA.

Effective Safeguard Provisions: Even where reductions in tariffs and other trade barriers are staged over a lengthy period, there may be isolated cases in which injurious increases in imports could occur. To prevent injury from such increases, we will seek to include in the agreement a procedure allowing temporary reimposition of duties and other restrictions.

This mechanism should be designed to respond quickly, especially in cases of sudden import increases.

Special "snap-back" provisions should be included to address the unique problems faced by producers of perishable products.

Strict Rules of Origin: We will negotiate rules of origin to ensure that the benefits of a NAFTA do not flow to mere pass-through operations exporting third-country products to the U.S. with only minimal assembly in Mexico.

Rules of origin will impose clear, tough, and predictable standards to the benefit of North American products.

We will seek to strengthen the required North American content for assembled automotive products.

We will consult closely with the private sector and the Congress in designing these rules.

Domestic Worker Adjustment Program

Since trade barriers on sensitive products should be decreased over a long timeframe, we do not expect immediate or substantial job dislocations.

Nevertheless, beyond including adjustment provisions in the NAFTA itself, there is a need to assist dislocated workers who may have adjustment difficulties.

The Administration is committed to working with Congress to ensure a worker adjustment program that is adequately funded and that provides effective services to workers who may lose their jobs as a result of an agreement with Mexico.

Whether provided through the improvement or expansion of an existing program or through the creation of a new program, worker adjustment measures should be targeted to provide dislocated workers with comprehensive services in a timely fashion.

LABOR ISSUES

Labor Mobility

We have agreed with Mexico that labor mobility and our immigration laws are not on the table in NAFTA talks, with the possible exception of a narrow provision facilitating temporary entry of certain professionals and managers.

Worker Rights and Labor Standards

Protections afforded by Mexican labor law and practice are stronger than generally known.

Mexico's laws provide comprehensive rights and standards for workers in all sectors, including the maquiladoras.

Mexico has ratified 73 International Labor Organization conventions on worker rights, including those on occupational safety and health.

Mexico has a minimum working age of 14 and mandates special protections and shorter working hours for those between the ages of 14 and 16.

A substantially higher proportion of the Mexican workforce is unionized than is the U.S. workforce.

While enforcement problems have resulted largely from a lack of resources, a NAFTA would both raise living standards and create resources for enforcing existing laws.

Future United States-Mexico Cooperation on Labor Matters

Memorandum of Understanding: The Secretary of Labor and her counterpart from Mexico are prepared to sign a Memorandum of Understanding providing for cooperation and joint action on a number of labor issues which could be implemented in parallel with our FTA negotiations.

These include health and safety measures; work conditions, including labor standards and enforcement; labor conflicts; labor statistics; and other areas of concern to the United States and Mexico.

Specific Projects: U.S. and Mexican officials have agreed on joint projects to address specific concerns in the labor sector.

Initial projects include: occupational health and safety; child labor; and labor statistics.

ENVIRONMENTAL ISSUES

Mexico's Commitment to Environmental Protection

Mexico has no interest in becoming a pollution haven for U.S. companies.

Mexico's comprehensive environmental law of 1988, which is based on U.S. law and experience, is a solid foundation for tackling its environmental problems.

All new investments are being held to these higher legal standards and an environmental impact assessment is required to show how they will comply.

Enforcement has in the past been a key problem, but Mexico's record has been improving dramatically. Since 1989, Mexico has ordered more than 980 temporary and 82 permanent shutdowns of industrial facilities for environmental violations; the budget of SEDUE (Mexico's EPA) has increased almost eightfold.

Environmental Issues in the NAFTA

Protection of Health and Safety: We will ensure that our right to safeguard the environment is preserved in the NAFTA.

We will maintain the right to exclude any products that do not meet our health or safety requirements, and we will continue to enforce those requirements.

We will maintain our right to impose stringent pesticide, energy conservation, toxic waste, and health and safety standards.

We will maintain our rights, consistent with other international obligations, to limit trade in products controlled by international treaties (such as treaties on endangered species or protection of the ozone layer).

Enhancement and Enforcement of Standards: We will seek a commitment to work together with Mexico to enhance environmental, health, and safety standards regarding products, and to promote their enforcement.

We will provide for full public and scienific scrutiny of any changes to standards before they are implemented.

We will provide for consultations on enhancing enforcement capability, inspection training, monitoring, and verification.

Joint Environmental Initiatives

In parallel to the FTA negotiations, we intend to pursue an ambitious program of cooperation on a wide range of environmental matters.

We will design and implement an integrated border environmental plan to address air and water pollution, hazardous wastes, chemical spills, pesticides, and enforcement.

During the design phase of the border plan, there will be an opportunity for public comment and hearings; during implementation, there will be periodic comprehensive reviews.

We will consult on national environmental standards and regulations, and will provide an opportunity for the public to submit data on alleged non-compliance.

We will discuss expanded cooperative enforcement activities, such as coordinated targeting of environmental violators.

We will establish a program of technical cooperation and training, which will include facilitating sharing of technology for pollution abatement.

Informed Policy Making and Public Participation

We will broaden public participation in the formulation and implementation of trade policy to ensure that efforts to liberalize trade are consistent with sound environmental practices.

We will appoint individuals to selected trade policy advisory committees who can contribute both an environmental perspective and substantive expertise.

In consultation with interested members of the public, we will complete a review of U.S.-Mexico environmental issues, with particular emphasis on possible environmental ef-

fects of the NAFTA, to enable U.S. officials to consider the results during FTA negotiations and other bilateral efforts.

Mr. GORE. Mr. President, I think it has been a good debate on both sides. I think this is an extremely important matter. I think that it is important for this Congress to be on the right side of history on this issue. I believe that a North American free-trade zone, if it can be properly negotiated and implemented, can be a historic turning point for this country.

Similarly, I think that, with a little extra political courage on the part of European and Japanese leaders, we can see the Uruguay round come off dead center and get moving again. We either move forward or we move backward.

In this vote, the Congress has the opportunity to say: Not necessarily move on this agreement or that agreement, but we give you the authority to negotiate good agreements which give us an opportunity to move forward, but we reserve the right to scrutinize carefully the agreement which comes back from the negotiations as a result of the authority that we are extending to you with this vote today.

I will vote in favor of the authority for those reasons.

Mr. PACKWOOD. Mr. President, how much time do I have left?

The PRESIDING OFFICER. Four minutes, 48 seconds.

Mr. PACKWOOD. I yield to myself such time as I may need.

Mr. President, there is an ebb and flow in all nations in terms of their production. They start out as hunters and gatherers in the primitive stage. Then they domesticate animals, and they discover they can be more productive domesticating animals than hunting them. Gradually, they move to an agricultural stage, then a manufacturing stage.

What if I were to make the argument: Do you know one person in two 100 years ago was employed in agriculture in this country? And now look, one in 100. What a failure. This country has gone backward I might argue.

But Mr. President, we cite that figure with pride. We say it used to take half the population to feed all of the population and now one person in 100 can do it. And we are not worse off because of that. Those people left the farms in the twenties and thirties and went into the manufacturing sector because that was the next big sector that was growing.

Now the argument is made we are losing employees in textiles, in steel. We are not, however, losing in total manufacturing output as a percentage of our total gross national product. We are simply manufacturing more and better products with fewer people, just as we grow more and better food with fewer people. As we became more productive people began to move into the next era, which, by and large, was services, banking, electronics, and computers. And the same thing is happening in all manufacturing countries in terms of employment in their manufacturing sector.

That is going to happen whether or not we preserve fast-track. The key for the United States is to be on the cutting edge of the curve and to realize that nothing is static. If there is any constant in history it is change. We can compete. We can beat the world in agriculture. We do beat the world in agriculture. We are now competing successfully with the world in manufacturing, with fewer people turning out more goods, and we are beating them by and large in services.

So we have nothing to fear from competition, be it from an industrialized country like Germany or Japan, or a less industrialized country like Mexico. Our fear is not that they can beat us. Our fear ought to be that we might be afraid to compete. But if we do compete, we will win.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield such time as I may require.

Mr. President, let me first state my appreciation to the Senator from Wyoming for his kind comments about me; then to say to the distinguished Senator from Oregon, who is the ranking member of the Finance Committee on the Republican side, how much I appreciate his efforts and his partnership in this; and to say thank you to my friend, the Senator from Montana, who has been diligent in his service and help in this debate; and to my friend from New Jersey for his eloquent presentation; and to my friend from South Carolina, the author of the resolution, who has been articulate, and I hope not too persuasive, in his presentation of his resolution.

So we have had a good debate. The rules of fast track demand that. We have gone into labor issues, the environment, worker adjustment, and even into some of the details of the agreement itself. Now it is time to face our decision.

Mexico has been alluded to time and time again as though it really did not matter what happened down in Mexico. This is the only place in the world where you have a developing country sharing a border for some 2,000 miles with a major industrial power.

Go to the small towns of Mexico, and you will find them denuded of men aged 16 to 50. The wives are there, the children are there, the old people are there. But the others have gone to try to help their families. They have moved across into the United States, taking jobs, as illegal aliens. Fly along the Rio Grande. You will see paths going down to the river itself. Often those are not hoofprints; they are bare feet, they are sandals, they are zapatos headed north. Those who think they just stop in Texas and in the border States: Do not believe that. The number of people, from Mexico has increased four times in the New York City area over the last 2 or 3 years. So they spread out looking for jobs.

I think back to my own ancestry. I was back in Denmark, visiting the American Ambassador to Denmark, and he said, "I guess you are back here looking at all your ancestral castles." I said, "Let me tell you something Mr. Ambassador. If my family had had castles, they would have never left this place." They were having tough times in Denmark. So they were ready to pull up their roots, a country they loved, friends they understood, a language they could speak, to go to a new land. There are not many kings and queens in our genes, but there are sure a lot of risktakers.

That is what you have coming across from Mexico: People who have just as much love and concern for their families and are trying to see that they have bread in their stomachs, food to live on. So they come here.

Is it better for us to have a rich neighbor or poor neighbor? Do we sell more to a rich neighbor or a poor neighbor? We sell $350 per capita to the people in Mexico. We sell $3,000 per capita to the Canadians. And, yet, for the Mexicans, we are their supplier of choice. We provide them 70 percent of what they spend abroad. Trade with Mexico has doubled in the last 4 years, adding some 400,000 additional jobs in this country.

As we examine that trade, we find we are sending more manufactured products to Mexico than they are sending back to us. Their tariffs are about two and a half times as much as ours, and yet you have a President down there who is trying to make Mexico an international competitor and who is moving away from protectionism. We ought to take advantage of that to expand the products from this country that we sell there.

Thinking of farmers, thinking of dairymen, Mexico is the No. 1 milk importer in the world. People say we are going to have this great exodus of jobs. If I believed that, I would fight every step of the way against an agreement. But I do not believe that. Companies can move there now. The U.S. duty on automobiles in 2.5 percent. The average duty here is 4 percent. Over 50 percent of the products coming from Mexico come in here duty free. Mexico is a sovereign nation. It can take away all the duties if it wants. It can make investment as profitable as it wants. That is Mexico's decision.

Then I look at Europe and I hear all the pious talk about free trade, and I look at Edith Cresson moving in as Prime Minister in France.

I remember talking to Mrs. Thatcher about the lake country and I asked:

Are you going to ask for domestic content in cars built in that automobile plant? She said, yes, 60 percent.

Than I asked Prime Minister Rocard of France: Are you going to take the cars from the Nissan plant in the lake country in the north of England? He said, certainly not. I said, why not? He replied, the cars only have 60 percent domestic content and we demand 80 percent. And Miss Cresson is more of a protectionist than Rocard.

What do we do? Do we back away and not negotiate? Do we pull back into our shell in this country and say we just hope things will get better? Certainly not. That is not a path America has ever taken.

Since 1934, Congress has given the President authority to negotiate trade agreements on some form of a fast track. Franklin Roosevelt was the first to ask for it, and Congress has given it to every President since, in some form. If we vote today against fast track, we will turn our backs on more than a half century of bipartisan American policy, designed to make our trading partners come to the table and open up to American products.

We are not voting on an agreement today. We are voting on giving a President authority to negotiate agreements. The House has already spoken. Yesterday they voted to extend fast track by 231 to 192. Now it is our turn. Make no mistake about it, if we vote down fast track, the signal will be heard around the world. It will be heard in Europe where EC farmers want to keep their subsidies so they can dump their products below price on the world markets. It will be heard in Japan, where a failure here would give them an excuse not to buy United States rice. It will be heard in Mexico City.

Mr. President, I prefer to send a signal that says America wants to open up trade to American products abroad. I urge the defeat of the resolution.

The PRESIDING OFFICER. All time controlled by the Senator from Texas has expired.

Mr. PACKWOOD. Mr. President, I yield back the remainder of my time to the Republican leader.

The PRESIDING OFFICER. The Republican leader is recognized up to 1 minute 57 seconds.

Mr. DOLE. Mr. President, I still have leader time, do I not?

The PRESIDING OFFICER. Yes. There is a unanimous-consent agreement that will require a vote at 12 noon.

Mr. DOLE. I do not believe I will need much more than a minute.

Mr. HOLLINGS. I still have 6 minutes.

Mr. DOLE. I ask unanimous consent that I be permitted to use 2 minutes of the leader's time.

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

Mr. DOLE. Mr. President, there are certain issues that truly divide the Senate.

But, I think that one issue we are completely united on is—that when Americans are competing in a trading system free of subsidies or artificial barriers, we can outproduce and outsell anyone, anywhere in the world.

This is the theory behind fast track. We have an opportunity to express our views on the importance of open world markets.

Over the past few months, certain Members have expressed reservations over the fast-track process itself. Others are very concerned over the prospects of a free-trade agreement with Mexico.

FAST-TRACK PROCESS

In the case of the fast-track process, I believe these concerns are unfounded.

Approving fast track does not mean that Congress will be deprived of its constitutional responsibility.

In fact, the procedures within fast track ensure that Congress is involved every step of the way.

Fast track requires extensive notification and consultation.

The procedures preserve our role during the negotiation, approval, and implementation of any agreement.

Moreover, President Bush, in no uncertain terms, has committed to a coordinated effort. And we have witnessed that effort—I cannot remember a time when we have been so well briefed by the administration on any one issue.

And let us not forget—we have the last word. If an agreement is not acceptable, it can be rejected by a simple majority.

Any agreement, whether the Uruguay round or NAFTA, must stand or fall on its own merits.

I will lead the fight against any final agreement which I believe is not in the best interest of America.

NORTH AMERICAN FREE-TRADE AGREEMENT

And for my colleagues who oppose fast track over concerns of an agreement with Mexico, I believe their actions are premature.

At this time we are simply voting on whether or not to pursue opportunities.

The issues my colleagues raise are legitimate concerns—no doubt negotiations will involve difficult and controversial issues.

But, revoking fast track is not the solution.

The legitimate concerns of environmentalists, labor unions, and others can and will be addressed during the negotiation process.

Indeed, many are already being addressed. For the first time, we will have environmentalists on key trade policy advisory committees.

And, we have signed a memorandum of understanding with Mexico for cooperation and joint action on a number of labor issues including health and safety measures and work conditions.

So, what is a stake?

If we revoke fast track, we will lose the ability to negotiate with Mexico on the environment, worker rights, and labor standards.

And we will not lose that opportunity because we voted down fast track.

We will lose that opportunity because we often criticize Mexico's inability to deal with these problems—yet, we will have denied Mexico a chance at strengthening their economy. A stronger economy will enable them to deal with these problems.

And let us not forget that NAFTA is not a substitute for a worldwide multilateral trading system.

Fast track is also needed to complete the Uruguay round. These negotiations were stalled for a time—but they will be lost forever without fast track.

Failure to extend fast track would signal a serious change in our policy of international and economic cooperation. This would have detrimental consequences beyond trade—beyond borders.

A successful Uruguay round is in the best interest of the United States. The round needs our leadership.

In 1974, when we created fast track, we started down the path toward market freedom. Let us not give up now.

International trade is more important than ever. We should not hesitate in our efforts to open world markets and pursue economic growth and prosperity.

Mr. President, I know many Members need to vote and have other holiday weekend plans that are very important. I have listened to nearly all of the debate. It has been a good debate, as pointed out by the distinguished chairman of the committee. It has been bipartisan. It should be bipartisan.

I have been trying to figure out why this vote is so difficult. Maybe I am missing something. It seems to me it would be a very easy vote to extend the process. As pointed out by Senator BENTSEN, we are not voting on any agreement. If we are concerned about Mexico, and the environment, and labor, then we ought to have the fast-track process so we can discuss those concerns. We ought to strengthen their economy, and we ought to be doing what we are doing. I cannot find any valid reason for not wanting to extend the process.

The protest that started in 1974 started, I might add, with a Democratic Congress. It has always been bipartisan, and it still is. This vote will be bipartisan. I do not think anybody is in the process of changing their minds at this late point.

I must have missed something along the way. The process should be continued. We should give the President the authority to negotiate. And we ought to be able to vote up or down on the

agreement. We may be against the agreement if it comes, any agreement. So I say to my colleagues, for all the reasons that have been stated on this floor on both sides of the aisle in support of the fast-track process, I hope we have a good strong vote in the Senate and send the right message around the world.

Mr. HOLLINGS. Mr. President, I want to amend the treaty. That is what is at issue here. The distinguished Senator from Kansas says what is the big issue? Let us discuss it when we get it. We do not even have it. He is right.

But when I get it, you can bet your boots I have an amendment to it.

I ask unanimous consent to have printed in the RECORD at this particular point, from the San Jose Mercury News, an article entitled "Mexico Seeks To Expand Cuba Ties, at Risk of Rocking U.S. Trading Boat."

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

MEXICO SEEKS TO EXPAND CUBA TIES, AT RISK OF ROCKING U.S. TRADING BOAT

(By Katherine Ellison)

HAVANA.—Mexico is planning to boost business with Cuba, despite the risk of vexing the United States in the midst of U.S.-Mexico free-trade talks.

The United States forbids its own companies to trade with the communist nation. But in recent interviews, Mexican officials have conjured visions of expanded trade, including profit-sharing in Cuba's raw materials and growing tourist industry.

Late last month, Mexican finance officials met here with Cuban leader Fidel Castro for talks on paying off Cuba's nearly $800 million debt and increasing commerce in general.

A member of the mission, who declined to be identified, said formal agreements expected in February are likely to include a deal in which Cuba will refine Mexican oil.

Mexico also plans to buy Cuba's pharmaceutical products, as well as nickel and cement, and invest in hotels through some combination of foreign exchange and absolving debt, he said.

The new focus on Cuba comes as Mexico and the United States rush to work on a free-trade pact, touted on both sides as a means to raise living standards in Mexico.

U.S. officials have yet to protest. But, as though anticipating complaints, Marlo Moya Palencia, Mexico's ambassador to Cuba, told the national, semi-official newspaper Excelsior in January that "any tendency to blockade a nation is absurd" when trade barriers are falling throughout the world.

Mexico and Cuba have long had close ties, a bane to successive U.S. administrations. It was in Mexico City that the young Castro met his famous fellow rebel, Che Guevara, and planned the successful 1959 ouster of U.S.-backed dictator Fulgencio Batista.

When Latin nations, pressured by the United States, broke all ties with Cuba in 1962, Mexico alone kept up relations.

In the past few years, Cuba-Mexico trade has rarely exceeded $100,000 annually. But officials from both countries say that will change.

"Commerce could grow in all fields," said a second Mexican official close to the recent talks.

Mr. Castro has been aggressively courting new trade partners, from Latin America to China, with good reason. The Soviet Union, the source of 70% of Cuba's trade, has been wracked by its own economic problems and become an unreliable partner. Mexico's potential for free trade with the United States makes it even more attractive to Cuba, since that would mean greater, indirect access to U.S. goods and technology.

But U.S. officials already fear Cuban industrial spying. Some say the specter of more of the same could give ammunition to free-trade foes in the congressional debate expected this spring

"People are starting to look more carefully into what the Mexican government is up to, to see if we really want to get so closely involved," said a congressional aide watching the free-trade talks.

For that reason, Mexico's timing in trumpeting new ties with Cuba is striking. Some U.S. analysts say Mexican President Carlos Salinas de Gortari could be trying to appease critics of his otherwise pro-U.S. approach with a show of independence.

Either way, the trade show goes on.

Expanded trade with Cuba fits into Mexico's plans to increase regional commerce. In January, Mr. Salinas signed a pact for free trade in Central America. There, as in Cuba, huge Mexico plays the role of big brother, sometimes treating the less-developed nations rather as it is being treated by the United States.

"If Mexico is an assembly plant for the U.S., why can't Cuba be an assembly plant for Mexico?" one Mexican official asked.

Mr. HOLLINGS. Mr. President, the amendment I would like is that the free-trade agreement with Mexico, for example, will not violate the United States embargo on Cuba, the policy of John F. Kennedy, Ronald Reagan, George Herbert Walker Bush, and all the rest of them that we have had for over 30 years.

It has proved valid. They tell us now Castro is economically in trouble, particularly with his support eroding from the Soviets, where they are an economic basket case. And now, in the last minute, we are going to say you cannot even consider that foreign policy, and we are coming in with the Castro communism economic recovery program. Because what are they going to do? Mexico has just that—a free-trade agreement with Cuba. And they are talking about helping pay off their $300 billion debt, and Cuba will refine Mexican oil, and Mexico plans to buy Cuban pharmaceutical products and, particularly, their citrus from Texas, who furnishes me citrus. And I feel good about it.

I can tell you here and now they will take the citrus—they have more citrus fields in Cuba than in Florida—and ship them to Mexico, and the Mexicans will ship 100 percent of their product up here. We will put the Florida crowd out of business. I do not want the Senators from Florida coming running around hollering free trade.

I have an amendment. When you vote here in the next minutes, they are telling you that you can talk all you want, but you cannot do anything, son. The party is over. We are going to change the foreign policy of 30-some years.

We had introduced S. 636 so they could negotiate. They would not report that out of the Finance Committee, oh no. We asked them to continue to negotiate, so we could look at these things.

I will be looking for that clause in the trade agreement with Mexico, that we will not violate the embargo on Cuba, that they will not benefit from it, will not divert their crops, and that we will not start financing and subsidizing Castro's communism, which we are about to overcome. He is the last remaining dictator, and here at the last minute we are going to start an economic recovery program for Fidel Castro. Why? Because that arrogant crowd over there will not even let you amend it. I yield.

Mr. MITCHELL. Mr. President, one of the most serious questions we face as legislators is what effect our decisions will have on the livelihoods of the people we represent. Every Member of Congress feels a great obligation to consider issues that involve the jobs of U.S. workers with the utmost caution.

That is why Congress has always been very sensitive to issues involving international trade. Most of us believe it desirable to break down international trade barriers to promote greater economic activity. But we are also concerned about the effect those changes will have on American workers. And recent history has made many of us highly skeptical that administration trade negotiators will stand up for the interests of U.S. industry and its workers.

Too often in the recent past our trade negotiators have been motivated by different objectives. Following World War II, when we stood as the preeminent economic and military power in the world, we began to use trade as a foreign policy tool to promote economic growth and democracy in other nations. When the United States was so far ahead of other nations economically we were willing for our markets to be wide open to the goods of other nations even while they kept our goods out.

By the 1980's our economic position relative to other nations declined considerably. But the Reagan administration was populated by free-trade idealogues who unilaterally disarmed U.S. trade policy, refusing to defend U.S. interests in international trade even as the trade deficit skyrocketed out of control.

It was only after extreme pressure from Congress, and as a result of the Omnibus Trade Act of 1988, that the administration began to assume a more activist trade policy in defense of U.S. interests.

It should not be surprising then that many in Congress remain skeptical that our trade negotiators will protect

U.S. workers, whether it be in multilateral or bilateral trade discussions.

Our greatest concerns are with respect to a free-trade agreement with Mexico and whether the Bush administration will permit foreign policy objectives to cloud its negotiating judgment with respect to issues that are vital to United States workers.

That concern is even greater because this trade agreement with a nation on our border also has important implications for the environment, both with Mexico and along the United States border.

Like many Members of Congress, I have concerns about what will be included in a GATT agreement, but I am supportive of the process and the hoped-for trade liberalizations it will bring. While considerable progress has been made in the Uruguay round of trade negotiations, a number of major issues remain to be resolved. I hope they will be resolved on a basis that will permit Congress to support the agreement.

I want to make clear that I fully support, and am certain of the desirability of negotiating a closer economic relationship with Mexico. The Mexican Government under President Salinas has made tremendous progress liberalizing its domestic economy and fostering closer economic relations between our two nations. After years of failed economic policies that have kept Mexico largely closed to foreign competition, the government of President Salinas has shown great courage in instituting radical economic reforms.

Regardless of its disparate views on a free-trade agreement, I am certain Congress is united in the belief that the United States should respond favorably to those domestic changes and reach closer economic ties with Mexico.

But that does not mean that we ignore U.S. national interests with respect to the jobs of American workers and the environment. Mexico changed its economic policies to permit greater trade with the United States, not because it wanted to assist the United States but because those changes are in Mexico's national interest.

We should be guided by the same standard. Free-trade negotiations with Mexico should be based solely on our national interests.

Members of Congress have raised many concerns about the implications of a free-trade agreement with Mexico. We are concerned about the effect of reaching a free-trade agreement with a nation whose workers earn one-tenth the level of our workers and who are often denied basic worker protections. The Mexican economy is only 4 percent the size of the United States economy and has a limited potential to absorb increased imports from the United States. But it has one-third as many people and a much greater capacity to absorb United States jobs.

We are especially concerned about American jobs in industries that have been particularly sensitive to imports in the past. Many of these industries are today protected by relatively high tariff levels because they compete mainly with low-wage nations. Without question, a free-trade agreement with Mexico will have serious implications for workers in these industries. The administration has pledged to consider longer phase-in periods for these industries, but what that means is unclear.

We are concerned about the effect of reaching a free-trade agreement with a nation that suffers under some of the worst environmental conditions in the world. In the past, United States companies have closed down operations in this country and relocated in Mexico to take advantage of weaker environmental regulation. We are concerned that will take place in the future under a free-trade agreement.

The Bush administration has attempted to provide assurances in its May 1 action plan. I believe the administration took these concerns seriously and made a real effort to reassure Congress in order to secure an extension in fast-track authority.

But the action plan is mostly made up of vague promises and uncertain assurances of the administration's desire to address environmental and job concerns. It does not, and cannot, include strong commitments on these issues because negotiations must still occur with Mexico. The plan also emphasizes well-intentioned, but largely unenforced, Mexican laws and agreements designed to address these problems. We are told that enforcement has greatly improved in recent months, but of course no guarantees about the future can be given.

We often hear the argument that we are not voting on a Mexican Free-Trade Agreement now. We are simply giving the administration the authority to negotiate under procedures for fast-track approval. But I believe the difference is only minor. Once an agreement is fully negotiated, Congress will be under far more pressure than today to not take a vote that will kill the trade agreement. Expectations will have risen to such a level that that just will not happen.

We are also reassured that negotiators will consult with Congress every step of the way and we will be fully involved in the free-trade discussions. I don't doubt that the negotiators will make efforts to keep Members of Congress informed. Assurances will no doubt be given. But I have been through two free-trade negotiations and I know that is not the same thing as being in a position to change the agreement.

In spite of the many reservations I have about this process, I intend to vote today in opposition to the resolution of disapproval. At this time I will support giving the administration the authority to negotiate under a fast-track process.

But I remain concerned about the implications of this agreement and uneasy about the role of Congress under fast track. I may oppose the ultimate agreement that is negotiated with Mexico and I may support a later change in Senate procedures for considering bilateral trade agreements.

In the near future the Senate will have an opportunity to vote on a resolution proposed by Senator RIEGLE that will preserve the administration's fast-track negotiating authority while reserving the ability of the Senate to consider amendments in specific areas including: monitoring and enforcement of fair labor standards and environmental standards, establishment of rules of origin, arrangements for dispute resolution, and adjustment assistance for U.S. workers. Senator RIEGLE believes this resolution will preserve fast-track procedures for the basic thrust of the agreement, to remove tariff and nontariff barriers, while at the same time reserving for Congress the responsibility to thoroughly review important related issues.

I intend to give Senator RIEGLE an opportunity to debate that option and am seriously considering giving it my support.

Mr. MACK. Mr. President, I intend to vote against renewing the administration's fast-track authority to negotiate trade agreements.

This has been one of the most difficult decisions I have made since being elected to Congress. I fervently believe in the benefits of free trade. But I cannot subordinate the interests of Florida to the intangible advantages a trade agreement with Mexico may bestow on others.

I am well aware that this authority is an effective prerequisite for both continued negotiations toward a multilateral agreement under the Uruguay round of the GATT, and for the beginning of negotiations with Mexico. I am also well aware that the provision of fast-track authority does not eliminate congressional influence on the outcome of either set of negotiations.

Indeed, I salute the President for his forceful trade initiatives which fast-track is designed to facilitate. There is little doubt that these trade initiatives, including a free-trade agreement with Mexico, will ultimately benefit the United States to a significant degree and help spread prosperity to Mexico and the rest of Latin America.

But just as I am a U.S. Senator, I am Florida's Senator. And I am compelled to consider the needs, hopes and aspirations of Floridians above all others. A trade agreement with Mexico—as is currently being considered—will devastate a key Florida industry and

therefore touch the lives of many Floridians.

In recent years, Mexico has increased the numbers of acres planted in oranges by one-third and has done so with tremendous government subsidies of land. Moreover, these plantings occurred prior to serious discussion of a trade agreement with the United States and will result in a doubling of production over the next 5 years. It is clear to me that Mexican growers made a decision to compete under the existing rules. They must now be overjoyed with the prospect of the rules changing in their favor. A huge competitive advantage—one that destroys Florida's crop—would be handed to them on a silver platter.

That is the basis of my objection to fast-track reauthorization. I cannot condone a process that moves the United States to an international agreement which will have catastrophic effects on the quality of life of many Floridians.

Breaking down trade barriers will ultimately provide net benefits to both the United States and Mexico. But there are severe transition costs which will be borne by sectors which suddenly find themselves at a competitive disadvantage. Florida agriculture is one of those sectors and will bear the brunt of those transition costs.

Florida's agricultural diversity extends from citrus to fresh fruits and vegetables to sugar and peanuts. Although of immense significance to Florida, its share of the total U.S. economy is tiny. In the callous world of international trade politics, this makes Florida agriculture a candidate for a bargaining chip.

Trade negotiations obviously involve compromise. Sacrifices are made on both sides. I have grave concerns that the sacrificial lamb offered by U.S. negotiators will be Florida agriculture.

There are powerful constituencies lined up behind most of America's protected industries. These constituencies have built massive coalitions which will no doubt be able to exert enough political muscle during the negotiations to stave off any harm to those industries.

But who will speak to the thousands of Floridians whose lives and livelihoods are linked to Florida's famous citrus groves? I will.

For some people, Florida conjures up images of sun-kissed, sandy beaches. For others, Florida means Disney World. But for most Americans, Florida is orange juice and fresh fruits.

The image of Florida is inseparably intertwined with the citrus industry. I will not support legislation that will usher in the decline of the industry which is the very essence of Florida. I am Florida's Senator.

Mr. NUNN. In the context of this debate on the extension of the fast-track procedures, I would like to ask the chairman a few questions about the GATT negotiations.

I have heard from several major industries in my State which have strong concerns about the agreement which may emerge from the Uruguay round. The peanut farmers in Georgia, for instance, oppose the administration's proposal to reduce internal support for and to increase imports on peanuts as a part of a multilateral agreement on agriculture. On several occasions, I have communicated the industry's and my views about this proposal to Ambassador Hills.

One issue which arose in a meeting in my office with the Deputy U.S. Trade Representative, Rufus Yerxa, is the question of equal treatment. I fear that the administration will seek to accomplish in the GATT agreement what it proposed for peanuts in the farm bill but failed to obtain from Congress—that is, the program's elimination.

Ambassador Hills has stated to me that the United States is seeking an agreement to achieve across-the-board cuts of a set percentage in all product sectors. I have asked and received reassurances from Ambassador Hills that our negotiators will not single out a commodity, such as peanuts, for disproportionate cuts. Moreover, it is my view that we should not, for instance, accept less than the agreed cuts in other countries' agricultural programs without applying the same treatment for peanuts.

In my views, this is a fundamental issue, not only to the debate on the fast-track extension but, perhaps more importantly, to the future consideration of a GATT agreement by Congress. Let me ask, does the chairman concur that this issue of equal treatment is important?

Mr. BENTSEN. The Senator from Georgia makes a good point. When the Uruguay round is completed and the Congress has an opportunity to consider this agreement, one critical test will be whether or not our negotiators can ensure that concessions granted by the United States are fully reciprocated by our trading partners. Our negotiators must aggressively pursue America's interests in these talks. And I believe that all commodities should be treated fairly in these negotiations.

Mr. NUNN. I thank the Senator. On another point, I have also had brought to my attention a concern about the impact of any Uruguay round on the United States textile industry. United States negotiators have tabled a proposal in the Uruguay round to phase out the Multifiber Arrangement, the international agreement governing trade in textiles and clothing. In the textile industry's view, this phaseout could result in a loss of a significant number of jobs.

One particular concern of the textile industry is the inclusion of a provision in the textile portion of the GATT agreement spelling out the rules on such practices as dumping and subsidy violations. In particular, textile manufacturers believe that quicker, more effective import relief against injury must be included in the agreement.

I have asked the U.S. Trade Representative to include and to enforce a provision as a component of the textile agreement whereby all participants agree to abide by GATT rules on unfair trade practices and agree to open their markets to textiles and apparel products. She has committed to me that this provision will be considered.

I would like to ask the chairman if he agrees that a component of the textile agreement should be that all participants agree to abide by GATT rules on unfair trade practices and agree to open their markets to textiles and apparel products?

Mr. BENTSEN. The Senator from Georgia has expressed a legitimate concern. The Punta Del Este mandate for the Uruguay round stated that the objective of any textile negotiations would be "the eventual integration of this sector into GATT on the basis of strengthened GATT rules and disciplines, thereby also contributing to the objective of further liberalization of trade." Should the Multifiber Arrangement be phased out, I share the textile industry's belief that this mandate must be met. To me, strengthened GATT rules and disciplines refers to both the ability of the United States to take action against unfair trade practices and the ability to enforce the market-opening commitments of other countries. I understand and support the desire of the industry to have that right explicitly stated in any textile agreement under the Uruguay round.

Mr. CRANSTON. Mr. President, I rise in opposition to the resolution denying fast-track consideration of trade agreements. I do so for a variety of practical and philosophical reasons.

At the outset, let me state that I have heard and weighed the views of those who would have me support this resolution. The issues raised are not frivolous and I respect the conviction with which they were propounded. My position as a Senator, however, demands that I make the best decision possible, as I see it, for the whole of my State and the Nation. Accordingly, I support both fast track and negotiations on the Uruguay round and the North American Free-Trade Agreement.

The reasons for my support for fast-track authority range from foreign policy factors to competitiveness and for many other reasons in between.

First, the North American Free-Trade Agreement is important to America's future, not only for economic reasons but also for security reasons.

Mexico's continued friendship, political stability, security, and prosperity

should be encouraged. Mexico plays a vital role in the economic and political stability of the Western Hemisphere. Our neighbor is the gateway to Central and South America. Improving our relationship will undoubtedly lead to a better working relationship with the rest of the Americas. This is particularly true in terms of trade as the United States and our neighbors to the south find ourselves increasingly shut out of the same markets in Europe and Asia.

To turn a cold shoulder to Mexico by disallowing fast track and thus hindering negotiations on a free-trade agreement, could have negative repercussions that may last for years, possibly decades. It would be a mistake to be perceived as rejecting the hand of friendship offered to the United States by the Salinas administration, an administration that has effected very positive change for the Mexican people.

On a more pragmatic level, a successful North American Free-Trade Agreement will forge a strong bloc among Canada, Mexico, and the United States, three countries with obvious interdependencies.

All over the globe, Mr. President, we see trading blocs forming. To ignore the inherent efficiencies of these arrangements would be negligent indeed.

Second, we need to extend the fast-track authority in order to complete the Uruguay round of GATT. There are important reasons why these negotiations must be completed.

For example, intellectual property is not currently within the scope of GATT. This means that our Nation's finest written works, movies, software, inventions and know-how are too often unprotected once they enter the global marketplace. Ideas worth an estimated $60 billion annually are lost through counterfeiting and theft. A successful Uruguay round could end this theft of the United State's finest product—our ideas.

In supporting fast track, I expect President Bush to live up to the letter and spirit of his May 1, 1991, letter to Congress. The May 1 letter outlined the administration's agenda in negotiating a North American Free-Trade Agreement and made explicit commitments to the Congress.

I shared many of the concerns raised by Chairmen BENTSEN and ROSTENKOWSKI and was generally pleased with the administration's response. I would like to take this opportunity, however, to express my hopes, indeed expectations, in some specific areas.

On the question of the environment, I expect that the administration will consider the environmental implications of a North American Free-Trade Agreement, will work to guarantee the satisfactory enforcement of environmental standards and controls, and in any future trade agreements will be unyielding on the question of food safety and U.S. environmental standards.

With respect to labor, let me say that I understand the concerns and anxiety about a proposed trade agreement with Mexico. In the last decade we have seen a great movement of labor from the United States to lesser-developed nations. The reasons for this are manifold. Largely it is a matter of a changing world. A world described by Robert B. Reich in the Harvard Business Review that speaks of global managers whose eyes are fixed, not on any one nation, but on a multinationally-driven bottom line. Part of that equation is finding an inexpensive source of labor.

A trade agreement, against this backdrop, is understandably disconcerting to workers. But I believe that on balance a North American trading block and a successful GATT round may hold more answers for labor than threats. A good Uruguay round is expected to create manufacturing and service-related jobs while many economists predict that a good North American Free-Trade Agreement will create more than 50,000 jobs over 10 years.

The administration must work toward an agreement that will meet the goals of a free-trade agreement and yet not disadvantage U.S. labor.

As to worker dislocation, should it occur, I take consolation in the administration making an important commitment to providing necessary assistance to workers. This commitment, however, must be more than a general commitment. It has to be substantial, specific and backed by sufficient funding. I will do everything I can in the Congress to help the administration do what it acknowledges must be done.

A major problem for American working men and women stems from working men and women crossing the Mexican border without documents and competing in our country for jobs. They are exploited by unscrupulous employers because of this tenuous status in our country. Many of them work for substandard wages under intolerable working conditions.

Our inability to control our borders troubles many Americans beyond labor. I believe the only real solution is a more prosperous Mexico. Ambitious Mexicans who want to take care of themselves and their families would prefer to stay in their native land, but if they cannot make it there, they dare to come without documents to our country—with all the risks and hardship that entails—because they hope they can make it here.

We cannot build a Berlin wall around our Nation. No strengthening and enlargement of the border control can halt the flow.

But a prosperous Mexico would stem the flow by providing jobs at home for those who need them. The fast track is the way for us to help ourselves by helping Mexico achieve that status.

Finally, Mr. President, I do not want to give the impression that in voicing my support of fast track and negotiations on a trade that I am indifferent to Mexico's unfortunate record on democratization and human rights. There are too many credible reports of torture, disappearances, and murders to pretend that nothing untoward is happening in Mexico.

Likewise, one party rule, either blatant and open as in the past, or more discreet, can no longer be tolerated.

These issues must be made a part of the more general United States-Mexican agenda. Closer economic ties between our two nations can only cause United States interest in these areas to grow.

Mr. President, proponents of this resolution have said that fast track does not allow sufficient time or opportunity for the airing of concerns about a trade agreement. For the sake of clarity, I would like to submit for the record to appear at the end of my statement the relevant pages of the Overview and Compilation of U.S. Trade Statutes which outlines the process by which trade agreements are considered. I believe Congress is given ample opportunity in drafting the implementing legislation to play an integral role in the process of formulating a trade agreement.

For those who still fear that Congress relinquishes its powers once fast track is granted, the Tokyo round of GATT should be remembered. There, as my colleagues may recollect, Congress flexed its collective muscle and forced the administration back to the bargaining table. The will of the Congress ultimately carried.

In closing, Mr. President, it needs to be clearly understood that without fast-track authority, it is likely that these trade negotiations will not be completed. The fate of both the North American Free-Trade Agreement and the Uruguay round rests upon whether or not we will be able to guarantee swift and conclusive consideration of the trade agreements when they are presented to Congress for approval. The stakes are very high and if we are to move toward greater economic and political stability and growth with our neighbors and our trading partners this resolution must be defeated.

I want to pay tribute, before I close, to Senator LLOYD BENTSEN for his effective leadership on this issue, and to Trade Negotiator Carla Hills, a fellow Californian, for her skill in advancing this cause on a far-flung field ranging from distant nations to Capitol Hill.

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

[Excerpts]

OVERVIEW AND COMPILATION OF U.S. TRADE STATUTES

(March 25, 1991)

CONGRESSIONAL FAST TRACK IMPLEMENTING PROCEDURES

In contrast to traditional tariff proclamation authority, nontariff carrier agreements entered into under section 1102(b) and bilateral trade agreements entered into under section 1102(c) authority under the 1988 Act cannot enter into force for the United States and become binding as a matter of domestic law unless and until the President complies with specific requirements for consultation with the Congress and implementing legislation approving the agreement and any changes in U.S. law is enacted into law. Sections 1102(d) and 1103 of the 1988 Act and sections 151–154 of the 1974 Act prescribe the following procedures for Congressional approval:

1. Before entering into any trade agreement, the President must consult with the House Committee on Ways and Means, the Senate Committee on Finance, and with each other committee in the House and Senate with jurisdiction over legislation involving subject matter affected by the agreement. The consultation includes (a) the nature of the agreement; (b) how and to what extent the agreement will achieve applicable purposes, policies, and objectives; and (3) all matters relating to agreement implementation.

2. The President must give the Congress at least 90 calendar days advance notice of his intention to enter into a trade agreement, and promptly publish the intention in the Federal Register. The purpose of this notice period is to provide the Congressional committees of jurisdiction an opportunity to review the proposed agreement before it is signed, to determine the changes in U.S. laws that will be necessary or appropriate to implement the obligations under the agreement, and to meet with Administration officials to develop the text of an acceptable implementing bill.

3. After entering into the agreement, the President must submit a copy of the final legal text to the Congress, together with a draft implementing bill, a statement of any administrative action proposed to implement the agreement, and supporting information ((a) an explanation of how the bill and proposed administrative action will change or affect existing law; and (b) a statement asserting that the agreement makes progress in achieving applicable purposes, policies, and objectives; the reasons the agreement makes such progress and why and to what extent it does not achieve other purposes, policies, and objectives; how the agreement serves the interests of U.S. commerce; why the implementing bill and proposed administrative action are required or appropriate to carry out the agreement; efforts made by the President to obtain international exchange rate equilibrium and any effect the agreement may have regarding increased monetary stability; and the extent, if any, to which each foreign party to the agreement maintains non-commercial state trading enterprises that may adversely affect, nullify, or impair the benefits to the United Sates under the agreement and how the agreement applies to or affects purchases and sales by such enterprises).

There is no statutory time limit for submission of the agreement and draft bill after entry into the agreement. The timetable is worked out between the Congressional leadership and the Administration to accommodate the need for committees of jurisdiction to have adequate opportunity to develop an acceptable draft bill text while also ensuring expeditious formal action on the actual implementing legislation.

4. The implementing bill is introduced in both Houses of Congress on the same day it is submitted by the President and referred to the committee of jurisdiction. The committees have 45 legislative days in which to report the bill; they are discharged automatically from further consideration after that period.

5. Each House votes on the bill within 15 legislative days after the measure has been received from the committees. A motion in the House to proceed to consideration of the implementing bill is privileged and not debatable. Amendments are not in order.

No amendments to the implementing bill are in order in either the House or the Senate once the bill has been introduced; the committee and floor actions in the House and Senate consists of "up or down" votes on the bill as introduced. The total maximum period for Congressional consideration from date of introduction is 60 legislative days if the bill is not a revenue measure. Since the Senate must Act on a House-passed revenue bill, the maximum period for Congressional consideration of a revenue implementing bill from date of introduction is 90 legislative days (15 additional days for Senate committee action on the House-passed measure and 15 additional days for Senate floor action). After the legislation is signed by the President, the agreement goes into effect under the terms of the agreement and the implementing bill.

Special "fast track" procedures also apply to implementation of changes in existing trade agreements, including certain specified provisions in the U.S. bilateral trade agreements with Israel and Canada. Section 3(c) of the Trade Agreements Act of 1979 requires the President to submit a draft bill and statement of any administrative action to the Congress whenever he determines it is necessary or appropriate to amend, repeal, or enact a statute to implement any requirements, amendments, or recommendation concerning an agreement. Procedures and requirements similar to sections 1102(d) and 1103 of the 1988 Act and 151–154 of the 1974 Act apply, except the President is required to consult at least 30 days rather than 90 days, in advance with the House Committee on Ways and Means and the Senate Committee on Finance and any other committees of jurisdiction on the subject matter and implementation.

Although statutory, the legislative procedures were enacted as an exercise of the rulemaking powers of each House of Congress, and are part of each House's rules. The procedures may be changed in the same manner as any other rules.

The purpose of the approval process is to preserve the constitutional role and fulfill the legislative responsibility of the Congress with respect to agreements which often involve substantial changes in domestic laws. The consultation and notification requirements prior to entry into an agreement and introduction of an implementing bill ensure that Congressional views and recommendations with respect to provisions of the proposed agreement and possible changes in U.S. law or administrative practice are fully taken into account and any problems resolved in advance of formal Congressional action. At the same time, the procedure ensures certain and expeditious action on the results of the negotiation and on the implementing bill with no amendments.

Section 1103(c) of the 1988 Act instituted a "reverse fast track" procedure that terminates the application of that special procedure for the approval of trade agreements if both the Committee on Ways and Means and the Committee on Rules in the House and the Committee on Finance in the Senate report, and both the House and Senate separately pass, resolutions of disapproval with any 60 legislative day period. The basis for the disapproval must be failure or refusal of the U.S. Trade Representative (USTR) to consult with the Congress on trade negotiations and trade agreements as set forth in the consultation requirements. The "fast track" procedure applies to floor consideration of the resolution, which is nonamendable.

Mr. LUGAR. Mr. President, this debate on trade policy and the President's request for an additional 2 years of negotiating authority has been going on for some months now. And, I expect, it will go on for much longer. The vote on the so-called fast-track process has not yet been taken and already there are resolutions prepared which would change the rules for fast track in terms of the scope of the agreement and the ability of Congress to offer amendments.

All of this debate should serve at least one purpose, Mr. President, and that is to dispel the notion that somehow Congress has dealt itself out of the process. Formal negotiations on a North American Free-Trade Agreement have yet to begin and already we are well into the issue. I myself have been through four Committee or Subcommittee hearings on the Mexico and Canada talks. I have several dozen reports and studies by the private sector and by the administration, letters from hundreds of constituents and one video tape.

And that is just on the North American Free-Trade Agreement, Mr. President. The volume of material on the Uruguay round is much larger.

But I think our debate here on the fast-track request, is really about two principles: Confidence and leadership. Do we have confidence in ourselves, in the administration, in the workers and producers of our home States and, if we do, do we have the leadership to meet other nations face to face in trade negotiations and do what is best for our country?

Other nations clearly do not have that confidence, Mr. President. They have built up complex trade barriers and systems of protection to gain an advantage which they know they cannot get through fair competition. Some nations may have the confidence but they cannot take the lead. Instead, they look to the United States, the world's largest economic power, for that leadership.

We have just gone through a time when others looked to us for confidence and leadership in the Persian Gulf and this country came through.

This time, Mr. President, I believe there are some who would just as soon see us step back, walk away from the challenge of trade negotiations and do nothing. I am sure there are some in the European Community where a lavish system of subsidies and market barriers has taken money from the pockets of American farmers for many years, who would rather not see a fast track renewal. They would be pleased to say: "Well, the American Congress clearly doesn't want trade negotiations and so we're free to go on as before. But it's not our fault," these Europeans would say, "blame the United States Congress."

And likewise, Mr. President, there are some in Japan who would be perfectly happy to be free of pressure by saying that they were committed to the multilateral trade negotiations but it was Congress that limited trade negotiating authority so obviously, their trade barriers will remain for a while longer.

And this would be a severe setback to the millions of American workers and producers who have made themselves more competitive, who have invested in training and technology and who have to compete every day here in their own country with imported products.

It is clear, Mr. President, that exports are the engine for American economic growth. As the distinguished Chairman of the Finance Committee, Senator BENTSEN, has written, 88 percent of the growth of the Gross National Product last year came from exports. Over the last 4 years, U.S. merchandise exports have expanded by about 75 percent accounting for more than 40 percent of the 4-year growth in the GNP.

As important as exports are to the American economy, nowhere are they more important than in agriculture. About one-third of our agricultural production is exported. About 25 to 30 percent of harvested crop acreage produces for export. One-fifth of our farmers cash receipts now come from exports. Exports have created about 1 million jobs in the farm and agribusiness sectors. Last year American agriculture sold $40 billion of its products overseas earning a net trade surplus in agriculture of more than $20 billion.

Beyond these statistics, Mr. President, lies a very simple but powerful fact. No other country can produce, process, and transport the volume, quality, and quantity of food and other farm products that the United States can. Our size, our geography, our abilities in agricultural science and the productivity of our farmers give us tremendous advantages.

But at the same time our agricultural exporters face a huge and complicated array of trade barriers and subsidies that often neutralizes those advantages. That is why we have a large and diversified coalition of farm organizations, agricultural producers, and food processors supporting the President's request for an extension of fast-track authority. They know that negotiations to reduce or eliminate those trade barriers and subsidies are their best hope for an even better share of the world market for their products.

In a North American Free-Trade Agreement, American farmers see a Mexican market which is already our fourth largest single country market becoming more important. Mexico's accession to GATT and the reforms of the Salinas administration have made much of this market accessible but there are still barriers in the form of licensing agreements, tariffs, and border measures. Mexico is a good consumer market, probably approaching 100 million people in this decade. The benefits of a North American Trade Agreement and internal free markets reforms will spur the domestic economy bringing more consumer demand, better diets, and the need for a larger volume and variety of imported products.

The Uruguay round offers even more potential for American farm products. The Department of Agriculture estimates that while the population of this country will increase by about 30 million in the next 20 years, the world population will grow by nearly 2 billion. Clearly, if we want to look for growth in agriculture we must look outward not inward.

The Uruguay round offers us the opportunity to reduce market barriers and export subsidies in the same 100 countries that are participants in that process. Central to this round is the European Community's system of huge agricultural export subsidies and strong market barriers which deprive farmers all over the world, including the United States, of a fair chance to compete in selling their products.

When the Uruguay round talks stalled in Brussels in December because of the intransigence of the EC, which was supported quietly by Japan, the United States clearly had the support of a majority of countries interested in agricultural reform. The EC's inability to commit to substantial, specific and timely changes in its programs tested the administration's commitment to refrain from any agreement that did not include agriculture. But the administration stood behind that commitment. It stood by American agriculture and it continues to press the EC, the Japanese and others for reforms.

The stakes here, Mr. President are huge. Consider the size of EC subsidies and you get an idea of the markets denied American and other farmers. According to the Department of Agriculture, the EC this year will spend about $40 billion for agricultural support, an increase of 31 percent over last year. EC consumers pay approximately $85 billion in artificially high prices for food. In export subsidies, the EC is spending about $12 billion annually to dump food in markets that should belong to American and other farmers.

Even modest progress in reforming these programs, Mr. President, will bring considerable benefits for our farmers and food exporters.

Nowhere is the need for continued trade negotiations realized more strongly than in my home State. The list of agricultural supporters of fast track authority covers almost all the farm sectors in Indiana—the American Farm Bureau Federation, the National Grange, the American Soybean Association, the National Oilseed Processors Association, the National Corn Growers Association, the National Pork Producers Council, the American Meat Institute, the National Grain and Feed Association, the American Hardwood Export Council and the National Forest Products Association to name just a few.

And within the last few days, the Indiana Farm Bureau, the Indiana Soybean Association and the Indiana Corn Growers Association have called my office to express support for fast track.

Mr. President, at this point I would like to ask that three letters to me from agricultural and agribusiness groups in support of fast track be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. LUGAR. Mr. President, the opportunities which continued trade negotiations present to Indiana agriculture are repeated through other sectors of my State's business and industry. Bringing down market barriers, reducing tariffs and protecting intellectual property translates into solid business for our companies and more jobs for our workers. In a North American Free-Trade Agreement, we want to reduce tariffs and quotas on electronic products, auto parts, steel and textiles.

Small business, Mr. President, has a particularly important stake in trade negotiations. Market barriers such as local production requirements, complex import regulations and licensing often can be overcome by large corporations which have the money, manpower and resources to overcome these obstacles. But a small company often cannot afford to challenge these barriers. Their best hope is a free market and they rely on our trade negotiators to get the results.

The Indiana Chamber of Commerce recognized this in a letter to my office last week noting that the National Small Business United—an organization representing more than 60,000 small business owners throughout the United States—is very supportive of

the fast-track extension. Referring to Indiana's exports to Mexico, the Chamber says: We believe a free trade agreement will help boost—those exports—creating an even stronger Hoosier economy.

As I have said many times, Indiana has an excellent combination of industry and agriculture supported by a talented and productive work force. We are already competitive in the global economy. The trade figures prove that. When trade conditions are fair, Indiana companies will succeed and we need trade negotiations to make sure those fair conditions exist.

That is what we are debating today, Mr. President, the authority to let the administration negotiate; not an agreement itself, but the authority to negotiate.

This resolution to disapprove fast track procedures would deny that authority. Deny the opportunity to construct trade conditions that would create more jobs in this country, boost our exports and improve our standard of living. All at a time, Mr. President, when the economy is more dependent than ever on trade. If this resolution were to pass, Mr. President, it would say to the Government of Mexico, of Canada and of the negotiating parties in the Uruguay round that we are not really serious about trade, that we do not have the confidence or the leadership to deal with the challenge before us. And if that is the case, Mr. President, we should not be surprised to see others step into our place and prosper at our expense.

Once again it is time to demonstrate American confidence and American leadership. Mr. President, I urge my colleagues to vote "no" on the resolution of disapproval.

EXHIBIT 1

U.S. AGRICULTURE
FOR TRADE NEGOTIATIONS,
March 14, 1991.

Honorable RICHARD G. LUGAR,
U.S. Senate, Washington, DC.

DEAR SENATOR LUGAR. the undersigned organizations support continued efforts to reduce remaining agricultural trade barriers in the current Uruguay Round of GATT trade negotiations. We therefore urge you not to co-sponosr or support resolutions disapproving the President's request for an extension of his "fast track" negotiating authority.

American farmers and other agricultural interests have long supported international efforts to achieve more open markets and fairer trading rules for agriculture through multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT). The progress made in opening markets for agricultural exports in previous GATT negotiations has been of tremendous importance to the U.S. agricultural sector and the national economy as a whole.

"Fast track" authority is essential to a successful and acceptable Uruguay Round trade agreement. Without an agreement, American agriculture will be faced with the very real threat of escalating and damaging trade conflicts in agriculture.

As you know, a vote on the "fast track" authority is not a vote for a GATT agreement, or for a North American Free Trade Agreement. A vote for "fast track" is a vote to enable the talks to proceed. Eventual support for either agreement brought back to Congress for approval would be conditioned upon the terms of that agreement. The "fast track" procedure also enables Congress and other interested parties to have their concerns fully considered throughout the negotiating process.

We believe that the opportunity for seeking trade agreements that provide net benefits for our national interests should not be foreclosed by denying "fast track" authority to our negotiators, and we strongly urge your support for its extension.

Sincerely,
American Farm Bureau Federation.
National Grange.
Ag Processing, Inc.
American Feed Industry Association.
American Hardwood Export Council.
American Meat Institute.
American Oat Association.
American Rice, Inc.
American Seed Trade Association.
American Soybean Association.
Biscuit and Cracker Manufacturers' Association
Blue Diamond Growers, Inc.
California-Arizona Citrus League.
Cargill, Inc.
Chocolate Manufacturers Association.
ConAgra, Inc.
Continental Grain Company.
Corn Refiners Association.
Farmers Rice Cooperative.
Farmland Industries, Inc.
International Apple Institute.
International Dairy Foods Association.
Millers' National Federation.
National Association of Wheat Growers.
National Barley Growers Association.
National Cattlemen's Association.
National Confectioners Association.
National Corn Growers Association.
National Food Processors Association.
National Forest Products Association.
National Grain and Feed Association.
National Grain Sorghum Producers Association.
National Grain Trade Council.
National Meat Canners Association.
National Oilseed Prcoessors Association.
National Pork Producers Council.
National Sunflower Association.
National Turkey Federation.
North American Export Grain Association, Inc.
Riceland Foods, Inc.
Rice Growers Association of California.
Rice Millers' Association.
R.J.R. Nabisco, Inc.
Southeastern Poultry & Egg Association.
Sun-Diamond Growers of California.
Sunkist Growers, Inc.
Sweetener Users Association.
Tobacco Associates, Inc.
Tri Valley Growers.
Union Equity Cooperative Exchange.
United Fresh Fruit and Vegetable Association.

FARMERS AND RANCHERS FOR
FAST TRACK,
May 8, 1991.

Hon. RICHARD G. LUGAR,
U.S. Senate, Washington, DC.

DEAR SENATOR LUGAR: You will soon be voting on whether to extend the President's "fast-track" authority to negotiate trade agreements.

The undersigned farmer and rancher organizations strongly urge you to support the fast-track extension and allow negotiations on foreign agricultural trade barriers to continue. The fast-track approval process allows Congress and the private sector to participate actively in the negotiating process and in the development of the implementing legislation before a final vote is taken. As you know, Congress will have the final say on all agreements reached under the fast-track process.

Without fast-track authority, trade negotiations cannot be pursued, and any hope of dealing with the hundreds of restrictions to U.S. farm exports will be lost.

We urge you to keep the trade negotiations alive and vote against the resolution to deny the fast-track extension.

Sincerely,
American Farm Bureau Federation.
American Oat Association.
American Rice, Inc.
American Seed Trade Association.
American Soybean Association.
Blue Diamond Growers, Inc.
California-Arizona Citrus League.
Farmers Rice Cooperative.
National Association of Wheat Growers.
National Barley Growers Association.
National Cattlemen's Association.
National Corn Growers Association.
National Forest Products Association.
National Grange.
National Pork Producers Council.
National Sunflower Association.
National Turkey Federation.
Rice Growers Association of California.
Southeastern Poultry & Egg Association.
Sun-Diamond Growers of California.
Sunkist Growers, Inc.
Tobacco Associates, Inc.
Tri Valley Growers.
United Fresh Fruit and Vegetable Association.

FOOD PROCESSORS, MANUFACTURERS,
WHOLESALERS AND RETAILERS FOR
EXTENDING FAST TRACK TRADE
NEGOTIATING AUTHORITY,
March 13, 1991.

DEAR SENATOR: We were pleased by the announcement last week that the deadlock over agricultural reform in the Uruguay round apparently has been broken and the negotiations can now resume. As representatives of a significant portion of the U.S. food processing, wholesaling and retailing industries, we believe a meaningful GATT agreement will be in the long-term best interests of the U.S. food industry and the United States.

We strongly support the effort that this Administration, and the Congress have made on behalf of U.S. agribusiness and the U.S. food industry during the current round of GATT trade talks.

An extension of "fast track" negotiating authority is both needed and desirable and we would encourage you to support the granting of such authority. We stand ready to work with you and other members of the Congress to adopt the extension and repel efforts to limit or to eliminate the "fast track" authority.

Thanks for your help and support.

Sincerely,
Paul C. Abenante, American Bakers Association; Steve C. Anderson, American Frozen Food Institute; Patrick Boyle, American Meat Institute; Frank Rooney, Biscuit and Cracker Manufacturers Association; Richard T. O'Connell, Chocolate Manufacturers Association, National Confectioners Association;

Harry Sullivan, Food Marketing Institute.

C. Manly Molpus, Grocery Manufacturers of America, Inc.; Robert N. Pyle, Independent Bakers Association; Robert M. Reeves, Institute of Shortening and Edible Oils, Inc., Derl I. Derr, International Apple Institute; E. Linwood Tipton, International Dairy Foods Association; John R. Block National-American Wholesale Grocers' Association; John R. Cady, National Food Processors Association; Stuart E. Proctor, Jr., National Turkey Federation; Thomas A. Hammer, Sweetener Users Association; George S. Dunlop, United Fresh Fruit and Vegetable Association.

Mr. KASTEN. Mr. President, I rise today in support of extending the President's fast-track negotiating authority.

I think we ought to give the President the ability to get the best trade agreements possible. Trade agreements based on free—and more importantly fair trade—hold much promise for the U.S. economy at large and Wisconsin in particular.

Fair access to foreign markets mean more export opportunities for Wisconsin businesses—and more jobs for Wisconsin workers.

My vote in favor of fast track does not mean I support any trade agreement. This is not a vote on a trade agreement; it is a vote on a trade procedure.

I think we ought to give the President a chance—because the benefits to our economy in terms of jobs and exports are enormous.

Extending fast track will not put Congress on the sidelines. It does not give the President a blank check. It simply gives the President the ability to negotiate.

Under fast track, both the Congress and the President would work together in shaping trade agreements.

The fast-track procedure requires the President to notify the Congress 90 days prior to signing an agreement. It is during this consultation period when Congress can influence the specifics of an agreement. In past trade talks under fast track, the President brought draft agreements back to the relevant congressional committees for review. The Committees actually held shadow markups on each and every provision of the draft. Where the Congress objected, the President went back to the bargaining table and pressed for changes.

The Washington Post has done an excellent job in explaining how fast track works and I ask unanimous consent to enter two editorials in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD.

[From the Washington Post, May 17, 1991]

THE NECESSITY FOR FAST TRACK

Prospects for fast track have suddenly improved, and fast track is essential to a strong and competent American foreign trade policy. It is the procedure for enacting trade legislation, and Congress will vote next week whether to extend it—in effect, whether to let the president negotiate a trade agreement with, for example, Mexico. Earlier this spring it seemed very possible that Congress would say no. But this week the two key committees on trade—Ways and Means in the House, Finance in the Senate—voted by large majorities in favor of fast track. A few days earlier the House majority leader, Richard A. Gephardt, who had been on the fence, said he would support it. He reserves the right, he said, to amend or reject a free trade agreement with Mexico if it falls short, but he won't vote to block the negotiations.

That's exactly the right point. As the Mexican negotiations get underway. Congress will have many opportunities to advise, criticize, oppose and amend. Opponents have been claiming that fast track robs Congress of all discretion, giving it only an up-or-down vote on the final product. The AFL-CIO argues that fast track will put Congress "on the sidelines." That's exactly wrong.

The reason for a fast-track procedaure is that trade agreements are difficult to handle under the American system of government. The president's negotiators, in an agreement, commit the United States to change its laws. But only Congress can enact those changes. No foreign government will negotiate with the United states if it knows that any deal is going to be reopened and changed by successive committees of Congress. The solution is the fast-track rule, which says that there will be no delays after the president submits a signed agreement and no changes in it as it goes to a final vote.

But a lot happens before the agreement is signed. No president wants to see an intentional agreement fail—least of all Mr. Bush, who is investing much political capital in the Mexican agreement. He is under great pressure to bring Congress deeply into the process. You can see that happening already. Last month the chairmen of the trade committees and, separately, Mr. Gephardt wrote to him setting out concerns that they wanted a Mexican agreement to address. Mr. Bush replied at length two weeks ago. The Ways and Means Committee has put the president's response into the form of a resolution on which the House will shortly vote.

Before the president signs anything, he has to give Congress 90 days' notice. In earlier trade talks the administraton brought the draft agreements back to Congress while they were still being negotiated and the two trade committees held shadow markups, actually voting clause by clause on the drafts. Where the committees objected, the American negotiators went back to the table for changes. There were caucuses of chairmen of the other interested committees. By the time these treaties were finally signed, they had been carefully reviewed and at many points revised by Congress.

That's the kind of congressional participation necessary to ensure passage of any trade agreement. Mr. Gephardt is correct. Extending the fast-track procedure only allows the president to negotiate. Congress will not only have the last word on the Mexican agreement, but in the meantime it will have enormous influence in molding it into its final form.

[From the Washington Post, May 22, 1991]

WHAT FAST TRACK MEANS

When Congress votes on fast track, as it will in the next few days, the real question will be whether the United States should enter into trade agreements. Fast track is nothing more than a procedure to get these agreements enacted, along with the implementing legislation that they require. Either house of Congress can abolish fast track. The effect would be to cut off President Bush's authority to negotiate any trade agreements that require legislation, as all the major ones do. The people fighting fast track are not simply against this or that provision of a possible agreement. Fearing losses of jobs, they are against any foreign trade agreements at all.

If fast track is extended, two separate negotiations will go forward. One of them, to develop a free trade agreement with Mexico, has not yet begun. The other, the enormously complex worldwide talks known as the Uruguay Round, is stuck in a quarrel over agriculture. The time to make up your mind on them is in the future, when and if the terms of these deals get clearer.

The accusations brought against fast track deserve answers. The most common complaint is that it shuts Congress out of the process of developing the agreements and gives it only an up-or-down vote on the finished product. That's wrong, and the proof is the actual experience with all three of the previous agreements passed under fast track. In each case the congressional committees were deeply and actively involved while the negotiations were still underway. The president signed them only after Congress had been through every line of them. It played as large and influential a role in these agreements as in any other major legislation.

Fast track threatens American environmental standards, some of the opponents charge. But they can never quite show how or why. In fact, there's nothing in this procedure that weakens existing environmental protection or makes it easier for foreign governments to attack.

The prospect of a Mexican trade agreement in particular spooks a lot of people in Congress. It would certainly encourage more American companies to open factories in Mexico. Would that damage this country?

Consider a historical example. In the 1950s low-wage industries like textiles were moving from New England to the South—over the bitter protests of the labor unions that are now fighting fast track. That southward migration certainly cost some New Englanders their jobs. But now, a generation later, New England is not only richer. It is richer in relation to the national average than it was 40 years ago, when the flight of the mills was beginning. Meanwhile southern prosperity has grown even faster. The disparities between the country's richest states and its poorest are significantly narrower than they were in 1950.

The process that has worked across state borders will will also work across national borders. The choice on fast track and trade is a choice about economic growth. Congress won't have a better opportunity this year to vote for growth and a rising standard of living here in the United States.

Mr. KASTEN. Under fast track, Congress has the power to influence trade negotiations. Congress enacts the laws necessary to implement any trade agreement. And Congress retains the ultimate authority to accept or reject any trade agreement.

I have expressed several concerns about the GATT round talks and U.S. dairy programs to Ambassador Carla Hills. And I have received assurances from the administration that our nego-

tiators will not unilaterally modify our section 22 agricultural import quotas.

In a letter I received from Ambassador Hills, she writes that:

I can assure you that dairy will not be used as a bargaining chip for concessions in other areas, for example grains or oilseeds. Furthermore, it is not our intention to make disproportionate cuts in certain sectors, such as dairy, in a manner which would single out those sectors for less favorable treatment.

I will work through the fast-track consultation process to make sure that our negotiators keep their promise. I have made it clear to the administration that I will actively oppose any GATT round agreement that is unfair to American dairy farmers.

I ask unanimous consent that my letter to Ambassador Hills and her letter to me be placed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON SMALL BUSINESS,
Washington, DC, May 16, 1991.

Hon. CARLA A. HILLS,
Office of the U.S. Trade Representative, the White House, Washington, DC.

DEAR AMBASSADOR HILLS: I am writing to express my views regarding the extension of the President's "fast track" negotiating authority and the forthcoming trade talks on the U.S.-Mexico Free Trade Agreement (FTA), and the Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT).

I believe that trade agreements based on the principles of free and fair trade hold much promise for the U.S. economy at large and Wisconsin in particular. From 1987 to 1990, Wisconsin exports abroad have increased 50 percent from $3.9 million to $6.0 million, creating thousands of local jobs in Wisconsin. Expanding U.S. export opportunities in world markets through the implementation of a North American Free Trade Agreement and a constructive GATT Round agreement would greatly benefit Wisconsin's export industries, particularly paper products, industrial machinery and technical instruments.

While I am inclined to support the Administration's request for extension of the "fast track" authority for the trade talks, I am concerned about the impact of a GATT Round agreement on U.S. dairy programs as well as the potential effect of a Mexican FTA on environmental standards and jobs in import-sensitive industries.

Over 40 percent of farmers in Wisconsin are dairy farmers. The prices that dairy farmers receive for their milk is the lowest it has been in 15 years. Current U.S. dairy policy is highly dependent upon import restrictions. Otherwise, imports from lower cost countries and from nations with export subsidies would undercut the U.S. dairy price support program. These import quotas are authorized under Section 22 of the Agricultural Marketing Agreement Act of 1937.

Section 22 in itself has never been an element of trade policy—and must not be during the GATT negotiations. It has been clear that the U.S. is the only Uruguay Round participant that is offering to make significant changes in its own dairy programs. Unless the other GATT participants make similar concessions, the American dairy industry will be severely hurt. The U.S. must not unilaterally disarm itself. I strongly urge you not to trade one commodity for another in the negotiations—dairy must not be used as a "bargaining chip."

Let me make one point perfectly clear: I will actively oppose a GATT round agreement which hurts the American dairy farmer. And I am confident that many of my Senate colleagues will join me in opposing a trade agreement that is unfair to our own farmers.

On the environment, the Administration has proposed an impressive action plan for the Mexican FTA which calls for an expanded program of environmental cooperation and protection with Mexico. I would add that the Mexican environmental movement agrees with the Bush Administration that the best way to protect against environmental degradation in Mexico is to promote economic growth through expanded trade. More growth means more capital available to clean up the environment and more resources for the Mexican government to enforce its environmental laws. I urge the Administration to put environmental issues at the top of the trade talk agenda. Furthermore, the Administration should provide to the Congress, at the earliest opportunity, a specific timetable as to the implementation of the proposed environmental action plan.

In the labor area, the Administration has proposed to phase-in the elimination of tariffs and non-tariff barriers on import-sensitive products, depending upon the determinations made by the International Trade Commission, Congress and the private sector. While the Administration's economic studies on the effect of the Mexican FTA have projected a net job gain for the U.S., they also show that certain industries may suffer negative effects. In particular, I would urge you to negotiate a transition period for the textile and footwear industries which have been hurt by imports in recent years.

Second, in terms of job loss and worker dislocation, I was pleased with the Administration's proposal to help dislocated workers through a job retraining and assistance program, based on the current Economic Dislocation and Worker Adjustment Program (EDWAA). However, the Administration has failed to specify what the size and shape of the worker adjustment program will be. I urge the Administration to put forth a more concrete plan, including a proposed dollar range to fund the program. I think we need to reassure America's workers that there will be an adequately funded job retraining program should any job displacement occur from a North American FTA and GATT agreement. I would note that the Administration did agree to such a worker dislocation program on the Clear Air legislation, signing off on a 5-year, $250 million program—before the Administration had any idea of what the job loss, if any, would be.

In summary, I will support trade agreements that provide for open but more reciprocal international trade. I will evaluate any final trade agreement on its merits and, most important of all, its impact on Wisconsin dairy farmers, workers and businesses. I urge the Administration to address the concerns I have raised—and I look forward to working closely with you during the "fast track" post-negotiation period in which Congress develops the legislation necessary to implement any trade agreements.

Sincerely,

ROBERT W. KASTEN, Jr.

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

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: Thank you for your letter of May 16 concerning the President's request for extension of fast track procedures, the U.S.-Mexico Free Trade Agreement and the Uruguay Round.

I was pleased to learn that you are inclined to support the President's request for fast track extension. We hold a shared view of the importance of trade to America's economic prosperity.

Wisconsin's experience mirrors that of the economy as a whole. Our economy has enjoyed six years of record expansion. The engine of this expansion has been U.S. exports. Over the past three years, exports of goods and services contributed more than 50 percent of the growth of GNP. While our economy has entered a temporary recession, the vitality of U.S. trade has not been interrupted. In 1990, the rate of growth of U.S. exports was twice as fast as the rise in imports. Exports generated 84 percent of our total economic growth last year.

You raised several concerns in your letter, and I would like to address them.

I want to reaffirm assurances I have given regarding the negotiations on agriculture in the Uruguay Round. First, we will not unilaterally modify our Section 22 import quotas. While we have put Section 22 quotas "on the table" in the GATT negotiations, we have stated repeatedly that we will not make any changes to Section 22 unless other countries make similar commitments on their non-tarriff import barriers.

I can assure you that dairy will not be used as a bargaining chip for concessions in other areas, for example grains or oilseeds. Furthermore, it is not our intention to make disproportionate cuts in certain sectors, such as dairy, in a manner which would single out those sectors for less favorable treatment.

Second, it is not our objective in the agricultural negotiations to reduce farmers' incomes. We have made it very clear in Geneva that governments should be permitted to provide income assistance and other programs to farmers so long as the programs are designed in a way that minimizes their trade-distorting effects on world markets. Instead, we want to reform the sources of trade distortions in world agricultural markets—export subsidies, market access barriers and trade-distorting domestic subsidies—so our farmers will have the opportunity to operate in an increasingly market-oriented trading environment.

Finally, we clearly recognize the importance of transition in moving from the current state of world agricultural markets to those that are more market-oriented. "Adjustment" is a key concept throughout our proposal. For example, GATT commitments will be implemented over an agreed period of time. We proposed a 10 year period. We also have proposed that a tariff snapback mechanism be permitted during the implementation period. Under our proposal, if either an import volume or an import price trigger is exceeded, a country would be allowed to automatically raise tariffs to prevent an unexpected increase in imports.

You also expressed concerns about the environment and labor adjustment with respect to the North American Free Trade Agreement (NAFTA) among the United States, Mexico and Canada.

I can assure you that both the United States and Mexico intend to work at full

speed to address environmental concerns. There is full agreement between our two governments about the importance of enhancing environmental standards and enforcement.

The timing for these initiatives often depends on the particular action, which can range from coordinated targeting of potential environmental violators to implementing a border environment plan. For example, we already are actively involved in the search for environmental advisors for USTR's trade policy advisory committees, and we expect to name such individuals in the near future. The environmental review of U.S.-Mexico environmental issues will be completed in time for us to consider its findings during the NAFTA negotiations. The comprehensive border environmental plan will be prepared by the end of 1991, and its implementation would largely parallel and complement the NAFTA. With respect to the commitments not to weaken U.S. environmental and health and safety laws and regulations in the NAFTA, those are standing commitments that are in effect now.

You urged us to consider a transition period for the textile and footwear industries. I am well aware that these are seen as sensitive industries by many people, and we will be looking closely at the impact a NAFTA might have on them. I want to assure you that with respect to sensitive industries, nothing we negotiate will be implemented overnight. Instead, we will seek a gradual transition for such industries. As you know, for sensitive sectors the Administration is willing to consider transition periods beyond those contained in the U.S.-Canada FTA. That agreement provided for a transition period of up to 10 years.

On the subject of worker adjustment, the Administration is committed to working with the Congress to ensure a worker adjustment program that is adequately funded and provides effective services to workers who may lose their jobs as a result of an agreement with Mexico. Worker adjustment services, whether provided through the improvement or expansion of an existing program or through the creation of a new program, should be targeted to provide dislocated workers with appropriate services in a timely fashion.

At present, we could not forecast the size or shape of a new or existing worker adjustment program that would meet these criteria. That will depend on the sectoral coverage and phase-in schedule of the agreement, and the best available economic analysis of its effects on the U.S. economy. We will also want to consult closely with the Congress and interested private sector groups.

The Administration has made a commitment that any needed changes to U.S. law to implement such a program should be in place by the time an agreement enters into force and could appropriately be addressed in legislation implementing a NAFTA.

This arrangement will allow such an adjustment program to be tailored as necessary to fit the form of the completed or nearly-completed NAFTA agreement. As with any piece of domestic legislation Congress would play a significant role in the program's design.

Again, Senator Kasten, thank you for sharing your thoughts with me. I hope we can count on your support for the President's request for fast track extension, and I look forward to working with you in both the North American free trade negotiations and the Uruguay Round to craft agreements that are in our country's best interest.

Sincerely,

CARLA A. HILLS.

Mr. KASTEN. Extending fast track is a first step toward eliminating unfair trade barriers against U.S. products. It gives the President and the Congress a chance to expand foreign markets for American products—and create new jobs for American workers.

In summary, let me repeat that this is not a vote for or against any trade agreement—because no agreements have been reached. We will have the opportunity to evaluate any final trade agreements on the merits.

Mr. NUNN. Mr. President, I support the President's request for extension of fast-track procedures and will vote against the resolution of disapproval.

In making this decision, I have weighed several factors, in particular the overall benefit of the Uruguay round and the North American Free-Trade Agreement for Georgia and the potential effect of each agreement on a variety of industries within my State. All of us have to ask the question—is the Nation likely to gain overall as a result of a successful GATT round and expanded trade with Mexico?

I have concluded that both Georgia and our Nation will, on balance, enjoy significance and tangible economic benefits from the successful completion of sound and balanced trade agreements. Because most of our trading partners would be wary of signing an agreement which the Congress could later fully amend, the fast-track procedures are critical to the successful negotiations of both the GATT and North American Free-Trade agreements. This authority has been given to every President since the early 1970's and has become necessary for any meaningful negotiation to occur.

I will be looking carefully at the final agreement reached in the Uruguay round and the trade agreement with Mexico, and my vote for the fast-track in no way commits me to vote for final approval. I will closely follow the negotiations and carefully study the final agreements and their effect on Georgia before making these decisions. Georgia has various proponents and opponents of the fast-track procedure in both agriculture and manufacturing. For instance, the chemical, forest products, food products, grain and cattle industries support the extension while the textile, peanut, dairy, and cotton industries oppose it.

Certain industries, several of which have a significant presence in Georgia, may be harmed, particularly by the Uruguay round. I am speaking specifically of the peanut and textile industries. Both have clearly stated their concerns about the consequences of increased imports—and, in the case of peanuts, reduced price supports—on the future prosperity of their respective industries. I am also aware that the dairy, cotton, and sugar industries are opposed to a GATT agreement. I am also sensitive to concerns expressed by labor and environmental groups about the Mexico Free-Trade Agreement.

As for peanuts, this industry is a vital part of Georgia's agricultural economy. Ten thousand farmers in Georgia produce edible peanuts of the highest quality which represent almost half of the American peanut crop.

Because most of the peanut production in Georgia is concentrated in the southern region of the State, many counties are extremely dependent on the economic well-being of the peanut industry. These rural areas have low per capita incomes.

Given the importance of the peanut industry for my State, I naturally share the concern of Georgia peanut producers about the effects of the Uruguay round on their economic prospects. The U.S. proposal to reduce internal price supports and to increase import access for peanut is viewed by the industry as very damaging. The U.S. Department of Agriculture itself, in a study released just this month, acknowledges that, for peanut producers, "the gains from improved market conditions may not fully offset the reduction in their current * * * subsidies."

I have met on several occasions with the U.S. Trade Representative, Carla Hills, and her senior staff about this and other matters. In these meetings and in subsequent correspondence, I have expressed not only my concern about the specifics of the U.S. proposal but I have also asked for her commitment to protect the U.S. peanut industry's interests if our trading partners insist on higher internal support or lower market access for their products.

In response to my concerns and those articulated by the industry, Ambassador Hills stated to me that it is not our negotiators' intentions to make disproportionate cuts in certain sectors, such as peanuts, in a manner which would single out those sectors for less favorable treatment.

Ambassador Hills also made clear her understanding of the potential need for nontrade distorting payments to farmers who suffer losses as a result of the GATT agreement. I intend to work with the administration and my colleagues on the implementing legislation for the Uruguay round agreement to ensure that assistance is provided to producers to compensate for income disruptions caused by changes in the trading environment.

Most importantly, workers who are displaced as a result of a free-trade agreement with Mexico and Canada should receive training and adjustment assistance. Every effort should be made to ensure that those who lose their jobs have access to retraining and other

programs to ease the transition to other lines of work.

I also have concerns about the United States position at the Uruguay round on textiles. In my State, approximately 150,000 individuals are employed by the textile and apparel industry. Like the peanut industry, textile and apparel manufacturers play an important role in the State's economy, particularly in many rural counties.

In the Uruguay round, the administration has proposed a 10-year phase out of the Multifiber Arrangement [MFA], the international agreement governing trade in textiles and clothing. In the industry's view, unless changed or adjusted, this phase-out could result in a loss of a large number of jobs in Georgia and in our Nation.

In a recent letter to Ambassador Hills, I asked that the U.S. negotiators ensure that the MFA phase-out includes several key provisions. First, I requested a provision whereby all participants agree in the textile agreement to abide by GATT rules on unfair trade practices such as dumping and subsides and to open their markets to textiles and apparel products. A second provision of the textile agreement should permit the United States to withhold further liberalization of its textile and apparel quotas and tariffs whenever other participants fall short of the fair trade and market openings commitments.

In her response, Ambassador Hills indicated a willingness to consider those suggestions. I will closely monitor the administration's efforts to provide the textile industry with appropriate protections from unfair trade practices and with speedy and effective remedies when other nations fail to live up to their market opening commitments.

Like many of my colleagues, I will be watching closely to see what kind of an agreement will result from the Uruguay round and whether the United States negotiators will stand firm in their commitment to advance the best interest of all affected United States parties. Naturally, my chief concern will be the equitable treatment of Georgia workers and industries as well as the inclusion of adequate safeguards and transition periods. Also, I intend to work with my Senate colleagues on the implementing legislation to fashion the best possible arrangement for domestic industries who will have to make significant adjustments.

Despite my strong concerns about the potential effect of the Uruguay round on several, key Georgia industries, I have decided that the net effect for Georgia and for the Nation of both a GATT agreement and a North American Free-Trade Agreement will be positive.

Georgia has actively participated, in, and benefited from, the growth in exports and is now the Nation's 15th largest exporting State. Since 1987, Georgia's merchandise exports have risen over 50 percent, from $4 billion in 1987 to approximately $7 billion in 1990. Almost 8 percent of Georgia's manufacturing employment in 1986 was generated by direct and indirect exports, which translates into 42,500 direct jobs, while Georgia farm exports rose over 54 percent between 1987 and 1990.

The potential benefits of increasing trade to Mexico under a North American Free-Trade Agreement also cannot be overlooked. Currently, Mexico is Georgia's third-largest export market, and Georgia's exports to Mexico are continuing to grow. Since 1987, Georgia's exports to Mexico have grown 303 percent, from $108 million to $435 million.

Continung this growth for Georgia depends upon successful completion of both agreements. The reduction of tariff and nontariff barriers and the elimination of special exemption rules under the Uruguay round and a United States-Mexico-Canada Free-Trade Agreement would benefit Georgia's manufactured and farm exports. Establishing intellectual property rights under GATT would increase the competitiveness of industries that play an important role in Georgia—specifically, the chemical and computer industries.

Another important sector of the Georgia economy, the forest products industry, predicts a rise in the export of its products if these agreements can be successfully concluded. The wood products and paper industries employ over 55,000 people in Georgia and Georgia ranks first among Southern States in its value of shipments of lumber and paper products. Over 1.2 million tons of paper are exported annually through the Port of Savannah, making it the largest port in the Nation for paper exports.

The industry believes that a GATT agreement would mean a substantial increase in the export of southern yellow pine and hardwood products from Georgia to foreign markets. Paper exports from mills in Georgia would also rise if tariffs are eliminated.

Several agricultural groups with a presence in Georgia have also indicated their support for the extension of fast-track procedures. The pork, poultry, cattle, grain and soybean industries view the pending trade agreements as providing important opportunities for increasing exports of their products. Beef exports, for instance, have increased by 600 percent in the last 10 years, and the industry believes this will continue if trade barriers can be reduced.

I have also attempted to discern the benefits of more open world and regional markets to the overall U.S. economy. Economic growth in this country over the last several years has been directly linked to increased exports. In fact, over the past 3 years, U.S. exports of goods and services contributed to more than 50 percent of the growth of GNP. In 1990, U.S. exports accounted for 88 percent of U.S. economic growth. Most economists believe that the current recession would have been much more severe without the concurrent growth in exports.

Successful completion of the Uruguay round could translate into a significant increase in U.S. output over the next 10 years, open new markets for U.S. business, and broaden market opportunities for international investment.

In addition, a North American Free-Trade Agreement could have positive economic and national security implications for the United States. According to the Department of Commerce, an open trade relationship among the United States, Canada, and Mexico will create a market of more than 360 million consumers, with a combined output of $6 trillion—20 percent larger than the European Community. Just considering our neighbors to the south, the potential economic boost for the United States is compelling: currently, for each dollar Mexico spends on imports, 70 cents is spent on United States goods. This trend will be enhanced under a free-trade agreement, and will put North America in a much better position vis-a-vis the European Community and the nations of the Pacific.

I also believe we must move toward a more open trade policy with Mexico for national security reasons. A nation on our border in economic and political turmoil is not in our best interest. If we are to stem the tide of illegal immigration, we must cooperate with the Mexican Government in creating a better economic environment for those seeking opportunity in that country. I am convinced that a North American Free-Trade Agreement could contribute to needed improvements in both the Mexican and the United States economy.

I recognize that there has been a great deal of concern expressed about the effect of a free-trade agreement with Mexico on United States jobs and on the environment along the United States-Mexican border. The administration's response to these concerns is an important first step, and our officials should continue to be vigilant, throughout negotiations on a trade agreement with Mexico, to protect American jobs to the extent possible, to provide retraining services to displaced workers, and to seek the Mexican Government's commitment to environmental protection.

On this question of job displacement, I believe Senator BENTSEN has made some important points. As he has stated:

> If you want to take advantage of lower Mexican labor costs and build automobiles down there—you can do it now, today, with-

out an agreement. The only barrier today is a 2.5-percent duty on imported cars—$250 on a $10,000 vehicle.

Some American companies will have incentives to relocate to Mexico regardless of a free-trade agreement.

Senator BENTSEN has further pointed out that the United States has more to gain under a free-trade agreement. As he has said:

Mexico has made great progress, but its tariff rates are still twice as high as ours. Forty percent of the farm products we send them are still subject to import licenses—basically a quota restricting what we can sell them. * * * Simply put, eliminating all barriers would be a significant net gain for the United States, because Mexico has more to give up.

I will give my assent today to the extension of the fast-track procedures. I will cast this vote as one who believes that, without the fast-track process, our trading partners will leave the negotiating table. Why would the parties to the GATT or the country of Mexico sign a comprehensive trade agreement which could later be substantially altered? I do not believe this is an abdication of congressional prerogative—it simply gives our trading partners the same assurance the United States has given under every President since the mid-1970s.

As I have stated, I have based this difficult decision on a careful weighing of the potential losses and the potential benefits to Georgia and to the Nation of the Uruguay round and Mexico Free-Trade Agreements. At this critical juncture, I do not believe that we can turn our back on these two opportunities to improve our economic position.

We must only proceed, however, in a manner that is consistent with our national interest. I challenge our trade negotiators to be tough, to broker agreements with our worldwide and regional trading partners that are equitable in terms of our domestic industries and which advance the U.S. economic interest. My final vote on these agreements will depend on my assessment as to whether the Bush administration has met these challenges.

Mr. PELL. Mr. President, today I express my support for the extension of fast-track trading authority to the administration for the negotiation of international trade agreements. I do so because I believe that the United States has much to gain from the negotiation of a North American Free-Trade Agreement and I believe this process will facilitate the eventual conclusion of such an agreement.

This decision was not an easy one for me to make for although I strongly support free and expanded trade, serious and legitimate concerns have been raised about the disparities that exist between United States and Mexico. The chief concerns have centered on differences between our two countries' labor and environmental laws and standards and their enforcement. I have worked long and hard for the betterment of workers and the protection of the environment in this country and have also sought to include such concerns in the formation of foreign policy. For example, years ago I worked to see that the Agency for International Development took the environmental impact of a proposed project into account when considering foreign endeavors. In such instances, I believe that it is both appropriate and consistent to desire that the societal standards and goals that we set in this country are given heed when this country has dealings in the same areas abroad.

Thus, when the prospect of the formation of a liberalized trade agreement with Mexico came forward, I felt that assurances had to be given that concerns in numerous areas would be addressed during the negotiation process before I could support an extension of fast track.

In the intervening months since Presidents Bush and Salinas announced their intent to pursue a free-trade agreement last June, I believe that the administration has demonstrated sensitivity and open-mindedness to the environmental and labor concerns that have been raised. In particular, I point to the responsiveness exhibited as the officials within the administration worked with Members of the Senate and House to put together the action plan they delivered to Congress on May 1, a plan which detailed both the problems and potential solutions.

For the first time, the administration has made a commitment ahead of time to include a discussion of specific environmental objectives in the negotiating process of an international trade agreement. The administration is also involved in parallel talks regarding the strengthening of standards and enforcement of environmental laws between our two countries. This approach of increased cooperation on international environmental matters between the administration and Congress is refreshing and long overdue. I believe it reflects a good faith effort on behalf of the administration to address these important concerns.

With regards to the concerns raised by the labor community, again I feel that the administration has made a good faith effort to address the potential negative fallout of a United States-Mexican Free-Trade Agreement. In its action plan, the administration has promised to work with Congress to provide adjustment assistance and retraining for workers whose jobs may be affected. In addition, the administration has pledged to seek snap-back provisions to guard against import surges which unduly threaten specific industries, to include rules of origin in the agreement so that other countries will not funnel goods through Mexico to avoid United States tariffs, and to sign an agreement with the Mexican Government which will provide for cooperation in the areas of worker safety and child labor restrictions. These pledges are not insignificant and reflect a genuine commitment on the part of the administration to address these issues.

Given that these concerns are out in the open and that they have been addressed by the administration, I believe that we must move forward with the task of liberalizing North American trade. By the turn of the 21st century, I envision a world which will contain at least two major trading areas—a unified Europe under the control of the European Economic Community and the Pacific rim under the domination of Japan. I believe that we must proceed with the task of forming a third major trading bloc here in North America beginning with the linking of the United States, Canada, and Mexico in a cohesive trade area. Unless we do so, we are destined to lose the economic edge that we enjoy today and the United States will simply become a secondary player in an increasingly competitive world marketplace.

Of course, my vote here today and my desire to see the United States enter into a North American Free-Trade Agreement by no means indicates that I will support any agreement arrived at by the negotiators. If the agreement resulting from these negotiations does not reflect the pledges that the administration has made with regards to the environment, workers assistance, and labor and health standards, I will vote against its adoption. Indeed, once granted fast-track trading authority, the administration must be expected to act in good faith to address the very public and specific concerns that have been articulated in this debate and to which they have given very specific assurances. I reserve the right to see if they do.

In conclusion, I would like to state that I believe we are at the beginning of an historic opportunity. The elimination of trade barriers is ultimately beneficial to the dynamic and innovative American economy and I believe that a carefully considered North American Free-Trade Agreement will be beneficial for all. In particular, Mexico provides opportunity to expand our markets and to create a powerful trading bloc that will stand up to the intense competition of the future world marketplace. We have much to do and I believe the extension of fast-track will help us begin this important task.

Mr. PRESSLER. Mr. President, I submit for the RECORD a letter and list of major farm organizations supporting fast track. These groups represent nearly all of the commodities produced in South Dakota, including: Corn, wheat, soybeans, barley, oats, forest products, sunflowers, beef, pork, and turkeys. I cannot turn my back on

these producers in South Dakota and oppose fast-track authority. I urge my colleagues to oppose Senate Resolution 78.

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

U.S. AGRICULTURE
FOR TRADE NEGOTIATIONS,
March 14, 1991.

Hon. LARRY PRESSLER,
U.S. Senate, Washington, DC.

DEAR SENATOR PRESSLER: The undersigned organizations support continued efforts to reduce remaining agricultural trade barriers in the current Uruguay Round of GATT trade negotiations. We therefore urge you not to co-sponsor or support resolutions disapproving the President's request for an extension of his "fast track" negotiating authority.

American farmers and other agricultural interests have long supported international efforts to achieve more open markets and fairer trading rules for agriculture through multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT). The progress made in opening markets for agricultural exports in previous GATT negotiations has been of tremendous importance to the U.S. agricultural sector and the national economy as a whole.

"Fast track" authority is essential to a successful and acceptable Uruguay Round trade agreement. Without an agreement, American agriculture will be faced with the very real threat of escalating and damaging trade conflicts in agriculture.

As you know, a vote on the "fast track" authority is not a vote for a GATT agreement, or for a North American Free Trade Agreement. A vote for "fast track" is a vote to enable the talks to proceed. Eventual support for either agreement brought back to Congress for approval would be conditioned upon the terms of that agreement. The "fast track" procedure also enables Congress and other interested parties to have their concerns fully considered through the negotiating process.

We believe that the opportunity for seeking trade agreements that provide net benefits for our national interests should not be foreclosed by denying "fast track" authority to our negotiators, and we strongly urge your support for its extension.

Sincerely,

American Farm Bureau Federation.
National Grange.
Ag Processing, Inc.
American Feed Industry Association.
American Hardwood Export Council.
American Meat Institute.
American Oat Association.
American Rice, Inc.
American Seed Trade Association.
American Soybean Association.
Biscuit and Cracker Manufacturers' Association.
Blue Diamond Growers, Inc.
California-Arizona Citrus League.
Cargill, Inc.
Chocolate Manufacturers Association.
ConAgra, Inc.
Continental Grain Company.
Corn Refiners Association.
Farmers Rice Cooperative.
Farmland Industries, Inc.
International Apple Institute.
International Dairy Foods Association.
Millers' National Federation.
National Association of Wheat Growers.
National Barley Growers Association.
National Cattlemen's Association.
National Confectioners Association.
National Corn Growers Association.
National Food Processors Association.
National Forest Products Association.
National Grain and Feed Association.
National Grain Sorghum Producers Association.
National Grain Trade Council.
National Meat Canners Association.
National Oilseed Processors Association.
National Pork Producers Council.
National Sunflower Association.
National Turkey Federation.
North American Export Grain Association, Inc.
Riceland Foods, Inc.
Rice Growers Association of California.
Rice Millers' Association.
R.J.R. Nabisco, Inc.
Southeastern Poultry & Egg Association.
Sun-Diamond Growers of California.
Sunkist Growers, Inc.
Sweetener Users Association.
Tobacco Associates, Inc.
Tri Valley Growers.
Union Equity Cooperative Exchange.
United Fresh Fruit and Vegetable Association.

Mr. PRESSLER. Mr. President, because of the agricultural, business, and trade interests which are so important to my home State of South Dakota and to our Nation, I support fast-track negotiating authority.

Fast-track authority is essential to the reasonable conduct of international trade negotiations. Without it, U.S. credibility in pursuing market opening efforts and trade reform would be seriously undermined. Increasing agricultural exports is crucial to the successful future of my home State of South Dakota and to nearly all of the agribusiness community.

Without fast-track authority trade negotiations within the General Agreement on Tariffs and Trade [GATT] will probably not resume. Bilateral negotiations with Mexico on a free-trade agreement would probably not take place. Because Mexico is the third largest importer of United States agricultural products, failure to negotiate a free-trade agreement could be damaging to United States agriculture.

Congress must retain a major role with regard to the aims, progress, and conduct of any negotiations in the trade area. I recently met with President Bush and U.S. Trade Representative Carla Hills to remind them of the absolute necessity for congressional oversight of all trade negations as the treaties take shape. I also informed President Bush and USTR Hills that I would not support any trade agreement that is damaging to agriculture. For example, section 22 of the Agricultural Adjustment Act of 1937 simply cannot be weakened or eliminated in any trade agreement. Doing so would be disastrous to the U.S. dairy industry.

Mr. COHEN. Mr. President, I rise today to support the resolution offered by the distinguished Senator from South Carolina.

It was less than a year ago today that President Bush announced his hopes of establishing a free-trade agreement with Mexico, creating a North American Free-Trade Agreement [NAFTA] between the United States, Canada, and Mexico. Several months ago, the President requested authority to negotiate such an agreement. The Congress agreed to this request. Subsequently, the President requested authority to negotiate a NAFTA on the fast track under which Congress would not be permitted to amend the agreement. It is this issue that we debate today.

The fact that previous free-trade agreements with Canada and Israel were negotiated on the fast track ought not control whether such an agreement with Mexico should also be on the fast track. Mexico presents a whole host of difficult and problematic issues not present with respect to Canada or Israel.

Although I had serious problems with the Canadian FTA and ultimately opposed it because of its failure to address subsidies, Canada is at least on a par with the United States with respect to wages and environmental standards. Mexico, on the other hand, has wages and environmental standards well below those in the United States. A poorly drafted NAFTA would simply encourage more U.S. companies to move offshore to take advantage of lower wages and weaker environmental standards.

Each of us is well aware of the thousands of U.S. manufacturing jobs that have been lost over the past 20 years as these jobs have moved offshore. Many companies in the United States have simply been unable to compete with foreign producers whose labor costs are one-tenth of those in the United States. Since 1980, over 7,000 Maine shoe workers have lost their jobs and over 30 plants have been forced to shut their doors. Likewise, the dramatic increase in textile and apparel imports has caused intolerable market disruption, numerous plant closings, and thousands of job losses—despite significant upgrades in the plants.

I see no reason to worsen this unfortunate trend through fast-track procedures. I may be willing to support a NAFTA at a later date but only with assurances that U.S. manufacturers will not be further decimated by imports. Any NAFTA that may emerge must take into account the tremendous difference in wages and environmental standards between the United States and Mexico. Because the need for these assurances is so great, I cannot support fast-track consideration of a NAFTA.

Mrs. KASSEBAUM. Mr. President, I would like to join my colleagues who have expressed their support for extending fast-track procedures and for the North America Free-Trade Agree-

ment negotiations with Mexico and Canada.

Since the end of World War II, the United States has been the world's leader in promoting economic growth through free trade. Our success is evident today in the dramatic events which are occurring worldwide. From the East bloc countries to the African continent, the growing commitment to democracy and freedom has also been accompanied by a growing commitment to free market economies and the principles of free and open trade.

It is my strongest hope that the result of today's debate will be a reaffirmation of the economic policies we hold dear and of the U.S. leadership role in promoting the goal of dismantling trade barriers which will spur economic growth worldwide.

In this regard, I would like to commend President Bush for the leadership he has demonstrated on these issues. The President's pursuit of free trade negotiations with Mexico, and his longer-term goal of establishing a free trade zone for all of the Americas, is a clear recognition of the economic challenges we will face in the 1990's and into the next century.

As the President has emphasized, the process of economic integration and trade liberalization is accelerating worldwide. This is most clearly evident in the European Community's commitment to form a single market by 1992. If we do not seize the opportunities for trade expansion in the next decade, we run the risk of being left behind.

I believe very strongly that a North America Free-Trade Agreement, which is carefully negotiated, is in our interest mainly because export expansion is a vital source of economic growth for the U.S. economy. Since 1986, export expansion has accounted for 40 percent of our gross national product. And, last year as our domestic economy slowed, exports accounted for almost 90 percent of our GNP growth. If we are going to be a competitor in the 21st century, our export expansion must continue. If we are going to maintain a leadership role economically, we must continue to lead in the effort to open markets.

The North America Free-Trade Agreement would create the largest market in the world: 360 million consumers with a total output of more than $6 trillion. This market would be larger than the European Community. The agreement would eliminate economic barriers with our first trading partner, Canada, and our third largest trading partner, Mexico. In 1990, our three-way trade amounted to $236 billion. Mexico is now the fastest growing market for United States exports—70 percent of Mexican imports today come from the United States.

One of the key reasons, I believe, we will gain from a free-trade agreement with Mexico is because our markets are already open. What a free-trade agreement will give us is more access to Mexican markets.

While the world's attention has been captured by the dramatic revolutions taking place in Eastern Europe, a very quiet, but no less dramatic revolution has been taking place just south of our border. Under the leadership of President Salinas, Mexico has undergone a radical economic transformation. Mexico has implemented a far-reaching program of deregulation and privatization, dramatically reduced its import barriers, and improved access to foreign investors. The positive impact of these reforms on our economy is clear in our trade figures. After experiencing no growth between 1980 and 1987, United States exports to Mexico have almost doubled in the last 3 years. It is clearly in our interests and Mexico's interests to lock those reforms in place and to go even further.

Several years ago, I served as a member of a 2-year commission on the future of United States-Mexico relations, sponsored by the Ford Foundation. While both the Mexican and American members of that commission agreed at the time that a free-trade arrangement would be beneficial to both the United States and Mexico, we feared that the political leadership on both sides of the border might not be ready. We are fortunate that that leadership exists today, and we must not let this opportunity go by.

There are important concerns which must be addressed in the free-trade negotiations, including the environment and human rights, as well as providing appropriate transition and adjustment provisions. But, I do not believe that approving the continuation of fast-track authority means that these concerns will not be addressed. I am confident that the President and the members of his administration are listening and will continue to consult closely as the negotiations proceed.

Since 1934, after our disastrous experience with the Smoot-Hawley bill, Congress has given the President broad authority to negotiate tariff reductions. As trade agreements became more complicated, involving the reduction of barriers other than tariffs, Congress authorized fast-tract authority in 1974, which provides for an up-or-down vote on trade agreements. This approach is very similar to our approach to base closings. It is simply a realistic approach that works. I would urge my colleagues to join with me today in supporting fast track. This authority is critical to the continuation and success of the free-trade negotiations—as well as Uruguay round—agreements, which if negotiated well, can be clearly in our economic interest.

SLOW DOWN THE NAFTA FAST TRACK

Mr. GLENN. Mr. President, while contentious trade issues are nothing new, what sets the current debate apart is that the sound and fury are not related to a dispute between the United States and one of our trading partners but between the administration and the Congress over extension of the so-called fast track. Let us be clear—we are not considering the substance of a GATT agreement, or a Mexican Free-Trade Agreement, but rather what international procedures will govern congressional consideration of the implementing legislation if and when such agreements are reached.

The Constitution, article 1 section 8 gives Congress the power "to regulate commerce with foreign nations", clearly trade agreements do just that. In giving fast track to the President, Congress cedes a substantial part of its constitutional authority to the executive branch. Congress commits itself to suspend normal legislative procedures and vote up or down on trade agreement implementing legislation within a specified period of time and with no amendments. So what is the justification for this unusual ceding of congressional authority to the President? The administration argues that foreign governments will not negotiate with the United States, will not make necesssary but often painful concessions, if they cannot be assured that the deal struck will not be changed when it reaches Congress.

This is a problem we face often in trade and other matters affecting our relations with other nations and is a function of our unique system of shared powers, checks and balances. When a Prime Minister strikes a deal, it is either approved by the legislature or the Prime Minister's government falls. Our Founding Fathers deliberately established a different system and I, for one, believe it has served us pretty well.

Taking our system of government into account is one of the realities of doing business with the United States. I have served 17 years in the Senate, 8 of those years on the Senate Foreign Relations Committee. In that time the Senate has considered dozens of treaties covering a host of important topics. None of those agreements was immune from amendment by the Senate, and our treaty partners were well aware of that fact. Yet not one has been amended in a fashion that required renegotiation.

While it would undoubtedly complicate the life of trade negotiators, I do not accept the contention that trade negotiations, particularly bilateral trade negotiations, cannot go forward in the absence of a prior congressional commitment to the fast track for implementing legislation. While Members can and do differ in their assessment of the adequacy of consultation during the course of trade negotiations, I believe we all can be assured of very close

consultation if there is no prior fast-track commitment.

The foregoing remarks notwithstanding, I believe there are substantial reasons why fast track should be extended for the completion of the Uruguay round of the GATT. First, Congress committed to fast track at the beginning of this round and that commitment extended to the expected conclusion of the round. However, the negotiations could not be completed by the end of 1990 because of complications over agricultural trade. So the administration must seek a further fast-track extension to complete the round. It seems both logical and fair that the same ground rules agreed to at the start of the negotiations continue through the conclusion of the negotiations.

In addition, the GATT negotiations involve 107 nations. Undeniably, it would be difficult to go back and renegotiate with 107 nations if Congress chose to amend the agreement. While I will reserve judgment on any new GATT agreement until I have had the opportunity to examine its particulars and analyze its impact on Ohio, an excellent case can be made for a further extension of fast track for GATT.

The same case cannot be made, however, for the separate proposed negotiations on a free-trade agreement with Mexico. I have many questions about the impact of such an agreement and I am not prepared at this point to severely constrain Congress' role in the development of any agreement by extending the fast-track commitment to these bilateral or trilateral negotiations.

My colleagues are by now very familiar with the issues which have been raised in connection with this proposed agreement—economic, environmental, worker health and safety for example. I would like to comment briefly on only one—the potential economic impact of the agreement. The administration has argued that the agreement will be good for the United States and good for Mexico although, given the small size of Mexico's economy compared to ours, no one has argued that the impact will be dramatic.

The administration uses three studies to support its positive assessment: a February 1991 report by the International Trade Commission, a study by the Policy Economics Group of KPMG Peat Marwick for the United States Council of the Mexico-United States Business Committee, and a study by the Interindustry Economic Research Fund Inc., the University of Maryland for the United States Department of Labor.

Last month I asked the Congressional Research Service to examine these three studies with a particular emphasis on methodology and assumptions. I will ask that the full CRS memorandum be reprinted at the conclusion of my remarks and would like to take the time of the Senate only to call attention to a few key points. The CRS memorandum concludes that "the main problem, however, is that a North American free-trade agreement, even more than previous agreements, will likely include a wide variety of issues not included in the models. In particular, the implications of potential increases in foreign investment in Mexico are extremely important. The omission of investment from the ITC and UM models is an important limitation of these two studies".

With respect to the third study, CRS states that "the Peat Marwick study assumes that additional capital flows into Mexico" but notes that "foreign capital does not replace any physical plant and equipment that otherwise would have been located in the United States". In other words, the additional investment which a free-trade agreement attracts to Mexico does not come from the United States; where it comes from is not identified but not from the United States.

Subsequently I came across another study produced by the Economic Policy Institute located here in Washington which identified the same flaw in the studies done to date and took the analysis one step further by attempting to factor in the impact of modest investment flows from the United States to Mexico. Given that investment is what Mexico is seeking from an FTA and that many American firms want liberalized investment policies codified in Mexico, this appears to be a reasonable variable to examine.

I would like at this point to quote from the EPI's report on what they found when they factored in a modest shift of investment from the United States to Mexico.

Accordingly, the Economic Policy Institute asked University of California at Berkeley economist Dr. Raul Hinojosa-Ojeda to modify the standard model of U.S.-Mexico relations he has developed with economist Dr. Robert McCleery to allow for a modest shift of capital between the U.S. and Mexico. The equation introduced into the model reduced the risk premia for U.S. investors investing in Mexico by 10 percent as a result of the FTA. Given that all economic analysts think the FTA will increase U.S. investor confidence in Mexico, this is a rather conservative assumption.

The Hinojosa-McCleery model is similar to that of the ITC and Peat Marwick in that it is a "Computable General Equilibrium" model. The Hinojosa-McCleery model is unique in that it encompasses the interaction of trade, migration, and capital flows between sectors in each country. But, like the other models, it too assumes full employment. In fact, run without the adjusted capital investment equation, it generates an even larger gain for the U.S. from an FTA than the studies cited by the Administration. (This is due to certain assumptions it makes about migration.) A complete description of the model is given in Raul Hinojosa-Ojeda and Robert K. McCleery, "U.S.-Mexico Interdependence, Social Pacts and Policy Alternatives: A Computable General Equilibrium Approach" [*Estudios Economicos*, Vol. 5 (Number 2, 1990 forthcoming)].

Two scenarios were simulated by the model. The first, a "status quo" projection, assumed a continuation of the historic differential in the return on capital between the U.S. and Mexico. Interest rates are assumed to be stable, oil prices rise to reach their 1982 level by the year 2000, Mexico is able to receive $4.5 billion (nominal) in new lending per year to maintain its debt payments, the Immigration Reform and Control Act (IRCA) of 1986 is assumed to work—in that costs to migrants rise by twenty percent and wages for undocumented workers fall by ten percent.

The second scenario has the same assumptions, except investors are allowed to be more confident in Mexico as a result of a free-trade agreement. Free trade is modelled as an elimination of tariffs between the two countries over 10 years beginning in 1992. The differential in returns to capital between the U.S. and Mexico is allowed to fall by two percent the first year of the agreement, and one percent each additional year until the year 2000, for a ten percent overall decline in the risk premia.

This scenario results in a movement of $44 billion in capital from the U.S. to Mexico over the decade. As a consequence, the U.S. looses 550,000 jobs and the U.S. Gross Domestic Product falls by $36 billion. Because the model assumes full employment, these workers are reemployed, but with a 50 percent wage cut.

The loss of jobs because of direct foreign investment shifts is not a unique finding of this model. For example, Norman Glickman, the director of urban policy research at Rutgers University and Douglas Woodward, professor of economics at the University of South Carolina in their book, *The New Competitors* (New York: Basic Book, 1989) found that between 1977 and 1986 U.S. companies' investments abroad stimulated the creation of 588,000 jobs, *but caused the loss of 3.3 million American jobs*. They calculated a net loss of 2.7 million jobs. So the finding of a loss of 550,000 jobs projected by the Hinojosa-McCleery model is certainly in line with our experience.

My purpose in speaking at some length about these various studies is not to vouch for the unquestioned validity of any of them. As CRS pointed out, "economic models yield important information which cannot be captured any other way. They are superior to anecdotal evidence in that they systematically analyze all the available data. All benefits and costs, however, are not captured in the model. Economic models can aid in decisionmaking, but given the limitations of most studies, should be interpreted with care." My purpose is to suggest that the proposed free-trade agreement with Mexico raises many profound questions about the potential economic impact which cannot be answered with certainty. Hence, I believe that prudence dictates that we proceed with caution in negotiating an FTA, and that means without prior commitment to the fast track.

For many reasons—vastly different levels of development and substantially different economic systems for example—the proposed free-trade

agreement with Mexico is a leap into the unknown. We have only two other bilateral free-trade agreements and neither of them represents a true or very useful precedent for the proposed agreement with Mexico. I encouraged proceeding with negotiations with Mexico, but I believe we should proceed in a cautious and deliberate manner. And that means without a commitment in advance that Congress will limit its options to taking or leaving the entire complex, multifaceted agreement.

I had hoped that it would be possible to separate this question and vote separately on whether to grant fast track for GATT and for Mexico. As that does not appear possible, I will vote for the resolution of disapproval. Approving this resolution is the only way I see to get to where I want to be, and that is separate consideration of and votes on fast track for GATT and the Mexico FTA.

I want it to be clear to my colleagues and to those many constituents who have contacted me to express their support for GATT. I do not want to kill the GATT negotiations; I support extension of fast track for the completion of those negotiations. I believe that on the whole GATT has been good for the United States and for Ohio—a State very much dependent for its economic health on exports—and good for the Nation. However, as I see it, if the resolution of disapproval is defeated, the ball game is over. However, if it is approved we still have the option to consider reinstating fast track for GATT, and I would support such a move.

I ask unanimous consent that the CRS memorandum earlier referred to be printed in the RECORD.

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

CONGRESSIONAL RESEARCH SERVICE,
Washington, DC, April 26, 1991.

MEMORANDUM

To: Honorable John Glenn.

From: Arlene Wilson, Specialist in International Trade and Finance, Economics Division.

Subject: Critique of Studies on a Mexico-U.S. Free Trade Agreement by the International Trade Commission, Peat Marwick, and the University of Maryland.

Results of three studies on the effect of a Mexico-U.S. free trade agreement on U.S. income and employment have been presented at congressional hearings over the past few weeks. This memorandum responds to a number of congressional requests for a preliminary analysis of the three studies, which are:

The Likely Impact on the United States of a Free Trade Agreement with Mexico, by the United States International Trade Commission, February 1991. USITC Publication 2353.

The Effects of a Free Trade Agreement Between the U.S. and Mexico, Executive Summary, by the Policy Economics Group of KPMG Peat Marwick for the U.S. Council of the Mexico-U.S. Business Committee. February 27, 1991.[1]

Industrial Effects of a Free Trade Agreement Between Mexico and the USA, by the Interindustry Economic Research Fund, Inc., the University of Maryland (Principal Investigator Professor Clopper Almon) for the U.S. Department of Labor. Sept. 15, 1990.

ECONOMIC MODELS AND FREE TRADE AGREEMENTS

In general, models combine economic theory, statistical methods, and data to construct series of equations which reflect, as best as possible, relationships in the real world. These models make it possible to isolate the effect of a policy change, such as a reduction in tariffs, on, for example, GNP, trade flows, or employment, which is not possible any other way. Consequently, models can provide important information to policymakers.

Economic models, however, have limitations. The assumptions underlying the model have a large effect on the quantitative results. For example, assuming perfect competition (many buyers and sellers and homogeneous products) in a model will give different results than assuming imperfect competition. Generally, the imperfect competition assumption allows for economies of scale (lower average costs as output rises). Taking advantage of economies of scale in trade agreements usually results in larger gains from free trade than assuming perfect competition, where the gains are based only on reallocation of resources.

Elasticities (the responsiveness of the quantity demanded or supplied to price changes) used as parameters in the equations may reflect previously computed results (by other researchers), or best guesses of economists. But different elasticity estimates will have a large effect on the results.

Some models are "partial equilibrium" which deal only with specific economic relationships, and cannot capture the full effects of a policy change. More commonly, "general equilibrium" models, which include the interactions among and within trading partners, are used in modelling free trade agreements.

The level of industry aggregation in the equations can also make a difference. Usually, the greater the disaggregation (the more narrow the industry grouping), the larger the changes in trade resulting from tariff elimination.

Finally, models sometimes omit important elements, often because some aspects are not quantifiable, or because data are not available. This is particularly true in the case of free trade agreements, where agreements are increasingly comprehensive and include many nonquantifiable issues. For example, in the Canada-U.S. free trade agreement, provisions on dispute settlement, or on liberalizing investment and services in the future, may be important benefits of the agreement, but are not quantifiable and are not captured in the models.

One study compared the assumptions and results of five models of the Canada-U.S. free trade agreement.[2] Two of the models assumed perfect competition, while three did not. Three assumed removal of tariffs, while two assumed removal of tariffs and nontariff barriers (but none included the effect of a "better environment for trade"). Two included international capital mobility; three did not. Results of the studies varied from a small negative to a small positive effect on the U.S. economy. For Canada, the projections ranged from small negative to large positive effects. The author concluded:

Thus, quantitative estimates derived from models are simply some of the many pieces of information that are useful in the decision process and, in some cases, may not represent the most important pieces.

Quantitative trade models have improved substantially in recent years. Nevertheless, as this review points out, let the user beware.[3]

In summary, then, economic models yield important information which cannot be captured any other way. They are superior to anecdotal evidence in that they systematically analyze all the available data. All benefits and costs, however, are not captured in the model. Economic models can aid in decision making, but, given the limitations of most studies, should be interpreted with care.

COMPARISON OF THE THREE STUDIES

The International Trade Commission (ITC), Peat Marwick and University of Maryland (UM) studies all use models to project the effect of a U.S.-Mexico free trade agreement on the United States. Both aggregate and sectoral projections are made in all three studies. Although each study also makes other estimates, such as the effect on Mexico or the effect on trade balances, the discussion below focuses only on the effects on U.S. output, employment and wages, topics of most concern to the Congress. This comparison is also very broad, and does not examine assumptions or results of the models in detail.

The studies differ in a number of ways. The Peat Marwick and UM study are general equilibrium models, while the ITC study is a partial equilibrium model. Perfect competition is assumed in the UM model, and imperfect competition in the ITC model. The UM study does not disaggregate labor by skill, while the ITC study does. The Peat Marwick summary does not specify whether it assumes perfect or imperfect competition, or whether labor is disaggregated by skill. The UM study assumes that a free trade agreement does not cause the dollar-peso exchange rate or the U.S. money supply to change.

All three studies included the effect of elimination of tariffs plus selected nontariff barriers, which differ for each study. Only the UM model includes the effect of eliminating Mexican nontariff barriers on motor vehicles. More specifically, the ITC model included quotas and voluntary restraint agreements, but apparently not other nontariff barriers. The Peat Marwick model includes the effect of liberalizing import quotas (except in agriculture) and licenses, but not the effect of liberalization of Mexican import restrictions on motor vehicles. The UM model includes the effect of removing nontariff barriers on U.S. exports to Mexico in agriculture, motor vehicles and computers, and the effect on Mexican exports to the United States in apparel.

If some or all of Mexico's investment restrictions are eliminated in a free trade agreement, increases in foreign investment in Mexico are then possible. The potential for increased foreign investment in Mexico is an important congressional concern, but is

[1] This analysis is based on the Executive Summary, since the complete study had not been released when this memo was prepared.

[2] Coughlin, Cletus, C., *What Do Economic Models Tell Us About the Effects of the U.S.-Canada Free Trade Agreement?* Federal Reserve Bank of St. Louis review, v. 72, Sept./Oct. 1990, p. 40–58.

[3] Ibid., p. 58.

difficult to model, since it depends on economic variables such as relative wages, after tax rates of return, productivity, exchange rates, and infrastructure. The ITC and UM studies omit possible foreign investment increases in their models, which is an important limitation.

The Peat Marwick study assumes that additional capital flows into Mexico so as to reduce the real rate of return to its pre-free trade agreement level. According to the Peat Marwick summary, this is a "conservative" estimate. Moreover, this model assumes that "foreign capital does not replace any physical plant and equipment that otherwise would have been located in the United States."

The ITC and Peat Marwick models assume that total U.S. employment does not change. This appears to be a legitimate simplifying assumption when running the model. The total demand for labor is determined by the model and, in practice, some of the change in the demand for labor will be reflected in employment and some in wages. Holding employment constant means that the entire effect will be felt in wages. But the results have to be interpreted carefully. The studies do not "prove" that aggregate U.S. employment will not change.

All three studies find that, for the economy as a whole, U.S. aggregate output will increase as a result of an agreement, but usually by a small amount. Although the inclusion of investment in the Peat Marwick study increases the benefit to the United States, it still remains very small.

The results of the analyses by U.S. sector are also similar among the three studies. All three studies agree that sectoral shifts in output and employment will occur, although they predict that shifts will have only a negligible effect on the affected U.S. industries and workers.

Many sectors, of course, gain. Of those losing, the ITC study projects losses for fruits and vegetables, tuna and inexpensive household glassware. The Peat Marwick study estimates that, as a percentage of total output, sugar refining, electronic components, fruits and vegetables, apparel, household appliances, and computing equipment will be the most adversely affected sectors. Only in sugar refining, however, will output be affected by more than 1 percent. According to the UM study, construction, medicine and hotels would be adversely affected. Since potential employment losses in the U.S. economy and for individual sectors are important to the Congress, the following paragraphs summarize the main conclusions of the Peat Marwick and UM studies which make such estimates.

According to the Peat Marwick summary, "a significant effect of the free trade agreement will be on the reallocation of resources among industries in each country." Sugar refining will show the largest percentage decline in U.S. employment (2.38 percent of 1,700 jobs). By amount, the largest job losses will be in electronic components (4,700 jobs), apparel (4,400 jobs), hotels and restaurants (3,600 jobs), computing equipment (2,700 jobs), and fruits and vegetables (2,600). (As mentioned earlier, the Peat Marwick study assumes no employment changes for the U.S. economy as a whole.)

The UM study projects that total U.S. jobs increase by 44,500 after five years. The main U.S. sectors losing jobs are construction (12,800 jobs), medicine (6,000 jobs), apparel (5,900 jobs), and hotels (2,400 jobs).

The job losses in the above two paragraphs, however, need to be put in perspective. Since a free trade agreement will probably be phased in over a 10-year period, the job loss in any one sector in any one year would not exceed 500 in the Peat Marwick Study. In the UM study, where the projections refer to five years, the job loss would not exceed 2,560 in any one sector in any one year. By comparison, the United States economy as a whole gained 1.9 million new civilian jobs each year over the 1980–90 period.

CONCLUSION

Since all three studies focus mainly on the effect of elimination of tariffs and some nontariff barriers, it is not surprising that they all show relatively small, positive effects for the U.S. economy, and relatively few sectors hurt by an agreement.

The findings of the models are consistent with what might be expected based on the relative size of the U.S. and Mexican economies and the bilateral trading relationship. With GNP of $200 billion in 1989, the Mexican economy is quite small relative to that of the United States (GNP of $5,234 billion in 1989). And U.S. exports to Mexico, which totaled $25 billion in 1989, account for only 7 percent of all U.S. exports. Thus, the potential for an increase in U.S. exports to Mexico is quite limited in the short run.

The relatively low current U.S. and Mexican tariffs and the substantial proportion of U.S.-Mexican trade that already crosses the border tariff free also supports the models' results. The effective Mexican tariff is about 10 percent, while that of the United States is 4 percent. Mexico's maquiladora program and U.S. treatment of imports from maquiladoras eliminates duties on about one-fourth of all U.S.-Mexican trade. Moreover, about 10 percent of Mexican exports to the United States benefit from the Generalized System of Preferences, in which duty-free status is given to selected imports from developing countries. As a result, the benefits and costs to the United States from eliminating bilateral tariffs would be expected to be low.

The main problem, however, is that a North American free trade agreement, even more than previous agreements, will likely include a wide variety of issues not included in the models. In particular, the implications of potential increases in foreign investment in Mexico are extremely important. The omission of investment from the ITC and UM models is an important limitation of these two studies.

Similarly, only the UM study includes the effect of removing Mexican nontariff barriers on motor vehicles. The omission of these barriers in the other two studies is a serious shortcoming.

The models do not (and could not) take account of potential improvements in bilateral trade relations or a more stable business environment that might result from an agreement. Changes in intellectual property protection or in government procurement practices are also not included. Although difficult to quantify, such factors are often a major benefit of free trade agreements.

Finally, many noneconomic issues are being discussed. Such issues as differences in labor standards, Mexican enforcement of environmental regulations, and harmonization of food health and safety standards are mentioned by many as vital to an agreement. It is not possible for models to capture any benefits or costs from resolving these issues in negotiations.

Mr. KERREY. Mr. President, I rise in opposition to Senate Resolution 78, the resolution disapproving extension of the President's authority to conduct certain trade negotiations under fast-track procedures.

My support of the President's request for extension of fast-track authority is the direct result of my strong support for free trade. But the President hasn't earned this vote; he does not deserve it. If I viewed this vote as a referendum on administration economic and trade policies toward working Americans, I would vote "no" on fast track.

The President hasn't earned this vote because he has not earned the trust of working American families—wage earners and farmers whose standard of living has fallen over the past decade in large part because of administration policy. That policy has ranged from neglect to hostility. As a result, the President's promise today of a better life with free trade rings hollow to the working families who believe their economic plight is not felt by the administration.

Working Americans know who has the ear of the administration on this issue. They know the administration listens to the army of executives whose private jets arrive daily at National Airport and who have ready access to top administration officials. This privileged group did well in the 1980's. And why not? The rules were changed in their favor. They took their tax cuts, they took advantage of laissez faire government, and they leveraged the gap between haves and have-nots into a chasm, courtesy of the administration.

These are the same people who are also advising President Bush to oppose increases in the minimum wage, the extension of unpaid medical leave for employees, universal health care, and civil rights legislation. They appear to be oblivious to the resentment that middle-income Americans feel when they see these executives, whose salaries and perks seem to expand even as their company profits and work force shrink, smugly pontificate about the glory of these trade agreements.

I do not wish to fan the flames of class war, Mr. President. I do not want to level criticism at the business community in general, many of whose members are genuinely concerned about working individuals and understand that we must do more than sign trade agreements if we want to improve America's competitive position and produce our way to higher standards of living.

Neither do I wish to imply that all of America's business leaders cashed in on those leveraged buyouts that produced more debt and fewer jobs. The company that traded a steady return for a quick gain while begging for tax and regulatory relief here at home was the exception rather than the rule.

Mr. President, I believe free trade can benefit the American middle class, but only if we also put in place domestic economic policies whose aim is real

productivity gains. Our economic policies must address the growing problems faced by American workers as they attempt to ensure quality in the goods they produce while struggling to maintain quality in the lives they lead.

As I said, Mr. President, if I did not believe so strongly in the benefits of lower trade barriers, I would oppose the President's request. As I considered this vote I finally concluded that the potential benefits of freer trade override the evidence of domestic neglect that is the record of the past 10 years.

It is true we will not stay competitive if we erect barriers around our borders; however, it is equally true we will not get the job done merely by lowering them. We will not get the job done unless America's political leaders—the President and the Congress—adopt a two-track strategy that focuses on what we are doing and what our competition is doing. I believe this administration and the one before it have neglected what America needs to do to stay competitive and failed to respond to the aggressive moves of our competition. Actions speak louder than words, Mr. President, and when it comes to action that prepares America for an increasingly competitive marketplace, President Bush and President Reagan before him have been mostly silent.

President Bush's response to such accusations is to mount the platform with a bag full of statistics proclaiming all the jobs we created in the 1980's. Yet, the President chooses to ignore the important fact that we created this economic expansion with debt rather than real increases in productivity. Of course, he takes the credit for the growth but he blames the borrowing on Congress.

He also fails to acknowledge the terrible consequences of economic activity that is financed by spiraling debt and accompanied by sluggish rates of productivity. For an increasing number of working Americans, their real standard of living is in decline. They fear a North American Free-Trade Agreement because they do not believe President Bush knows what is going on in their lives. Their lives include lower take home pay, higher health care costs, increased mortgage and property tax costs, college tuition that exceeds their reach, and schools that are not preparing their children for the higher demands of the work place.

Not surprisingly, then, when they hear President Bush describe the long-term benefits of freer trade, they are not buying. And why should they? They have seen the President oppose an improved minimum wage, parental leave, child care, and basic health care coverage—four benefits that many of our fiercest competitors provide as a right. The most that can be said about the President's education efforts is that he hired a good man to promote an education summit and another to produce a midterm agenda. An overwhelming need has been met with an underwhelming response.

Thus, more than most decisions we must make, Mr. President, this decision leaves me with a sense of uncertainty and unease. There simply is no way to feel entirely comfortable granting this administration fast-track authority and thereby ceding, in part, the right of Congress to amend legislation.

Mr. President, much of my discomfort voting to give the President this negotiating authority results from the fact that, on this issue, I find myself at odds with some of the working men and women of Nebraska with whom—when the debate turns to such matters as health care, farm programs, tax policy, or environmental protection—I am in agreement.

But I believe that extension of fast-track authority, particularly for the Uruguay round of the GATT negotiations, makes sense at this time. And I make this judgement despite my often expressed disagreements with the administration over the policies and strategies that have led to the Uruguay round position that the United States maintains today.

As we know, the Uruguay round is a complex set of negotiations involving over 100 countries and more than a dozen major trade areas. Few countries would seriously engage in these talks if they believed that the Congress of the United States, alone among the national legislatures of GATT members, was likely to amend any agreement that GATT negotiators may reach. If the United States rescinds its fast-track procedures, these other countries may be less inclined to offer their bottom-line negotiating position. Even worse, they may be prompted to withdraw from the negotiations altogether, causing the Uruguay round to collapse. Under those circumstances, responsibility for such a collapse would be assigned to the United States.

As I indicated, I have regularly expressed my opposition to the administration policies that have resulted in the bargaining position that the United States holds today. Agriculture, which everyone recognizes as the linchpin to the current GATT round, is a case in point.

Beginning with the 1985 farm bill, the United States embarked on a unilateral effort to scale back its system of farm price supports. These reductions have foolishly undercut our leverage at the GATT negotiations, leaving the United States in the position of hoping that the European Community [EC], Japan, and other countries offering hefty subsidies and protection to their farmers will now agree to follow the United States lead. Administrations of both parties have rejected such a strategy for arms control negotiations. Budget-driven proposals to reduce the military are regularly overridden by security considerations. I am not sure why agriculture has been treated any differently, but I strongly suspect it is because the cuts happened to be conveniently consistent with the farm policy objectives of both the Reagan and Bush administrations. Unfortunately, in view of the severe budget constraints that we currently face, the prospects for reversing these cuts are nil.

If I disagree with how the administration arrived at its current bargaining position, I believe that continuation of fast-track authority, because it keeps the Uruguay round alive, offers the best opportunity—due to the fiscal atrophy here at home—to improve prospects for our farmers and ranchers. The EC may be unlikely to accept the cuts that the United States has proposed, but it is clearly being forced by the escalating costs of its common agriculture policy [CAP] to consider reductions in farm support levels. A new GATT agreement may provide the EC with the political will it needs to make adjustments in CAP policy.

Had this vote occurred 2 weeks ago I was prepared to vote against the extension of fast-track authority. My opposition up to that point was due largely to the failure of the administration to explain with specificity exactly what elements of our current farm programs would be permissible should the current United States position at the Uruguay round be accepted, however improbable. I raised this issue because of the repeated contention by the United States Trade Representative that "Neither the United States nor any other country has proposed the elimination of all support to farmers. Countries will be able to provide assistance as long as it does not distort trade".

In the absence of information to the contrary, I have interpreted that statement as allowing only decoupled farm program payments under a new GATT agreement. Decoupling is anathema to me and, I am sure, to a majority of Nebraska producers. Why? Because decoupling—since it would no longer require farmers to comply with acreage reduction programs or conservation standards as a condition of payment eligibility—smacks of welfare. Nebraska farmers know that Congress would likely impose strict eligibility criteria on the cash transfer payments made under a decoupled program, including income or means tests that would deny payments even to Nebraska farmers whose standard of living would not generally be viewed as comfortable.

Despite numerous attempts to obtain a clear explanation on this point from administration officials, it was not until the Department of Agriculture in early May released a publication entitled "Economic Implications of the Uruguay round on U.S. Agriculture"

that I became satisfied that the current structure of our farm programs could be maintained if the U.S. position were accepted, including such policy tools as target prices, commodity price support loans, and acreage reduction programs. Following my statement, Mr. President, I intend to insert for the RECORD a copy of the questions that I posed to Secretary Madigan and Ambassador Hills at a hearing that the Senate Committee on Agriculture, Nutrition, and Forestry held on the fast-track issue on May 8, 1991, along with the responses that I subsequently received from the administration.

One other positive factor that I weighed in deciding to support fast track is the relatively recent appointment of Ed Madigan to serve as Secretay of Agriculture. Quite simply, Mr. President, I believe this Secretary listens to the concerns of others, that he can be trusted, and that he will insist that U.S. producers not be sold out under any GATT agreement.

At this point I must emphasize, Mr. President, that my eventual support for any GATT agreement is very much in doubt. Regardless of what progress may be in other areas under the Uruguay round, I will view any GATT agreement that is unacceptable on agriculture as unacceptable in its entirety. Moreover, if they come back with an agreement, U.S. negotiators must show that the EC has committed to substantially reducing its pernicious export subsidies. Finally, I will expect the administration to pledge support for our rural economy that is comparable to whatever assistance the EC develops to help its agricultural sector make the adjustments required by a new GATT agreement. Although I cannot condone the methods that the EC has used to protect its farmers, I do admire, and at times envy, the EC's determined policy of preserving the full and diverse nature of its agriculture.

While a strong case can be made that the complexity of the GATT negotiations requires approval of the fast-track procedure, a much less compelling case can be made for the need to use fast track to conclude bilateral negotiations such as the proposed free-trade agreement with Mexico, otherwise known as the North American Free-Trade Agreement [NAFTA]. In my view, such bilateral talks constitute a much more manageable set of negotiations, and the legislature in each country should be free to make amendments to any agreement as they deem appropriate. Each country can then decide whether or not to accept any final agreement that includes the changes made by the legislative branch.

For this reason, Mr. President, I intend to support the resolution that will be offered in the near future by the Senator from Michigan. As Senator RIEGLE has explained, that resolution would modify fast-track authority with respect to NAFTA and allow amendments in five specific areas, including: First, monitoring and enforcement of fair labor standards; second, monitoring and enforcement of environmental standards; third, establishment of a fair "rule of origin"; fourth, clearly established arrangements for dispute settlement; and fifth, adjustment assistance for displaced U.S. workers.

I also wish to take this opportunity to make clear to the administration that, in my view, the rules by which the United States agrees to conduct trade do not in themselves constitute acceptable trade policy. New trading rules may help to level the playing field, but they do not ensure that the United States will field a team that is fully capable of competing in the world arena. In fact, if the current warning signs confronting this country with regard to educational attainment, employee skill levels, health care, capital formation, infrastructure investment, and so on, are any indication, then the United States is as likely to forfeit trade opportunities as it is to seize them.

Our current system of providing health care forces the issue: Are we prepared to compete? Is America's competitive edge sharpened when a skilled worker is forced to forego more productive employment because only his current employer provided health insurance policy will cover the preexisting condition that afflicts a family member? I don't believe it is, but one rarely hears health care mentioned in the course of a debate on trade competitiveness. Certainly this administration has not made that connection.

I have talked to numerous self-employed Nebraskans who each pay $6,000 or more in annual health insurance premiums for their families. Is the wheat grower in western Nebraska who must absorb such a cost competing on a level playing field with the Canadian farmer whose health care needs are guaranteed by his government? I can only hope that such questions prompt the administration to look beyond the potential costs of a revised health care system and take measure of its potential benefits as well, including its impact on our ability to compete.

Finally, Mr. President, I must convey to the administration the single, common theme that is raised by each individual who has urged me to oppose fast track. Their essential message is this: "After a decade of hostile government policies that have lowered living standards for farmers and laborers, we simply do not trust this administration to obtain an agreement that will benefit the average working American."

That is a deeply held sentiment, Mr. President. It is a visceral, understandable reaction expressed by patriotic Americans who are good citizens, who pay taxes, and who I believe want to support freer trade. But they also want some assurance from their Government that they will not be rendered raw material as the business community that is so fervently pushing the administration's fast-track button continues its global chase for cheaper and cheaper inputs.

So my support for fast track today, Mr. President, should not be taken as a sudden endorsement of administration policies that I have roundly opposed. Instead, I will support fast track because of my basic belief that free and fair trade, if wisely pursued, offers a genuine opportunity to improve the standard of living for average Americans.

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

RESPONSE FROM THE ADMINISTRATION TO THE QUESTIONS SUBMITTED BY SENATOR KERREY ON MAY 8, 1991

1. The Administration has maintained that, if the U.S. position prevails at the Uruguay Round, "Countries will be able to continue to provide assistance *as log as it is provided in way that does not distort trade.*" [Emphasis added.] That position seems to prohibit the U.S. from using traditional farm program tools such as acreage reduction programs, price support loans, or deficiency payments that are linked to specific crops. If accepted, would the U.S. position force the U.S. to embark on a decoupled farm program, and prohibit the use of acreage reduction programs, price support loan, or deficiency payments linked to specific crops?

Under the U.S. proposal, the most trade-distorting internal subsidies would be reduced, but even these would not have to be eliminated. These policies to be reduced include, among others, commodity market price support, direct payments tied to production, and input and investment subsidies. For example, the United States could maintain its target price and loan rate systems subject to whatever disciplines might be imposed on those systems. The United States could also continue to use acreage reduction programs. In addition, countries could also use permitted policies to support producers in ways that do not distort trade.

2. U.S. sugar and dairy producers have been assured that if they lose Section 22 protection under a new GATT agreement, they will still be allowed to receive direct income support payments from the Federal government. In theory that may be true, but where will this money come from? Will it come from other commodity price support programs, such as the corn and wheat programs, or will the Administration propose increased spending in order to provide income assistance to producers of "Section 22" commodities?

The terms of a GATT agreement as proposed by the United States would place no restrictions on support to producers that does not distort production and trade. Such support could be provided for producers who face lower returns as they adjust to a greater reliance on the market. Budget savings for commodity programs as a result of higher market process and policy adjustments are expected to exceed the reductions in returns expected for producers who are primarily supported by import restrictions. Therefore, these savings would provide ample funds for non-trade-distorting payments to producers of commodities primarily supported by import restrictions to offset possible lower re-

turns, even as total commodity program outlays were reduced.

3. When the Uruguay Round began a few years ago, U.S. officials spoke of achieving a "level playing field" for our farmers. Now the objective seems to be simply to get everyone to reduce their support levels by 30–75 percent over some base period. Because support levels in the European Community are so much higher to begin with, a 30–75 percent reduction will not leave U.S. farmers to compete on a level field. At this point, is the U.S. objective under the Uruguay Round a "level playing field" or simply percentage reductions in support levels by the major subsidizing countries?

The U.S proposal is for 75% cuts in internal trade-distorting subsidies over 10 years from base period levels. The Hellstrom proposal called for 30% over 5 years, equivalent to 60% cuts over 10 years. These reductions would constitute significant progress toward a level playing field but would not achieve it over a 10-year period. Even so, the U.S. would gain substantial competitive advantage over the 10-year period.

Under the U.S. proposal, the countries with the highest levels of subsidies and protection would have to make the largest cuts in absolute terms. But even after these cuts, these countries would have higher levels of subsidies and protection than countries that began with lower rates. For example, suppose Country A and Country B each produce $1 billion of wheat in the base year. If Country A starts with support of $600 million for wheat and Country B with $100, and each reduces support by one-half, Country A ends up at $300 million and Country B at $50 million of support.

Some argue that this sort of adjustment is a disadvantage for Country B because it does not achieve equal levels of support in the two countries. This argument is false. Country A has to take a larger reduction in support relative to the base period revenues [30% vs. 5% for Country B]. This means that Country A has to make larger adjustments than Country B.

The point is even more obvious when one considers different commodities in the same country. For example, suppose that barley is supported at high level while support for wheat is insignificant. After a GATT agreement, barley would still be supported at a higher level. But it would be wrong to say that barley gains relative to wheat.

In addition, in the U.S. proposal we require countries to reduce the quantity of commodities that are exported with subsidy. This feature of the reduction will likely have the most beneficial import on creating greater market opportunity for U.S. commodities.

4. Do you still anticipate that a new GATT agreement will provide developing countries extra time to reform their agricultural policies? If so, how long is the grace period likely to be?

The United States believes that developing countries should be subject to all new and existing GATT rules. However, in recognition of the special needs of developing countries, we have proposed flexibility regarding the extent of reduction commitments and the timing of implementation. For example we suggested that developing countries not be required to reduce certain policies, such as investment subsidies, that have a minimal effect on trade and that do not act to maintain domestic prices higher than world prices.

Regarding import protection, we feel that developing countries, along with industrialized countries, should have to convert nontariff barriers to tariffs. Our proposal states that the special needs of LDCs should be taken into account by providing for a faster rate of liberalization on access for products of interest to the developing world. We also feel that LDCs should be allowed to implement their access commitments in a way commensurate with their development needs. In other words, they will have to undergo tariffication, but subsequent tariff reduction will occur at a more moderate rate. A developing country will have to meet the same schedule of market access commitments as developed countries for all products for which it is a net exporter.

For relatively well-off developing countries, we proposed an additional 2 years for the reduction commitment. We proposed a 15 year reduction period only for the very poorest countries that have truly legitimate needs for special treatment. We recognize that for these countries, rapid liberalization, while economically beneficial in the longer term, may be politically unfeasible. We are, however, calling on these countries to liberalize nonetheless at a pace that they can manage.

Mr. KENNEDY. Mr. President, I intend to vote against the resolution of disapproval, because I believe the fast-track procedure is warranted for the GATT negotiations.

Many of my colleagues, and many Americans across the Nation, have serious reservations about the administration's position in the Uruguay round. I, too, am troubled by some aspects of the current GATT negotiations, especially the impact it may have in exposing low-paid manufacturing workers to unfair foreign competition.

But it is difficult to envision a multilateral trade negotiation that would allow each nation to amend the treaty. And that is why the fast-track procedure should be approved.

But I want to express my deep concern over the administration's use of the fast-track authority to enter into trade negotiations with Mexico.

The need for fast track for GATT does not justify using it for negotiating with Mexico. I regret that the rules for this debate do not permit us to separate those two negotiations, and I intend to work with other Senators to ensure that our concerns are addressed.

The issues relating to a possible trade agreement with Mexico are historically unique, and deserve separate consideration by the Senate. Senator RIEGLE has introduced a more satisfactory procedure for Senate consideration of a trade agreement with Mexico.

Under that proposal, we would retain the essential elements of the fast-track procedure while making sure that the Senate will have a chance for appropriate deliberation, and I hope that this proposal will be brought before the Senate as soon as possible.

I support closer economic links between Mexico and the United States. But we must devise a "win-win" agreement, where both nations benefit. The last thing we need is a "lose-lose" situation, where Mexico and the United States are both left worse off.

A trade agreement must be designed to increase living standards in the United States as well as in Mexico.

It must not become a pretext for big businesses to disinvest here at home, in order to raise corporate profits by exploiting low-wage labor in Mexico.

Yet that is the implication of the administration's unseemly haste to reach this business-driven agreement, while disregarding the legitimate concerns of America's workers.

One thing that our economy does not need is an era of vicious wage competition between American and Mexican workers, where everyone's standard of living declines. If we stay on this path, we will be in a "race to the bottom"—with lower wages, a lower standard of living, and greater dependence on imports.

A responsible agreement can do a great deal to advance our larger goals for the hemisphere. When President Kennedy launched the Alliance for Progress and the Peace Corps in the 1960's, he initiated a new era of cooperation between the United States and Latin America.

Then, as now, an economically vital Mexico, with prosperity for all of its people, is in the best interests of the United States and the entire hemisphere.

I have met personally with President Salinas, and I have great respect and admiration for his efforts to improve the Mexican economy.

He has struggled with the crushing burden of debt that has driven Mexican living standards lower during the 1980's.

He adopted this trade strategy in large part because the Reagan and Bush administrations have provided no meaningful leadership or assistance on the debt crisis or other issues that confront Mexico.

As a practical matter, this trade agreement has become his only available economic opening to the United States.

In these circumstances, it is all the more important for the Bush administration to negotiate a satisfactory trade agreement, one that is in the interest of Mexico's economy—and America's economy too.

I am concerned however, that the administration is seeking an agreement that would encourage displacement of American investment to Mexico.

A trade agreement will cut tariffs. But most of the tariff barriers between our two nations have already been substantially reduced, and further progress can be made on tariffs without a new agreement.

So investment, not trade, is the heart of this agreement, but it has been virtually ignored in our debate.

By emphasizing investment policies in the treaty, we may well be creating

future problems in our relations with Mexico.

Unless these concerns are carefully addressed, the treaty would draw the United States into future controversies over Mexico's internal policies on investment and ownership. We have made genuine progress in recent decades in our relations with Mexico. There is no justification for a return to the unwise and insensitive policies that have created so much ill-will and friction in the past.

Here in the United States, many reports and analyses have stated that we risk losing hundreds of thousands of high-paying jobs as a result of the administration's proposed agreement, and that environmental standards here may suffer. Other studies have claimed employment and environmental benefits for the two nations.

Estimates by respected economists range from a gain of 64,000 jobs over 5 years, to losses of several hundred thousand jobs over 10 years. In this situation, we have a responsibility to do more than hope for the best while fearing the worst.

A free-trade agreement with Mexico would be an unprecedented step for two nations with such diverse economies and societies. Mexico and the United States are at very different points in their development, and there is no historical experience linking such disparate economies and societies.

These differences are reflected in many ways, including the laws, regulations, and enforcement procedures relating to basic labor standards and protections for the environment. President Salinas has taken impressive steps recently to improve environmental enforcement. But vast gaps remain between United States and Mexican laws and enforcement patterns.

With respect to labor standards, the United States and Mexico are at very different stages of development. Recent press reports have documented the widespread use of child labor in Mexican factories, under conditions that deny children an education and sometimes even a future.

While we cannot expect Mexico to have the same standards as the United States, we should be concerned if a trade agreement threatens to worsen the plight of Mexico's children.

A comprehensive agreement should also take up other questions, such as the crushing international debt that continues to burden Mexico, serious questions about energy policy in the hemisphere, and "rules of origin" to assure that other nations do not use Mexico to evade United States trade regulations.

Any trade agreement must also provide fair assistance for economic dislocation of American workers, including States and cities where jobs are lost to foreign competition.

Other nations have done it right. The European Community has worked carefully on free trade and economic integration for over 30 years.

They have sensible approaches to job training, industrial adjustment, and youth employment. And they are working to harmonize minimum wages and other labor policies. We should learn from their careful, comprehensive, and deliberate approach.

An agreement should also help our manufacturing companies increase their productivity, so that they can compete internationally. For too long, the United States has let its manufacturing base decline. American companies often have tried to compete solely by lowering wages. We must not encourage this economically dangerous tendency.

With this wide range of unsettled and important issues, thorough debate is necessary now, not when presented with an all-or-nothing vote on a treaty that has become a fait accompli.

But instead, the administration wants fast-track authority. In response to growing opposition in Congress, it has offered a token plan that purports to address some of these problems.

But the plan is vague in many places, and not binding in any. The administration promises a great deal, but under fast track, they are not required to make good on anything.

Too often, the administration has failed to follow through on promised support on other important issues.

They promised full funding for Head Start, but have not made the funds available. They say they don't want families to be divided by medical problems, and then they veto the Family Medical Leave Act.

The President wants to be the "Education President," but does not propose the expanded Federal help required to meet critical education needs.

This flawed record makes all of us skeptical about the administration's vague promises on key labor and environmental issues in a trade agreement with Mexico.

Instead of concrete commitments, the administration's plan offers only promises and rhetoric.

In my view, we need adequate assurances that a meaningful plan on the Mexico trade agreement will address the following points:

A serious commitment of funds for worker training and retraining, including assistance that could begin before employees lose their jobs;

Funding for programs to help small- and medium-sized American manufacturing companies to increase their productivity;

A direct link between tariff reductions and meeting specific goals on labor and environmental quality; and

An assessment process for achieving these goals, including representation of the public and Congress in a direct and continuing fashion.

These elements are not exhaustive, but they illustrate the point. Without concrete commitments, Congress is being asked to trust the administration to address these issues. Unfortunately, the administration's probusiness, antiworker record offers little confidence that any of these legitimate concerns will be met. As President Reagan liked to say, this is an area where we need to trust, but verify.

The debate over a trade agreement with Mexico also has been clouded by withheld information.

Earlier in the debate, the administration relied heavily on a study by the International Trade Commission, claiming economic benefits for the United States. But when critics asked for the underlying data and statistical assumptions for that study, the ITC forced them to file a Freedom of Information request. The ITC then denied the request, on the ground that these were trade secrets.

The question is, what is the administration hiding, and why are they hiding it?

In sum, a United States-Mexico Free-Trade Agreement deserves much more serious consideration by Congress, the administration, and the people of both nations. It should not be rammed through Congress on the back of the GATT negotiations.

I deplore the restrictions that have been unwisely and unfairly imposed on this debate. Our concerns are vital for the futures of our hemisphere. I urge the Senate leadership to arrange for us to address them in an effective way as soon as possible.

Mr. BIDEN. Mr. President, today the Senate approved the President's fast-track request. This extension may enable trade agreements eventually reached in the Uruguay round of the GATT, and in the proposed talks between the United States and Mexico to be considered by Congress in an up-or-down vote, without amendments.

Once again, I find myself in the position of not agreeing with either of the two schools of thought that dominated the debate:

The old school, the protectionists, cling to a hopelessly outdated view of the world. They refuse to accept that if America is to retain its position in the world it must be a willing participant in markets that are increasingly global and competitive. Followers of this school would prefer that we pretend these changes have not occurred, and instead erect higher and higher walls to separate ourselves from the realities of the global economy.

The second school, the pure free traders, believe in the advantages of moving toward freer markets, but choose to ignore the disadvantages. They have no sympathy with or understanding of

the need to provide adjustment assistance to the many innocent people who'll be hurt in the process. They mock concerns about the environment. Followers of the second school would coldly ignore the real pain that can accompany free trade, and would simply "leave it to the market" to work these things out.

Neither of the twin extremes, protectionism or pure free trade, is an adequate answer to our trade and competitiveness problems. At this juncture, I think it is clear that we must maintain our economic connections with the rest of the world. If I were to join with the protectionists—against fast track—I would be aligning myself squarely with those who clearly do not have the answer.

Today's vote is not a vote in favor of free trade with Mexico, which I am not yet prepared to do. Serious concerns have been raised about such an agreement. Workers in some sectors fear their jobs will migrate to Mexico. Parents are concerned that their children will be exposed to pesticides. Environmentalists fear businesses will view Mexico as a safe haven from tougher United States environmental standards and enforcement. These concerns cannot be dismissed out of hand. Never before have two countries with such unequal levels of economic development contemplated a free-trade agreement.

Make no mistake, a Mexico agreement could also benefit the United States. Mexico is a major oil producer. A more open trade regime could help reduce America's dependence on Middle East oil. Mexico is also the United States' third largest export market. Over time, a growing Mexican economy would expand our export opportunities. But many of the gains would be long term, and small relative to the size of our economy. Simply because problems and disparities exist does not mean that we should not even consider free trade with Mexico. We should. But at this stage, the focus has understandably been on the risks, not the opportunities.

To gain approval for fast track, the President has promised to deal with these issues. In effect, he has promised that he is not a pure free trader. He promised to work with Congress to assist workers who may lose their jobs as a result of free trade with Mexico. He promised U.S. import barriers would fall gradually to blunt the impact on workers and communities. He promised real progress on environmental problems in Mexico and no dimunition of our standards.

This is definitely not the rhetoric of pure free trade. But I suspect the worst. I suspect that the President's deeds will not live up his promises. I suspect that in the end he'll prove to be an apostle of the pure free traders.

I have good reason to doubt. This administration's record cannot be swept away by the vague and ill-defined promises of the action plan. The President and his chief trade negotiators showed little or no sympathy to addressing worker adjustment or environmental issues in the context of free trade until their pollsters and political advisers told them they had no choice.

In spite of these doubts, I voted to extend fast track.

My vote to extend fast track does not mean that I have cast my lot with the pure free traders, for I have not. Should the President return to Congress 2 years from now with a free-trade agreement with Mexico in one hand, but no genuine commitments to worker adjustment assistance and to the environment in the other, I am prepared to vote "no" on that agreement.

Today's vote had implications beyond the question of a free-trade agreement with Mexico. The United States is involved in important multilateral trade negotiations that depend on fast track. The Uruguay round of the GATT involves 107 nations and contemplates the creation of new international norms for nearly one-third of the world's trade. A successful conclusion could cement the world's commitment to multilateral free trade.

Without fast track, this outcome is in doubt. Although the debate has focused almost entirely on the Mexico proposal, the most important reason to vote to extend fast track is to permit the Uruguay round to go forward. Had the Senate blocked fast track today, the Uruguay round would have been crippled, if not killed.

Fast track was designed with multilateral negotiations in mind. Congress understood that changes it made after the fact could easily unravel an entire agreement. But the case for fast track for a bilateral agreement with Mexico is less compelling. The United States has concluded arms control and many other kinds of bilateral agreements without the benefit of fast track. Had the question of fast track for Mexico been considered separately from that of the Uruguay round, I would have opposed fast track for Mexico.

Now that fast track will be extended for the Mexico agreement, the President may believe that this enables him to sidestep the concerns of the American people. He may believe Congress will be cowed by threats that to reject this agreement would shatter relations with Mexico and leave that country in political turmoil.

If he acts on these mistaken beliefs, the President will face a very rude awakening. If the President comes back with an agreement that does not bring economic benefits to the United States, that does not protect the environment, or that would cause massive job losses without accomodating those who'll be hurt in the process, this Senator is prepared to vote "no."

Mr. WOFFORD. Mr. President, I offer these additional reasons for supporting the resolution of the Senator from South Carolina [Mr. HOLLINGS] to reject extension of the fast-track process.

Many Senators are concerned about this process—and well they should be, as it removes significant authority from the Congress to participate in and help shape a trade agreement.

At the same time, I think all Senators understand that the real issue here today is not process but substance. There are two agreements soon to be on the table—the Uruguay round multilateral agreement and the North American Free-Trade Agreement including Canada and Mexico—and it is those prospective agreements that are in fact the subject of today's debate.

My particular concern, Mr. President, is an agreement with Mexico and the profound impact it will have on the United States economy and particularly the economy of Pennsylvania.

In that regard, I want to focus on two specific concerns at this time. I will deal with other areas at a later point. The first is the regulatory environment in Mexico generally and environmental regulation in particular. Mexico's laws may be impressive on their face, but the informed consensus is that their enforcement leaves much to be desired, to put it mildly. Environmentalists worry that a fast-track agreement will lead to further environmental degradation in Mexico, and economists believe that it will encourage American companies to relocate in Mexico to take advantage of what I can only charitably call a more relaxed regulatory environment. Obviously, other elements of an agreement, such as the elimination of tariffs, could likewise become an incentive for relocation.

It is this likelihood of plant shut down and relocation that is a vital concern for Pennsylvania. The industries most likely to be adversely affected by a trade agreement are labor intensive light industries that are easy to close and easy to move.

Tragically, these are the very industries where worker adjustment is most difficult. Industries like footwear and apparel, for example, employ large numbers of entry-level workers, often women and minorities, with limited education and limited opportunities for alternative employment.

When an apparel plant closes or moves to Mexico, Mr. President, the jobs may disappear but the people do not. They remain, in their small communities, often isolated, usually unemployed.

There are numerous companies in Pennsylvania, who, while they have not chosen to close their shops and move—yet—will no doubt feel considerable economic pressure to do precisely that if a free-trade agreement goes into effect. A company in Philadelphia, which employs 500 workers making

children's clothing; a manufacturer in Scranton which makes men's slacks; a company in Millersburg making Calvin Klein jeans among other things. Such companies are inevitably going to find it difficult to remain in business in Pennsylvania in the face of a Mexican agreement. And these are only a small sample of one industry.

For some people, the answer to that problem would be an effective and aggressive trade adjustment assistance program for workers who lose their jobs as a result of this agreement. Unfortunately, this administration's record in this area is terrible. For ten years the Bush administration and its predecessors have regularly tried to kill the existing programs, despite their demonstrated record of success. The President's recent assurance to Senator BENTSEN that he would work with the Congress to fashion a new or expanded program is welcome, but it rings hollow in the fact of a long history of neglect.

I support continued economic development for Mexico. I would like everyone there to find a job. But those jobs should not come at the expense of American jobs, of Pennsylvania jobs. Real economic growth is growth that expands the pie not simply recarves it to give someone else a bigger slice. Trade adjustment assistance will not be an adequate answer to the problems of our poor under-educated and minority workers. It would be better to construct an agreement that helps them for the beginning, and it is clear that the only way to do that will be through congressional action, since the administration has shown itself to be uninterested in such action.

A second problem is whether this agreement will help Mexico become a genuine developed country or simply the kind of less developed country which is exploited by others for its cheap labor and lax regulatory requirements.

If the rules of origin developed in the agreement require too low a threshold of Mexican value added for products to be considered Mexican, then other countries will only set up the bare minimum screwdriver or assembly plant and will forego the transfer of technology and know-how that will raise both Mexican value-added and the Mexican standard of living. The rules of origin standard should not only be set at an appropriately high level, but it must be rigorously enforced with safeguards available to prejudiced U.S. commercial interests if it is not.

Such a standard, if enforced, will reassure American manufacturers and workers that they will not be forced out of business or required by economic necessity to relocate across the border simply because of cheaper wage rates. I am not yet convinced that the administration believes this issue—the standard, the counting rules to be used, the consistency of its application and enforcement by a one-party bureaucracy—is a problem worth anything but the most superficial consideration.

Mr. President, these are not the only problems with a United States-Mexico Fast-Track Agreement, but they are two of the most significant ones. It is my judgment that the best way to address them fully is for the Congress to retain for itself the full right to review any agreement that is submitted. Only if we keep that option—and indicate our determination to exercise it in the face of an inadequate agreement—will the administration be fully motivated to protect our vital interest. That is why today's vote is so important. The signal we send is not only about process, but about substance as well.

We should send that signal by supporting the resolution of the Senator from South Carolina [Mr. HOLLINGS] Senate Resolution 78.

Mr. KERRY. Mr. President, I rise today to express my support for extending fast track authority to the administration. I believe that rejecting fast-track would jeopardize negotiations on a trade agreement with Mexico and the Uruguay round of the GATT. These two trade agreements should not be threatened. Should they be negotiated properly, they will boost our exports and create jobs for Massachusetts and America.

With this vote, we face a stark choice. The choice is between a dynamic economy developing skills envied by the rest of the world and an economy collapsing into isolationism. The fast track represents the right choice, in fact, the only choice. For without it, we will lose the opportunity to pry open markets abroad and we will only protect our firms in the short run. In the long run, international competition will grow ever stronger: The flight of our firms to low cost locales can be slowed but not stopped.

The most disagreement is over a pact with Mexico. We must first decide whether it is in the United States, interests to negotiate a deal with Mexico. And, second, whether fast-track is the best way to negotiate such a deal.

Labor groups fear that a free-trade agreement [FTA] would result in massive job losses as companies pick up and move production to Mexico. Environmentalists worry that freer trade with Mexico would harm the already fragile environment and possibly compromise our health and environmental standards. Others complain that Congress should not give up the right to amend trade agreements negotiated by the administration. Given these concerns, the skeptics ask: Why should we rush into an agreement that would further dismantle trade barriers between the United States and Mexico?

I have come to the conclusion that Congress should vote yes on fast track and allow the President to begin negotiations with Mexico. There are a number of reasons compelling this choice. I have also concluded that while the fears expressed in opposition are legitimate, the best way to deal with each of them is through the trade agreement, not outside it.

Most importantly, an FTA with Mexico will mean jobs for Massachusetts. Massachusetts needs markets if it is to sell more of its products and services. An FTA will open the Mexican market wider to exports. It will also build Mexico into a larger buyer of goods and services from Massachusetts.

The Massachusetts economy is already highly dependent on exports. Massachusetts ranks third in the nation with 8 percent of our State's output devoted to exports. As of 1987, the most recent year for which there is reliable data, 109,800 jobs in Massachusetts were directly related to exports. As a result, any new export opportunity will have an immediate and substantial impact on our economy. This is the reason why I worked hard last year to pass legislation that would permit our companies to export high-technology products more freely.

Would an FTA with Mexico be such an opportunity? The answer is an emphatic yes. One has to look no further than recent experience: Between 1986 and 1990 when Mexico began to open its borders to more trade, the United States nonoil trade with Mexico swung from a deficit of $1.2 billion to a surplus of $2.1 billion. This translates into about 100,000 jobs created with 2,100 of them in Massachusetts.

An FTA would simply accelerate this trend by lowering Mexican tariffs and nontariff barriers, encouraging growth in Mexico which would drive Mexico to import more from the United States, and establishing a stable trading environment in which exporters and importers could plan with certainty.

The average Mexican tariff stands at 10 percent and nontariff barriers protect many industries, like financial institutions, health, and high-technology against which our firms compete. An FTA would phase out these barriers and give our exporters a better opportunity to sell to Mexico. This would result in more export sales, but it would also keep production in Massachusetts since companies would not have to relocate in Mexico to avoid high trade barriers.

The real impact of an FTA on job creation in Massachusetts would occur over the long term. An FTA will give Mexico much of the labor intensive production that would otherwise go to Taiwan, Korea, Hong Kong, or China. This benefits us because Mexico, unlike the Asian countries, imports 70 cents out of every dollar from the United States. This means that Mexico will import from the United States many of the supplies it needs and spend its

earnings largely on United States goods and services.

Over the long run an FTA will mean even more opportunities for Massachusetts exporters. As the Mexican economy grows, it will require many goods and services to modernize its infrastructure. With an FTA, when Mexico looks for telecommunications products, medical instruments, consulting services, financial services, and environmental control equipment, it will look increasingly to Massachusetts.

Many worry that freer trade with Mexico will bring utter ruin to many workers in Massachusetts just at a time that we cannot afford it. I understand these concerns, but maintain that the trade will not bring disaster to Massachusetts. First of all, businesses are already moving to Mexico and opposing fast track will not change that. There is one-way track now, and it favors Mexico not the United States.

As a result of fast track, businesses will not suddenly relocate en masse in Mexico in search of lower wages because lower wages are not the critical factor in most industries. Most industries compete on the basis of technology, quality, transport costs, materials costs, capital availability, and marketing prowess in addition to labor costs. Industries that compete on the basis of labor costs alone have long ago left Massachusetts.

An FTA will actually not bring dramatic change. There is nothing to stop a company from moving to Mexico now. Businesses that want to relocate will continue to do so; businesses that want to export will continue to do so. What an FTA will do, however, is to institutionalize freer trade and allow businesses on both sides of the border to plan purchasing in an environment of certainty. It will also help the Mexican economy grow at a critical moment when its leadership is making market-based reforms. This will enlarge export opportunities for our companies.

Most of the analyses done on the subject of the economic consequences of a Mexican-United States Free-Trade Agreement agree with this assessment. In fact, all four studies conclude that the United States will gain jobs as a result of an FTA. The two studies that break out numbers for individual States show Massachusetts gaining several thousand jobs.

The vote on fast track should also be seen in the larger context of Mexican-United States relations. Like it or not, the United States and Mexico share a 2,000-mile border and all of the problems that go with it: Drugs, illegal immigrants, and environmental degradation. A trade agreement with Mexico represents the best way for us to begin to permanently solve these problems.

If fast track for Mexico is voted down, Mexico would be the only country in the world which did not receive this status. This would be an insult to President Salinas of Mexico who has staked much political capital on the possibility of a deal with the United States. It would close the window on a historic opportunity to improve our dialog with Mexico.

If fast track is passed, however, we can do more to improve our relationship with Mexico on a host of mutual problems. We could use our leverage in trade discussions to move the Mexicans toward solutions to these problems. For example, we could link environmental discussions with trade talks. In this way, we could force Mexico to cooperate with United States environmental agencies in policing the border region and compel Mexico to enforce its already tough environmental laws.

Finally, a trade agreement would allow Mexico to grow. And only a richer Mexico can clean up its environment, curb drug trafficking, and employ its citizens.

If the benefits of an FTA with Mexico outweigh the risks, what is the best way to negotiate? Fast track may not be the best way, but it is the only way. Mexico, and the rest of the world, simply will not negotiate with 535 Members of Congress. No foreign leader can be expected to expend huge political capital arriving at a deal only to have it changed by Congress. They simply won't negotiate under those circumstances, and how could we blame them? Trade agreements are so broad that they affect virtually every district of every state. Over this century, it has been demonstrated that only the President is capable of negotiating trade agreements that are in the Nation's best interest—a very different situation from bilateral arms control agreements which are dependent almost exclusively on Government, not private sector interests.

Giving the President the authority to negotiate does not mean giving up the power to ratify agreements. Congress will still have to approve any agreement. I can assure you that I will look very closely at an agreement to make certain that it benefits both Massachusetts and America. If, for example, an agreement were to come back in which the President reneged on his promise not to lower U.S. health and environmental standards, I would not hesitate to oppose the agreement.

Congress must not let this important opportunity slip away. Without fast track, an FTA with Mexico will never be negotiated. Without an FTA, America will lose a chance to move toward solutions to our problems with Mexico and most importantly Massachusetts will miss the opportunity to develop a large market for its goods and services and move into the realities of the new world marketplace.

Mr. BREAUX. Mr. President, as I stated in Finance Committee hearings on the fast-track procedure, if we cannot extend fast track, the problems we will face in trying to secure agreements on trade treaties will be nearly insurmountable. The history of congressional management of trade agreements supports my position, Mr. President. I will vote in favor of the fast-track process, which will allow the Congress and the President to work together to negotiate trade agreements. Is my vote in favor of fast track also a commitment to acquiesce to the administration's point of view on proposals for a North American Free-Trade or GATT Agreements? My answer is a resounding no. I certainly reserve the right to vote no on any proposal that is deemed to be not in the best interest of this country or the State of Louisiana.

Clearly, the Constitution gives the Congress the responsibility for the Federal Regulation of international trade: That express power is noted in article I, section 8, wherein Congress is given the authority "to lay and collect taxes, duties, imposts and excises * * * (and) to regulate commerce with foreign nations, and among the several States."

But what happens, Mr. President, in practice, when 535 Members of Congress try to agree on the terms of a trade treaty? Well, we tried it in the 1930's under the Smoot-Hawley regime, Mr. President, and we got unlimited and unending back scratching, log rolling, and horse trading to protect various Member interests. The Senate, over a 6-month period, amended the Smoot-Hawley legislation 1,253 times.

Mr. President, when the Congress managed trade we also got some of the stiffest duties ever, as Smoot-Hawley led to an average ad valorem rate on exports of 52.8 percent. This experience demanded change. Beginning in 1934 we began the gradual evolution of a process for delegating more authority to the President for negotiating trade agreements.

The fast-track process is not new. For nearly 20 years, since 1974, the President has had some form of fast-track authority. Three important agreements have been negotiated and implemented under it. We processed the Tokyo Round Multilateral Trade Agreement, the free trade agreement with Israel, and the free trade agreement with Canada under fast track procedures. As well, Mr. President, we have reextended the fast-track authority twice, in 1979, and in 1988.

I understand that a trade agreement between countries with such large disparities in economic development as those which exist between the United States and Mexico raises unique and difficult problems. The President is put on notice that there will be no agreement unless the Congress and the President can arrive at acceptable resolutions of such problems as job losses, environmental risks, rules of origin, improving U.S. energy products ex-

ports, and avoiding any overall increase in the U.S. trade deficit.

While the administration projects an overall increase in United States jobs by 64,000 as a result of freer trade with Mexico, other experts project possible job losses by the year 2000 in the range of 400,000 to 900,000, if we fail to strike an agreement which will protect against structural trade deficits. The administration admits that certain low-wage, low-technology jobs may be at risk, but I submit that some higher wage, middle-technology jobs may also be at risk. Mexican workers have proven, for example, that with training they can produce some of the finest autos in the world. The availability of trainable workers at about a tenth of the U.S. labor cost is bound to be an attraction for some U.S. employers.

And, Mr. President, neither can we have a situation where Mexico serves as no more than a convenient, barrier-free, passthrough for products made by our competitors in Germany, Japan, and other countries. As well, the Environmental threat cannot be dismissed. A witness before the Finance Committee, representing the Texas Center for Policy Studies, stated that "only 33 of approximately 600 maquiladoras in the Texas/Mexico border areas had filed the required notices for the return of their hazardous wastes from Mexican operations to the United States (as required under Mexican law)."

Regarding the energy issue, and you know Mr. President that Louisiana is an energy-rich State, I have forwarded a letter to the White House about my concerns that the manner in which energy issues are to be addressed is yet to be clarified. Currently, there is no proposal to establish a single negotiating team or working group to address energy issues. It goes without saying that energy is far too important for national security and for regional economic development to be subsumed within discussions on other sectors or negotiating topics. I have urged that a separate working group is necessary to provide the focus and expertise necessary to resolve the potentially difficult energy issues that will need to be addressed by the negotiators.

Mr. President, exports from the State of Louisiana to Mexico grew by 78 percent from 1987 to 1989. Ninety-six percent of that export were agricultural, chemical, petroleum, and lumber and wood products. Louisiana's state Government is telling me that a "prudently crafted North American Free-trade Agreement that provides for an orderly transition from our present trade mode to a free trade status and insures minimal, if any, dislocation to our industries and workers is in the best interest of Louisiana."

Under the fast-track trade agreement negotiations regime the President is required to consult with the Congress on the terms of any trade agreement. I do not accept the thesis that under the fast-track process this administration, Mr. President, can cram its version of trade agreements down the throats of this body. I believe that every member of this proud and distinguished body will take full advantage of the consultative process to ensure that U.S. interests are advanced in each agreement that may be negotiated under this fast-track extension.

So, Mr. President, I urge each of my colleagues to vote no on the disapproval resolution, and let's get down to the business of shaping trade agreements that will meet the needs of this great country.

The PRESIDING OFFICER. All time is yielded back. If there is no objection to the vote which was scheduled to occur at 12, a request to expedite the vote would be in order.

Mr. BENTSEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Without objection, the question occurs on the adoption of Senate Resolution 78.

The yeas and nays are ordered, the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Georgia [Mr. FOWLER] is necessarily absent.

I also announce that the Senator from Arkansas [MR. PRYOR] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] is absent due to a death in the family.

Mr. LOTT (after having voted in the negative). Mr. President, on this vote, I have a live pair with the Senator from North Carolina, Senator HELMS. If Senator HELMS were present and voting, he would vote "yea." I have voted "nay." Therefore, I withdraw my vote.

Mr. CRANSTON. Mr. President, on this vote I have a live pair with the Senator from Georgia, Mr. FOWLER. If Senator FOWLER were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

The PRESIDING OFFICER (Mr. GRAHAM). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 36, nays 59, as follows:

[Rollcall Vote No. 86 Leg.]

YEAS—36

Adams	Exon	Levin
Akaka	Ford	Mack
Bumpers	Glenn	Metzenbaum
Burdick	Harkin	Mikulski
Byrd	Heflin	Moynihan
Cohen	Hollings	Reid
Conrad	Inouye	Riegle
Daschle	Jeffords	Sanford
Dixon	Johnston	Sarbanes
Dodd	Leahy	Sasser
Shelby	Specter	Wellstone
Simon	Thurmond	Wofford

NAYS—59

Baucus	Durenberger	Mitchell
Bentsen	Garn	Murkowski
Biden	Gore	Nickles
Bingaman	Gorton	Nunn
Bond	Graham	Packwood
Boren	Gramm	Pell
Bradley	Grassley	Pressler
Breaux	Hatch	Robb
Brown	Hatfield	Rockefeller
Bryan	Kassebaum	Roth
Burns	Kasten	Rudman
Chafee	Kennedy	Seymour
Coats	Kerrey	Simpson
Cochran	Kerry	Smith
Craig	Kohl	Stevens
D'Amato	Lautenberg	Symms
Danforth	Lieberman	Wallop
DeConcini	Lugar	Warner
Dole	McCain	Wirth
Domenici	McConnell	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Lott, against

Cranston, against

NOT VOTING—3

Fowler	Helms	Pryor

So the resolution (S. Res. 78) was rejected.

Mr. BENTSEN. Mr. President, I move to reconsider the vote.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Montana.

MORNING BUSINESS

Mr. BAUCUS. Mr. President, I ask unanimous consent the Senate proceed to morning business with Senators permitted to speak therein.

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

THE ETHIOPIAN CIVIL WAR

Mrs. KASSEBAUM. Mr. President, the situation in Ethiopia has reached a precipice. On Tuesday, Ethiopia's longstanding dictator Mengistu Haile Mariam, fled the country for Zimbabwe. His departure, prior to the onset of complete chaos, has made it finally possible to resolve the Ethiopian civil war peacefully through political dialog. The opportunity exists to avoid the devastating bloodshed and tragedy that we have recently seen in Liberia and Somalia, if the rebel groups and the current government seize it.

The civil war in Ethiopia has exacted a very high toll on the people of that country. It is my hope that both the rebel groups and the new government will avoid any further conflict at this point. The United States, and in particular, Assistant Secretary of State Hank Cohen have been actively involved in trying to bring this conflict to an end peacefully and establish a democratic government. On Tuesday, Secretary Cohen will be serving as a

mediator at talks for the main rebel groups and the new government. I join many members of the international community in urging all parties to attend the negotiations. And, it is my strongest hope that the rebels will stop their military advance on the capital and spare the Ethiopian people any further violence.

A window for peacefully resolving the Ethiopian crisis was opened with the departure of Mengistu. I commend the leadership our government has provided in trying to achieve an end to the civil strife and urge all parties in Ethiopia to join in this effort.

HAPPY BIRTHDAY, BOB DYLAN

Mr. LIEBERMAN. Mr. President, 25 or 30 years ago, I would have had a very difficult time imagining Bob Dylan, whose music was so much a part of my life at the time, being 50 years old, an age he attains today, his birthday. I would have had even greater difficulty imagining me taking note of his achievements in remarks in the Senate of the United States.

Back in 1963, it is hardly likely any Member of Congress would have been talking about Bob Dylan, at least not on the floor of either Chamber; at least not in favorable terms. After all, it was he who said of them, "Come Senators, Congressmen, please heed the call/ Don't stand in the doorway, don't block up the hall." So times have changed, though Dylan's sentiment still holds true when we consider how many problems we still have to heed. I am sure he sings those words with the same spirit and intensity today as he did 28 years ago.

For me and so many others of my generation, Bob Dylan—together with John F. Kennedy—signalled a great change in our world, hearalding a new frontier, while the old order is rapidly fadin'. President Kennedy's death may have cut short our advance to that frontier, but Dylan played on as society erupted in great social ferment, matching the power of words with the power of music.

There is a mystery to Bob Dylan, which is surprising, in a way, given how freely he has expressed himself through his music. But the mystery results, I think, from Dylan's refusal to play roles society might seek to assign him—roles like superstar, rock idol, prophet. "I tried my best to be just like I am/But everybody wants you to be just like them." He offers us nothing more—and nothing less—than his music. "I'll tell it and think it and speak it and breathe it," he sings. "And reflect it from the mountain so all souls can see it."

Not all souls have seen, or care to see, what Bob Dylan has reflected, but his work resounds for all who sit and wonder why, and asked "how does it feel?"

For my part, I still listen, and I am glad he is still playing. I am passing along my love for Bob Dylan's music to my daughter, Hana, who seems to enjoy it herself, but she's only three so I can not be sure.

What I am sure about is Bob Dylan's place in history. His work insists on such recognition. While this occasion of Dylan's birthday might have no particular meaning for him ("Let me forget about today until tomorrow," he would sing), it gives me a chance to say "thank you" for the words and song which have meant so much to this U.S. Senator.

Happy birthday, Bob Dylan.

THE PRESIDENT'S CRIME BILL

Mr. COCHRAN. Mr. President, in his address to Congress on March 6, President Bush asked the Congress to complete action on the comprehensive violent crime bill within 100 days. This seemed to me to be a reasonable request at the time. Yet it is now day 74, and we have yet to see this bill on the Senate floor.

This legislation should not be delayed any longer. According to statistics recently released by the Federal Bureau of Investigation, the violent crime level increased 10 percent last year. Every offense included in the violent crime category used by the FBI in making this determination increased during the year.

For example, murder and aggravated assault both rose 10 percent, forcible rape increased 9 percent, and robbery was up 11 percent.

One thing is clear: The American people deserve and expect some action from their Government. They deserve to be protected from violent criminals in their communities and they are right to expect the Congress to do everything within its power to help provide that protection.

We need to enact new laws which better enable our law enforcement officials and the courts to attack the problem by removing these criminals from our streets. We need a comprehensive approach to the menace of violent crime.

The President's proposal provides such an approach. It will strengthen the criminal justice system by getting violent criminals off the streets and into prisons where they belong.

More specifically, this bill provides a workable and constitutionally sound procedure for imposing the Federal death penalty. It proposes reforms to curb the abuses of habeas corpus by both Federal and State prisoners. It modifies the exclusionary rule in order to increase the likelihood that dangerous criminals will be convicted and punished for the crimes they commit. It provides increased penalties for serious acts of violence against witnesses, jurors, and court officers in Federal proceedings. It broadens prosecution of serious juvenile drug and firearm offenders. It provides a program to combat terrorism. It proposes a nationwide program of drug testing in the criminal justice process.

It enhances the prosecution of crimes involving sexual violence and child abuse, and it attempts to protect and help victims of violent crime.

Mr. President, I strongly support President Bush's crime bill. I believe it provides the courts and law enforcement officers with the tools they need to help drive crime from the streets. But one thing that cannot be disputed is that the time for action is now; the problem is here in the present.

The issues in the President's bill are not new. They do not need to be the subject of any more hearings. I have been told that nothing new has been revealed in the hearings held by the Senate Judiciary Committee this year. Senators have all the information they need, and most have already decided their positions on these issues.

Further delay is not justified. The President's proposal should be reported to the Senate so that we can act on it and send it to the White House within the 100 days, as he requested.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I would like to respond. I had no intention to speak this morning on this issue, but my good friend from Mississippi is one of the fairest and most charitable Members of the Senate, and I would like to respond to him with regard to the notion of 100 days.

We have completed hearings on the President's bill and on my bill as well, Mr. President. We fully expect to have within 100 days the bill before us.

But I would like to point out to the Senator from Mississippi, he pointed out that this was the highest murder rate in the history of America—I will be precise; 23,500 murders—which the Senator from Delaware predicted a year ago would happen if the President of the United States continued to resist putting more police officers on the street; if he continued to cut the number of FBI antidrug agents; if he continued not to help DEA with more funding; if he continued not to do something about guns.

We learned a number of things that are new, I might say to my friend from Mississippi, and he might like to hear some of them. We had hearings on guns, and we found out that the physicians—not politicians; physicians—the head of the trauma center at the Einstein Medical Trauma Center in Philadelphia, one of the busiest trauma centers in the United States of America, I suspect the busiest in the world, testified along with other medical personnel and said:

Mr. Chairman, I do not know anything about the President's crime bill, your crime bill, or anyone else, but I know one thing. It used to be there would be a gunshot wound come in here, somebody with a 22-caliber bullet lodged next to their heart or at the base of the brain, and we had a chance of saving them.

I say, Senator, now when they come in, they have 38-caliber weapons that blow their lung out of their body into another part of the city. They usually have multiple wounds, starting from the groin up to the neck. They are dying, Senator, because we cannot save them because you—

Pointing to me—

will do nothing about the weapons that you allow to be sold.

Senator, that is why the murder rate is so high: high-caliber weapons, rapid-fire weapons used at close range that have no utility. Street sweepers, Senator; I do not know anybody who goes hunting with a thing called a street sweeper.

So that is why the murder rate is so high, in part, I say to my friend from the State of Mississippi. I further state to my friend, we learned a couple of other things. We learned that over the last 2 years, the total number of police officers in the 10 major cities in America has increased just 1 percent.

We have learned that police officers keep people from being killed. We learned that police officers keep the peace, and we learned that if we do not pay to put police officers on the street, the crime rate goes up.

In a report a year ago, the distinguished Senator from Mississippi and other States and the less distinguished Senator from Delaware issued a report saying: Watch out; the murder rate will be the highest in history. The most dangerous Nation in the world will be the United States of America.

Mr. President, please help us; do not cut the number of FBI agents, like you are doing, Mr. President; do not cut Glynco Training Center training funds. Your President stood there a year ago, God bless him, with all the array of uniforms behind him, and heralded it as one of the finest training institutions in the world—and it is. And then he cut it by 10 percent.

So one of the reasons why we held these hearings is we learned a number of things new. We learned if we have the death penalty, which the bill of the Senator from Delaware calls for more death crimes than does the President's, we learned that if, in fact, it was passed, we might have had a total of 60 executions last year, because the President's death penalty bill calls for the death penalty only in the circumstance where the Federal Government has jurisdiction. Out of 23,500 murders last year, there may have been 60 executions.

We learned, with the President's exclusionary rule proposal, which would allow a police officer, not only in good faith, but in bad faith, to knock down the door of the Senator's home—in bad faith, not good faith—knock down the door of the Senator's home in search of a weapon.

We found out that in fewer than 1 percent of all the criminal cases that were litigated from the 5.7 million felonies committed last year—fewer than 1 percent of the cases, I say to my friend—did the exclusionary rule make a difference in the outcome of the case.

And then we also found out that when we talk about habeas corpus, and there are those who probably when they hear habeas corpus, they think it is the name of some criminal, because the President talks about it so much. Everybody who files a habeas corpus petition is in jail, behind bars. That is why he is filing a petition. He is not shooting anybody in the street. He is a bad guy or a bad woman. Maybe he should go to death; maybe he has no appeal; maybe it should change. But he is not killing anybody.

So the President advertises this, I say to my friend from Minnesota, who seems to be looking on me somewhat askance, and says: Wow; we are going to stop crime, and here is my proposal for America. We will come along and we will change the death penalty, like Biden changes the death penalty; like Thurmond changes the death penalty. Fine, I am all for it; 60 executions, maybe.

Then we will come along and change the exclusionary rule; let us take 1 percent of 5.7 million. Take 1 percent of all the crimes litigated. We have 1 percent of all the crimes in America now that we have impacted on. Good; I would like to do it.

Then he comes along and says habeas corpus. They are already in jail. He is not helping anybody. He is not saving anybody. He is not protecting anybody. He is not going to make it any safer for my mother in a parking lot while she is out there shopping, because the person he is talking about is already in jail.

Mr. DURENBERGER. Will my colleague from Delaware yield for a question?

Mr. BIDEN. I will

Mr. DURENBERGER. I thank him. I came to the floor believing that there was maybe a 5-minute limit.

Mr. BIDEN. The Senator is right. I trespassed too long. I will stop.

Let me just conclude in 1 minute by saying I can tell the drumbeat is going to start. The drumbeat is going to start on this 100-day malarkey. We are going to get a bill here in 100 days. I know my Republican friends and some of my Democratic friends are going to come back with the President's proposal.

It is mentioned the President is concerned about victims of crime. Yet, the President will not yield to the approach of the Senator from Delaware that says: Let us give the victims of crime more money. Let us lift the lid. The President has been silent. Under the President's bill victims of crime will not get money for the damage that was done to them.

That is what he says. If the Senator gets a chance, and I am not being facetious—he might take a look at the other bill, as well. The Victim of Crime Fund is a fund that the President says nothing about.

I think what the President proposes makes sense. I want to reform habeas corpus; I so propose. I want to reform the exclusionary rule; I so propose.

I want to increase the death penalty to help solve crime. I so propose. We can compromise on how that is done. But for Lord's sake, unless we put more police officers on the street, unless we help local law enforcement people with their effort, and the President—he said drug testing. He wants the States to pay for that. He says you States pay for that. We are going to mandate you States pay for it. He will not build any more prisons. BIDEN says build 10 new regional prisons. He says no. No. And yet in almost every State, the Senator's State and mine, there is a Federal court order that says prisons are overcrowded; let us get these guys back out on the street. So I think enough is enough. But I will be here to debate this issue as long as and whenever anybody wishes to because I am looking to this with a sense of relish.

I thank the chair.

The PRESIDING OFFICER. The Senator from Minnesota.

DRUG COMPANY PRICING PRACTICES

Mr. DURENBERGER. Mr. President, every American said a prayer of thanks when we learned that President Bush had recovered from a temporary heart fibrillation. His quick recovery is due in large measure to the advances of medical and pharmaceutical technology that many of us take for granted.

In the President's case, his heart fibrillation was successfully managed with drug therapy. His followup regimen includes an anticoagulant drug known as Coumadin. Few substitutes exist for Coumadin, and as a result the manufacturer, DuPont-Merck, controls over 90 percent of the market.

When President Bush entered Bethesda Naval Hospital, I do not remember a single reporter asking questions about the cost of the drugs prescribed by his doctors. Yet there are public hospitals and clinics throughout the country that routinely need to prescribe such drugs as Coumadin and who are now finding the cost of these drugs prohibitive.

In Minnesota, the purchaser of pharmaceuticals for our public hospitals and clinics has reported that the price of Coumadin went from $15.67 per thousand to $349.55 in a single day. That, Mr. President, is an overnight price increase of 2,130 percent.

And the price did not go up because of publicity surrounding the President's illness. In fact, staggering price increases for Coumadin and a host of other vital drugs went into effect on the first of this year, Prolixin, a Bristol Myers-Squibb drug used in treating schizophrenia went from $48.30 to $732, an increase of 1,415 percent! Other drug prices increased 400 percent, 875 percent and 960 percent.

Prices are rising for other buyers in my State—HMO's report increases of 20 to 30 percent acorss the board. And Minnesota is not unique. These astronomical price increases are occurring in all 50 States.

Why have drug prices, including prices for the poorest families in our country—Medicaid beneficiaries—risen so drastically? Some experts I have talked to say that these price increases are the expected reaction to legislation we adopted last year requiring pharmaceutical manufacturers to offer rebates and best price discounts to the Medicaid Program.

In effect, the Federal Government told the pharmaceutical industry that since the Federal/State Medicaid Program pays for 13 percent of all drug purchases, this program should be charged the lowest price that the companies offer some private purchasers. The Government did not ask for prices lower than what the market would bear; it only asked for the best price available to other high-volume purchasers.

Mr. President, it would be reasonable to assume that, as a result of the Medicaid drug amendments of 1990, some pharmaceutical companies would have raised their best prices to make up a part of the lower profits they would earn through Medicaid sales. But, Mr. President, overnight price increases of 2100 percent or 1400 percent are not reasonable in any sector of the economy.

Maybe our legislative solution was not perfect. Maybe we could have done better. But the actions of many companies are cynical and unacceptable. The burden is on the industry to justify its behavior.

Mr. President, we all know that health care costs are rising rapidly. Most providers of health care have begun to do their part in controlling costs, including physicians, hospitals, medical device producers, insurers. It is time that the drug industry began to do its share.

We recognize the important and life-saving contributions that the pharmaceutical industry makes. We recognize that research and development for new drugs is expensive, time consuming, and risky. And, we recognize the virtues of productivity and profit-making.

But we also recognize that tax subsidies and patent protection do much to protect these investments. We recognize further that the lack of any nationwide price-setting apparatus plus medicalization of our society which induces customers to pay any price for each new invention without cost-benefit or values analysis is an economic protection provided this industry in no other nation on Earth.

Mr. President, the pharmaceutical industry is a vital component of our domestic economy. It is one of the fortunate industries that appears to be riding out this recession with little difficulty. In fact, profits are up across the board. First quarter profits in 1991 have increased significantly compared with first quarter earnings in 1990. Despite having to offer Medicaid rebates, these companies are making more money than last year, often by a large amount.

But drug products are different from most other products. Unlike a roll of carpet or a sheet of paper towels, pharmaceutical products can make the difference between life and death, between pain and comfort. These are products that in a very broad sense serve the common good. The appearance of single-minded pursuit of profit, especially in this case, overlooks other human, social and moral factors.

Mr. President, in closing, I would like to call attention to the words of Pope John Paul II. In his encyclical "Centesimus Annus," the Hundredth Year, that he issued early this month, the Pope cautioned:

> The purpose of the business firm is not simply to make a profit, but is to be found in its very existence as a community of persons who in various ways are endeavoring to satisfy their basic needs, and who form a particular group at the service of the whole society. Profit is a regulator of the life of a business, but it is not the only one; other human and moral factors must also be considered.

Where are the moral values of the pharmaceutical industry in this country? We deserve an answer.

Mr. President, part of the "answer" to this question is contained in an article published in today's New York Times entitled "Why Drugs Cost More in United States." I ask unanimous consent that this article be reprinted in the RECORD.

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

[From the New York Times, May 24, 1991]

WHY DRUGS COST MORE IN UNITED STATES

(By Gina Kolata)

Americans pay some of the world's highest prices for their prescription drugs. While other governments usually negotiate prices, the United States has traditionally let companies decide for themselves what to charge.

According to one study, Americans paid an average of 54 percent more than Europeans for 25 commonly prescribed drugs. Some essential drugs are especially costly in the United States. A month's supply of Eldepryl, a Parkinson's disease medication from Somerset Labs Inc., costs about $28 in Italy, $48 in Austria and $240 in the United States.

Aerosolized pentamidine, inhaled by people with AIDS to prevent a deadly form of pneumonia, costs $100 wholesale and about $150 retail in the United States, where it is made by the Fujisawa Pharmaceutical Company of Deer Park, Ill. In France, Germany and Britain, Rhône-Poulenc S.A.'s retail price for the identical vial is $26.

CHARGING FOR RESEARCH

These disparities have become central to a growing debate over how the United States can control its drug costs. Regulators and insurers who have been trying for years to limit hospital costs and doctors' fees are now trying to rein in drug expenses as well.

Drug costs are increasing even faster than other medical expenses. Economists say that drug companies—even foreign ones—are able to charge American patients a disproportionate share of their research costs. Most European governments bargain prices down to levels that cover companies' manufacturing and distribution costs, but much less of their research.

Some of the reasons that drug costs are so high in the United States also have to do with rising medical costs in general. The growing expense of medical technology, the absence of a national health plan and the payment of most medical bills by third parties have confounded most attempts to manage the nation's medical bills.

High drug prices afflict the elderly and chronically ill the most. Americans older than 65 use an average of five prescription drugs, said Ewe Rheinhardt, an economist at Princeton University. Old people are also more likely to have to pay for their prescription drugs themselves because Medicare does not cover drug costs except in hospitals, said Stephen Long, an economist at the Rand Corporation in Washington.

Many old people are devastated by the prices of their prescriptions. Of their $1,100 monthly income from Social Security, Joseph and Margaret Landin of Dallas spend more than $600 for 10 prescription drugs. Mr. Landin has ailments of the esophagus and prostate gland, and his wife has heart troubles, two slipped disks and arthritis.

"It's terrible," Mr. Landin said, reflecting on the sacrifices necessary to pay for their drugs. "We don't subscribe to the newspaper any more. We don't turn on our air-conditioning," despite summer temperatures that often top 100 degrees. "We used to go out twice a month to eat, but we don't do that any more."

Economists and Federal regulators are concerned that companies are agreeing to sell their drugs cheaply elsewhere, while piling research and development costs onto their prices in the United States. "Obviously, we subsidize the world," said Richard Zeckhauser, an economist at Harvard University.

The costs of producing and distributing most prescription drugs are low, yet the cost of research can be very high. Companies that develop new drugs can negotiate low prices for some buyers and still turn a profit, provided they can charge others enough to pay for their research.

"There is a lot of discretion in how you set prices," the Rand economist, Dr. Long, said. "If you had different markets willing to pay different amounts, then you can produce and sell very cheaply in some of them."

Executives of drug companies attribute the price differences to the workings of the American free market. They warn that attempts to control drug prices in the United States will backfire.

"The U.S. drug industry is one of the strongest in the world," said Gordon Binder, chief executive of Amgen Inc., a bio-

technology company. "If the Government meddles with the free market, it could well destroy the industry."

But many large purchasers of drugs say that such high prices in the United States merely guarantee high profits. Lately, drug stocks have been soaring.

Who pays the most for pills

[An index of average drug prices in various countries, with the lowest average equal to 100]

Netherlands	299
United States	279
Germany	269
Denmark	230
Britain	217
Italy	131
France	127
Spain	105
Greece	100

Source: U.S. Senate Special Committee on Aging.

"The drug industry has been very successful," said Dr. Norrie Wilkins, president of Clinical Pharmacy Advantage, a Minneapolis company that buys drugs for health maintenance organizations and other cost-containment programs. "Its percent of profits are probably higher than in any other industry. We are in a recession now and a lot of business people and the Government are asking: 'Why has the recession not hit the drug industry? Do they have an unfair advantage?'"

A Federal law passed in December requires drug makers to cut their prices to the Medicaid program for the poor. Hospitals, insurers and other large purchasers are trying to keep the drug companies from shifting the costs to them.

EUROPEAN METHODS URGED

Some authorities say that to receive Europe's prices, the United States should adopt more of Europe's methods. "One of our options is to negotiate prices like they do in Europe, using big buying groups that include public and private purchasers," said David G. Schulke, chief of oversight for the Senate's special committee on aging.

A Federal study has found that state Medicaid agencies paid $474 million more for prescription drugs in 1989 than they would have if they had been bought at the prices negotiated in Canada.

Dr. Zeckhauser of Harvard said that some countries like Australia were particularly adept at negotiating low prices. In a recent study, he and one of his students, Mark Johnston, found that average American prices were more than double the average Australian prices for 80 widely prescribed drugs.

In some European countries, including the Netherlands, Denmark and Germany, drugs cost about as much as in the United States. Guido Adriaenssens, who surveys drug prices for the Belgian Consumers Association, said that none of these countries negotiated their prices. But the Netherlands and Denmark control the amounts of drugs that doctors can prescribe, limiting overall costs, he said. Germany is more like the United States, he said, with high prices and high consumption.

FRUSTRATING DRUGSTORE VISIT

Patients' frequent inability to postpone treatment and their dependence on doctors' recommendations contribute to the high costs of drugs. Dr. Reinhardt, the Princeton economist, said that when he recently stopped at a drugstore to pick up a prescription, he felt helpless. "I was madder than hell," he said. "It was my doctor who wrote my prescription. I was never given any option. And when I went to the pharmacy, some gum-chewing clerk threw a bag at me and said, '$40.'"

Drug companies are free to set their prices but consumers have little opportunity to comparison-shop, Dr. Rheinhardt said. "We are the world's last free market," he said. "It's not a perfect market, but it is free. A perfect market is one where the customer can really evaluate the product and where it is not an emergency situation." Buying a prescription drug, he said, "is not like buying a pair of socks."

MALPRACTICE SUITS FEARED

Doctors, assuming that their patients want the best and fearful of malpractice suits if they recommend anything less, may disregard prices when they prescribe drugs, Dr. Long said. Doctors sometimes prescribe an expensive drug when a cheaper one is better. Cardiologists continue to prescribe TPA, a drug that dissolves blood clots, for $2,000 a dose even though studies have shown that streptokinase, at $200 a dose, serves heart attack patients even better.

Industry representatives agree that Americans are paying a large share of their research costs, but add that the nation enjoys the benefits. Dr. Gerald Mossinghoff, president of the Pharmaceutical Manufacturers Association, said that France's stringent price controls has resulted in a drug industry that he described as "no longer world class," adding, "There really is a cause-and-effect relationship between economic pressure and the amount of research."

Dr. Mossinghoff accused some countries, like Portugal, Greece, and Spain, of negotiating "outrageously low" prices for drugs and failing to pay their fair share of research and development costs. "In that context, American consumers are paying for cheaper drugs elsewhere," Dr. Mossinghoff said.

But the association says that drug makers can still cover their costs and turn a profit in these other countries—as long as they do not have to extend the same low prices everywhere.

THE COST OF DRUGS, IN THE UNITED STATES AND ABROAD

[A sampling of average prices for common brand name drugs in the United States and other countries]

Brand/drug name and function	Manufacturer	Average U.S. price	Average price elsewhere
Septra/Sulfamethoxazole: Antibacterial drug used to treat urinary tract infections.	Burroughs Wellcome	$10.90	$7.10
Vibramycin/Doxycycline: Antibiotic used to treat prostate infections.	Pfizer	23.30	15.20
Valium/Diazepam: Mild Tranquilizer.	Roche Products	9.70	3.60
Xanax/Alprazolam: Mild tranquilizer.	Upjohn	37.50	16.50
Dyazide/Hydrochlorathiazide: Used to treat high blood pressure.	Smithkline Beecham	11.30	8.40

Source: U.S. Senate Select Committee on Aging.

ESTABLISHING A SENATE SELECT COMMITTEE ON POW/MIA AFFAIRS

Mr. DURENBERGER. Mr. President, I rise today to announce my support and cosponsorship of Senate Resolution 82, a measure to establish a Senate Select Committee on POW/MIA Affairs. I have spoken with my colleagues Senator SMITH and Senator SPECTER, two of the original sponsors, and they have expressed to me their deep concern for these matters as well as their views on establishing a select committee.

I share these concerns, and hope that by setting up a select committee, the U.S. Senate will be able to contribute responsibly and meaningfully to the on-going U.S. effort to ensure the fullest possible accounting of POW/MIA cases still unresolved.

This is a matter of great concern to all Americans, and I strongly support the administration's defining the POW/MIA issue as the highest national priority.

The war in the gulf reminds us of the trauma and anguish experienced by families and friends of all U.S. POW's and MIA's. We owe it to the families and loved ones to pursue with all due vigor the remaining unresolved cases. And it is my strong hope that a Senate Select Committee on POW/MIA Affairs will significantly boost these efforts.

Thank you, Mr. President, I yield the floor.

EVENTS IN THE SOVIET UNION AND CAMBODIA

Mr. KERREY. Mr. President, as we prepare to leave Washington today for the Memorial Day weekend, most of us are going to take some time to reflect on the sacrifices that Americans have made on behalf of freedom. We will try our best to remember the bold disregard of personal safety which has characterized those great moments when liberty was advanced. We will remember, Mr. President, when friends, dear friends, conquered the fear of suffering and made a commitment to something larger than their own lives.

In the past 2 years, we have witnessed unimagined events when the long, lonely march of freedom ended with a bright hope-filled moment of liberation. Any remnant of skepticism about the value of America's willingness to resist tyranny must have certainly vanished in us all as we listened to the words of Lech Walesa, Vaclav Havel, and Nelson Mandela. They simply and movingly thanked America for her resolve, her values, and her vision.

Mr. President, this battle for freedom is not over. Our work is not done. The need for risk and sacrifice is still with us. Among many there are two opportunities that I believe stand out for us that we should seize, Mr. President, in order to strike a blow for freedom, and I hope and pray that America will seize these opportunities. The first is on behalf of the people of the Soviet Union, a nation which is still our nuclear adversary. The second, Mr. President, is on behalf of the people of Cambodia, a nation of little strategic value but great moral importance.

The opportunity I see with the Soviet Union is for America to lead a coalition of industrial, democratic nations to help the Soviet people achieve the objective of a liberal democracy and free enterprise. We need to do much more than just extend an offer of help.

Our decision is much more risky than whether we extend an invitation to Gorbachev to attend the July G–7 meeting in London.

As this nuclear superpower spins downward economically, we must not miss the opportunity of changing the nature of our relationship. I believe the opportunity is both historic and fragile.

We must not allow the events in the Soviet Union to become just another current issue to be discussed on weekly news shows. We must resist the temptation to answer the clinical questions of today's commentators: Will Gorbachev survive? Are the hardliners on the ascendancy? Should we provide loans for food purchases?

In the midst of these very relatively minor concerns we are not able to see or hear the struggle and the cries for freedom coming from within the Soviet Union. Now that the cold war is over, now that the concern for limited emigration has been replaced with a fear of unlimited emigration, now that the threat of the Soviet advance in Europe has disappeared, the cries for freedom seem to be falling on deaf ears.

If we listen to the Soviet leaders who are asking us to help them become free, I believe we will see that we have a fundamental decision to make. We will see that the decision which lies before us is whether we establish a new relationship with the Soviet Union based on partnership rather than nuclear rivalry.

Mr. President, I am proposing that we should, and that we do so in the cause of freedom as well as our own security. It will require sacrifice and risk on our part as well as the Soviet Union, but they are sacrifices and risks that we must take.

We will be forming this partnership for a purpose. Allow me to restate it: To assist the Soviet Union in their transition to free enterprise and democracy.

I envision three objectives for this partnership. The first is an immediate commitment to reduce the levels of nuclear weapons even further than the START agreement. The second is an economic strategy which assumes an immediate and radical transformation of the Soviet economy from communism to free enterprise. The third is to agree to help the Soviet Union accomplish an equally radical transformation of their political system so that it is a government of, by, and for the people.

The Soviet Union is the largest unexplored frontier for free enterprise and democracy. The people of the Soviet Union—who have suffered the terror and the tragedy of communism's failure—want freedom. They are understandably frightened by the prospect of great economic and social turmoil which will follow if their political leaders do the right thing.

In America, we were bequeathed a system where the fundamental arguments and battles over the nature of an accountable government have already been waged. In America, we no longer worry about the possibility of a violent revolution from the left or the right. We have mature institutions which allow us to resolve our conflicts peacefully.

In the Soviet Union there is no such security. The moment they enact the laws which provide for free enterprise and an accountable democracy, their short-term troubles will grow worse. The moment their leaders do what is right there will be cries of sell out and predictions of failure from hard liners.

All the speeches about the cold war being over which tell us we are beyond containment are misleading. They suggest the moment of peril has passed. They suggest Soviet threats to our security are gone. They suggest that the Soviet Union, still a formidable nuclear and conventional power, can merely be shrugged aside with half-hearted sighs of relief.

True genius in foreign policy does not show itself merely by responding decisively and forcefully to crises. It also shows itself by foreseeing and preventing them. More impressive than our military victory in the gulf would have been a policy that prevented Iraq from amassing the world's fourth largest military, or a policy that early on declared we would not tolerate Saddam Hussein's human rights abuses and threats against its neighbors.

The compounding pressures building within the Soviet Union will not stay within that empire's borders if they expand to the point of explosion. The potentially violent dissolution of a superpower is and must be a foreign policy concern of the first order, for our Nation and for all nations. We cannot afford to take comfort at the decline of the Soviet star when it could instantly become a super-nova that might scorch the Earth.

That is why an American decision to make a commitment to help the Soviet people achieve economic and political freedom by leading an international coalition of support is not just another foreign policy decision. It is the foreign policy decision of the latter half of this century.

In Cambodia the situation is much different though the opportunity to work for freedom is the same. Here is a people who represent no military threat. Their country has little strategic value. Here is a people whose cause we have intermittently carried, who may have suffered most when we turned our backs on Southeast Asia in 1975. They suffered the killing fields of the Khmer Rouge who murdered and starved to death at least 1 million Cambodians in 3 horrible years.

In Cambodia we are approaching a watershed moment: A June meeting of the four Cambodian factions where we hope to get all parties to agree to a United Nations peace agreement. Our objective in Cambodia is simple: A democratically elected government which has the strength to prevent the Khmer Rouge from returning to power.

My hope is the June meeting will be successful. However, if it is not, we should also be prepared to take bold action. We should not wait for something good to happen. We should make it happen by dropping our trade sanctions, by redirecting our aid to our non-Communist allies from a military insurgency to a political campaign, and by mobilizing an international effort to guarantee free elections.

The fear of getting involved again in Southeast Asia must be overcome. Our intervention will not lead to a quagmire, just as our intervention on behalf of the Kurdish refugees has not. Instead, it will lead to freedom and peace for a people who desperately want and genuinely deserve both.

Both of these proposals appear to require new thinking on the part of the United States. In a very limited way they do. In a more important and lasting way it is the same kind of thinking all of us will honor with our remembrances in just a few days.

GROUP OF SEVEN SHOULD INVITE PRESIDENT GORBACHEV TO LONDON SUMMIT

Mr. PELL. Mr. President, I would like to join Senator KERREY in urging the administration, along with its allies in the Group of Seven, to invite Soviet President Gorbachev to attend the G–7's annual meeting in London.

It appears that in recent weeks, President Gorbachev has refocused his attention on the need for radical economic reform in the Soviet Union. Reportedly, President Gorbachev has endorsed an effort by free-market oriented Soviet economists to present their reform program to the Group of Seven. I welcome this effort, and I believe that it signals President Gorbachev's recognition that if the Soviet economy hopes to survive, it must engage the West as a partner in the reform process. Like Senator KERREY, I believe that we must be responsive to Soviet requests to become more fully integrated into the international economic community.

Economic stability in the Soviet Union is a key factor in the Soviet Union's ability to move forward on political reform at the center and republic levels. International cooperation in the economic sphere can help promote that stability, which is crucial to success in other areas such as arms control and regional peace issues.

On a number of occasions, the administration has expressed its interest in finding ways to support economic and political reform in the Soviet Union. I

believe that the London summit of the G-7 provides an appropriate forum for a constructive exchange of views among the seven industrialized nations and the Soviet Union on these issues. I therefore encourage the administration and its allies to seize this opportunity to work with the Soviet Union.

RUST VERSUS SULLIVAN

Mr. KERREY. Mr. President, I rise today to voice my strong opposition to yesterday's Supreme Court decision, Rust versus Sullivan.

In this decision a majority of the Justices upheld the Bush administration's rule that federally funded family planning clinics may be prohibited from giving any information about legal abortions. There are 3,900 such clinics in America serving nearly 5 million women. The Bush rule and the Court's decision mean that such counseling cannot occur even if the woman asks. It cannot occur even if the doctor believes abortion is medically necessary.

Mr. President, this is the kind of narrow conclusion which many strict constitutionalists have been denouncing for years. This decision is the consequence of Presidents Reagan and Bush selecting Supreme Court Justices on the basis of their ideological views on abortion. Believing that abortion should be illegal allows a judge to view Government action to restrict what is currently a legal medical procedure as reasonable and constitutional.

Chief Justice Rehnquist writing for the majority builds his case upon the precedent set in Maher versus Roe. Citing this decision the Court concludes that the Government's action restricting medical advice and speech (HHS rule 1008) is unquestionably constitutional.

I believe Chief Justice Rehnquist has allowed his ideological preference to compound the error of Maher. In Maher the Court allows Government to abridge a citizen's fifth amendment right to a legal medical procedure. In Rust the Court allows Government to abridge a citizen's first amendment right to free speech.

President Bush's Solicitor General, Mr. Kenneth Starr, speaking for the administration, compared these Government rules to rules which restrict smoking. He insists that the Federal Government is doing nothing more than making and enforcing a value judgement.

Mr. Starr's words carry special importance. Not only is he speaking for President Bush, but he is often mentioned as a likely Supreme Court nominee.

Mr. Starr's exact words after the decision where:

> The administration is pleased. The government as financier, as creator of government programs, should be able to make policy determinations and specifically here it should be able to say, "We do not want abortion to play a role in family planning programs that are federally subsidized."
>
> The government should be able to fund anti-smoking campaigns without being accused of a violation of the constitutional rights of those who would seek funds to promote the interests of smoking. The government is able to take sides; it is able to have viewpoints when it is funding. It can choose to fund Shakespeare and decline to fund Moliere.

If this administration is pleased, it should not be. The task of Government is to protect the rights and freedom of its citizens, not to decide arbitrarily and ideologically which rights it prefers. Mr. Starr's comparison to the right to smoke is appalling. His reference to artistic preferences is chilling.

Mr. President, the 1973 Supreme Court decision, Roe versus Wade, established the basis for a limited right to a legal abortion. Although a minority of Americans want this legal precedent overturned, a majority does not. It comes as close as is possible to expressing the will of the American people on an extremely difficult moral issue.

Our personal ideological and moral principles should guide us in making decisions according to the specific constraints of this legal ruling. Beyond the constraints of Roe versus Wade we should not use Government to coerce Americans' decisions, unless there is a compelling health and safety reason to do so.

Attempts to restrict the use of smoking are based upon a concern for the negative health consequences to others who do not choose to smoke. The doctrine of relative rights—which limits my freedom when it impinges upon the freedom of my neighbor—is a well-established principle of law.

The doctrine of relative rights guides us in setting rules concerning abortion. Roe versus Wade recognizes that after viability, a fetus becomes an unborn child and, as such, deserves the protection of the law.

President Bush has not been successful in his attempt to amend the Constitution so that a fetus would be protected as a human being from the moment of conception. Until he achieves this success, or until he persuades a majority of Americans to give him statutory authority, his rules have an aura of illegitimacy. Until he does, this court's decisions acquire the appearance of unbridled judicial activism.

President Bush's arbitrary rule must be reversed by the action of the people's representatives. Speaking for a majority of Americans, we should move as swiftly as possible to enact a law which will reverse the Rust versus Sullivan decision.

Mr. President, I should comment on the specific nature of Chief Justice Rehnquist's error. First of all, I believe the Maher decision is in error because it did not distinguish between a Government action taken to prevent a legal right and a Government action which intends merely to express a value preference. Government is entitled to do the latter, Mr. President; it does not have the right to do the former.

The manner in which the Chief Justice referenced the Maher versus Roe is relevant. He said the previous decision "held the Government may make a value judgment favoring childbirth over abortion and implement that judgment by the allocation of funds." The Judge should have added this key phrase: "So long as this implementation does not prevent citizens from doing what they are legally entitled to do."

The error of Maher is that the Government policy goes much further than making a value judgment about the rights of its citizens under the law. The U.S. Government under President Bush is acting in the following way: They observe a law they do not like, they conclude a majority will not support a change in the law, and then they take action to restrict a minority's rights under the law, betting that the majority will not object.

Specifically, Mr. President, President Bush's actions under the rules found legal by Maher denies 5 million low-income women their legal right to terminate a pregnancy under the legal terms of Roe versus Wade. His actions under the rules found legal by yesterday's decision deny the doctors in family planning clinics their legal right to tell these 5 million low-income women anything about abortion.

Again, if the President feels so strongly about this, I challenge him to introduce legislation which could carry out the intent of rule 1008. His law would be simple, and it would say this: American family planning clinics which receive title X funds to counsel low-income women will refer pregnant women to prenatal care providers who will promote the welfare of the mother and the unborn child. Patients who ask where they can obtain abortions are to be told that the project does not consider abortion an appropriate method of family planning.

I do not expect President Bush to accept this challenge, Mr. President. He knows his view is a minority opinion. He knows the introduction of such a law would be unpopular.

Mr. President, the potential negative impact of this decision on the first amendment rights of American citizens is great. Try as he might to minimize the damage, Chief Justice Rehnquist's logic is so tortured and bears so little resemblance to the world outside his chambers, he cannot avoid providing future courts with a bad precedent.

Again, the words of the Chief Justice provide a clue about what could happen. Explaining why freedom of speech

has not been abridged with this decision, he says:

The regulations do not significantly impinge upon the doctor-patient relationship because the doctor can simply tell patients the program does not provide advice about abortion. Women, knowing that the program does not provide post-conception medical care, will not be misled by a doctor's silence into thinking that the doctor does not consider abortion an appropriate option for her.

If ever there is a need to cite the Government expression of "Big Brother is watching you," this may be the best example. Let me repeat the Judge's metallic admonition:

Women * * * will not be misled by a doctor's silence (which the Government has ordered) into thinking that the doctor does not consider abortion an appropriate option for her.

Change the words around a little and consider how we would all feel if the Judge said, "Americans," Mr. President, all of us, "will not be misled by a doctor's silence (which their Government has ordered) into thinking that the doctor does not consider surgery an appropriate option for them." Americans would be alarmed if their Government ordered their doctors to be silent about necessary medical procedures.

Later on in his opinion, Judge Rehnquist tries to do some damage control by making certain this decision will not restrict free speech in other ways. How does he do it? Again, it is Big Brother at work. The Judge tells us we can speak freely, Mr. President, according to Judge Rehnquist, if it is in an area that has "been traditionally open to the public for expressive activity" or the Judge says we can speak freely if it has been "expressly dedicated to speech activity." The Chief Justice has in mind universities or schools where "the sphere of free expression is so fundamental to the functioning of our society that the Government's ability to control speech within that sphere by means of conditions attached to the expenditure of Government funds is restricted by the vagueness and overbreadth doctrines of the first amendment."

Apparently taken with the arguments of President Bush's Solicitor General about smoking restrictions, the Chief Justice seems to be laying a foundation for similar action in regards speech. One can almost see the signs going up: This is a free speech area, or this is a nonfree speech area.

The first amendment respects each of us as individuals by providing a basis for the free exchange of information and thought. We are then able to direct and control our lives on the basis of knowledge, not ignorance. The Rust case is a frightening assault on personal dignity, because if prohibits the uninhibited flow of knowledge. I hope Congress moves quickly to enact laws which will reverse Rust versus Sullivan. By doing so, we will be expressing the will of the majority of Americans, and we will have advanced the cause of freedom here at home.

I thank the Chair and yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

The Senator from Colorado is recognized.

Mr. WIRTH. I thank the Chair.

(The remarks of Mr. WIRTH pertaining to the introduction of S. 1192 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

WE SHOULD NOT FORGET MONGOLIA

Mr. CRANSTON. Mr. President, today I would like to draw my colleagues' attention to the economic cataclysm facing Mongolia, a country working diligently to secure a peaceful transition to democracy and to implement free market and trade principles.

This past March, the Senate adopted unanimously a resolution congratulating the people of Mongolia on their free elections, commending Mongolia's leaders on their commitment to establishing democratic institutions and a free market, and welcoming Mongolians into the community of free nations.

Mongolia's political future is bright, but its economic forecast is less so. Mongolia's commitment to a market economy is complete, but successful transition to an open economy requires time, and help. We should consider carefully what help we can render, and the importance of rendering it.

Recently, Prof. Jeffrey Sachs of Harvard University, who has worked with truly remarkable success as a consultant to the Government of Poland, paid Mongolia an extended visit. He spent substantial time determining the facts about Mongolia's economy and analyzing their impact. He painted an extremely bleak picture of the immediate future.

The situation he saw was a classic example of a balance of payments problem with three roots: First, near total dependence on Soviet imports; second, near total dependence on Soviet markets; and third, susceptibility to the shock waves from the collapse of the Soviet economy next door.

In his view, Mongolia faces the threat of economic collapse, a dramatic fall in living standards, chaos, and severe long-term crisis. Comparing Mongolia in terms relevant to our own recent experience, Sachs said that the Mongolian crisis was the equivalent of six oil shocks.

A list of discouraging details loom ominously:

Industrial output declined in the first quarter of calendar 1991 by 7 percent;

Electricity production declined by 110M kWh's due to spare parts shortages;

Production of food staples declined by up to 30 percent; supplies of rice and flour are extremely low; meat supplies have now been rationed in the capital so that each citizen gets 6 pounds of meat a month, 36 pounds annually, whereas each Mongolian is used to consuming 200 pounds of meat or meat products annually;

Retail sales declined by 13 percent;

Budgeted revenues declined by 32 percent;

Export earnings declined by 58 percent; and imports by more than 65 percent.

The Soviet Union, once Mongolia's sole source of basic consumer goods, has ended foreign assistance to Mongolia, cutting off its main source of foreign aid. Although this was the expected result of Mongolia's formal disengagement from the Soviet bloc, the fact is that at least $100 million of Soviet assistance will not arrive this year, and it will be missed greatly.

What needs to be done? The foreign exchange reserves of Mongolia are depleted. They must be restored. The Soviets, for example, are demanding hard currency payment for oil, and at the same time continuing to take Mongolia's copper exports and applying the price as an offset against the country's existing debt to the Soviet Union.

An international rescue effort is needed to carry Mongolia through the relatively short privatization period during which—if Professor Sachs' recommendation to the Mongolian leaders is followed—the tugrik, the Mongolian currency, will be permitted to float and most Mongolian enterprises, including the valuable animal herds, will be turned over the private ownership, with the most successful enterprises made available for Western investment.

At present, the United States has not taken a leadership position in helping Mongolia out of its problems. Our own economic difficulties prevent us from being as generous as we would like to be. I do believe, however, that the $4 million in development assistance that the administration has requested, does not adequately reflect Mongolia's needs. To pose the full dimensions of the problem is to dramatize it. Imagine 2 million people in an area four times the size of California, located between two Communist giants, and asking for our help. Can we fail to respond?

As the only Member of the Congress ever to visit Mongolia, I can bear witness to the wonderful potential of this freedom-seeking nation. Senators should think about the possibility of seeing it for themselves. Its beauty and the friendliness of its people deserve our humane attention.

As the time comes for the Senate to consider foreign aid authorization, I urge my colleagues to take Mongolia's dire need into account, and support

measures to increase foreign assistance to Mongolia.

SOVIET IMMIGRATION, GORBACHEV INVITATION

Mr. CRANSTON. Mr. President, I rise today to urge President Bush to grant most-favored-nation trading status to the Soviet Union and to encourage the administration to invite President Gorbachev to the London economic summit in July.

The Soviet legislature's passage of a free emigration bill is a momentous step in the history of the Soviet Union. The new law marks the first time, in either in Czarist Russia or in the Soviet Union, that people will be able to enjoy unfettered freedom of movement.

The Soviets have already shown their good faith by permitting 400,000 people to leave in 1990 alone. The high rate of Soviet emigration over the past 4 years should be recognized and encouraged.

Recent Soviet moves meet the requirements we have long demanded under the Jackson-Vanik trade legislation. Soviet action speaks louder than could any of the fine print that the State Department says it is waiting for its lawyers to read before recommending MFN for the Soviets.

Now is the time for reciprocal action—not for lawyerly arguments or petty quibbling.

Mr. President, I think that it is understandable that the Soviets find it necessary to phase in this new right in view of the lack of passports, experienced staff, and other technical means.

I never felt that a new Soviet emigration law was essential. What has always been important to my mind is whether people are actually free to emigrate rather than the technicalities of the law.

Moreover, Jackson-Vanik does not require that the Soviets codify their emigration reforms. The legislation conditioning MFN status on emigration practices states that it is enough for the President to receive assurances that the emigration practices of the country will improve. In the case of the Soviets, these improvements are well established.

But passage of an emigration law by the Soviets was a criterion President Bush insisted on for granting MFN. Now that the Soviets have passed such a law the President has no reason for inaction or delay.

He should act now, favorably and promptly.

Mr. President, I think it is a bitter irony that the Bush administration has been aggressively lobbying for MFN for China—an unrepentant gross violator of human rights.

Unlike China, the Soviet Union under President Gorbachev has come a long, long way from the repressive dark days of Joseph Stalin and his successors. President Gorbachev is trying to broaden freedom in the Soviet Union and extend the hand of Soviet cooperation to the United States and the West.

The 320 to 37 vote was an encouraging sign of stability in the Soviet Union and of Gorbachev's enduring power despite his critics.

We should react favorably and promptly.

I ask unanimous consent that a letter I have sent to President Bush urging MFN be granted to the Soviet Union appear in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. CRANSTON. Mr. President, I also urge that President Gorbachev be invited to the summit meeting of the Group of Seven industrial nations in London in July so he can seek support for recently agreed-to economic reforms in the Soviet Union.

It is imperative that the new anticrisis plan being drafted by 13 of the nations' 15 republics be given active encouragement. The new accord reached between President Gorbachev and the republican leaders shows that a degree of order has finally descended upon the Soviet political scene.

Despite this, however, the prognosis on the Soviet Union's economic health remains guarded. It is clear that further agreements with the West are required—accords that will provide badly needed capital and credits and, perhaps more importantly, technical assistance.

The breakthrough accord between Gorbachev and his erstwhile republican foes, including Boris Yeltsin, may be the last best hope for change in the Soviet Union. At this vital juncture, the Gorbachev-Yeltsin plan for change should be given the widest possible airing in the West.

EXHIBIT 1

U.S. SENATE,
Washington, DC, May 23, 1991.

Hon. GEORGE BUSH,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing today to urge you to take whatever steps are necessary to ensure that Soviet President Mikhail Gorbachev is invited to the summit meeting of the Group of Seven industrial nations in London in July.

Without doubt events today occurring within the Soviet Union represent the best, and perhaps last, hopes for a peaceful transition there to a market economy and full democracy.

Earlier this week the Soviet legislature passed a long awaited free emigration bill. And before that, President Gorbachev and the leaders of 13 of the Soviet Union's 15 republics came to terms on a whole host of issues, ranging from political decentralization to promotion of free enterprise.

Soviet spokesmen have used every opportunity to emphasize just how important they feel an invitation to the G-7 summit would be to strengthening this fragile coalition for change.

In a remarkable turn of events, top economic advisors to President Gorbachev and Russian Republic leader Boris Yeltsin are currently hammering out an emergency package designed to provide both change and stability to political and economic life in their country.

It is my belief, that at this vital juncture in the Soviet economy, the Gorbachev-Yeltsin plan for reform should be given the widest possbile airing in the West. The G-7 summit provides a unique forum for the hard questions to be asked by you and by our allies.

Such an exchange appears vital in order to weigh the real possibilities for Western assistance to the nation that still possesses more than 25,000 nuclear warheads and upon whose cooperation depends a whole range of issues, from stability in Eastern Europe to a winding down of Third World conflicts.

For these reasons, and more, I urge you to give President Gorbachev the forum he needs to present his country's case to those who can be of most help.

Sincerely,

ALAN CRANSTON.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Janet Breslin:									
United States	Dollar				2,914.00				2,914.00
Switzerland	Franc	913.10	879.00					913.10	879.00
Germany	Deutschs mark	381.02	255.00					381.02	255.00
Poland	Zloty	4,674,000	492.00					4,674,000	492.00
Brent Baglien:									
United States	Dollar				2,579.50				2,579.50
Belgium	Franc	44,103	1,446.00					44,103	1,446.00
James Cubie:									
United States	Dollar				3,655.50				3,655.50
Belgium	Franc	14,701	482.00					14,701	482.00
England	Dollar		582.00						582.00
William Gillon:									
United States	Dollar				2,914.00				2,914.00
Switzerland	Franc	913.10	879.00					913.10	879.00
Germany	Deutschs mark	381.02	255.00					381.02	255.00
Poland	Zloty	4,674,000	492.00					4,674,000	492.00
Kent Hall:									
United States	Dollar				2,625.50				2,625.50
Belgium	Franc	36,752.50	1,250.00					36,752.50	1,250.00
Charles Riemenschneider:									
United States	Dollar				2,579.50				2,579.50
Belgium	Franc	51,453	1,687.00					51,453	1,687.00
Lynnett Wagner:									
United States	Dollar				2,892.00				2,892.00
Switzerland	Franc	1,212.55	972.00					1,212.55	972.00
John Ziolkowski:									
United States	Dollar				2,892.00				2,892.00
Switzerland	Franc	1,492.21	1,159.00					1,492.21	1,159.00
United States	Dollar				2,559.50				2,559.50
Belgium	Franc	51,453	1,687.00					51,453	1,687.00
Total			12,517.00		25,611.50				38,128.50

PATRICK LEAHY,
Chairman, Committee on Agriculture, Nutrition, and Forestry, Mar. 8, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Don Nickles:									
Israel	Dollar		558.00						558.00
United States	Dollar				6,189.00				6,189.00
Senator Robert W. Kasten, Jr.:									
Egypt	Dollar		440.00						440.00
United States	Dollar				5,766.00				5,766.00
James D. Bond:									
Egypt	Dollar		440.00						440.00
United States	Dollar				5,766.00				5,766.00
Senator Daniel K. Inouye:									
Saudi Arabia	Dollar		66.00						66.00
Bahrain	Dollar		125.00						125.00
Israel	Dollar		237.00						237.00
Senator Ted Stevens:									
Saudi Arabia	Dollar		66.00						66.00
Bahrain	Dollar		125.00						125.00
Israel	Dollar		237.00						237.00
Richard L. Collins									
Saudi Arabia	Dollar		66.00						66.00
Bahrain	Dollar		125.00						125.00
Israel	Dollar		237.00						237.00
J. Keith Kennedy:									
Saudi Arabia	Dollar		66.00						66.00
Bahrain	Dollar		125.00						125.00
Israel	Dollar		237.00						237.00
Total			3,150.00		17,721.00				20,871.00

ROBERT C. BYRD,
Chairman, Committee on Appropriations, Apr. 10, 1991.

ADDENDUM TO CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Daniel K. Inouye:									
Philippines	Dollar		321.00						321.00
Singapore	Dollar		426.00						426.00
Bahrain	Dollar		152.00						152.00
Egypt	Dollar		220.00						220.00
Israel	Dollar		186.00						186.00
Senator Ted Stevens:									
Philippines	Dollar		321.00						321.00

ADDENDUM TO CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1990—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Singapore	Dollar		426.00						426.00
Bahrain	Dollar		152.00						152.00
Egypt	Dollar		220.00						220.00
Israel	Dollar		186.00						186.00
Richard L. Collins:									
Philippines	Dollar		321.00						321.00
Singapore	Dollar		426.00						426.00
Bahrain	Dollar		152.00						152.00
Egypt	Dollar		220.00						220.00
Israel	Dollar		186.00						186.00
J. Keith Kennedy:									
Philippines	Dollar		321.00						321.00
Singapore	Dollar		426.00						426.00
Bahrain	Dollar		152.00						152.00
Egypt	Dollar		220.00						220.00
Israel	Dollar		186.00						186.00
Total			5,20.00						5,20.00

ROBERT C. BYRD,
Chairman, Committee on Appropriations, Apr. 10, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Steven J. Cortese:									
Germany	Dollar		690.00						690.00
United States	Dollar				2,740.40				2,740.40
Rocky L. Kuhn:									
United States	Dollar				3,055.00				3,055.00
Korea	Dollar		190.00						190.00
Taiwan	Dollar		596.00						596.00
China	Dollar		532.00						532.00
Hong Kong	Dollar		482.00						482.00
Total			2,490.00		5,795.40				8,285.40

ROBERT C. BYRD,
Chairman, Committee on Appropriations, Mar. 6, 1991.

ADDENDUM TO CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Steven J. Cortese:									
Singapore	Dollar	1,045.27	582.00					1,045.27	582.00
Philippines	Peso	6,640.46	267.33					6,640.46	267.33
Philippines	Dollar		250.00						250.00
United States	Dollar				3,104.00				3,104.00
Rocky L. Kuhn:									
Soviet Union	Dollar		2,416.17						2,416.17
United States	Dollar				3,472.83				3,472.83
United States	Dollar						920.00		920.00
Total			3,515.50		6,576.83		920.00		11,012.33

ROBERT C. BYRD,
Chairman, Committee on Appropriations, Mar. 6, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Douglas C. Olin:									
Russia	Dollar		550.00						550.00
Switzerland	Dollar		150.00						150.00
United States	Dollar				2,870.00				2,870.00
Total			700.00		2,870.00				3,570.00

JIM SASSER,
Chairman, Committee on the Budget, Mar. 15, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Augustine Symthe:									
Japan	Yen	23,977	151.62					23,977	151.62
United States	Dollar				3,201.96				3,201.96
Total			151.62		3,201.96				3,353.58

JIM SASSER,
Chairman, Committee on the Budget, Mar. 15, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM JULY 1, TO SEPT. 30, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Jim Sasser:									
Hungary	Forint	32,577.50	522.00	47,072	252.14			79,649.50	774,14
Germany	Mark	1,343.92	856.00					1,343.92	856.00
Czechoslovakia	Dollar		392.00						392.00
	Crown			890	57.67			890	57.67
Poland	Zloty	1,275,750	135.00					1,275,750	135.00
	Dollar		645.00						645.00
United States	Dollar				4,130.00				4,130.00
Roy F. Phillips:									
France	Franc	1,230.24	233.00					1,230.24	233.00
Switzerland	Franc	292.73	225.00					292.73	225.00
Austria	Schilling	2,158	198.00					2,158	198.00
Italy	Lira	259,875	225.00					259,875	225.00
Great Britain	Pound	241.30	472.00					241.30	472.00
Total			3,903.00		4,439.81				8,342.81

JIM SASSER,
Committee on the Budget, Mar. 15, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John D. Rockefeller IV:									
United States	Dollar				5,577.00				5,577,00
Total					5,577.00				5,577.00

LLOYD BENTSEN,
Chairman, Committee on Finance, Apr. 27, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM OCT. 1, TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Max Baucus:									
Belgium	Franc	36,752	1,205.00					36,752	1,205.00
United States	Dollar				648.60				648.60
Senator Lloyd Bentsen:									
Mexico	Peso	892,250	304.00					892.250	304.00
Eric Biel:									
Mexico	Peso	892,250	304.00					892,250	304.00
Switzerland	Franc	1,473	1,158.00					1,473	1,158.00
United States	Dollar				660.00				660.00
Brad Figel:									
Switzerland	Franc	969.25	772.00					969.25	772.00
United States	Dollar				660.00				660.00
Belgium	Franc	51,453	1,687.00					51,453	1,687.00
United States	Dollar				324.25				324.25
Robert Kyle:									
Mexico	Peso	892,250	304.00					892.250	304.00
Belgium	Franc	51,453	1,687.00					51,453	1,687.00
United States	Dollar				648.50				648.50
Deborah Lamb:									
Switzerland	Franc	1,485.10	1,158.00					1,485.10	1,158.00
United States	Dollar				660.00				660.00
Belgium	Franc	51,453	1,687.00					51,453	1,687.00
United States	Dollar				648.50				648.50
Rolf Lundberg:									
Switzerland	Franc	1,227.50	965.00					1,227.50	965.00
United States	Dollar				660.00				660.00
Belgium	Franc	36,752	1,205.00					36,752	1,205.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM OCT. 1, TO DEC. 31, 1990—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
United States	Dollar				648.50				648.50
Greg Mastel:									
Belgium	Franc	36,752	1,205.00					36,752	1,205.00
United States	Dollar				648.60				648.60
Marcia Miller:									
Belgium	Franc	51,453	1,687.00					51,453	1,687.00
United States	Dollar				648.50				648.50
Switzerland	Franc	1,938.48	1,543.99					1,938.48	1,543.99
United States	Dollar				660.00				660.00
Total			16,871.99		7,515.45				24,387.44

LLOYD BENTSEN,
Chairman, Committee on Finance, Feb. 19, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY SEC. 22, P.L. 95–384–22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL NOV. 3–11, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Lloyd Bentsen:									
England	Pound	448.84	873.00					448.84	873.00
Belgium	Franc	7,461	241.00					7,461	241.00
Switzerland	Franc	304.36	243.00					304.36	243.00
France	Franc	3,675	735.00					3,675	735.00
Senator John C. Danforth:									
England	Pound	344.40	669.86					344.40	669.86
Belgium	Franc	7,461	241.00					7,461	241.00
Switzerland	Franc	204.16	163.00					204.16	163.00
France	Franc	3,675	735.00					3,675	735.00
Senator Thomas A. Daschle:									
England	Pound	149.61	291.00					149.61	291.00
Belgium	Franc	7,461	241.00					7,461	241.00
Switzerland	Franc	304.36	243.00					304.36	243.00
France	Franc	3,675	735.00					3,675	735.00
United States	Dollar				3,148.00				3,148.00
Senator Robert Kyle:									
England	Pound	448.84	873.00					448.84	873.00
Belgium	Franc	7,461	241.00					7,461	241.00
Switzerland	Franc	304.36	243.00					304.36	243.00
France	Franc	3,675	735.00					3,675	735.00
Gay Burton:									
England	Pound	448.84	873.00					448.84	873.00
Belgium	Franc	7,461	241.00					7,461	241.00
Switzerland	Franc	304.36	243.00					304.36	243.00
France	Franc	3,675	735.00					3,675	735.00
Kevin Dempsey:									
England	Pound	448.84	873.00					448.84	873.00
Belgium	Franc	7,461	241.00					7,461	241.00
Switzerland	Franc	304.36	243.00					304.36	243.00
France	Franc	3,675	735.00					3,675	735.00
Delegation:									
England							10,926.41		10,926.41
Belgium							2,709.46		2,709.46
Switzerland							4,519.43		4,519.43
France							10,157.40		10,157.40
Total			11,686.86		3,148.00		28,312.70		43,147.56

[1] Delegation expenses include direct payments and reimbursements to the State Department and to the Defense Department under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977. The following individuals traveled with the delegation under authorization as noted: Senator Richard Bryan, Ms. Dee Bartley, Ms. Julia Hart—majority leader. Report of their expenditures appears in the report of the authorizing source.

LLOYD BENTSEN,
Chairman, Committee on Finance, Mar. 5, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Nancy H. Stetson:									
Egypt	Pound	3,228.96	1,120.00					3,228.96	1,120.00
Namibia	Rand	621.60	240.00					621.60	240.00
South Africa	Rand	222.74	86.00					222.74	86.00
Mozambique	Metacal	148.50	148.00					148.50	148.00
Italy	Lire	473,616	414.00					473,616	414.00
United States	Dollar				6,132.00				6,132.00
William Triplett:									
United Kingdom	Pound	123.91	241.00					123.91	241.00
France	Franc	1,933.56	369.00			1,493.40	285.00	3,426.96	654.00
Germany	Mark	1,207.69	784.21					1,207.69	784.21
United States	Dollar				919.00				919.00
Anne V. Smith:									
Sweden	Kroner	1,788	327.00		315.00				642.00
Russia	Dollar		700.00		299.00				999.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1991—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Total			4,429.21		7,665.00		285.00		12,379.21

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Mar. 20, 1991.

AMENDMENTS TO THIRD QUARTER 1989—CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JULY 1, TO SEPT. 30, 1989

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Paul Simon:									
Poland	Zloty	719,000	75.00					719,000	75.00
France	Franc	1,038.27	159.00					1,038.27	159.00
United States	Dollar				1,512.00				1,512.00
Jonathan Stein:									
Poland	Zloty	719,000	75.00					719,000	75.00
France	Franc	1,038.27	159.00					1,038.27	159.00
United States	Dollar				1,512.00				1,512.00
John B. Ritch:									
Switzerland	Dollar		254.00						254.00
Poland	Dollar		300.00						300.00
Hungary	Dollar		348.00						348.00
Czechoslovakia	Dollar		282.00						282.00
United States	Dollar				4,279.00				4,279.00
Total			1,652.00		7,303.00				8,955.00

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Mar. 21, 1990.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b) COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Claiborne Pell:									
Czechoslovakia	Dollar		208.00						208.00
Senator Larry Pressler:									
Morocco	Dirham	2,622.40	330.00					2,622.40	330.00
Senator Frank H. Murkowski:									
Taiwan	Dollar	27,076	1,000.00			7,992	296.00	35068	1,296.00
Hong Kong	Dollar	1,524	196.00	117	15.00	3,198	410.00	4839	621.00
Japan	Yen	187,308	1,452.00	16,512	128.00	225,363	1,747.00	429183	3,327.00
Korea	Won	300,300	420.00	21,450	30.00	499,785	699.00	822535	1,149.00
Jennifer Brick:									
Taiwan	Dollar	27,076	1,000.00	756	28.00	7,425	275.00	35,257	1,303.00
Hong Kong	Dollar	1,526	196.00	506	65.00	2,762	355.00	4,794	616.00
Japan	Yen	187,308	1,452.00	18,705	145.00	200,853	1,557.00	406,866	3,154.00
South Korea	Won	300,300	420.00	36,465	51.00	434,000	607.00	820,765	1,078.00
United States	Dollar				3,697.00				3,697.00
Senator John F. Kerry:									
United Kingdom	Dollar				3,630				3,630.00
Gerytd Christianson:									
Belgium	Franc	29,402	964.00	2,790	91.48			32,192	1,055.48
France	Franc	3,733.80	735.00	54	10.63			3,787.80	745.63
United States	Dollar				542.00				542.00
Jan Demers:									
Czechoslovakia	Dollar		228.00						228.00
Richard Kessler:									
Korea	Won	684,950	962.00	6,000	8.43			690,950	970.43
Japan	Yen	190,674	1,485.00	5,400	42.06			196,074	1,527.06
John Ritch:									
France	Franc	7350	1,470.00					7350	1,470.00
United Kingdom	Pound	1,066.7	2,100.00					1,066.7	2,100.00
United States	Dollar				3,674.00				3,674.00
Steven Polansky:									
Chile	Peso	358,380	1,086.00					358,380	1,086.00
United States	Dollar				1,842.00				1,842.00
Barry Sklar:									
Guatemala	Quetzal	798.25	155.00					798.25	155.00
Total			15,859.00		13,999.60		5,946.00		35,804.60

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Mar. 20, 1991.

AMENDMENTS TO FIRST QUARTER 1990: CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22 P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Nancy Stetson:									
Russia	Dollar		845.00						845.00
United States	Dollar				2,817.00				2,817.00
William Triplett:									
Japan	Yen	85,059	585.00					85,059	585.00
Korea	Won	306,000	450.00					306,000	450.00
United States	Dollar				2,583.00				2,583.00
Peter Galbraith:									
United States	Dollar				943.00				943.00
Senator Paul S. Sarbanes:									
Germany	Deutsche Mark	1,760.54	1,035.00					1,760.54	1,035.00
Total			2,915.00		6,343.00				9,258.00

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Mar. 20, 1991.

AMENDMENTS TO SECOND QUARTER 1990—CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384 22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Christopher J. Dodd:									
Poland	Zloty	208,000	23.00					208,000	23.00
	Dollar		290.00						290.00
Hungary	Forint	45,000	695.00					45,000	695.00
Romania	Dollar		371.00						371.00
Czechoslovakia	Dollar		205.00						205.00
United States	Dollar				4,537.00				4,537.00
Bulcsu Veress:									
Poland	Zloty	729,500	78.00					729,500	78.00
	Dollar		435.00						435.00
Hungary	Forint	45,000	695.00					45,000	695.00
Romania	Dollar		291.00						291.00
United States	Dollar				1,488.00				1,488.00
Total			3,083.00		6,025.00				9,108.00

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Nov. 30, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Todd Sterm:									
United States	Dollar				2,579.50				2,579.50
Belgium	Franc	51,453	1,687.00					51,453	1,687.00
Total			1,687.00		2,579.50				4,266.50

JOSEPH R. BIDEN, JR.,
Committee on the Judiciary, Mar. 22, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1745(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM JULY 1, TO SEPT. 30, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator James M. Jeffords:									
Canada	Dollar	432.02	376.00		117.71				493.71
Peter Caldwell:									
Canada	Dollar	653.02	568.00		117.71				685.71
Victoria D. Galderia:									
Canada	Dollar	442.36	386.00		316.90				702.90
Total			1,330.00		552.32				1,882.32

EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Mar. 14, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John Elliff			641.80		2,774.00				3,415.80
L. Britt Snider			718.00		3,112.00				3,830.00
Don Mitchell			582.99		3,112.00				3,694.99
Marvin Ott			1,068.00		3,112.00				4,180.00
Keith Hall			394.00		4,783.00				5,177.00
James Martin			409.00		4,783.00				5,192.00
Regina Genton			413.00		4,784.00				5,197.00
Christopher Mellon			405.00		4,794.00				5,199.00
David Holliday			2,017.92		3,717.00				5,734.92
Christopher Straub			1,696.92		3,717.00				5,413.92
James Dykstra			1,863.00		3,081.00				4,944.00
Gary Sojka			2,368.00		3,178.00				5,546.00
Senator Frank Murkowski					3,760.00				3,760.00
Marvin Ott			338.00		3,667.00				4,005.00
Total			12,915.63		52,374.00				65,289.63

DAVID L. BOREN,
Chairman, Select Committee on Intelligence, Jan. 18, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE PRESIDENT PRO TEMPORE, AUG. 20–31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Robert C. Byrd:									
The Netherlands	Guilder	626.86	358.00					626.86	358.00
Turkey	Lira	2,537,903	947.00					2,537,903	947.00
Italy	Lira	273,700	238.00					273,700	238.00
Senator Thad Cochran:									
The Netherlands	Guilder	626.86	358.00					626.86	358.00
Turkey	Lira	3,352,605	1,251.00					3,352,605	1,251.00
Italy	Lira	273,700	238.00					273,700	238.00
Walter J. Stewart:									
The Netherlands	Guilder	626.86	358.00					626.86	358.00
Turkey	Lira	3,352,605	1,251.00					3,352,605	1,251.00
Italy	Lira	273,700	238.00					273,700	238.00
Marsha Berry:									
The Netherlands	Guilder	623.81	356.25					623.81	356.25
Turkey	Lira	3,352,605	1,251.00					3,352,605	1,251.00
Italy	Lira	273,700	238.00					273,700	238.00
C. Richard D'Amato:									
The Netherlands	Guilder	626.86	358.00					626.86	358.00
Turkey	Lira	3,352,605	1,251.00					3,352,605	1,251.00
Italy	Lira	273,700	238.00					273,700	238.00
Jeanine Drysdale Lowe:									
The Netherlands	Guilder	604.00	344.95					604	344.95
Turkey	Lira	2,548,622	951.00					2,548,622	951.00
Italy	Lira	182,850	159.00					182,850	159.00
James H. English:									
The Netherlands	Guilder	626.86	358.00					626.86	358.00
Turkey	Lira	1,211,333	452.00					1,211.333	452.00
United States	Dollar				786.00				786.00
Charlotte Holt:									
The Netherlands	Guilder	591.36	337.72					591.36	337.72
Turkey	Lira	3,352,605	1,251.00					3,352,605	1,251.00
Italy	Lira	273,700	238.00					273,700	238.00
Kathleen McNally:									
The Netherlands	Guilder	594.66	339.61					594.66	339.61
Turkey	Lira	2,698,699	1,007.00					2,698,699	1,007.00
Italy	Lira	273,700	238.00					273,700	238.00
Terrence E. Sauvain:									
The Netherlands	Guilder	626.86	358.00					626.86	358.00
Turkey	Lira	3,352,605	1,251.00					3,352,605	1,251.00
Italy	Lira	273,700	238.00					273,700	238.00
Sally Walsh:									
The Netherlands	Guilder	626.86	358.00					626.86	358.00
Turkey	Lira	3,352,605	1,251.00					3,352,605	1,251.00
Italy	Lira	273,700	238.00					273,700	238.00
Delegation Expenses: [1]									
The Netherlands							4,136.29		4,136.29
Turkey							10,992.50		10,992.50
Italy							5,094.10		5,094.10
Total			18,299.53		786.00		20,222,89		39,308.42

[1] Delegation expenses include direct payments and reimbursements to the State Department and to the Defense Department under authority of secton 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

ROBERT C. BYRD,
President pro tempore, Mar. 7, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE PRESIDENT PRO TEMPORE, FROM OCT. 1 TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Walter J. Stewart:									
United States	Dollar				1,162.00				1,162.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE PRESIDENT PRO TEMPORE, FROM OCT. 1 TO DEC. 31, 1990—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Total					1,162.00				1,162.00

ROBERT C. BYRD,
President pro tempore, Jan. 31, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE PRESIDENT PRO TEMPORE, FROM OCT. 1, TO DEC. 31, 1989

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Janet E. Heininger:									
Thailand	Baht	39,444	1,530.02					39,444	1,530.02
Total			1,530.02						1,530.02

ROBERT C. BYRD,
President pro tempore, Mar. 19, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY AND THE MINORITY LEADER, FROM AUG. 31 TO SEPT. 4, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Larry Pressler:									
Saudi Arabia	Dollar		37.50						37.50
Bahrain	Dollar		37.50						37.50
Egypt	Dollar		37.50						37.50
United Arab Emirates	Dollar		37.50						37.50
Senator Conrad Burns:									
Saudi Arabia	Dollar		37.50						37.50
Bahrain	Dollar		37.50						37.50
Egypt	Dollar		37.50						37.50
United Arab Emirates	Dollar		37.50						37.50
Geryld Christianson:									
Saudi Arabia	Dollar		17.50						17.50
Bahrain	Dollar		17.50						17.50
Egypt	Dollar		17.50						17.50
United Arab Emirates	Dollar		17.50						17.50
Peter Galbraith:									
Saudi Arabia	Dollar		37.50						37.50
Bahrain	Dollar		37.50						37.50
Egypt	Dollar		37.50						37.50
United Arab Emirates	Dollar		37.50						37.50
Frank Sieverts:									
Saudi Arabia	Dollar		37.50						37.50
Bahrain	Dollar		37.50						37.50
Egypt	Dollar		37.50						37.50
United Arab Emirates	Dollar		37.50						37.50
David Sullivan:									
Saudi Arabia	Dollar		37.50						37.50
Bahrain	Dollar		37.50						37.50
Egypt	Dollar		37.50						37.50
United Arab Emirates	Dollar		37.50						37.50
Tom Nichols:									
Saudi Arabia	Dollar		37.50						37.50
Bahrain	Dollar		37.50						37.50
Egypt	Dollar		37.50						37.50
United Arab Emirates	Dollar		37.50						37.50
Delegation Expenses: [1]									
Egupt		x						890.00	890.00
							56.25		56.25
							618.60		618.60
							248.40		248.40
United Arab Emirates					163.35		215.05		378.40
							213.38		213.38
United States							1,372.34		1,372.34
			970.00		163.35		3,614.02		4,747.37

[1] Delegation expenses include direct payments and reimbursements to the Department of State and to the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

GEORGE J. MITCHELL MAJORITY LEADER,
ROBERT J. DOLE, REPUBLICAN LEADER,

Mar. 23, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MINORITY LEADER, FOR TRAVEL FROM JAN. 1, TO MAR. 31, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator William V. Roth, Jr.:									
Germany	Mark	1,831.67	1,255.00					1,831.67	1,255.00
United States	Dollar				3,112.90				3,112.90
Michael Converse:									
Israel	Dollar		558.00		299.00		880.43		1,737.43
United States	Dollar				6,189.00				6,189.00
Total			1,813.00		9,600.90		880.43		12,294.33

ROBERT J. DOLE,
Republican leader.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384–22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER, FOR TRAVEL FROM AUG. 25, TO SEPT. 5, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Robert J. Dole:									
Italy	Lira	282,240	245.00					282,240	245.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Egypt	Pound	165.46	61.00					165.46	61.00
Senator Jake Garn:									
Italy	Lira	282,240	245.00					282,240	245.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Egypt	Pound	273.65	101.00					273.65	101.00
Senator John Warner:									
Italy	Lira	253,440	220.00					253,440	220.00
Yugoslavia	Dinar	2,245.6	208.61					2,245.6	208.61
Bulgaria	Dollar		167.00						167.00
Czechoslovakia	Dollar		367.00						367.00
Soviet Union	Dollar		620.00						620.00
Egypt	Pound	205.2	76.00					205.2	76.00
Senator Steve Symms:									
Italy	Lira	282,240	245.00					282,240	245.00
Yugoslavia	Dinar	3,045.6	282.00					3,045.6	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Egypt	Pound	273.65	101.00					273.65	101.00
Soviet Union	Dollar		645.00						645.00
Senator Alfonse M. D'Amato:									
Italy	Lira	247,680	215.00					247,680	215.00
Yugoslavia	Dinar	1,634.60	151.35					1,634.60	151.35
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		342.00						342.00
Soviet Union	Dollar		595.00						595.00
Egypt	Pound	205.2	76.00					205.2	76.00
Senator Don Nickles:									
Italy	Lira	282,240	245.00					282,240	245.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Egypt	Pound	273.65	101.00					273.65	101.00
Senator Connie Mack:									
Italy	Lira	282,240	245.00					282,240	245.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Egypt	Pound	273.65	101.00					273.65	101.00
Senator Sam Nunn:									
Italy	Lira	188,502	163.63					188.502	163.63
Egypt	Pound	273.65	101.00					273.65	101.00
Judy Biviano:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	2,181.60	202.00					2,181.60	202.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Mira Baratta:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Michael Converse:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
John Diamantakiou:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Judy Freedman:									
Italy	Lira	565,215	490.00					565,215	490.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384–22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER, FOR TRAVEL FROM AUG. 25, TO SEPT. 5, 1990—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Alfred M. Lehn:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Joyce McCluney:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	2,181.60	202.00					2,181.60	202.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Zenia Mucha:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Jan Paulk:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Alan Porter:									
Italy	Lira	282,240	245.00					282,240	245.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Egypt	Pound	273.65	101.00					273.65	101.00
Richard Quinn:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Phil Reberger:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Walt Riker:									
Italy	Lira	282,240	245.00					282,240	245.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Egypt	Pound	273.65	101.00					273.65	101.00
David Schiappa:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Saul Singer:									
Italy	Lira	472,320	410.00					472,320	410.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.00	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		352.00						352.00
Soviet Union	Dollar		525.00						525.00
John Walsh:									
Italy	Lira	565,215	490.00					565,215	490.00
Yugoslavia	Dinar	3,045.60	282.00					3,045.60	282.00
Bulgaria	Dollar		177.00						177.00
Czechoslovakia	Dollar		392.00						392.00
Soviet Union	Dollar		645.00						645.00
Delegation Expenses:[1]									
Italy							6,992.95		6,992.95
Saudi Arabia							1,254.41		1,254.41
Egypt							1,330.41		1,330.41
Yugoslavia							5,946.68		5,946.68
Bulgaria							2,161.41		2,161.41
Romania							1,636.59		1,636.59
Czechoslovakia	Dollar						2,983.45		2,983.45
Soviet Union							2,648.34		2,648.34
Total			43,737.59				24,954.24		68,691.83

[1] Delegation expenses include direct payments and reimbursements to the Department of State and to the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

ROBERT J. DOLE,
Republican leader, Feb. 21, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY AND THE MINORITY LEADER, MAR. 14–18, 1991

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Wendell H. Ford:									
Saudi Arabia		(1)	(1)						

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY AND THE MINORITY LEADER, MAR. 14–18, 1991—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John W. Warner:									
Saudi Arabia		(1)	(1)						
Senator Strom Thurmond:									
Saudi Arabia		(1)	(1)						
Senator John Glenn:									
Saudi Arabia		(1)	(1)						
Senator John H. Chafee:									
Saudi Arabia		(1)	(1)						
Senator Dennis DeConcini:									
Saudi Arabia		(1)	(1)						
Senator Malcolm Wallop:									
Saudi Arabia		(1)	(1)						
Senator Max Baucus:									
Saudi Arabia		(1)	(1)						
Senator Howell Heflin:									
Saudi Arabia		(1)	(1)						
Senator Don Nickles:									
Saudi Arabia		(1)	(1)						
Senator Frank R. Lautenberg:									
Saudi Arabia		(1)	(1)						
Senator John Kerry:									
Saudi Arabia		(1)	(1)						
Senator Mitch McConnell:									
Saudi Arabia		(1)	(1)						
Senator John McCain:									
Saudi Arabia		(1)	(1)						
Senator Dan Coats:									
Saudi Arabia		(1)	(1)						
Senator Joseph Lieberman:									
Saudi Arabia		(1)	(1)						
Senator Conrad Burns:									
Saudi Arabia		(1)	(1)						
Walter J. Stewart:									
Saudi Arabia		(1)	(1)						
Richard Arenberg:									
Saudi Arabia		(1)	(1)						
Les Brownlee:									
Saudi Arabia		(1)	(1)						
Scott Harris:									
Saudi Arabia		(1)	(1)						
Tom McMahan:									
Saudi Arabia		(1)	(1)						
R.J. Duke:									
Saudi Arabia		(1)	(1)						
Sally Walsh:									
Saudi Arabia		(1)	(1)						
Grayson Winterling:									
Saudi Arabia		(1)	(1)						
John Ziolkowski:									
Saudi Arabia		(1)	(1)						
Delegation expenses:[2]									
Saudi Arabia		(1)	(1)				6,717.71		6,717.71
Total							6,717.71		6,717.71

[1] No per diem issued.
[2] Delegation expenses include direct payments and reimbursements to the State Department and to the Defense Department under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

GEORGE J. MITCHELL, Majority leader,
ROBERT J. DOLE, Republican leader,

Apr. 17, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, DEC. 13–20, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator George J. Mitchell:									
Egypt	Pound	916.16	302.00					916.16	320.00
Israel	Dollar		149.00						149.00
Senator Paul Simon									
Egypt	Pound	754.00	263.37					754.00	263.37
Israel	Dollar		186.00						186.00
Senator Richard C. Shelby:									
Egypt	Pound	626.16	218.71					626.16	218.71
Israel	Dollar		128.00						128.00
Senator Bob Graham:									
Egypt	Pound	676.16	236.08					676.16	236.08
Israel	Dollar		133.00						133.00
Senator Richard H. Bryan:									
Egypt	Pound	916.16	320.00					916.16	320.00
Israel	Dollar		128.00						128.00
Senator Charles S. Robb:									
Egypt	Pound	746.10	260.61					746.10	260.61
Israel	Dollar		186.00						186.00
Senator Herbert Kohl:									
Egypt	Pound	916.16	320.00					916.16	320.00
Israel	Dollar		179.80						179.80
Walter J. Stewart:									
Egypt	Pound	916.16	320.00					916.16	320.00
Israel	Dollar		186.00						186.00
Richard Arenberg:									
Egypt	Pound	829.40	290.00					829.40	290.00
Israel	Dollar		136.00						136.00
Diane Dewhirst:									
Egypt	Pound	705.16	246.31					705.16	246.31

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, DEC. 13–20, 1990—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Israel	Dollar		128.00						128.00
Scott Harris:									
Egypt	Pound	916.16	320.00					916.16	320.00
Israel	Dollar		136.00						136.00
Jan Paulk:									
Egypt	Pound	916.16	320.00					916.16	320.00
Israel	Dollar		186.00						186.00
Sarah Sewall:									
Egypt	Pound	553.36	193.28					553.36	193.28
Israel	Dollar		130.00						130.00
Delegation Expenses:[1]									
Saudi Arabia							1,700.37		1,700.37
Egypt	Dollar						2,954.17		2,954.17
Israel	Dollar						2,833.09		2,833.09
Total			5,620.16				7,487.63		13,107.79

[1] Delegation expenses include direct payments and reimbursements to the Department of State and to the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

GEORGE J. MITCHELL,
Majority Leader, Apr. 17, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, FROM OCT. 1, TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Richard H. Bryan:									
England	Pound	299.22	582.00					299.22	582.00
Belgium	Franc	7,461	241.00					7,461	241.00
Switzerland	Franc	304.36	243.00					304.36	243.00
France	Franc	3,675	735.00					3,675	735.00
United States	Dollar				544.00				544.00
Dee Bartley:									
England	Pound	448.84	873.00					448.84	873.00
Belgium	Franc	7,461	241.00					7,461	241.00
Switzerland	Franc	304.36	243.00					304.36	243.00
France	Franc	3,675	735.00					3,675	735.00
Julia M. Hart:									
England	Pound	448.84	873.00					448.84	873.00
Belgium	Franc	7,461	241.00					7,461	241.00
Switzerland	Franc	304.36	243.00					304.36	243.00
France	Franc	3,675	735.00					3,675	735.00
Senator Wyche Fowler:									
Morocco	Dirham	2,622.40	330.00			3,425.88	430.92	6,048.28	760.92
Martha S. Pope:									
Morocco	Dirham	2,622.40	330.00			3,425.88	430.92	6,048.28	760.92
Total			6,645.00		544.00		861.84		8,050.84

GEORGE J. MITCHELL,
Majority Leader, Jan. 30, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, NOV. 8–20, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Patrick J. Leahy:									
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Zimbabwe	Dollar	480	187.00					480	187.00
Botswana	Pula	319.92	172.00					319.92	172.00
South Africa	Rand	419.98	166.00					419.98	166.00
Chile	Peso	138,444	417.00					138,444	417.00
Senator Albert Gore:									
United States	Dollar				1,935.00				1,935.00
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Senator Barbara Mikulski:									
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Zimbabwe	Dollar	480	187.00					480	187.00
Botswana	Pula	319.92	172.00					319.92	172.00
South Africa	Rand	419.98	166.00	4,786.00	1,891.70			5,205.98	2,057.70
James Bond:									
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Zimbabwe	Dollar	480	187.00					480	187.00
Botswana	Pula	319.92	172.00					319.92	172.00
South Africa	Rand	419.98	166.00					419.98	166.00
Chile	Peso	138,444	417.00					138,444	417.00
Leah Gluskoter:									
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Zimbabwe	Dollar	480	187.00					480	187.00
Botswana	Pula	298.75	160.60					298.75	160.60

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, NOV. 8–20, 1990—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
South Africa	Rand	419.98	166.00					419.98	166.00
Chile	Peso	105.244	317.00					105,244	317.00
Ellen McCulloch-Lovell:									
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Zimbabwe	Dollar	480	187.00					480	187.00
Botswana	Pula	319.92	172.00					319.92	172.00
South Africa	Rand	419.98	166.00					419.98	166.00
Chile	Peso	138,444	417.00					138,444	417.00
Kevin McDonald:									
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Zimbabwe	Dollar	480	187.00					480	187.00
Botswana	Pula	319.92	172.00					319.92	172.00
South Africa	Rand	419.98	166.00					419.98	166.00
Chile	Peso	88,644	267.00					88,644	267.00
Eric Newsom:									
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Zimbabwe	Dollar	480	187.00					480	187.00
Botswana	Pula	319.92	172.00					319.92	172.00
South Africa	Rand	419.98	166.00					419.98	166.00
Chile	Peso	138,444	417.00					138,444	417.00
Timothy Rieser:									
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Zimbabwe	Dollar	480	187.00					480	187.00
Botswana	Pula	319.92	172.00					319.92	172.00
South Africa	Rand	394.68	156.00					394.68	156.00
Chile	Peso	88,644	267.00					88,644	267.00
Sally Walsh:									
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Zimbabwe	Dollar	480	187.00					480	187.00
Botswana	Pula	319.92	172.00					319.92	172.00
South Africa	Rand	419.98	166.00					419.98	166.00
Chile	Peso	138,444	417.00					138,444	417.00
Ray Copson:									
Malta	Lira	81.760	276.00					81.760	276.00
Kenya	Shilling	10,591	462.00					10,591	462.00
Zimbabwe	Dollar	480	187.00					480	187.00
Botswana	Pula	319.92	172.00					319.92	172.00
South Africa	Rand	419.98	166.00					419.98	166.00
Chila	Peso	138,444	417.00					138,444	417.00
Delegation expenses:									
Malta							2,715.41		2,715.41
Kenya							3,425.63		3,425.63
Uganda							669.53		669.53
Zimbabwe							4,169.53		4,169.53
Botswana							5,904.97		5,904.97
Mozambique							4,393.63		4,393.63
South Africa							2,557.29		2,557.29
Chile							6,502.17		6,502.17
Total			16,699.60		3,826.70		30,338.16		50,864.46

Delegation expenses include direct payments and reimbursements to the State Department and to the Defense Department under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

GEORGE MITCHELL,
Majority Leader, Apr. 15, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Scott Green:									
Panama	Dollar		186.45						186.45
Total			186.45						186.45

JOSEPH R. BIDEN, JR.,
Chairman, Senate Caucus on International
Narcotics Control, Feb. 1, 1991.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM OCT. 1, TO DEC. 31, 1990

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Heather Hurlburt:									
United States	Dollar				912.00				912.00
Austria	Schilling	134,573.25	12,486.00					134,573.25	12,486.00
Ronald McNamara:									
United States	Dollar				801.00				801.00
Austria	Schilling	75,835.00	7,096.00					75,835.20	7,096.00
Austria	Schilling			1,104	105.15			1,104	105.15

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM OCT. 1, TO DEC. 31, 1990—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Samuel G. Wise:									
United States	Dollar				2,700.05				2,700.95
Austria	Schilling	62,162.67	5,832.00					62,162.67	5,832.00
France	Franc	4,900	980.00					4,900	980.00
Michael Ochs:									
United States	Dollars		2,800.00		5,859.00				8,659.00
R. Spencer Oliver:									
United States	Dollar		1,585.00		3,108.34		33.49		4,726.83
Austria	Schilling	2,278.50	217.00					2,278.50	217.00
United Kingdom	Pound			65	126.58			65	126.58
Jeanne McNaughton:									
Spain	Dollar		5,035.00						5,035.00
Robert A. Hand:									
United States	Dollar				3,276.00				3,276.00
Yugoslavia	Dinar	28,700	2,759.61	13,037.40	1,253.59			41,737.40	4,013.20
David M. Evans:									
United States	Dollar				6,722.13		417.84		7,139.97
Yugoslavia	Dinar	39,353.60	3,784.00	17,232.80	1657.00			56,586.40	5,441.00
Total			42,574.61		26,521.74		451.33		69,547.68

DENNIS DeCONCINI,
Chairman, Commission on Security and Cooperation in Europe, Jan. 31, 1991.

THE 235TH COMMENCEMENT, UNIVERSITY OF PENNSYLVANIA

Mr. BIDEN. Mr. President, on Tuesday, May 21, I had the pleasure of attending the 235th commencement for the conferring of degrees of the University of Pennsylvania. It was a proud day for my family and me; my older son, Beau, was among the graduates of the College of Arts and Sciences, whom I had the privilege to address on a beautiful Philadelphia afternoon. It was a remarkably smooth program, considering not only that there were thousands of young scholars eager to celebrate graduation, but also that the city's primary election was in progress.

The great pleasure and meaning of the occasion were deepened for us, and for all the commencement guests, by two distinguished speakers at the combined ceremony for degree candidates from all of the university's colleges and programs. Sheldon Hackney, president of the University of Pennsylvania, and Ted Koppel, whose famous interview skills are well known to many in this body, both offered insightful and, I think, important observations to the graduates. They are insights of value not only to that audience, but to all of us concerned with the enduring values and future promise of this country.

President Hackney took on the increasingly vehement debate about so-called political correctness on college and university campuses. As his remarks reflected, the importance and implications of that issue quickly spill over campus boundaries, affecting—as our institutions of higher education themselves affect—the foundation and the future of our society. Whatever our individual perspectives on this question, I believe we can all benefit from President Hackney's thoughtful and perceptive contribution to the national debate.

Mr. Koppel spoke to an equally significant and hotly contested issue, in addressing the role of the media in our society. Conflicts between the priorities of the military and those of journalists covering the gulf war highlighted the persistent challenge of balancing freedom of the press with the pursuit of national policy objectives. It is a challenge that we cannot afford to ignore, and Mr. Koppel contributed to our common deliberations a balanced perspective—neither defensive nor apologetic—from an experienced and respected journalist. It is a perspective, I believe, more than worthy of our consideration.

There was an additional common feature between Mr. Koppel's address and that of President Hackney. I have come back several times in describing their remarks to the word "perspective," and beyond referring to each speaker's point of view, I find myself using that word again to express appreciation for their sense of proportion and sense of humor. From Ted Koppel's self-deprecating introduction to Sheldon Hackney's use of a cartoon and a Bob Hope joke to illustrate his point, these two speakers showed us the rewards of not taking ourselves too seriously, even when addressing very serious issues. It is a lesson, among the others found in their words, worth remembering.

Having been impressed by these two speeches both as instructive and as enjoyable, and confident that my colleagues and interested citizens will be equally impressed, I would like to place in the RECORD the full texts of the remarks of President Hackney and Mr. Koppel.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY PRESIDENT SHELDON HACKNEY

Chairman Shoemaker, Trustees, and colleagues; honored guests; parents, grandparents, siblings, spouses, partners, significant others, off-spring, and friends; last—but certainly not least—candidates for degrees: Welcome to the 235th Commencement of the University of Pennsylvania!

Allow me to make a public service announcement before I proceed: Philadelphia residents who have not yet voted are reminded that this is Primary Election Day, and there will still be ample time to vote after we have done with you here.

One of the classic forms of Commencement Address is the "passing the torch" speech in which some grizzled veteran of the world of affairs ceremoniously passes the torch of leadership and responsibility from one generation to the next, saying (usually at great length) "my generation has left the world in something of a huge mess, please devote your every waking hour to see what you can do to set things right." Then there is the Bob Hope variant: "As I look out at your bright and eager faces as you are about to go forth into the cold, cruel world, I have but one bit of advice: don't go."

Alas, the cold cruel world is no longer out there, it is in here. Let me explain.

For the past decade, a lively debate has been raging over the content and purposes of American education. Today, this debate continues, not only in the pages of scholarly journals and in the discussions of curriculum committees across the country, but in Time, Newsweek, and the Reader's Digest; on the editorial pages of the Wall Street Journal and television talk shows (some of them very late at night); and even in the White House.

The public manifestations of this debate are well-known. Beginning with the attacks of former Secretary of Education, William Bennett, universities have been increasingly portrayed in the media as elitist, unresponsive, greedy, and arrogant. Allan Bloom, with his book, "The Closing of the American Mind," precipitated a torrent of criticism of higher education as having lost its way educationally, as having prostituted the core of its soul by straying from a core curriculum rooted in the classics of western social and political thought, and adopting instead the latest fad of social activism. More recently,

"Profscam," by Charles J. Sykes, has appealed to a public attuned to scandal by fulminating against a professorate that he portrays as "selfish, wayward, and corrupt"—themes which have now been picked-up by Congressman Dingell's sub-committee. The spate of recent press accounts—concerning misconduct in scientific research, alleged abuse of indirect cost recovery on Federal research grants, and attempts to restrict racist speech, attest to the fact that even private universities are no longer truly self-governing "Ivory Towers," isolated from the challenges and distortions of the political process. The university is no longer merely one of the side-shows warming up customers outside the Big Top of life, it has moved inside to become one of the star performers in the three-ring circus of public affairs. And like all stars, it attracts its share of intellectual "paparrazi" and scandal-mongers.

Indeed, universities are now the surrogate battlefields for contending social and political forces in a society riven with fundamental conflicts. Both Congress and state legislatures are beginning to regulate universities and intellectual life, much as they have transportation, securities markets, and waste disposal. Recent attempts to restrict the National Endowment for the Arts, and a new Pennsylvania law regulating the English fluency of faculty members are cases in point, as are rules requiring that we educate our students about drug and alcohol abuse.

The irony in this is that as the university has become much more important to society, it is losing the special place it once held in the scheme of things. Knowledge has become much more central to society and to the economy, yet universities are increasingly pictured as just another snout at the public trough, just another political football or price-fixing monopoly, just another combination in restraint of trade or likely source of tax revenues. Something is terribly wrong here.

Perhaps the most serious manifestation of these environmental changes is the current debate over "PC," which means "Political Correctness," not "Personal Computer." It is a term of derision, used to mock the sheep-like conformity of college communities to the latest orthodoxies handed down by advocates for minority groups, and by "progressive scholars" engaged in critical literary theory, critical legal studies, post-structuralism, deconstructionism, and cultural studies, in general.

A few weeks ago, in Ann Arbor, Michigan, President Bush himself summoned up visions of "thought police" and "political extremists" roaming the campuses, "abusing the privilege of free speech, setting citizens against one another on the basis of their class or race." The hottest things in print, after Kitty Kelly's "deconstruction" of Nancy Reagan, are the Atlantic Monthly article and the book, "Illiberal Education," by Dinesh D'Souza, that make it seem as if the storm troopers of the politically correct have captured university faculties and administrations. Happily, I am able to point out that such fears are greatly exaggerated.

There are basically three warring factions. The cultural dissidents generally support programs and policies that improve the status of previously oppressed groups; they wish to liberate the curriculum from the stultifying dominion of Dead White European Males (DWEM's) in favor of the history, culture, and literature of the third world and minority groups; they place greater value on the rights and expressed needs of minority groups than on unfettered speech; they sometimes assert that the only legitimate purpose of the university is to transform society from its current state of oppression by upper class, white, Euro-centric, heterosexual males to a state of unspecified social justice; their epistemology stresses that truth is in the eyes of the beholder, that every statement is a political statement so there are no objective standards to help us choose among the competing claims, and each claim must be evaluated relative to the race, class and gender of its author, and perhaps relative to its effect on the political agenda; they hold that language is so subjective that we can never be sure we know what other people intend to mean, as contemporary British novelist David Lodge has a character say in "Small World," his send-up of deconstructionism, "every decoding is an encoding." It is an endless loop of non-communication. [Doonesbury cartoon]

For their part, the traditionalists think not only that this is all nonsense, but that it is dangerous nonsense. For them, there was a golden age in the past when faculties had enough self-confidence to prescribe a curriculum that would provide each student with what every educated person should know; that curriculum was centered on the history and art and thought of Europe from ancient Greece and Rome to the present; that while discrimination on the basis of gender, race, religion, nationality, or sexual orientation is terrible, neither those groups nor any group should be privileged, because the university, above all, is a place where undifferentiated individuals should meet as equals and be judged by universalistic standards; that the value of free speech takes precedence over the desire for civility on campus or the desire to shield target groups from verbal terrorism; that the purpose of the university is to seek the truth, and it does not need to be justified by having a morally acceptable effect; indeed, it is a threat to the basic tenets of the university to judge knowledge by its effect rather than by its truth; that the tradition in Western universities of rationalism and empiricism provides tests for truth on which scholars and scientists can agree; that however imperfect our knowledge of it is, there is an objective reality that exists outside our minds and beyond its social and cultural construction.

The third faction, the broad middle ground of liberals and centrists, is battered from both sides, finding large grains of truth among the arguments of the cultural dissidents and the traditionalists. As the battle is being waged on three levels, with some overlapping and elisions, I can summarize the position of administrators and most faculty, at least at Penn.

On the most obvious level, the classroom is not a place for political indoctrination. There are long-standing principles of professional responsibility that bind teachers in that regard, and faculty violate those ethical precepts at their own peril. Though there is a danger of indoctrination, and perhaps even isolated instances of it, the real frequency of it is exceedingly low. The much greater worry is that an overwhelming campus consensus on some issue that has some emotional content will intimidate into silence those who disagree, thus depriving the university of the sort of debate that ensures its vitality. We must protect ourselves against that, and for that reason the traditionalists are a healthy recent phenomenon.

We must also be clear that the purpose of the university is not to transform society in any direct sense, but to enable individuals to transform themselves. The outcome of our research, whether it be scientific or humanistic, must not be tailored to fit a political agenda or someone's conception of social justice.

On a second level, the argument is about the primacy of Western Civilization in the contemporary curriculum. Though this is a very interesting and important discussion in its particulars, its solution is theoretically easy for all who do not think compromise is a dirty word. Clearly, we cannot lose sight of the great works and large themes of European history, but just as clearly we need to familiarize our students with the language, literature, history and culture of American minority groups and non-Western peoples. Race, class, and gender cannot be our only subjects, nor the only categories of analysis, but there is still much legitimate scholarship to do in those areas. Contrary to popular opinion, the curriculum has never stood still. It has always developed in response to new needs and new knowledge.

The third level, the epistemological level, is the most serious because the dissidents' insistence on a radical relativism might lead to a destructive nihilism. If every statement is political, and no communication can be trusted, then no knowledge is verifiable, and no university is possible.

Ironically, the critique of traditional values and concepts that is at the core of the PC onslaught against Euro-centrism is really the product of Western thought, a result of Western thought's emphasis upon intellectual freedom and self-criticism. Our commitment to the traditional values of freedom of inquiry requires tolerance of those who may seem to challenge or even reject those values. Thus, the search for truth requires openness to the possibility of many truths, the search for understanding requires openness to competing—and long unrepresented—understandings.

There is a terribly important point to be made here regarding the composition of the contemporary college faculty, climate and curriculum: Here at Penn, as elsewhere, both PC and anti-PC views are well represented on the faculty, in the curriculum, and amongst students and administrators. That is the kind of intellectual diversity that a great research university ought to contain. For it is in the classrooms, seminar rooms, journals, and books of academic discourse that the debate over fundamental values and ideas should go on. One suspects that some of the participants in the debate in the popular press are not seeking an open university, but a university captured by their particular political views.

The iconoclastic philosopher of science Paul Feyerabend—one of those who has criticized, almost gleefully, our traditional notions of scientific knowledge and method—has also pointed to a solution of this problem of closed systems at war with each other.

"A society [Feyerabend writes] that is based on a set of well-defined and restrictive rules so that being a man [or we would say "person"] becomes synonymous with obeying these rules, forces the dissenter into a no-man's land of no rules at all and thus robs him of his reason and his humanity. It is the paradox of modern irrationalism that its proponents silently identify rationalism with order and articulate speech and thus see themselves forced to promote stammering and absurdity. . . . Remove the principles, admit the possibility of many different forms of life, and such phenomena will disappear like a bad dream."

We tend to become like our enemies, or like the mirror image of them, but

Feyerabend seems to be pointing us to a way out of the trap created by the battle of closed systems for the heart and soul of the univeristy: The stark choice portrayed in the media between traditional Western values and intellectual anarchy is a false and impossible choice. Our task is to allow the competition between these opposing notions of truth and knowledge and value to continue—that is what universities are for—without requiring that only one truth prevail. Historically, no one truth has ever really triumphed, at least not for very long. In fact, imcompatible truths compete with and succeed one another all the time. That's an essential feature of the self-critical nature of universities and academic discourse.

Yes, there is political correctness on campus. But no, it is not dominant, and it does not go unchallenged. Indeed, the debate is the crucial sign that universities are still open to all views. For to fulfill its mission a university must not be captured by any orthodoxy, except a devotion to freedom of inquiry. Proponents of those differing ideas must be represented on campus: in the faculty, classrooms, student body, and curricula. I am happy to report to you that this is indeed the case at the University of Pennsylvania.

REMARKS BY TED KOPPEL

Provost, I believe you left a month out in my life back in 1948.

We've come to that magic moment in the commencement program at which the last four years seemed to have vanished like a dream and the next half hour or so stretches endlessly before you.

One small business note, addressed to those of you with whom I had my picture taken during the ceremony as you all walked in: My agent will be selling 8x10 glossies at exit NG after commencement.

I love journalism.

I love the fact that, in this country at least, we are the great levelers: of others and of one another. Last February 8, my birthday, as coincidence would have it, the Daily Pennsylvanian took note of the fact that I was going to be the keynote speaker at this year's graduation. The story was on the front page, cheek by jowl, if you will, with a photograph of five of you streaking across campus, exposing all of your "assets". While I'm sure the juxtaposition was purely coincidental, the story let me know in no uncertain terms that my choice as commencement speaker was not exactly unanimous. While Jodi Krasilovsky described the selection as "terrific"—clearly a young woman of taste and discernment—Susan Garfinkel conceded that I was not her first choice. "My preference," said Ms. Garfinkel, "would be for someone who was a motivating force in society, either intellectually or politically." Duchess Harris was even less sparing of my ego. "Quite frankly," she said, "he was hardly in my too five." Ms. Harris did say that she regarded me as a better choice than Barbara Bush, but then added, "I don't know if that's saying much."

As you can imagine, this is not an unprecedented situation. In fact, a number of years back, the author James Michener received a telephone call from someone who said that their organization had selected Mr. Michener as the greatest living American author, and they asked if he could come to attend an awards ceremony. Mr. Michener asked just when that award ceremony was going to take place, and he was given a date, and he went to consult his calendar, and came back a few moments later and said he was terribly sorry, but he had a previous commitment that he absolutely could not break. There was a pause at the other end of the phone, and then the caller said, "Can you think of another greatest living American author?" And Michener said, "Well, have you through of Mailer or Vonnegut?" The caller said, "Yeah, we already tried them. They couldn't make it either."

So, whoever your first choice might have been, I am very grateful to be here with you this morning.

Somewhere between the star-spangled flag-waving Whitney Houston welcome-home television specials and the self-doubting, self-loathing caricature of a conspiratorial system run by defense contractors, Wall Street, special interest lobbyists, and corrupt politicians; somewhere between those two extremes lies the America that is waiting to absorb both your ambitions and your ideals. Few, if any, of our heroes are as flawless as the mythmakers would have us believe. Few, if any, of the motives which lead us to war are ever as unsullied as our leaders like to pretend. The challenge that confronts us is to recognize and identify the abuses without discarding the symmetry of the system. With that in mind, I want to talk about the war and the press—that famous or infamous, unelected, unappointed Fourth Estate.

The coalition forces led by the United States won two great victories in the Persian Gulf. The first, over the Iraqi armed forces of Saddam Hussein; the second, over the U.S. media. For much of the time and with few exceptions, the media looked silly, petulant, and whiny—all the more so in the face of a brilliantly executed campaign which made fools of most of the experts and analysts. Between August and February we variously predicted that Washington would never get the U.N. Security Council to authorize the use of force. We were wrong. That Congress would not authorize the use of force to implement all of the U.N. resolutions—wrong again. That the coalition wouldn't hold together—wrong. That the Israelis would be drawn into the war—wrong. That air power alone could never win a war. We were partly right, but mostly wrong on that one, too. That a ground war would result in thousands, possibly tens of thousands, of U.S. casualties. We were mercifully and almost totally wrong on that one. That the war would drag on for months—well, in one sense the jury is still out on that one. The Bush administration miscalculated Saddam's staying power and failed tragically to anticipate the consequences of encouraging the Kurds and the Shiites to try to bring about Saddam's ouster. Still, on balance, the administration appears to have been vindicated in keeping the press on a short leash during Operation Desert Shield and Desert Storm.

So it would seem.

Although I am going to try to convince you otherwise, it is likely, I grant you, to be an uphill struggle. How could anyone watch those daily briefings from Saudi Arabia and the Pentagon without marveling at the patience and confidence of the military briefers? How could anyone watch those same briefings without cringing at the nit-picking downright silliness of some reporters' questions? Indeed, The New York Times informed us earlier this month, there came a point during the war when the Administration was beginning to worry about its credibility, when it was toying with the idea of easing restrictions on what reporters could see and say; and then, as the Times put it, reassurance for the Administration came from an unlikely quarter. "Saturday Night Live" broadcast a skit lampooning the press, mocking the apparent stupidity and self-importance of many of the reporters attending those briefings. The moment of self-doubt that might have caused the Administration to lift some of its restrictions on the press evaporated. They were right. The public was behind them. Even "Saturday Night Live"—hardly a bastion of support for the Bush administration—was with them on that issue.

And yet. What you were watching at those press briefings was a process, not a product. German chancellor Otto von Bismark has been credited with the observation that if you like laws and sausage you should never watch either one being made. I would add journalism to that short list. The process in each case is somewhat messy and unappetizing. Indeed, it is far more difficult to become a sausage maker in this country than a journalist. Anyone can become a journalist, anyone at all. There is no test to be taken, no degree to be acquired, no license to be purchased, there is no supervisory board, no governmental agency to be consulted; if you have a pencil, and a piece of paper, and the means of duplicating your work product so that you can hand it out on the street corner, you are, by definition, a journalist. Since the qualifications in my own branch of the trade often have more to do with appearance than brainpower, literacy itself is sometimes only a partial requirement. The capacity to read is usually necessary; the ability to write is not always a prerequisite. Useful, perhaps, but not essential.

Indeed, it is difficult to think of a career, a profession, a job, an avocation, that demands a less rigorous set of qualifications than that of journalist. To cast a simple vote in this country requires that you be an American citizen, that you have attained your eighteenth birthday, that you be able to read the ballot. No such preconditions inhibit a journalist working in this country.

The First Amendment to the Constitution is gloriously, splendidly, one might almost say recklessly categorical on this subject. Nestled among the freedoms of religion, speech, assembly, and petition is this assurance: "Congress shall make no law abridging the freedom of the press." Why?

Winston Churchill once noted on the shortcomings and merits of democracy that it is the world's worst form of government—with the possible exception of every other kind. And much the same can be said of American journalism. Setting forth no restrictions produces a messy, sometimes painful product. It permits the publication of incompetent drivel and shameful untruths, which even our libel laws seem powerless to inhibit. It fills our supermarket checkout counters with tabloids that strain the definition of contempt. It provides the legal footings for the construction of pornographic empires. It has even brought its elastic standards to radio and television, which were once inhibited by the more strenuous standards imposed by our use of the public airwaves. Freedom is a dangerous and unpredictable commodity—unless you consider the alternatives.

Should our reporters and analysts be licensed—and if so, by whom? The government or some trade association, perhaps? And who would police those with the motives and with the power to license—or for that matter, with the power to revoke licenses? What kind of a press do we find under those systems that have the power to control their media? Or perhaps more relevantly: What kind of systems do we find where the press is under the control of the government? Our

protection—your protection—lies in the very anarchy of the media, in the chaos of a process that often seems out of control.

The so-called establishment press in this country is, as its name implies, rather timid, lukewarm, predictable. But it provides stability. The fringe press on the left and the right, the journals of the arcane, even the slick soft-porn magazines, are often the only voices of the disenfranchised, the unpopular, and the obscure. It is the competition among all the disparate voices of the American media that moves us eventually, ultimatley, to the acquisition of something approaching the truth. To put that precious commodity—to put the distribution of that commodity, in the hands of government as a whole or any particular branch of government is to believe that those who make policy can be trusted to reveal their own incompetence, their own frailty, their own dishonesty. If the American press seems too negative, too obsessed with misdeeds rather than accomplishments, if we are too carping and critical, too prone to question the word of our leading citizens, understand that the establishment has voices of its own.

In Washington alone, the different branches and departments of government employ more than 10,000 public affairs officers, press secretaries, and spokespersons. Ten thousand. They speak to us daily in their news conferences and briefings, their press releases and background confidences, and almost always, with only the rarest of exceptions, they speak of the accomplishments, the progress, the positive achievements of the men and women they serve. There is a term for employees who reveal information on behalf of those who pay them. They're called public relations agents, not reporters. And we should regard every tidbit they feed us with a skepticism that borders on the cynical.

These people are doing their jobs properly. They're doing exactly what they're paid to do. If anything, they are performing their jobs too well. Our concern should be focused on the media, which is often too compliant, too trusting, too easily seduced. Skepticism is the lifeblood of democracy. If some of us cringe a little at the self-congratulatory outpouring of parades, at the fast food outlets and car dealerships wrapped in yellow ribbons, at the television specials that resonate to the hollow drumbeat of a facile partriotism, then it is not because we begrudge our service men and women either the thanks or the congratulations that are their due; but rather, that such events are too often used for profit or ratings or the political motives of those who stage them.

Flags, banners and parades can be convenient symbols of patriotism but they are no substitute for the real thing. Burn a flag and you desecrate a symbol. But deny the right to burn a flag and you undermine the freedom for which that symbol stands.

All countries, all systems of government lay claim to the same high sounding-principles. Everyone's country is basically the same. Everyone's country is someone's motherland or fatherland. All armies are made up of the brave young men, and increasingly brave young women, who stand ready to lay down their lives. The question is: For what?

Only last week a government spokesman said, "Freedoms of the press, association, publication, meeting and demonstration, and freedom of religion are practically guaranteed in our constitution, and it has been realized in reality." But that spokesman was not from our government. He was speaking in behalf of North Korea, defending his country against international charges of human rights abuses.

Genuine freedom is more than claim or a slogan. What distinguishes our system of government from most of those we find around the world is not what we say but what we do. It's not watching Charlton Heston reading the Bill of Rights with the Mormon Tabernacle Choir humming softly in the background that makes it meaningful; it's being allowed to exercise those rights every day of our lives. And what even extends, within limits, to times of war.

You should have been allowed to see the tens of thousands of Iraqi dead on the battlefield. You should have seen the caskets of the American war dead coming home to Dover Air Force Base. War, to paraphrase Robert E. Lee, should be seen in all its ugliness, else we would grow too fond of it.

You should have known during the war that the vast majority of bombs dropped on Iraq had no special homing devices and did not fall into the category of "smart" bombs. Despite what we were all shown during those briefings at the Pentagon and Saudi Arabia, seventy percent of our bombs missed their targets. That revelation came after the war, from the U.S. Air Force Chief of Staff.

There is, I would argue, a difference between giving away legitimately classified information: plans that could help our enemy prepare for battle, or real-time battlefield tactics, for example. There is a difference between conveying that kind of information and passing on to the American public what is already well known to the enemy. The Iraqis were all too familiar with the effectiveness and the location of our bomb strikes. The Iraqi military knew that their men in the field were dying by the tens of thousands. They even knew the number of American war dead; those were announced by the U.S. military itself on a daily basis. It was the visual impact of those realities that the administration sought to keep, and did keep, from the American public.

If as a people we are to make intelligent decisions through our elected representatives on issues of such transcendent importance as war, then we must know what is going on, good and bad, as long as it does not imperil our forces in the field. We don't have to broadcast from the battlefield live; in that respect, I agree with the Pentagon. The same satellite technology that enables a U.S. television network to broadcast a battle as it unfolds simultaneously conveys those pictures to our enemies. There must even be a reasonable capacity on the part of U.S. military commanders to censor information that could endanger plans, lives, and operations. But the control exercised by the Pentagon during Operations Desert Shield and Desert Storm went far beyond that. The Pentagon insisted on press pools, on the pretext that it couldn't handle the vast number of reporters and photographers who came to Saudi Arabia, but almost a thousand of the journalists there were selected from local newspapers and television stations around the country and flown to Saudi Arabia by the Pentagon, precisely because they could be counted on to report relatively benign "hometown angle" stories.

The Pentagon not only decided where our reporters would go and when, but held up the release of stories for days, sometimes weeks, long beyond and reasonable claim of battlefield security. Any government, any organization, is going to prefer to operate without critical observation, and the great media giants are no exception. But as you cherish freedom, don't permit that to happen.

We should recognize that the process of democracy is untidy and tedious, but we must prefer it to the punctuality and orderliness of dictatorship. We may sometimes yearn for an all-powerful, all-knowing, and incorruptible leader, but instinctively we know the odds against our finding such a man or woman. Nothing so marks a democracy as its respect for the rights of the individual. But nothing so becomes a democracy as its unwillingness to regard anyone as irreplaceable. We do not raise statues to the living in this country, because we have determined in our collective wisdom that the designation of permanent heroes is best left to history, after we and the objects of our adoration are dead.

Let the American media continue to be a thorn in the side, a pain in the butt to our most revered leaders and institutions. It is, when you consider the alternative, by far the safest course. I wish you all good luck in your chosen careers, and Godspeed for the rest of your lives.

TRIBUTE TO MORRIS TANENBAUM

Mr. LAUTENBERG. Mr. President, I rise to pay tribute to my good friend, Morris Tanenbaum who will be retiring as vice chairman of the board and chief financial officer of AT&T on June 30, 1991.

Mr. President, Morris Tanenbaum distinguished himself not only as an executive and a manager, but as a scientist and a researcher. That mixture of skills and experience has been part of what has made Morris Tanenbaum special. As we consider the competitive challenges facing American manufacturing and service business, there is a growing consensus that American business will need to rely increasingly on the special skills and insights of people who, like Morris Tanenbaum, bring to management an understanding of science and technology, and an understanding of how to make things work.

Morris Tanenbaum spent his life with AT&T and its various divisions. After earning a B.A. in chemistry in 1949 from Johns Hopkins and a Ph.D. in physical chemistry in 1952 from Princeton, he joined the technical staff of Bell Telephone Laboratories, our Nation's preeminent private research and development facility. He was soon promoted to head the research division in 1955, and then went on to become director of the Solid State Device Laboratory in 1962. He became director of research and development of Western Electric, then AT&T's manufacturing arm, where he ultimately became vice president of manufacturing. In 1975, he returned to Bell Labs as its executive vice president.

In the course of his career, Morris Tanenbaum secured seven patents. His scientific work broke new ground in the use of silicon in commercial semiconductors by demonstrating the structure of the basic silicon transistor. He also led the team that found the practical materials for superconducting magnets. He is vice president of the National Academy of Engi-

neering, and a fellow of some of our Nation's top technical societies, including the Institute of Electrical & Electronics Engineers, the American Physical Society, the American Association for the Advancement of Science, and the American Academy of Arts and Sciences.

Having established an enviable record as a research scientist and director of research, he went on to establish himself as a top financial and corporate manager. He was president of New Jersey Bell Telephone Co. from 1978 to 1980. He then returned to be executive vice president for corporate affairs and planning.

When AT&T had to cope with the wrenching adjustments of divestiture under the modified final judgment, it chose Morris Tanenbaum to lead AT&T Communications. A year later, he became executive vice president. He was elected vice chairman of the board in 1986, and has served as chief financial officer since May 1988.

Mr. President, I got to know Morris Tanenbaum not only as a fellow member of the New Jersey corporate community, but as an active participant in civic and charitable affairs. Among his varied activities, he is a trustee of the Johns Hopkins University, MIT, the Philharmonic Society of New York, and serves on the board of the New Jersey Performing Arts Center Corp.

I join all of Morry's friends, colleagues, his wife Charlotte and the rest of his family, in wishing him well upon his retirement, and extend to him my warmest wishes for continued success and happiness in the future.

THE FUTURE OF LANDSAT

Mr. PRESSLER. Mr. President, I ask unanimous consent that the article I wrote for the May 20, 1991 issue of Roll Call be printed in the RECORD.

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

THE FUTURE OF LANDSAT

(By Senator Larry Pressler)

The attempt to commercialize the Landsat program has failed. We have scrambled an omelette too expensive to eat, but too valuable to throw away. If we don't act soon to correct the policy, we could lose this priceless environmental research tool forever. In 1984, Congress passed the Land Remote-Sensing Commercialization Act, which was to have subsidized a private company to operate the Landsat system for a "transition" period, after which it was hoped the system would become commercially viable. This commercialization policy was founded on the belief that there was a large commercial market for Landsat data and that demand would support the development, launching, and operation of future Landsat satellites. That never happened.

During the debate on the '84 Act I said, "Commercialization at this time just does not make sense." (Testimony before the House Committee on Science, Space and Technology, June 28, 1983 pg. 162). One year later I argued, "We have invested billions of taxpayer dollars in this (Landsat) program. It should not end up in the hands of a government-subsidized monopoly that will cost us more than we spend today." (Congressional Record June 8, 1984 pg. 15576). Six years later the Administration, under the leadership of Vice President Quayle, agreed, saying commercialization had failed. But it wisely concluded on the need to continue the Landsat program.

It was clear to many of us back in the early '80's that commercialization would not work. But the only other political alternative was to terminate the program altogether. That would have been an even more tragic mistake. So I supported the '84 Act with some amendments even with the expectation and prediction that commercialization would fail. The overriding concern was to protect the technology. That has been preserved. We've seen it produce remarkable results in Kuwait recently, Chernobyl before that, and in global environmental studies, scientific research, city planning, wildlife resource management, and a host of other invaluable public service applications.

As those of us who urged alternatives to commercialization predicted, the '84 Act caused data prices to skyrocket, scientific applications to decline dramatically, and the program faltered.

Before commercialization there were three general categories of users: private business, defense and science. The latter has all but disappeared. Private sales have fallen drastically, as well. Defense simply pays the higher prices, adding to taxpayer cost. We have ended up paying more for Landsat by subsidizing a monopoly. We tax private business to fund Landsat, then turn around and charge them again to purchase data. The federal government subsidizes the monopoly and then pays again to use that data. In future Landsat policy, we need to restore the emphasis on availability to scientific researchers and other public interest users. Landsat is not a commercial program.

A NEW LANDSAT MISSION

To realize Landsat's full value, we must refocus the Landsat mission. To accomplish this, we need to include in the United States' global change effort the "inventory" of environmental data we have gained from spending over $1.5 billion for 19 years of Landsat operations. This means integrating Landsat into NASA's Mission to Planet Earth program and relying on the Department of Interior as a conduit to public users and the scientific community.

The goal of NASA's Mission to Planet Earth is to obtain a scientific understanding of the Earth on a global scale This fifteen-year program will enable NASA to develop global models of the interaction of the Earth's atmosphere, oceans, and land. Developing these models will require long-term, repeat measurements. By the time the first EOS platform is launched in 1998, integration of Landsat data could give global change researchers a 26-year head start in developing accurate global change models. Using the large inventory of Landsat data as a baseline could improve the predictive global change models to be developed from EOS.

A BLUEPRINT FOR ACTION

To fully integrate Landsat data into our global change program, we must take three important steps. First, we need to preserve and maintain the existing 1 million scenes of Landsat data we have collected and develop an efficient distribution system for them. Much of this data is stored in formats that are unreadable due to magnetic tape degradation or obsolete reading systems. With a small investment we could convent the past nineteen years of Landsat data to a more durable archive medium. This would provide scientists with assurance of Landsat data availability for long-term global change research.

Second, we need to ensure that Landsat data is available quickly and cheaply to global change researchers. Currently, a single scene of thematic mapper Landsat data costs between $4000 and $5000. Commercialization has brought high data prices and trade secret restrictions which prohibit most scientific use of the data. Since the federal government will not own the Landsat-6 data, government researchers must purchase data from the commercial operator at exorbitant prices. To ensure that Landsat data will be provided at reasonable prices to all users who need it, we must modify the commercialization aspects of the 1984 Act.

Third, we need to develop plans for the continuation of the Landsat program. With the Landsat 6 expected life span of five years, there will be a two-year gap before the launch of the first EOS platform. A Landsat 7 would bridge that data gap and continue to provide images with a level of detail that would complement the high- and low-resolution sensors scheduled to fly on EOS. Since the military and intelligence communities rely on Landsat data, some have suggested that the Department of Defense should help fund a Landsat-7 program. This may be a viable solution. For this plan to work, however, we must be certain that the system design is responsive to requirements of the civilian community, including global change scientists. We also need to ensure that data is openly available at affordable prices. This would require making a civilian agency such as the Department of Interior responsible for providing civilian access to the data.

I have proposed a Commerce Committee hearing to address this issue. We need action today to preserve this extraordinarily valuable 19-year investment. A firmly established Landsat program would complement NASA's "Mission to Planet Earth" while ensuring that the United States preserves its leadership in land remote sensing.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,260th day that Terry Anderson has been held captive in Lebanon.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I ask unanimous consent to speak for up to 10 minutes.

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

TRIBUTE TO JUDGE EUGENE SPELLMAN

Mr. GRAHAM. Mr. President, I offer a tribute to a close personal friend and exemplary member of the Federal judiciary, U.S. District Judge Eugene P. Spellman, of the southern district of Florida.

Judge Spellman died of cancer on May 3 of this year in Miami at the age of 60, having served as a district court judge for 11 years. During those 11 years on the Federal bench, Judge Spellman presided over some of the most complicated cases of this century, involving issues of taxation, religious freedom, immigration law, and money laundering.

Amidst the diversity of his docket, the judge brought a consistency of compassion, fairness, intelligence, and humility to his court. Our time-honored system of justice grants considerable power to Federal judges. Judge Spellman never forgot the powerless—the handicapped, the impaired, the homeless, and the refugee.

Gene Spellman loved his profession. He loved his community. He loved his family. Those of us who were fortunate enough to call him a friend loved Gene Spellman. One of the judge's last accomplishments, and one of his proudest, was to deliver the commencement speech on the occasion of his son Michael's graduation from the Florida State University Law School in Tallahassee.

To the Spellman family, we extend our prayers as we share their grief. To future members of the judiciary, we offer the example of Judge Spellman's service as a model.

One of the ways that we, the Nation and this Congress, can honor the memory of this great jurist is to move expeditiously to fill his position on the court. As of today, there are 10 vacancies in the Federal district courts of Florida. Recent increases in law enforcement resources and tough new prosecutorial and sentencing measures have put increased pressure on our Federal judiciary. The men and women of the Federal bench, such as Judge Spellman, are working diligently to keep up with the huge increase in caseload.

Unfortunately, the length of time that it historically takes to fill a new seat or an existing vacancy on the Federal bench is inordinate and intolerable. Under the present administration, it has taken an average of 502 days from the time a seat becomes vacant for a new judge to be confirmed by the Senate.

With the passing of Judge Spellman, Florida's Federal courts now have 10 vacancies out of the 31 authorized positions. Obviously, the judiciary cannot operate with only two-thirds of its assigned capacity.

Yesterday, we were notified that the White House was prepared to submit a nomination for one of the four vacancies in the middle district of Florida. That is good news. However, three vacancies remain in the middle district: One in the northern district and four in the southern district.

The problem of an overburdened judiciary is not peculiar to Florida. A recent General Accounting Office report investigated the effect of adding additional resources to the front end of the criminal justice system; that is, the ability to investigate, to prosecute—what effect that has had on the courts and the prisons. These findings apply to the Federal system nationwide.

The General Accounting Office used a mathematical model that measures inputs and effects, to predict not only the current crushing caseload in the courts, but a worsening scenario for the future.

The GAO report concludes that:

> If the President's budget were enacted, the model's estimates suggest that the results would probably be to overload the courts.

GAO estimates that over 69,000 defendants would be pending in the courts at the end of the 1992 fiscal year, a 22 percent increase over the pending cases at the end of 1991, and a 40 percent increase over the number of cases pending disposition in 1990.

What is the reason for this logjam? Enacting the President's budget would mean, for instance, the Drug Enforcement Agency's budgets would have increased from fiscal year 1989 by about 40 percent; the FBI, by about 40 percent; the Organized Crime and Drug Enforcement Task Force budget by over 100 percent; and the U.S. Attorney's budget by about 90 percent.

More crime fighting resources means more investigations and arrests; more arrests means more prosecutions; more prosecutions means more trials.

Assuming, for just a minute, that the President's budget proposal is enacted, five persons would enter the adjudication stage for every 4 persons who exit. Despite an increase in the number of criminals arrested and referred for prosecution, a 14-percent increase, the number of persons who have moved downstream into the corrections stage increases by only half that amount, 7 percent, in FY 92.

Arresting and prosecuting more criminals, of course, is not wrong. That is one of the objectives of a strengthened anticrime program at the Federal level. But leaving the court system inadequately prepared to deal with an increased number of cases is wrong. This imbalance may lead to reduced public confidence in the criminal justice system, and ultimately in the judiciary.

We are seeing the effects of this in Florida. The middle district of Florida has altogether stopped scheduling civil trials in an effort to keep up with its criminal docket. In the southern district, prosecution guidelines have resulted in serious cases, particularly drug cases, being transferred to State courts due to overcrowding in Federal courts.

On April 24, I introduced the Judicial Nominations and Confirmation Reform Act. This act seeks to reduce the intolerable amount of time it currently takes to fill a judicial vacancy.

Despite the labors of individuals like Judge Eugene Spellman, efforts to improve apprehension, prosecution, and sentencing of criminals are being negated because the judiciary is ill-equipped to process those cases. All involved in the selection and approval of judicial nominees must cooperate to improve the pace with which nominees are considered.

There would be no greater or more sincere memorial to Judge Eugene Spellman than to see that those steps were taken to promptly fill the positions which he filled with such honor, and to provide the Federal courts the human resources of quality necessary to provide to the American people their expected quality of justice.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WIRTH). The clerk call the roll.

The legislative clerk proceeded to call the roll.

SENATE ELECTIONS ETHICS ACT

Mr. BOREN. Mr. President, the Senate yesterday took an historic step closer to reforming the way elections to the U.S. Senate are financed. We passed a solid bill to limit runaway campaign spending and close loopholes in current law that will return to the American voter the decision on who is qualified to hold a seat in this great institution.

Now that we have passed S. 3, the Senate Elections Ethics Act of 1991, we must work towards House passage of campaign finance reform legislation, and an eventual conference committee to put together a compromise, and hopefully bipartisan, reform package.

Today, following Senate passage I want to thank some of the organizations who have supported us in this long effort. Their grass roots efforts and continued diligence was crucial in seeing this legislation through. Mr. President, I ask unanimous consent that the list of organizations in the coalition in support for meaningful campaign finance reform be printed in the RECORD at this point.

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

ORGANIZATIONS IN SUPPORT OF COMPREHENSIVE CAMPAIGN FINANCE REFORM

American Association of Retired Persons.
American Association of School Administrators.
American Association of University Women.
American Jewish Committee.
American Public Health Association.
American Public Power Association.
Americans for Indian Opportunity.
B'nai B'rith Women.
BPW/USA (National Federation of Business and Professional Women, Inc.).
Center for Science in the Public Interest.
Center for the Study of Commercialism.
Children's Defense Fund.

The Children's Foundation.
Church of the Brethren, Washington Office.
Church Women United.
Citizen Action.
Citizens Against PACs.
Clean Water Action.
Coalition to Stop Gun Violence.
Committee for Children.
Common Cause.
Community Nutrition Institute.
Consumer Federation of America.
Consumers Union of U.S., Inc.
Environmental Action.
The Episcopal Church, Public Ministries Cluster.
Friends Committee on National Legislation.
Friends of the Earth/Environmental Policy Institute.
Government Accountability Project.
Gray Panthers.
Greenpeace Action.
Hollywood Women's Political Committee.
Iowa League of Savings Institutions, Inc.
International Association of Chiefs of Police.
Jesuit Social Ministries, National Office.
League of Women Voters of the United States.
League of United Latin American Citizens.
Lobbyists and Lawyers for Campaign Finance Reform.
Mennonite Central Committee.
National Academy of Public Administration.
National Association for the Advancement of Colored People (N.A.A.C.P.).
National Association of Catholic School Teachers.
National Association of Community Action Agencies.
National Citizens' Coalition for Nursing Home Reform.
National Community Action Foundation.
National Council of Churches.
National Council of Jewish Women.
National Council of La Raza.
The National Council on the Aging, Inc.
National Farmers Organization.
National Farmers Union.
National Insurance Consumer Organization.
*National Jewish Community Relations Advisory Council (NJCRAC).
National Puerto Rican Coalition.
National Puerto Rican Forum.
National Urban League.
Natural Resources Defense Council, Inc.
NETWORK: A Catholic Social Justice Lobby.
Office for Church in Society, United Church of Christ.
People for the American Way.
Presbyterian Church (U.S.A.).
Public Citizen's Congress Watch.
Public Voice for Food and Health Policy.
Republican Mainstream.
Rural Coalition.
Southwest Voter Registration Education Project.
Union of American Hebrew Congregations.
Unitarian Universalist Association of Churches in North America, Washington Office.
United Methodist Church, General Board of Church and Society.
U.S. Public Interest Research Group.
U.S. Student Association.
Women's League for Conservative Judaism.
NJCRAC's constituent organizations are:
American Jewish Committee.
American Jewish Congress.
Anti-Defamation League of B'nai B'rith.
B'nai B'rith International.
Hadassah.
Jewish Labor Committee of the U.S.A.
Jewish War Veterans.
National Council of Jewish Women.
Union of American Hebrew Congregations.
Union of Orthodox Jewish Congregations.
United Synagogue of America.
Women's American ORT.
Women's League of Conservative Judaism.

Mr. BOREN. Mr. President, I also want to especially thank members of the Episcopal Church who recently strongly endorsed meaningful campaign reform. The support by the executive council of the Episcopal Church shows that the need to reform our democracy is not a Democratic or Republican issue, but an American problem that needs to be resolved. I ask unanimous consent that the resolution adopted by the executive council be printed in the RECORD at this point.

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

RESOLUTION

Resolved, That the Executive Council of the Episcopal Church strongly supports the provisions of comprehensive federal campaign finance reform being proposed in Congress and by the President, which would: (a) establish voluntary public funding; (b) dramatically reduce the role of contributions on the part of political action committees and major individual donors; and (c) protect federal campaign spending limits by preventing the political parties from channeling through their state affiliates money targeted for candidates seeking national office.

Resolved, That copies of this resolution be directed to the President, the leadership of the Senate and House of Representatives, and the principal sponsors of campaign finance reform legislation.

EXPLANATION

The campaign finance reform movement currently underway in the Executive and Legislative branches of the U.S. Government is aimed at addressing the distorting effect of contemporary political fund-raising on our system of representative government. The Church has viewed with increasing concern:

(a) the continuing decline in citizen participation in our political process stemming from the American public's growing distrust of elected officials and mounting frustration over diminished access to representatives preoccupied with fundraising activities;

(b) the climate of unethical behavior increasingly associated with elected officials as a result of their fundraising activities;

(c) the increasing difficulties facing elected officials in negotiating the ethical demands of office, i.e., maintaining adequately the distinction between their roles as candidates for office and as objective stewards of the public trust.

The Church affirms the moral principle underlying the U.S. Constitution which requires equal and just access for all citizens to their elected representatives in government. Episcopalians should join in the effort to reform the campaign finance system, thereby restoring ethics to the political process and renewing our commitment to full and equal participation for all citizens in shaping the decisions which shape our society.

Mr. BOREN. Again, Mr. President, I want to thank all of the people associated in this effort, and I want to challenge my colleagues to help us see this process through and actually enact meaningful, comprehensive reform before the end of the 102d Congress.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, without amendment:

S. 367. A bill to amend the Job Training Partnership Act to encourage a broader range of training and job placement for women, and for other purposes (Rept. No. 102-65).

By Mr. INOUYE, from the Select Committee on Indian Affairs, without amendment:

S. 1193. A bill to make technical amendments to various Indian laws (Rept. No. 102-66).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS (for himself, Mr. COCHRAN, Mr. JOHNSTON, Mr. LOTT, and Mr. BREAUX):

S. 1180. A bill to amend the Agricultural Act of 1949 to provide for discretion in the shifting of crop acreage bases between farms in the case of a natural disaster; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BENTSEN:

S. 1181. A bill for the relief of Christy Carl Hallien of Arlington, Texas; to the Committee on the Judiciary.

By Mr. GARN (for himself and Mr. HATCH):

S. 1182. A bill to transfer jurisdiction of certain public lands in the State of Utah to the Forest Service, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1183. A bill to reduce the restrictions on the lands conveyed by deed to the city of Kaysville, Utah, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1184. A bill to direct the Secretary of the Interior to conduct a study to determine the

nature and extent of the salt loss occurring at Bonneville Salt Flats, Utah, and how best to preserve the resources threatened by such salt loss; to the Committee on Energy and Natural Resources.

By Mr. GARN (for himself, Mr. WALLOP, Mr. BINGAMAN, Mr. GORTON, Mr. CRAIG, Mr. SEYMOUR, Mr. SIMPSON, Mr. HATCH, Mr. DOMENICI, Mr. MCCAIN, Mr. MURKOWSKI, and Mr. SYMMS):

S. 1185. A bill to disclaim or relinquish all right, title, and interest of the United States in and to certain lands conditionally relinquished to the United States under the Act of June 4, 1897 (30 Stat. 11, 36), and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CHAFEE (for himself, Mr. HARKIN, Mr. DECONCINI, and Mr. CRANSTON):

S. 1186. A bill to amend the Public Health Service Act to establish a Substance Abuse Treatment Corps; to the Committee on Labor and Human Resources.

By Mr. BINGAMAN (for himself and Mr. WALLOP):

S. 1187. A bill to amend the Stock Raising Homestead Act to provide certain procedures for entry onto Stock Raising Homestead Act lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. RIEGLE (for himself and Mr. MOYNIHAN):

S. 1188. A bill to provide for an AIDS Disability Advisory Panel to assist the Congress and the Secretary of Health and Human Services in meeting the needs of disabled individuals who are infected with HIV and are entitled to benefits under title II or XVI of the Social Security Act, and to provide for interim disability standards applicable to such individuals; to the Committee on Finance.

By Mr. RIEGLE (for himself, Mr. DURENBERGER, Mr. ROCKEFELLER, and Mr. BRADLEY):

S. 1189. A bill to increase the authorization under title XX of the Social Security Act for block grants to States for social services; to the Committee on Finance.

By Mr. DASCHLE:

S. 1190. A bill to amend the Internal Revenue Code of 1986 to increase the standard mileage rate deduction for charitable use of passenger automobiles; to the Committee on Finance.

By Mr. BOREN:

S. 1191. A bill to expand funding for successful dropout prevention and reentry programs and to coordinate and improve Federal programs addressing the Nation's dropout program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. WIRTH (for himself, Mr. BINGAMAN, Mr. ADAMS, Mr. KERREY, Mr. KERRY, Mr. CRANSTON, and Mr. BURDICK):

S. 1192. A bill to establish more effective policies and programs for the early stabilization of world population through the worldwide expansion of reproductive choice; to the Committee on Foreign Relations.

By Mr. INOUYE from the Select Committee on Indian Affairs:

S. 1193. A bill to make technical amendments to various Indian laws; placed on the calendar.

By Mr. CRANSTON (for himself, Mr. RIEGLE, and Mr. DIXON):

S. 1194. A bill to amend the Urban Mass Transportation Act of 1964, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DODD (for himself, Mr. MURKOWSKI, Mr. CRANSTON, Mr. BIDEN, Mr. SARBANES, Mr. KENNEDY, Mr. KERRY, and Mr. LEAHY):

S. 1195. A bill to authorize the establishment of a memorial on Federal land in the District of Columbia to honor individuals who have served as volunteers in the Peace Corps; to the Committee on Energy and Natural Resources.

By Mr. ADAMS (for himself and Mr. GRAHAM):

S. 1196. A bill to prohibit government-to-government and commercial arms sales to any country that is participating in or cooperating with the economic boycott of Israel; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS (for himself, Mr. COCHRAN, Mr. JOHNSTON, Mr. LOTT, and Mr. BREAUX):

S. 1180. A bill to amend the Agricultural Act of 1949 to provide for discretion in the shifting of crop acreage bases between farms in the case of a natural disaster; to the committee on Agriculture, Nutrition, and Forestry.

SHIFTING OF CROP ACREAGE BASES IN THE CASE OF A NATURAL DISASTER

• Mr. BUMPERS. Mr. President, today, rains are falling in Arkansas. In fact, rains are falling throughout the lower Mississippi Valley. Spring rains in that region are not uncommon, but the continuing rainfall and resulting high water this year have caused Arkansas and all Midsouth farmers unprecedented distress through their inability to plant crops that are vital to their livelihood and the economic viability of the rural communities they support.

For 2 of the last 3 years, we provided substantial Federal disaster programs to farmers who suffered from a combination of natural causes. Last year, farmers in Arkansas called my office continuously to plead for help from the losses they were suffering. Those appeals were especially loud in the areas devastated by the historic floods along the Red and Arkansas Rivers. Last year, we weren't able to provide the relief requested.

In spite of the deep appreciation voiced by farmers in 1988 and 1989 for the assistance they received and the requests for our attention to their needs last year, farmers across this country do not want to rely on the types of disaster assistance that we have previously provided. They would much rather be given the procedural tools to pull themselves out of their dilemma and to provide for themselves and their families on their own terms and in the manner they know best. They want to supply this Nation and the world with food and fiber and they, better than anyone else, know how to do that.

A few weeks ago, Senator COCHRAN and I spoke in this Chamber about the need for the Senate to pay close attention to the problems faced by our farmers this year. We did not put a hold on the Kurdish relief supplemental but did expect a full dialog at a later time on relief for our own people. Last night, the Senate approved the conference report for Kurdish relief and I am glad to note the final language included a requirement for Federal agencies to report within 10 days on expected costs for dealing with the various forms of natural disasters which have struck the United States this spring, including losses to the agricultural sector.

It is too soon to determine whether or not a farm disaster program similar to that provided in 1988 and 1989 and authorized for 1990 will be necessary again this year. I hope it will not.

I believe it is imperative that we do our part to pursue every possibility to eliminate the necessity for such a costly undertaking. Farmers do not want to rely on such a program; the Congress does not want to fund one; the Department of Agriculture does not want to administer one; and quite frankly, rural businesses may suffer irreparable damage without the economic activity that goes with making a crop.

Over the past several weeks, my office has been in contact with the Department of Agriculture in an effort to arrive at some administrative solutions to the problems facing our farmers. When Secretary Madigan appeared before the Senate Appropriations Subcommittee on Rural Development, Agriculture and Related Agencies, on which I serve, he was reminded of the need to deal with ongoing disasters. The Secretary was here again yesterday to continue this dialog.

The cruel facts are that the planting deadline for cotton in my State is this coming Saturday and the deadline for rice is a week from tomorrow. A Wall Street Journal article this week reported that in the 14 main cotton producing States, only 48 percent of all cotton acreage has been planted and farmers I have talked to in Arkansas indicate that the percentage of rice planted is far below that of cotton.

I am today introducing legislation to provide farmers with the ability to fight their way out of this pending disaster. The 1990 farm bill designed Federal farm programs to provide flexibility in planting decisions. What I propose is to tailor a set of farming options for farmers who can avoid economic disaster through commonsense decisions. It is my strong belief that these steps will not cost the Government one dime and will, in fact, save money that is otherwise certain to be paid. I further believe that any action we take today to reduce the likelihood that we will need to fund an omnibus disaster package later this year is our duty.

My proposals are simple. If farmers can find dry land on which to farm, they should be allowed to do so without penalties inherent in the struc-

tured ASCS programs that say a farmer must produce rice or cotton on one particular farm number. If this provision is not adopted, farmers will enroll in the 0-92 Program and be guaranteed a projected deficiency payment. The Federal Government will be obligated to make outlays even though there may be dry land down the road where the farmer could plant and, given the markets, not receive any deficiency payment and likely have to pay advance payments back to the Government.

The other provision I offer is to allow farmers to plant a nonprogram crop on acres where their only choice is 0-92. In such a case, the farmer will be prohibited from drawing Federal loan payments for any oilseed crops and will go very far in helping rural communities play a role in providing goods and services necessary to bring a crop to harvest. Those goods and services are not only necessary to the farmer, they also represent employment, tax revenues, and the economic lifeblood of rural America. Too many times, small rural business men and women are the silent victims of natural disasters. My bill will help them as much as the farmers themselves.

This is a disaster measure. It would not apply to any farmer outside a county, or one contiguous, that has been declared a natural disaster this year by the President or Secretary of Agriculture. It would also not apply to any farmer who was not prevented from planting a crop. Since this is a special program for disaster, it should not be seen as a wholesale attempt to reopen the farm bill or to compromise any philosophical position taken during the farm bill debate. It is simply a commonsense approach to allow farmers to provide for themselves without demanding a handout from the Government.

This proposal may be our last best hope to avoid the necessity for an all-out request for disaster assistance. I urge every Member of this body to join me in this responsible approach to solving a very real and pressing problem.•

By Mr. GARN (for himself and Mr. HATCH):

S. 1182. A bill to transfer jurisdiction of certain public lands in the State of Utah to the Forest Service, and for other purposes; to the Committee on Energy and Natural Resources.

FISHLAKE NATIONAL FOREST ENLARGEMENT ACT

• Mr. GARN. Mr. President, together with my colleague, Senator HATCH, I am pleased to place before the Senate legislation to improve the management efficiency of public lands in Sevier and Piute Counties. This is primarily an action to add additional lands to the Fishlake National Forest which are currently under the jurisdiction of the Bureau of Land Management [BLM].

These lands should no longer remain in the domain of the BLM because the newly constructed segment of Interstate 70 in central Utah bisects the land and makes it far more logical to place these lands under the jurisdiction of the U.S. Forest Service. Both agencies and all local officials support this proposed change. I urge the Senate to act forthrightly to correct this management problem.•

By Mr. GARN (for himself and Mr. HATCH):

S. 1183. A bill to reduce the restrictions on the lands conveyed by deed to the city of Kaysville, UT, and for other purposes; to the Committee on Energy and Natural Resources.

KAYSVILLE PEAK

• Mr. GARN. Mr. President, together with Senator HATCH, I am pleased to introduce a measure to authorize the lease of public lands in the city of Kaysville, Davis County, UT, for communication site purposes.

This legislation is necessary to remedy a situation where the city is in technical violation of a 1926 land patent. This patent was granted to Kaysville in order to provide watershed protection. The 1926 act prohibits the use of the property for any other purpose than watershed protection. Therefore communication stations which are now located on Kaysville Peak, and which have been for 13 years, are not legally permitted under the terms of the patent.

In June 1989, the Bureau of Land Management [BLM] indicated that no administrative remedy to the Kaysville Peak relay station was available.

The communication relay station on top of Kaysville Peak is operated by a private company and provides an important communications link for the daily operations of Davis County School District buses. Other than visual esthetics, I do not believe there is any environmental degradation of the watershed. In my view, the benefits of affordable school district communications justify asking the Congress to allow the communications relay station to remain on Kaysville Peak in a manner consistent with watershed protection. I urge such favorable consideration by my colleagues.•

By Mr. GARN (for himself and Mr. HATCH):

S. 1184. A bill to direct the Secretary of the Interior to conduct a study to determine the nature and extent of the salt loss occurring at Bonneville Salt Flats, UT, and how best to preserve the resources threatened by such salt loss; to the Committee on Energy and Natural Resources.

BONNEVILLE SALT FLATS STUDY

• Mr. GARN. Mr. President, Senator HATCH and I are pleased to join our three House colleagues from Utah, led by Representative JAMES HANSEN, in introducing a bill to authorize a study of one of the most fascinating areas of the Great Basin Desert. I'm referring to the well-known Bonneville Salt Flats which lies some 90 miles west of Salt Lake City on Bureau of Land Management [BLM] lands in Utah.

Since 1926, when surveyors first surveyed the area, the flats have shrunk from 96,000 acres to approximately 25,000 acres today. Geologists say the salt is disappearing at a rate of about 1 percent a year which means the salt flats could be gone within just a few decades. This situation is important to Utah environmentally, because the salt flats are so unusual. Economically, this is significant because the race-car events, for which the salt flats are well known, generate almost $3 million annually. So, Mr. President, we have an unusual alliance of environmentalists and race car enthusiasts joining ranks to try to save this important national asset.

The causes of this phenomenon, whether natural or man-made are not well understood. It is for this reason that the entire Utah delegation requests congressional support for the BLM to conduct a fair and thorough study to find out just what the causes of the shrinking of the Bonneville Salt Flats might be. I ask the Senate for favorable consideration of our request.•

By Mr. GARN (for himself, Mr. WALLOP, Mr. BINGAMAN, Mr. GORTON, Mr. CRAIG, Mr. SEYMOUR, Mr. SIMPSON, Mr. HATCH, Mr. DOMENICI, Mr. MCCAIN, Mr. MURKOWSKI, and Mr. SYMMS):

S. 1185. A bill to disclaim or relinquish all right, title, and interest of the United States in and to certain lands conditionally relinquished to the United States under the Act of June 4, 1897 (30 Stat. 11, 36), and for other purposes; to the Committee on Energy and Natural Resources.

NATIONAL FOREST IN-LIEU LEGISLATION

• Mr. GARN. Mr. President, today, I rise with my colleagues from the West to introduce legislation to correct a serious inequity which affects thousands of people in 55 counties in 10 Western States. This bill is only the latest in a series of measures responding to problems that arose from the so-called forest in-lieu selection section of an 1897 act that came to be called the Forest Management Act. That act itself arose from congressional reaction to the controversial actions of President Grover Cleveland in establishing forest reserves through issuance of proclamations that adopted recommendations of a committee of the National Academy of Sciences. These reserves became the foundation of the National Forest System.

Under the forest in-lieu selection part of the 1897 act, the owner of an unperfected bona fide claim or a tract of patented land within a national for-

est was authorized to relinquish or reconvey that land to the United States, and to select in lieu thereof an equal acreage of vacant public land open to settlement.

Because this right of exchange was not limited to actual settlers on the lands involved, but extended to owners generally, it had broad application that led to many controversial transactions. As described in the "History of Public Land Law Development" by Paul W. Gates, prepared in 1968 for the Public Land Law Review Commission:

By permitting owners of near-worthless land within the forest reserves to exchange them for equal acreages of the very choicest timberlands outside, Congress was setting up a system that invited wholesale abuse and deprived the government of valuable resources. * * *

The land grant railroads were the principal beneficiaries and next to them were speculators who acquired control of the state school lands within the forest reserves * * * Some 343,907 land exchanges, a considerable part of which was carried through by fraud * * * It is impossible to find in Federal legislation a more one-sided and unfair exchange provision which dealt private interests all the high cards.

In 1905, upon the recommendation of President Theodore Roosevelt, Congress repealed the in-lieu selection authorization, but protected contracts and selections previously made.

Three later acts also have a bearing on this subject. Under the 1897 act, some owners had relinquished their inholdings by providing a deed, but for one reason or another had not received any other lands. In 1922, Congress provided that these cases could be resolved either through transfer of lands to the parties involved or by allowing the parties to cut and remove national forest timber. In either case, the basis for resolution would not be equal acreage, but equal value; and, as an alternative, if such an exchange could not be agreed upon, reconveyance of the inholding back to the party involved was authorized. However, only persons filing within 5 years were eligible for any of these options, and evidently many did not meet that deadline.

In 1930, a further act that dealt with a wide variety of public-land situations, evidently reopened the possibility of reconveyance of the inholdings back to their original owners. This seems to have had little effect, however, until the 1950's, when it evidently began to be used as a means of obtaining reconveyance of lands that were within national forests and in some cases national parks that had been established on lands that had been national forest areas.

The result was public and congressional concern that led to enactment of Public Law 86-596, sometimes referred to as the "Sisk Act" after Representative Sisk of California, in 1960.

The Senate committee's report on the bill that became Public Law 85-596 explains that—

At hearings held by the House Subcommittee on Public Lands in Fresno, California, and in Washington, it was learned that there is a considerable acreage of land, mostly within the national forests and parks, which as relinquished or conveyed to the United States under the 1897 act but with respect to which the lieu selections there authorized were never completed. Estimates of the land involved ranged from 25,000 to 100,000 acres. Some of the tracts were identified at the hearings as among the choicest in the Sierra and Sequoia National Forests and in the Sequoia and Kings Canyon National Parks.

It also developed at the hearings that certain persons have, in recent years, been making a practice of acquiring, from the original landowner or from one or more of his heirs, quitclaims, assignments, or other forms of transfer of rights supposedly retained in the conveyed or relinquished land . . . with the assignment in hand and after various intermediate steps . . . demand is made upon the Interior Department for reconveyance of the land under the act of April 28, 1930.* * *

The Department of the Interior has, after necessary investigations of the validity of the claims made upon it under the 1930 act, been reconveying the lands demanded. From March 1954 to August 1959 there were 71 such reconveyances, involving a total of nearly 14,500 acreas.

The situation, particularly in California and other parts of the Southwest, has reached what the public press, conservation interests, and others regard as being virtually a "give-away" of public resources approaching a scandal. The committee concurs in this view * * *

In response Public Law 85-596 authorized those asserting that the United States had failed to provide "in lieu" lands or other compensation for inholdings previously relinquished to file a claim within 1 year after enactment—that is, by July 6, 1961—with the General Accounting Office; valid claims would be entitled to compensation rate of $1.25 per acre—the 1987 standard rate for public lands—plus 4 percent per annum interest since the relinquishment of the inholding. The right to receive this compensation was not assignable. And section 4 of the 1960 law provides that any lands for which such payments either are or might be made—

shall (unless it has heretofore been disposed of by the United States) be a part of the national forest, national park, or other area . . . shall be administerd as a part thereof, and shall be subject to the laws, rules and regulations applicable to land set apart and reserved from the public domain in that national forest, national park, or other area.

Claims were not submitted within the deadline for all of the relinquished inholdings for which claims might have been made. The status of these lands is controlled by section 4 of Public Law 85-596. The Forest Service's view has been that at least so far as it affects land within national forest boundaries, that section has the effect of vesting title in the United States. The same analysis would seem to apply to lands within National Parks and other designated areas withdrawn or reserved from the public domain, but the Solicitor of the Interior has indicated that the situation is different when the lands are outside such areas.

Some of the lands for which claims might have been filed under the 1960 act were occupied by private parties prior to that act and some are so occupied now. In recent years, the Forest Service has determined that in those instances in which it would not be inconsistent with national forest purposes or other public policy, it would be desirable to be able to reconvey these lands to their occupants, thus giving the occupants clear title.

Last year, along with Representative LAGOMARSINO of California, I introduced legislation similar to this to try and remedy the situation. Because of the slightly complex nature of this situation, the measure which passed the House of Representatives, did not pass the Senate before the 101st Congress adjourned. Mr. President, it is my hope that the Congress will take a fresh look at this issue, and finally provide the remedy to the many deserving people in the Western United States.●

By Mr. CHAFEE (for himself, Mr. HARKIN, Mr. DECONCINI, and Mr. CRANSTON):

S. 1186. A bill to amend the Public Health Service Act to establish a Substance Abuse Treatment Corps; to the Committee on Labor and Human Resources.

SUBSTANCE ABUSE TREATMENT CORPS ACT

● Mr. CHAFEE. Mr. President, I am pleased to be joined by Senators HARKIN, DECONCINI, and CRANSTON in introducing the Substance Abuse Treatment Corps Act of 1991 [SATC]. This legislation would improve the availability of substance abuse treatment in underserved areas by providing financial incentives to people who wish to pursue careers in substance abuse treatment and counseling.

Effective substance abuse treatment is one of the most powerful weapons in our Nation's war against drugs. By helping people overcome their addictions, we can reduce the use of illegal drugs. In recent years, Congress has recognized the importance of effective substance abuse treatment, and funding for such programs has increased substantially. Although great progress has been made toward expanding the availability of substance abuse treatment, services remain severely limited in many areas of our country.

Estimates suggest that our Nation's substance abuse treatment system has the capacity to serve approximately 2 million people this year. Unfortunately, estimates also show that demand for services will far exceed this capacity. The lack of health care professionals qualified to provide substance abuse treatment and counseling

is a primary reason that care remains unavailable for so many people. The fact that qualified people often are reluctant to provide treatment and counseling services in inner city and rural areas further limits access.

As we are well aware, the implications of limited treatment services are very serious. Young people often drop out of school because of substance abuse problems, and too many babies are being born addicted to drugs. The Substance Abuse Treatment Corps would help our Nation address these grave problems by expanding the availability of treatment services.

Under this proposal, health professionals would be recruited to provide substance abuse treatment and counseling in underserved areas through a scholarship program that assists people in financing their education and training, and a loan repayment program that would repay a portion of an individual's school loans.

For each year that an individual receives assistance, through either the scholarship or loan repayment program, the individual would be required to provide 1 year of alcohol or drug abuse treatment in an underserved area. This program would assist community health centers, rural health clinics, community mental health clinics, and other facilities struggling to meet the demand for substance abuse treatment services.

Members of the SATC would be distributed equitably between inner city and rural areas, and a corps member's qualifications would be matched to the treatment needs of individual communities. For example, although fewer people in rural areas suffer from cocaine addiction, rural areas often face the equally devastating problem of high rates of alcohol abuse. The SATC would help ensure that a corps member qualified to provide alcohol counseling is available to such a community.

The Substance Abuse Treatment Corps is modeled after the National Health Service Corps, which has been successful in recruiting health professionals to provide care in underserved areas. The legislation would provide for a $26 million annual authorization, which is the amount requested in President Bush's fiscal year 1992 budget for in-service substance abuse treatment training programs, fellowships, and grants.

The National Drug Control Strategy recognizes that the shortage of qualified staff has hindered efforts to expand the availability of treatment services. The Substance Abuse Treatment Corps would help us address this issue. I urge my colleagues to recognize the importance of improving access to substance abuse treatment services in underserved areas and to support the establishment of the Substance Abuse Treatment Corps.

Mr. President, I ask unanimous consent that the bill and accompanying letters of support be printed in the RECORD.

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

S. 1186

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Substance Abuse Treatment Corps Act".

SEC. 2. ESTABLISHMENT OF SUBSTANCE ABUSE TREATMENT CORPS.

Part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended by adding at the end the following new subpart:

"Subpart VI—Substance Abuse Treatment Corps

"SEC. 340A. ESTABLISHMENT OF TREATMENT CORPS.

"(a) ESTABLISHMENT.—There is established within the Service a unit to be known as the Substance Abuse Treatment Corps. The purpose of the Treatment Corps is to increase the availability of treatment for alcohol and drug abuse in geographic areas in which there is a significant incidence of such abuse and an inadequate availability of such services. The Secretary may carry out such purpose only through assigning, in accordance with this section, Treatment Corps members to provide such services for such areas.

"(b) COMPOSITION.—

"(1) IN GENERAL.—The Treatment Corps shall, subject to paragraph (2), consist of such officers of the Regular and Reserve Corps of the Service as the Secretary may designate, such civilian employees of the United States as the Secretary may appoint, and such other individuals who are not employees of the United States.

"(2) REQUIREMENT OF LICENSE OR CERTIFICATION FOR PROVISION OF TREATMENT.—The Treatment Corps will consist only of individuals who have been licensed or certified by a State as knowledgeable to provide treatment for the abuse of alcohol or drugs in the State in which tresatment is provided, or those who have been certified by a recognized medical certifying organization and who have also been certified by the Secretary as being qualified to provide such treatment services.

"(3) CRITERIA REGARDING OTHER LICENSES OR CERTIFICATIONS.—

"(A) If an individual has been licensed or certified for purposes of paragraph (1), the individual may, subject to subparagraph (B), serve in the Treatment Corps without regard to whether the individual has received education regarding the provision of health services other than treatment for the abuse of alcohol or drugs.

"(B) Of individuals who have been licensed or certified for purposes of paragraph (2) and who hold additional licenses or certifications in the health professions, mental health professions, or professions regarding social services, such an individual may serve in the Treatment Corps only if the individual is a physician, psychiatrist, clinical psychologist, physicians assistant, nurse, nurse practitioner, psychiatric nurse, marriage and family therapist, social worker, or a graduate of a school of public health.

"(c) DETERMINATION OF ELIGIBLE GEOGRAPHIC AREAS.—

"(1) CONSIDERATION OF CERTAIN FACTORS.—Not later than 6 months after the date of the enactment of the Substance Abuse Treatment Corps Act, the Secretary shall by regulation establish criteria for determining the geographic areas that are geographic areas described in subsection (a). In establishing such criteria, the Secretary—

"(A) shall first consider the ratio of available providers of treatment for alcohol and drug abuse to the number of individuals in the geographic area involved; and

"(B) shall in addition consider indicators of need, notwithstanding the supply of such providers, for treatment for alcohol and drug abuse in the geographic area, with special consideration to indicators of—

"(i) incidence of alcoholism and alcohol abuse;

"(ii) incidence among pregnant women of addiction to drugs;

"(iii) incidence among adolescents of the use of alcohol and drugs;

"(iv) access to treatment for alcohol and drug abuse; and

"(v) ability to pay for such treatment.

"(2) ADDITIONAL MINIMUM REQUIREMENTS.—The Secretary may not assign a Treatment Corps member to a geographic area described in subsection (a) unless the Secretary has conducted an evaluation regarding the area and has determined that—

"(A) there is a need and demand in the area for treatment for alcohol or drug abuse;

"(B) public and private entities in the area have made unsuccessful efforts to secure such treatment for the area; and

"(C) there is a community support for an assignment of a Treatment Corps member for the area.

"(d) ASSIGNMENT OF MEMBERS OF TREATMENT CORPS.—

"(1) IN GENERAL.—The Secretary may assign a Treatment Corps member only to a public or nonprofit private entity that—

"(A) provides health services or treatment for substance abuse to a geographic area described in subsection (a); and

"(B) enters into an agreement with the Secretary regarding—

"(i) the duration of the assignment to the entity of the Treatment Corps member; and

"(ii) the allocation between the Secretary and the entity of costs relating to the assignment.

"(2) LIMITATION REGARDING LICENSURE BY STATE INVOLVED.—

"(A) Except as provided in subparagraph (B), the Secretary may not assign a Treatment Corps member to an entity unless the State in which the entity is located has licensed or certified the member to provide treatment for alcohol or drug abuse.

"(B) In the case of a State that does not require that an individual be licensed or certified as a precondition to providing treatment for alcohol and drug abuse, the Secretary may assign a Treatment Corps member to an entity in the State only if the Secretary has certified the member as being qualified to provide such services. In providing such certifications, the Secretary shall consider relevant standards developed by nationally recognized medical speciality societies.

"(3) EQUITABLE ALLOCATION.—The Secretary shall ensure that the services of the Treatment Corps are equitably allocated among the principal geographic regions of the United States, and that not less than 50 percent of such services are equitably allocated among rural areas of the United States.

"(4) REQUIREMENT OF APPLICATION.—The Secretary may not make an assignment of a Treatment Corps member under paragraph (1) unless an application for the assignment

is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(e) SCHOLARSHIP PROGRAM.—

"(1) IN GENERAL.—With respect to any student described in paragraph (2), the Secretary shall establish a program of entering into contracts with such students under which the students agree to serve in the Treatment Corps upon obtaining the educational degree involved in consideration of the Federal Government agreeing, for each school year for which the scholarship is provided—

"(A) to pay on behalf of the student for each such school year—

"(i) tuition for the student; and

"(ii) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the student for each such year; and

"(B) to pay to the student a stipend not in excess of $400 per month for each of the 12 consecutive months beginning with the first month of each such school year.

"(2) ELIGIBLE STUDENTS.—The student referred to in paragraph (1) is any full-time student enrolled (or accepted for enrollment) in an accredited educational institution in a course, study, or program leading to a degree regarding service as a provider of treatment regarding alcohol and drug abuse, leading to a degree regarding service as a physician, psychiatrist, clinical psychologist, physician's assistant, nurse, nurse practitioner, psychiatric nurse, marriage therapist, family therapist, or social worker, or leading to a degree from a school of public health.

"(3) APPLICABILITY OF CERTAIN PROVISIONS.—Except to the extent inconsistent with paragraph (1), the provisions of subpart III shall apply to the program established in paragraph (1) to the same extent and in the same manner as such provisions apply to the loan repayment program established in section 338A.

"(f) LOAN REPAYMENT PROGRAM.—

"(1) IN GENERAL.—The Secretary shall establish a program of entering into contracts with individuals described in paragraph (2) under which the individuals agree to serve in such Corps in consideration of the Federal Government agreeing to repay, for each year of service in the Corps, not more than $20,000 of the principal and interest of the educational loans of the individuals.

"(2) ELIGIBLE INDIVIDUALS.—An individual referred to in paragraph (1) is any individual who has been licensed or certified for purposes of subsection (b)(2), any individual who is a physician, psychiatrist, clinical psychologist, physician's assistant, nurse, nurse practitioner, psychiatric nurse, marriage therapist, family therapist, social worker, or a graduate of a school of public health, and any individual who is a full-time student enrolled (or accepted for enrollment) in an accredited educational institution in a course, study, or program leading to a degree regarding any of such professions.

"(3) APPLICABILITY OF CERTAIN PROVISIONS.—Except to the extent inconsistent with paragraph (1), the provisions of subpart III shall apply to the program established in paragraph (1) to the same extent and in the same manner as such provisions apply to the loan repayment program established in section 338B.

"(g) DEFINITIONS.—For purposes of this section:

"(1) The term 'rural area' has the meaning given such term in section 1886(d)(2)(D) of the Social Security Act.

"(2) The term 'Treatment Corps' means the National Substance Abuse Treatment Corps.

"(3) The term 'Treatment Corps member' means each of the individuals of which the Treatment Corps consist pursuant to subsection (b).

"(h) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated $26,000,000 for fiscal year 1992.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1991, or upon the date of the enactment of this Act, whichever occurs later.

NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS, INC.,
Washington, DC, May 23, 1991.

Hon. JOHN CHAFEE,
U.S. Senate, Washington, DC.

DEAR SENATOR CHAFEE: The National Association of Community Health Centers is pleased to support the Substance Abuse Treatment Corps Act of 1991, which we understand you will soon introduce. This bill responds directly to the need Community Health Centers have been experiencing for several years now—a lack of capacity for the treatment of substance abuse in the populations they serve.

Even the new targeted federal efforts of the past few years to address the needs of women and children in high-risk areas cannot expand capacity in existing treatment settings fast enough to meet the present crisis in the many families newly threatened by drugs.

While we are aware that facilities, as well as personnel, will be needed to truly augment capacity, we feel that your efforts give sorely needed leadership in addressing key health care system implications of new epidemics such as substance abuse, and provide a most timely model for general capacity development.

More federal resources are desperately needed to sustain the general National Health Service Corps (NHSC) to meet the pressing needs of Community and Migrant Health Centers. We are, however, heartened by your assurances as with prior versions of the bill that funding for the new Substance Abuse Treatment Corps will not come at the expense of the NHSC appropriations. Clearly, the needs are so great here that increased overall resources for these efforts are absolutely necessary.

Please let us know what more we can do to help to forward this important legislation.

Sincerely,

DANIEL R. HAWKINS, Jr.,
Director, Policy Analysis.

AMERICAN ACADEMY OF PEDIATRICS,
Washington, DC, May 23, 1991.

Hon. JOHN H. CHAFEE,
U.S. Senate, Washington, DC.

DEAR SENATOR CHAFEE: On behalf of the American Academy of Pediatrics, whose 41,000 members are dedicated to child and adolescent health, I want to convey to you formally our strong support of the new Substance Abuse Treatment Corps Act, which will be introduced presently. This important measure should go a long way toward providing more drug and alcohol abuse treatment personnel to our nation's areas of need, both urban and rural. It also promises to expand access to treatment and counseling for thousands of American children and youth whose needs are urgent and yet unmet.

You are to be commended for your continuing efforts to promote the health of infants, children and adolescents. The Academy looks forward to working with you again, as always, to that end.

Sincerely,

ANTOINELLE PARISI EATON, M.D.,
President.

AMERICAN ASSOCIATION OF COLLEGES OF OSTEOPATHIC MEDICINE,
Washington, DC, May 22, 1991.

Hon. JOHN H. CHAFEE,
U.S. Senate, Washington, DC.

DEAR SENATOR CHAFEE: The American Association of Colleges of Osteopathic Medicine is pleased to support the Substance Abuse Treatment Corps Act of 1991. As you probably know, our colleges commit considerable resources, and educational and clinical exposure to the diagnosis and treatment of substance abuse. The osteopathic medical educational milieu, with its integral focus on health promotion, disease prevention, and comprehensive (w)holistic primary care, is fully committed to the need to respond to this growing problem.

You are to be commended for your vision in proposing to build on the success of the National Heath Service Corps (NHSC) concept. The newly reauthorized (and well-funded) NHSC program is a sound structure on which to build. Your bill proposes an effective mechanism to deliver cost effective health care to a most deserving population.

We would be pleased to work with you and your cosponsors for the enactment of your legislation. Please do not hesitate to contact me, or Roger C. Courtney, AACOM's Director of Government Relations for further information or follow up action.

Sincerely,

SHERRY R. ARNSTEIN,
Executive Director.

AMERICAN ASSOCIATION FOR MARRIAGE AND FAMILY THERAPY,
Washington, DC, May 24, 1991.

Senator JOHN CHAFEE,
Dirksen Building, Washington, DC.

DEAR SENATOR CHAFEE: The American Association for Marriage and Family Therapy (AAMFT) is pleased to offer its support for legislation which you will introduce shortly to add a distinct Drug Abuse Treatment Corps component to the existing National Health Service Corps. We applaud your effort to address the demand side of the substance abuse problem that continues to plague individuals and families in both rural and urban America.

It is my understanding that the addition of a Drug Abuse Treatment Corps is intended to complement the heroic efforts of the National Health Service Corps program by recruiting new personnel to provide substance abuse treatment in both rural and urban communities designated as Health Manpower Shortage Areas. It is not intended to supplant or detract from current or future Corps activities.

On behalf of the 18,000 members of AAMFT, thank you for working to address our nation's critical need for enhanced substance abuse treatment. AAMFT looks forward to working with you to achieve enactment of this important proposal at the earliest possible date.

Sincerely,

MARK R. GINSBERG, Ph.D.,
Executive Director.●

By Mr. BINGAMAN (for himself and Mr. WALLOP):

S. 1187. A bill to amend the Stock Raising Homestead Act to provide certain procedures for entry onto Stock Raising Homestead Act lands, and for other purposes; to the Committee on Energy and Natural Resources.

STOCK RAISING HOMESTEAD ACT AMENDMENTS

Mr. BINGAMAN. Mr. President, last Congress I introduced legislation, S. 1908, to ensure that the rights of surface owners and miners are appropriately balanced on Stock Raising Homestead Act lands. Hearings were held and testimony received from interested parties suggesting what generally were constructive changes to the legislation. Maintaining the balance in the legislation has proved more difficult than anticipated, but I believe that the bill I am introducing today addresses the concerns expressed last year while keeping such a balance.

There are approximately 70 million acres of land that were patented under the Stock Raising Homestead Act. New Mexico has the second largest amount of lands with 15 million acres patented pursuant to the act, and approximately 1,500,000,000 mining claims are located on these lands. Under this act, lands considered suitable for livestock grazing were made available for patenting; however, the mineral estate expressly was reserved to the United States.

The policy objectives of the Stock Raising Act were laudable: Congress wanted to encourage the development of the Nation's livestock industry, while at the same time retain Federal title to the mineral estate so as to ensure the continued availability of important minerals.

Unfortunately, some inherent conflicts arise when the same land is used for raising livestock and for mineral exploration and production. Usually these conflicts are worked out between the surface owner and the miner in a reasonable fashion. However, there are still conflicts that arise from these split estates that need to be addressed through legislation.

The bill that I am introducing today with Senator WALLOP amends the Stock Raising Homestead Act to provide for additional procedures for gaining access to, and undertaking mining activities on, Stock Raising Homestead Act lands. Under the legislation, any person seeking to enter these lands to prospect or locate a mining claim must give notice to the Department of the Interior and the surface owner prior to entry. This notice gives the miner a certain period to exclusively prospect or locate a claim. Any person interested in conducting mineral exploration, development, or production may either obtain consent from the surface owner, or, absent such consent, submit a plan of operations to the Secretary of the Interior for approval, pay a surface use fee to the surface owner, and post a bond.

The legislation seeks to address concerns with last year's legislation relating to the authorized prospecting period, certain bond issues, plan of operations approval, and the level of damages. I believe the changes made from last year address the issues raised and significantly improve the legislation.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 1187

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. MINERAL ENTRY UNDER STOCK RAISING HOMESTEAD ACT.

(a) MINERAL ENTRY UNDER THE STOCK RAISING HOMESTEAD ACT.—Section 9 of the Act of December 29, 1916 entitled 'An Act to provide for stock-raising homesteads, and for other purposes' (39 Stat. 862; 43 U.S.C. 299) is amended by adding the following at the end thereof:

"(b) PROSPECTING; NOTICE OF INTENTION TO LOCATE; EXPLORATION, DEVELOPMENT, AND PRODUCTION.—

"(1) PROSPECTING; LOCATION OF CLAIMS.—Notwithstanding subsection (a), no person other than the surface owner may enter lands subject to this Act to prospect for minerals or to locate a claim under the mining laws of the United States on such lands without:

"(A) filing a notice of intention to locate a claim pursuant to paragraph (2); and

"(B) providing notice to the surface owner pursuant to paragraph (3).

Any person who has complied with paragraphs (2) and (3) with respect to any such lands may, during the authorized prospecting period, enter such lands to prospect for minerals, with minimal surface disruption, and to locate a mining claim on such lands. During such period no such person may construct any road, use any explosives, or use any mechanical earth moving equipment on such lands. With respect to any lands for which a notice is filed under paragraph (2), the term 'authorized prospecting period' means the period beginning ten days after notice is provided under paragraph (3) with respect to such lands and ending with the expiration of the sixty-day period, or the extension of such period, pursuant to paragraph (2).

"(2) NOTICE OF INTENTION TO LOCATE A CLAIM.—

"(A) Any person seeking to prospect for minerals or to locate a mining claim on lands subject to this Act shall file with the Secretary of the Interior a notice of intention to locate a claim on the lands concerned. The notice shall be in such form as the Secretary of the Interior shall prescribe. The notice shall contain the name and mailing address of the person filing the notice and a legal description of the lands to which the notice applies. The legal description shall be based on the public land survey or on such other description as is sufficient to permit the Secretary to record the notice on the Secretary's land status records. Whenever any person has filed a notice under this paragraph with respect to any lands, during the sixty-day period following the date of such filing, or any extension thereof pursuant to this paragraph, no other person (including the surface owner) may—

"(A) file such a notice with respect to any portion of such lands;

"(B) prospect for minerals or locate a mining claim on any portion of such lands; or

"(C) file an application to acquire any interest in any portion of such lands pursuant to section 209 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1719).

If, within such sixty-day period, the person who filed a notice under this paragraph files a plan of operations with the Secretary pursuant to subsection (c) of this section, such sixty-day period shall be extended until the approval or disapproval of the plan of operations by the Secretary pursuant to subsection (c) of this section.

"(B) The Secretary may establish such fees as may be necessary to cover the administrative costs of processing notices filed under this paragraph.

"(3) NOTICE TO SURFACE OWNER.—Any person who has filed a notice of intention to locate a claim under paragraph (2) for any lands subject to this Act shall provide written notice by registered or certified mail to the surface owner (as evidenced by local tax records) of the lands covered by the notice under paragraph (2). The notice shall be provided at least ten days before entering such lands and shall contain each of the following—

"(A) A brief description of the proposed prospecting activities.

"(B) A map and legal description of the lands to be subject to prospecting.

"(C) The name, address, and phone number of the person managing such activities.

"(D) A statement of the dates on which such activities will take place.

"(4) ACREAGE LIMITATIONS.—The total acreage covered at any time by notices of intention to locate a claim under paragraph (2) filed by any person and by affiliates of such person may not exceed six thousand four hundred acres of lands subject to this Act in any one State and one thousand two hundred and eighty acres of such lands for a single surface owner. For purposes of this paragraph, the term 'affiliate' means, with respect to any person, any other person which controls, is controlled by, or is under common control with, such person.

"(5) MINERALS COVERED.—This subsection applies only to minerals not subject to disposition under the Mineral Leasing Act (30 U.S.C. 181 and following), the Geothermal Steam Act of 1970 (30 U.S.C. 100 and following), or the Act of July 31, 1947, commonly known as the Materials Act of 1947 (30 U.S.C. 601 and following).

"(c) MINERAL EXPLORATION, DEVELOPMENT AND PRODUCTION.—

"(1) IN GENERAL.—Notwithstanding subsection (a) of this section, except for prospecting in accordance with subsection (b) of this section, no person may conduct any mineral exploration, development, or production activities on lands subject to this Act without the written consent of the surface owner thereof unless the Secretary has authorized the conduct of such activities under paragraph (2).

"(2) AUTHORIZED MINING OPERATIONS.—The Secretary shall authorize, if the conditions of this paragraph are met, a person to conduct mineral exploration, development, and production activities on lands subject to this Act without the consent of the surface owner thereof. Such conditions for authorization are—

"(A) BOND.—Before the Secretary may authorize any person to conduct mineral explo-

ration, development, or production activities, the Secretary shall require such person to post a surety bond to be held by the United States, or to provide such other type of financial guarantee satisfactory to the Secretary to insure (i) reclamation of the surface, (ii) payment to the surface owner as compensation for any post-mining, permanent damages to crops and tangible improvements of the surface owner, and (iii) compensation for any post-mining, permanent loss of income by the surface owner due to loss or impairment of grazing, or other uses of the land by the surface owner, to the extent that reclamation required by the plan of operations would not permit such uses to continue at the level existing prior to the mineral exploration, development, and production activities. In determining the bond amount to cover permanent loss of income, the Secretary shall consider, where appropriate, the potential loss of value due to the estimated permanent reduction in utilization of the land as expressed in Animal Unit Months.

"(B) PLAN OF OPERATIONS.—Before the Secretary may authorize any person to conduct mineral exploration, development, or production activities, the Secretary shall require such person to submit a plan of operations satisfactory to the Secretary and which complies with this subparagraph. The plan shall contain such terms and conditions as the Secretary determines necessary. The conditions shall include, at a minimum, procedures for (i) reclamation of the surface, (ii) minimization of damages to crops and tangible improvements of the surface owner, and (iii) minimization of disruption to grazing or other uses of the land by the surface owner. The plan shall provide for payment of a fee for the use of the surface lands during exploration, development, production and reclamation activities. The fee shall be paid to the surface owner by the person submitting the plan of operations. The fee shall be paid in advance of any mineral exploration, development, or production activities or at such other time or times as may be agreed to by the surface owner and the person conducting such activities. The Secretary shall establish the surface use fee, taking into account the acreage involved and the degree of potential disruption to existing surface uses (including loss of income to the surface owner due to the loss or impairment of existing surface uses for the duration of the mineral exploration, development, and production activities), but the surface use fee shall not exceed the fair market value for the surface of the land. Upon receipt of the plan, the Secretary shall provide a copy of the plan to the surface owner. The surface owner may submit comments and recommend plan modifications to the Secretary within 30 days of the surface owner's receipt of the plan. The Secretary shall, within 60 days of receipt of the plan, determine if the plan complies with the requirements of this subsection and approve or disapprove the plan. The 60-day period may be extended: an additional 60 days if the Secretary determines such time is necessary to make the determination.

The Secretary shall suspend or revoke the authorization under this paragraph whenever the Secretary determines, on the Secretary's own motion or on a motion made by the surface owner, that the person conducting mineral exploration, development, or production activities is in substantial noncompliance with the terms and conditions of the plan and failed to remedy the violation after notice from the Secretary within the time required by the Secretary.

"(3) DAMAGES FOR FAILURE TO COMPLY.—Whenever the surface owner of any land subject to this Act has suffered any damages or loss referred to in paragraph (2)(A), if such damages or loss results.

"(A) from any mineral exploration, development, or production activities undertaken without the consent of the surface owner under paragraph (1) or an authorization by the Secretary under paragraph (2), or

"(B) from the failure of the person conducting mineral exploration, development, or production activities to remedy to the satisfaction of the Secretary any substantial noncompliance with the terms and conditions of a plan under paragraph (2)(B) pursuant to a notice from the Secretary under the last sentence of paragraph (2), the surface owner may bring an action against the person conducting mineral exploration, development, production or reclamation activities in the appropriate United States district court for, and the court may award, double damages plus costs for willful misconduct or gross negligence. Such damages shall be reduced by the amount of any compensation which the surface owner has received, or is eligible to receive, pursuant to the surety bond or other financial guarantee required under paragraph (2)(A). The surface owner of such lands may also bring an action in the appropriate United States district court for double damages plus costs for willful misconduct or gross negligence against any person undertaking any minerals prospecting activity on such lands in violation of any requirement of paragraph (1).

"(4) PAYMENT OF DAMAGES.—The surface owner of any land subject to this subsection may petition the Secretary for payment of all or any portion of a surety bond or other financial guarantee required under paragraph (2)(A) as compensation for damages and losses referred to in paragraph (2)(A). Pursuant to such a petition, the Secretary may use such bond or other guarantee to provide compensation to the surface owner for such damages and to insure reclamation as required by this subsection.

"(5) BOND RELEASE.—The Secretary shall release the surety bond or other financial guarantee required under paragraph (2)(A) upon the successful completion of all requirements pursuant to the plan approved under paragraph (2)(B) or at such earlier date as may be agreed to by the surface owner.

"(6) MINERALS COVERED.—This subsection applies only to minerals not subject to disposition under the Mineral Leasing Act (30 U.S.C. 181 and following), the Geothermal Steam Act of 1970 (30 U.S.C. 100 and following), or the Act of July 31, 1947, commonly known as the Materials Act of 1947 (30 U.S.C. 601 and following).".

(b) SIMPLIFICATION OF PROCEDURES.—Within 180 days after the enactment of this Act, the Secretary shall determine what actions may be necessary to simplify the procedures established pursuant to section 209 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1719) for conveyance of the mineral interest in such land owned by the United States. If the Secretary determines that no action is necessary, the Secretary shall notify the Committee on Energy and Natural Resources of the United States Senate and the United States House of Representatives of such determination, along with the reasons for such determination.

(c) TECHNICAL CONFORMING AMENDMENT.—Section 9 of the Act of December 29, 1916 entitled 'An Act to provide for stock-raising homesteads, and for other purposes' (43 U.S.C. 299) is amended by inserting "(a) GENERAL PROVISIONS.—" before the words 'That all entries made'.

(d) REGULATIONS.—Within 1 year after the date of enactment of this Act, the Secretary of the Interior shall promulgate such regulations as may be necessary to implement this section.

By Mr. RIEGLE (for himself and Mr. MOYNIHAN):

S. 1188. A bill to provide for an AIDS Disability Advisory Panel to assist the Congress and the Secretary of Health and Human Services in meeting the needs of disabled individuals who are infected with HIV and are entitled to benefits under title II or XVI of the Social Security Act, and to provide for interim disability standards applicable to such individuals; to the Committee on Finance.

SOCIAL SECURITY AND SSI AIDS DISABILITY ACT

• Mr. RIEGLE. Mr. President, today I am introducing with Senator MOYNIHAN the Social Security and SSI AIDS Disability Act. This legislation will help women and children with AIDS receive necessary benefits and services.

Women and children make up the fastest growing population of individuals with the AIDS virus. Unfortunately, many do not receive proper medical care or disability benefits to which they are entitled. Too often the AIDS virus goes unidentified because they do not live long enough to be diagnosed with AIDS or they have inadequate health insurance which causes them to fall through the cracks. They may be diagnosed with an AIDS related disease such as pneumonia or influenza or gynecological ailments but not with AIDS.

The Social Security Administration has established disability criteria to determine eligibility for supplemental security income [SSI] and Social Security disability insurance [SSDI] benefits based primarily upon the symptoms and infections found in men. Under the disability guidelines, those who do not meet these criteria must go through SSA's lengthy appeal process. A significant number of these people die without ever being considered disabled.

This legislation would ensure that women and children with AIDS are not denied the SSI disability or medical benefits they so critically need.

Specifically, it would require the SSA to:

First, establish a panel to advise on current medical findings with regard to manifestations and treatment of HIV infection/AIDS in women, children, and intravenous drug users, as well as men.

Second, provide for an interim standard for determining cases until a more complete standard is properly issued. The interim standard would include medical conditions specific to women, children, and intravenous drug users,

such as cervical dysplasia and cancer in women, lymphoid interstitial pneumonitis, and central nervous system disorders in children, and tuberculosis in IV-drug users.

Third, collect and maintain demographic information on the numbers, age, sex, race, and ethnic origin of all individuals who are HIV positive and who apply for SSI or SSDI benefits.

Mr. President, many national advocacy organizations have endorsed this proposal. I believe these steps are necessary to make sure that victims of the AIDS virus receive the medical attention and benefits they need. I urge my colleagues to support this legislation.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at the conclusion of my remarks.

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

S. 1188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security and SSI AIDS Disability Act of 1991".

SEC. 2. AIDS DISABILITY ADVISORY PANEL.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall establish and convene an advisory panel to be known as the AIDS Disability Advisory Panel.

(b) MEMBERSHIP AND ADMINISTRATION.—

(1) APPOINTMENT AND QUALIFICATIONS.—The Panel shall be composed of 9 members, appointed by the Secretary, and the Secretary shall select one member of the Panel to serve as chairman of the Panel. Not more than 4 of the members of the Panel shall be otherwise employees of the Federal Government or of States or political subdivisions thereof. The members of the Panel shall be chosen on the basis of their integrity and good judgment, and at least one member of the Panel shall be chosen from each of the following groups:

(A) physicians with expertise and regular involvement in the daily care and treatment of individuals with HIV infection;

(B) individuals who are epidemiologists or public health researchers and who are familiar with patterns of HIV infection in women, children, and intravenous drug users and the health problems and conditions that are peculiar to women, children and intravenous drug users with HIV infection;

(C) advocates from organizations which represent individuals with HIV infection; and

(D) child development specialists.

At least one member of the Panel shall be an individual with HIV infection. In making appointments pursuant to this paragraph, the Secretary shall ensure that the concerns that heretofore have not been addressed sufficiently and are prevalent in the case of individuals who are female, under 18 years of age, or intravenous drug users and are HIV positive are appropriately represented by the membership of the Panel.

(2) VACANCIES.—Vacancies in the membership of the Panel shall not affect the power of the remaining members to perform the duties of the Panel and shall be filled in the same manner in which the original appointment was made.

(3) COMPENSATION.—Each member of the Panel not otherwise in the employ of the United States Government shall receive the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day during which such member is actually engaged in the performance of the duties of the Panel. Each member of the Panel shall be allowed travel expenses in the same manner as any individual employed intermittently by the Federal Government is allowed travel expenses under section 5703 of title 5, United States Code.

(4) ADMINISTRATIVE MATTERS.—The Secretary shall provide the Panel, on a reimbursable basis, office space, clerical personnel, and such supplies and equipment as may be necessary for the Panel to carry out its duties under this section. Subject to such limitations as the Secretary may prescribe, the Panel may appoint such additional personnel as the Panel considers necessary and fix the compensation of such personnel as it considers appropriate at an annual rate which does not exceed the rate of basic pay then payable for GS-16 of the General Schedule under section 5332 of title 5, United States Code, and may procure by contract the temporary or intermittent services of clerical personnel and experts or consultants, or organizations thereof.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Panel, from amounts in the general fund of the Treasury not otherwise appropriated, such sums as are necessary to carry out the purposes of this section.

(c) DUTIES OF THE PANEL.—

(1) IN GENERAL.—The Panel shall—

(A) undertake, as soon as possible after the date of the enactment of this Act, a thorough study under which the Panel shall address, analyze, and report on additional criteria which are needed in the current evaluation under titles II and XVI of the Social Security Act of disability in individuals who are HIV positive;

(B) develop recommendations regarding the extent to which HIV infection in women and intravenous drug users and a test result of positive for HIV infection in children should be used to establish disability in determining eligibility for benefits under titles II and XVI of the Social Security Act;

(C) provide on an ongoing basis advice to the Secretary with respect to matters under study by the Panel.

(2) INITIAL REPORT.—The Panel shall submit to the Secretary and to each House of the Congress, not later than 180 days after the Panel is first convened, a report of the findings of the study conducted under subsection (c), together with any recommendations the Panel considers appropriate.

(3) SEMI-ANNUAL MEETINGS AND ADDITIONAL REPORTS.—Not later than 180 days after the date of the submission of the Panel's report pursuant to subsection (d), and not less than semi-annually thereafter, the Secretary shall reconvene the Panel for purposes of securing for the Secretary renewed expertise relating to the matters considered by the Panel. The Panel shall, each time it reconvenes, review and update its earlier recommendations as appropriate, and report such revised recommendations to the Secretary and each House of the Congress, taking into account recent developments or changes in opinion of the medical community regarding such matters.

(4) SPECIAL CONCERNS OF WOMEN, CHILDREN, AND INTRAVENOUS DRUG USERS.—In conducting studies and preparing advice pursuant to this subsection, the Panel shall ensure that the concerns that heretofore have not been addressed sufficiently and are prevalent in the case of individuals who are female, under 18 years of age, or intravenous drug users, and are HIV positive are appropriately addressed, including—

(A) the course of HIV infection in women and the symptomatic manifestation of HIV infection in women as it differs from men;

(B) the course of HIV infection in infants and children, including particularly the effect of perinatal transmission;

(C) disability determinations for newborns who test positive for HIV infection and for whom HIV infection cannot be confirmed until the child is older;

(D) the course of HIV infection in intravenous drug users; and

(E) the impairments addressed under section 3(b).

(5) PRESERVATION OF EXISTING STANDARDS.—The Panel shall ensure, in formulating recommendations with respect to appropriate criteria applicable in making determinations of disability (including presumptive disability) under titles II and XVI of the Social Security Act (and any revisions of such recommendations), that such recommendations (and revisions) would not, if implemented, result in any limitation on the criteria in effect immediately before the date of the enactment of this Act otherwise applicable in making such determinations.

(d) FEDERAL ADVISORY COMMITTEE ACT.—For purposes of the Federal Advisory Committee Act (5 U.S.C. App.), the Panel shall be treated as an advisory committee (as defined in section 3(2) of such Act) to which such Act applies.

(e) EXPIRATION.—The Panel and all authority granted in this section shall expire 5 years after the date of the submission of its initial report under subsection (c)(2).

SEC. 3. PROGRAMMATIC CHANGES IN RESPONSE TO PANEL RECOMMENDATIONS.

(a) REQUIRED ACTIONS.—As soon as practicable after the submission of the AIDS Disability Advisory Panel's initial report pursuant to section 2(c)(2) and each subsequent report submitted by the Panel pursuant to section 2(c)(3) (but not later than 180 days after the submission), the Secretary of Health and Human Services shall—

(1) submit to each House of the Congress such recommendations for legislation as the Secretary then determines necessary to carry out the recommendations of the Panel included in such reports, and

(2) with respect to measures which the Secretary determines do not require legislation, promulgate such regulations as are necessary to carry out such recommendations.

(b) INTERIM STANDARDS FOR LISTINGS OF IMPAIRMENTS.—

(1) IN GENERAL.—Until otherwise provided by regulations promulgated in accordance with subsection (a) in connection with the initial report of the Panel or otherwise provided by law enacted by the Congress after the date of the enactment of this Act, in making disability determinations under title II or title XVI of the Social Security Act (including presumptive disability) in the case of an individual who is found by the Secretary to be HIV positive, the Secretary shall include in the relevant listing of impairments upon which findings of disability may be based additional medical conditions consisting of at least the medical conditions described in paragraph (2). A manifestation of any of such additional medical conditions by any such individual shall be deemed by the Secretary to meet the requirements for a

listed impairment in any relevant listing of impairments upon which findings of disability may be based.

(2) ADDITIONAL MEDICAL CONDITIONS.—The additional medical conditions described in this paragraph are the following:

(A) cervical dysplasia and cancer;

(B) chronic vaginal candidiasis;

(C) pelvic inflammatory disease unresponsive to standard medical therapy;

(D) tuberculosis;

(E) syphilis unresponsive to standard medical therapy or with evidence of central nervous system invasion;

(F) chronic human papilloma virus infection which is unresponsive to standard medical therapy;

(G) recurrent urinary tract infections;

(H) recurrent bacterial pneumonias;

(I) endocarditis; and

(J) HIV-related conditions in individuals under 18 years of age consisting of—

(i) lymphoid insterstitial pneumonitis;

(ii) recurrent herpes (simplex and zoster);

(iii) encephalopathy;

(iv) cardiomyopathy;

(v) nephropathy;

(vi) liver disease;

(vii) development delay/loss of milestones; and

(viii) failure to thrive;

and

(I) any other medical conditions determined by the Secretary to be of particular concern to individuals who are female, under 18 years of age, or intravenous drug users and are HIV positive.

(3) PRESERVATION OF EXISTING BASES FOR DISABILITY DETERMINATION.—Paragraph (1) shall be deemed to provide additional bases for determinations of disability (including presumptive disability) under titles II and XVI of the Social Security Act. Nothing in paragraph (1) shall be deemed to limit any criteria in effect immediately before the date of the enactment of this Act otherwise applicable in determining disability (including presumptive disability) under such titles.

SEC. 4. STATISTICAL DATABASE OF AIDS-RELATED MEDICAL CONDITIONS.

(a) IN GENERAL.—The Secretary of Health and Human Services shall, during the tenure of the AIDS Disability Advisory Panel, establish and maintain a database consisting of the following information:

(A) the numbers of individuals, categorized by age, gender, race, and ethnicity, who are HIV positive and apply for benefits based on their own disability under title II or XVI of the Social Security Act; and

(B) the symptoms and medical conditions suffered by individuals in each category determined under subparagraph (A).

Such database shall be in a form which is readily retrievable by the Panel and is updated in advance of each scheduled meeting of the Panel.

(b) CONFIDENTIALITY.—Information contained in such database shall be maintained in a statistical format which shall not contain the identities or social security account numbers of such individuals.

(c) ANNUAL REPORTS TO THE CONGRESS.—The Secretary shall submit to each House of the Congress an annual report containing the information then currently contained in the database maintained by the Secretary pursuant to subsection (a).●

By Mr. RIEGLE (for himself, Mr. DURENBERGER, Mr. ROCKEFELLER, and Mr. BRADLEY):

S. 1189. A bill to increase the authorization under title XX of the Social Security Act for block grants to States for social services; to the Committee on Finance.

SOCIAL SERVICES BLOCK GRANT RESTORATION ACT

● Mr. RIEGLE. Mr. President, I rise today with Senators DURENBERGER, ROCKEFELLER, and BRADLEY to introduce the Social Services Block Grant Restoration Act of 1991 which restores funding for the title XX social services block grant.

Title XX is the main source of Federal funding for wide range of increasingly needed social services such as day care and protection from abuse or neglect for children, sheltered employment and community-based residential programs for disabled individuals, and chore services and home delivered meals for seniors.

The program has a number of important goals which include: helping people achieve or maintain economic self-sufficiency; preventing, reducing, or eliminating dependency; preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests; and helping to preserve, rehabilitate, or reunite families.

Funding for title XX has been seriously eroded. The program was cut $600 million in the Omnibus Budget Reconciliation Act of 1981 [OBRA] and is currently funded at only $2.8 billion, nearly 45 percent less than the fiscal year 1977 value in real terms.

While the social programs title XX is designed to address have worsened in recent years, the severity of our budget deficit compels me to introduce a bill that is modest compared to the need. This bill raises the authorization for title XX to $3.3. billion by 1994, restoring $500 million over the next 3 years.

I believe that we have an obligation to help those in our society who have nowhere else to turn. The programs supported by title XX are cost-effective because they promote self-sufficiency and independence and they are important because they help those truly in need live in dignity. I urge my colleagues to join me in supporting this measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD

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

S. 1189

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Services Block Grant Restoration Act of 1991".

SEC. 2. FINDINGS.

The Congress finds that—

(1) since 1981, title XX of the Social Services Block Grant has been the major source of Federal funding for a wide range of social services;

(2) in all States, title XX block grants provide substantial support for vital human services programs that are indispensable in assisting millions of children, youth, adults, older adults, and people with disabilities;

(3) programs funded by title XX dollars are cost-effective since they are required by law to meet objectives of—

(A) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;

(B) achieving or maintaining self-sufficiency, including reduction or prevention of dependency;

(C) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests; or preserving, rehabilitating, or reuniting families;

(D) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and

(E) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions; and

(4) funding for title XX has seriously eroded.

The title XX program has never recovered after suffering a $600,000,000 cut in the Omnibus Budget Reconciliation Act of 1981 and is currently funded at $2,800,000,000, nearly 45 percent less than the fiscal year 1977 value in inflation adjusted dollars.

SEC. 3. INCREASE IN TITLE XX AUTHORIZATION FOR BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

Subsection (c) of section 2003 of the Social Security Act (42 U.S.C. 1397b) is amended—

(1) by striking "and" at the end of paragraph (4);

(2) by striking "each fiscal year after fiscal year 1989." in paragraph (5) and inserting "the fiscal year 1989;"; and

(3) by adding at the end the following new paragraphs:

"(6) $3,000,000,000 for the fiscal year 1992;

"(7) $3,200,000,000 for the fiscal year 1993; and

"(8) $3,300,000,000 for the fiscal year 1994 and for each succeeding fiscal year thereafter."●

By Mr. DASCHLE:

S. 1190. A bill to amend the Internal Revenue Code of 1986 to increase the standard mileage rate deduction for charitable use of passenger automobiles; to the Committee on Finance.

INCREASE IN DEDUCTION FOR CHARITABLE USE OF PASSENGER AUTOMOBILES

● Mr. DASCHLE. Mr. President, I rise to introduce legislation that addresses a small, but important concern regarding the deduction of mileage expenses by individuals who volunteer their services to help carry out the activities of charitable organizations.

Many individuals who volunteer for charitable organizations incur out-of-pocket expenses that are not reimbursed by the charity. One such expense occurs where an individual uses his or her own car to carry out charitable purpose activities. Examples of this are when an individual provides transportation to a hospital for veterans, delivers meals to the homeless or elderly on behalf of a charity, or transports children to Scouting and other youth activities.

In 1984, Congress set a standard mileage expense deduction rate of 12 cents per mile for individuals who use their vehicles to carry out the tax exempt goals of charitable organizations. The express purpose of the deduction was to support the efforts of volunteers who do not receive any charitable deduction for the value of their contributed services, and to take into account the additional out-of-pocket costs of operation of a vehicle in doing so.

At the time that Congress codified the standard charitable mileage deduction at 12 cents per mile, the standard deduction for mileage expenses incurred in connection with one's trade or business was 20.5 cents for the first 15,000 miles and 11 cents per mile thereafter. Since that time, the U.S. Department of the Treasury, through the Internal Revenue Service, has increased the standard mileage rate for business travel expenses to 27.5 cents per mile for unlimited mileage.

Unfortunately, due to an anomaly in the Tax Code, the Secretary of the Treasury does not have the authority to make corresponding increases in the standard mileage rate for charitable use of one's vehicle. Thus, the standard charitable mileage rate remains at 12 cents per mile today.

The legislation I am introducing addresses this inconsistency in two ways: First, it would increase the standard charitable mileage expense deduction rate to 16 cents per mile. This would restore the ratio that existed in 1984 between the charitable mileage rate and the business mileage rate.

Second, the legislation would give the Secretary of the Treasury the authority to make subsequent increases in the charitable mileage rate without further permission from Congress, just as it currently does with the mileage rate for business use of a vehicle. The intent of this provision of the legislation is to insure that as increases are made in the future to the standard business mileage rate, the charitable mileage deduction will be increased as well, so as to maintain the ratio that existed between these two mileage rates in 1984.

Mr. President, many charitable organizations today are being forced to take a greater burden than ever before due to cut-backs in Federal programs for veterans, the elderly, and other groups in need. As a result, these organizations must increasingly rely on volunteer assistance to provide the services that are central to their tax exempt purposes. If we can do no more, at the very least we in Congress should ensure that helpful measures remaining in the law are not allowed to erode.

On behalf of volunteers of every stripe, I urge my colleagues to support this legislation.•

By Mr. BOREN:

S. 1191. A bill to expand funding for successful school dropout prevention and reentry programs and to coordinate and improve Federal programs addressing the Nation's dropout program, and for other purposes; to the Committee on Labor and Human Resources.

DROPOUT PROGRAMS IMPROVEMENT ACT

• Mr. BOREN. Mr. President, as the United States enters the 21st century, there are many opportunities before us to lead our Nation into a new decade of increased productivity and well-being for all Americans. As we reflect on the events of the past year, we are well aware of what we can do when we pull together as Americans.

Now we must apply the same "can do" spirit shown by our fighting forces and displayed by our technological superiority during the Persian Gulf crisis to deal with many serious domestic challenges as well. We must be willing to devote the same amount of ingenuity, determination, and resources to meeting these domestic crises as we devoted to the crisis in the Persian Gulf.

Mr. President, in order to meet these challenges we must first begin by recognizing the importance of education. As President Bush recently noted in an address on education, if we think about every problem and every challenge which we face in the 21st century, the solution to each starts with education. The speech given by the President before unveiling the new White House education proposal included many of the same concerns that I have voiced many times in the past on this floor about the importance that education plays in defining our future.

I have said time and time again that as the chairman of the Senate Intelligence Committee, I remain convinced that the single greatest threat to our national security is our failure to fully develop our human resources. In the new world before us, we must not be deceived by our Persian Gulf victory into thinking that military strength alone will secure our position as a world leader. In fact, economic and social strengths will be the primary determinants of power and influence.

To maintain and increase strength socially and economically, we must develop our most promising, our most essential resource: our children.

Just as our economic programs must adapt to the increasing challenge of foreign competition, young Americans must develop the resources that will make us leaders in the 21st century.

There are many opportunities for the administration and for Congress to lead the way in setting the education priorities for the Nation. But what we should not do at the Federal level is mandate programs to be adopted by our State and local governments without providing the resources and the leadership in helping them attain these goals. Too many speeches have been given by Federal officials on the importance of education while too few resources have been provided to help attain new standards for our Nation's schools.

In the President's budget this year, I was once again disappointed by the minimal increase in funding given to the Department of Education. For the past several years, the Department of Education's budget has been neglected, often receiving yearly increases in funding which don't even keep pace with inflation. The administration must recognize that national goals for education cannot be set if national resources for education are not expended.

The important economic principle which should be guiding our expenditures on education is the commonly known axiom that if you fail to spend money educating our children, you will end up spending a great deal more on these children as adults through welfare, job training, penal costs, and the many, many other Federal and social costs associated with lack of education funding.

Perhaps no other cost is higher than the cost to our Nation when a child drops out of school. Every year in this country, 1 million American youth drop out of school, most of whom are completely unequipped to enter the work force with the skills they possess. In 1985, 1 out of every 4 dropouts was unemployed. And for those who were able to find employment, they must still face the statistical realities that, on average, a dropout will earn $250,000 less during his or her lifetime than will a high school graduate—$250,000 less Mr. President for a single individual. And the costs are not merely isolated to the individual who drops out of school. The costs will be borne by our entire Nation.

For every $1 spent on education, it costs $9 to provide services to dropouts—such as welfare and job training but there are many other services they must be provided as well. Roughly 80 percent of all prison inmates are school drops. Each inmate costs the Nation about $28,000 a year. According to the Committee for Economic Development, each year's class of dropouts cost the Nation about $240 billion in crime, welfare, health care and services.

In 1988, Fortune magazine reported that of the more than 3 million 18 year-olds in our country that year, 700,000 students who should have been graduating had already dropped out of high school. An additional 700,000 students who were graduating had received such a poor education that they could not even read their high school diplomas.

There is no way in the world that we can continue to compete with the Japanese when their dropout rate is less than 2 percent while only 71 percent of our high school students graduate in 4 years, placing the American dropout rate 15 times greater than the Japanese. If we want to compete with the

rest of the world, we must find ways to keep our students in school. It was a concern to me that the White House education proposal introduced last week did not adequately address the problem of dropouts. This problem cuts across all national concerns and yet we have failed to act boldly to find solutions. No investment we make in the quality of education for our children can be too great.

In Oklahoma, we are making tremendous progress toward equipping our students for a challenging future. An education foundation begun by 150 civic leaders across our State over 6 years ago, the Oklahoma Foundation for Excellence, is in the forefront of that movement. When we began the foundation, our mission was simple: promote excellence in education by giving our top public high school students the recognition they deserve.

While the goal of the Oklahoma Foundation for Excellence has remained the same, we've adapted and expanded our methods to meet the new challenges we've encountered in promoting education excellence. In recognition of the problem our Nation faces due to our dropout rate, we've added a major award for the public school which best combats its dropout problem.

This year the foundation selected the Muskogee Public Schools Drop-Out Prevention Program as the most outstanding dropout prevention program in the State of Oklahoma. Just as Congress has recognized through the programs we have created at the Federal level, the dropout phenomenon cannot be traced to a single source. A combination of problems and pressures influence students to leave school and a combination of approaches must be used to respond to these pressures. The Muskogee public school system recognizes that student dropout is a multifaceted problem and they have created a multifaceted strategy to combat it.

Muskogee identifies the leading causes of students abandoning an education, both inside and out of school—factors such as low household income, low academic achievement, teenage pregnancy, absenteeism, and suspensions—and attacks each of these components of their dropout rate. Their at-risk student program includes a day-care center for teenage mothers, an in-house suspension program, Saturday school and absentee deterrence.

I was honored to be invited to speak recently at the 1991 National Dropout Prevention Conference hosted in Tulsa, OK, with participants from around the country. At this conference, I saw for myself the level of commitment that our States and local communities are making to combat the dropout problem.

Dropout programs have been organized in communities around the country to respond to the need for action. Three years ago, Congress started the largest Federal dropout prevention program through the School Dropout Demonstration Assistance Act, which was reauthorized last year through fiscal year 1991. SDDAA has funded 89 dropout demonstration projects throughout the United States, including four in Oklahoma.

In addition to the SDDAA program, the Federal Government currently distributes funding for dropout prevention and reentry programs through 14 different Federal programs, 10 of which are through the Department of Education and 4 of which are operated through other departments and agencies.

We are beginning to see the results of these demonstration projects begun 3 years ago. Now it is time to move beyond the test stage and to commit the resources to solving this problem once and for all.

Today I am introducing the Dropout Programs Improvement Act for 1991, which commits additional resources to funding successful dropout prevention and reentry programs and coordinates and improves the many Federal programs which address the Nation's dropout problem.

To provide more long-term funding for our current demonstration projects funded through the School Dropout Demonstration Assistance Act, my bill seeks to extend SDDAA funding through 1992. In addition to the current authorization for $50,000,000 per year for SDDAA funding, my bill not only extends that funding but calls for an additional yearly authorization of $50,000,000 for the replication of the SDDAA demonstration projects which have proven the most effective. Funding will go to the establishment of new programs in all 50 States and the Commonwealth of Puerto Rico and the District of Columbia.

To determine which programs have been the most successful, my bill also increases the money currently authorized for the evaluation of SDDAA project. Currently no more than $1,500,000 may be spent on evaluating SDDAA demonstration projects. Under this act, at least $1,500,000 will be spent on evaluations of the projects currently funded but no more than $2,000,000 may be spent on the evaluation study.

The four programs that have been funded in Oklahoma through the School Dropout Demonstration Assistance Act are excellent examples of why we need to not only maintain this funding, but we need to expand the funding so that we can replicate the most successful dropout demonstration projects.

Three years ago there were 800 applications from schools across the Nation for the original SDDAA funding. Of the 89 sites selected, the proposal from the Tulsa County school system was selected by the Department of Education as one of five model projects cited in the original release announcing which projects were awarded grants.

Since that time, the Tulsa project has proven to be most successful. Known as the STAR—student training and re-entry—Center, the Tulsa project is a cooperative for 13 independent school districts within Tulsa County and serves students ages 14 to 21. In its 3 years of operation, it has served as a direct referral to or training center for over 1,000 students who have dropped out. The STAR Center works individually with each of these students to combine academic skill-building and school credit with other training opportunities such as vocational training. As a result, Tulsa County Superintendent Dr. Kara Gae Wilson reports that the number of dropouts was reduced by 21 percent last year alone.

A dramatic reduction in a county's dropout rate is a success story that should not only be maintained but should be duplicated throughout the Nation. Through the Dropout Programs Improvement Act of 1991, we make that goal a reality.

In addition to the expansion of funding for nationwide dropout programs at the local level, this bill seeks to better coordinate and improve the number of Federal programs which currently provide funding for dropout prevention and reentry programs. With 14 different programs scattered through the Department of Education, the Department of labor and elsewhere, we desperately need to provide an office which would oversee these various programs and better guide and coordinate them.

The bill which I am introducing today amends the Department of Education Organization Act to create an additional officer under the Secretary of Education responsible for the evaluation, coordination and dissemination of Federal dropout prevention and reentry programs. In addition to coordinating the various Federal programs, the new office will be able to better direct applicants to possible sources of Federal funding for grant money.

If these young people are allowed to slip through the cracks and be forgotten, their productivity and earning power will be limited for the rest of their lives. Statistics show they will suffer additionally from such problems as drug addiction, alcoholism, and an unhappy existence of welfare dependency. Our Nation is too compassionate to allow that to occur without acting to help these individuals. And we must not forget that our country suffers from their hardships as well.

Let us remember, all of us are diminished when a child drops out of a school, even if the child is one we have never met and from a neighborhood we have never visited. America cannot re-

main a great nation if we become two nations. One America, with two-thirds of the people prosperous and productive, and another America afflicted by increased school dropout rates, drug addicts, and welfare dependents draining the resources produced by the first group.

The future of our Nation depends on the education which all of our students receive today. We cannot continue to overlook those often left behind who become discouraged and drop out. It is my hope that the Dropout Programs Improvement Act of 1991 will be an important step in combating this problem.

We must commit ourselves to the task of providing the educational opportunities which we want for our own children to all of America's children.●

By Mr. WIRTH (for himself, Mr. BINGAMAN, Mr. ADAMS, Mr. KERREY, Mr. KERRY, Mr. CRANSTON, and Mr. BURDICK):

S. 1192. A bill to establish more effective policies and programs for the early stabilization of world population through the worldwide expansion of reproductive choice; to the Committee on Foreign Relations.

INTERNATIONAL POPULATION STABILIZATION AND REPRODUCTIVE CHOICE ACT

Mr. WIRTH. Mr. President, it is my pleasure today to introduce the International Population Stabilization and Reproductive Choice Act of 1991. I am proud to introduce this on behalf of myself, and other original cosponsors Mr. BINGAMAN, the distinguished occupant of the chair; the Senator from Nebraska, Mr. KERREY; the Senator from Massachusetts, Mr. KERRY; the Senator from California, Mr. CRANSTON; the Senator from North Dakota, Mr. BURDICK; and the Senator from Washington, Mr. ADAMS.

It is important to note that we are discussing this legislation today at a time in my opinion of significant sadness. You have just seen the Supreme Court yesterday make what I thought was an extraordinarily ill-founded, divisive, and wrong set of decisions related to the so-called gag rule which the distinguished Senator from Nebraska was speaking about earlier with such justified passion and just remarkable eloquence. It is time that we in this country became serious about organizing ourselves to look at the No. 1 problem facing the globe and that is population. It is time that we realize that the cold war is over. We are not at a time in which our basic problem and national security is defined by our relationship with the Soviet Union. That time has gone. We were concerned 5 years ago, 10 years ago, 20 years ago about whether we were going to blow ourselves off the face of the globe. We may still do that but that problem is declining and we are learning how to handle that problem. We are not learning how to handle the problem of population and in fact we are back-sliding significantly.

The United States used to be the world leader in terms of population planning and population programs and in fact one of the leaders of that effort was a young Congressman from Houston, TX, George Bush, who as a Congressman wrote, spoke, and worked very eloquently on the subject of population, population family planning around the world. Unfortunately, the President has since 1988 or 1980 really done a 180 and changed his position on population which I think is a terrible shame; it is a very, very short-term perspective. It is my hope as we send this legislation to him and this legislation to the rational people within the administration that they will view this and help to make the President to take another 180 and to come back to the enlightened policy that he once had related to population.

The legislation which I am introducing today on behalf of myself and the other cosponsors is supported by a broad array of women organizations, family planning, and international planned parenthood organizations all around the world. Let me list those here at home:

ORGANIZATIONS ENDORSING THE INTERNATIONAL POPULATION STABILIZATION AND REPRODUCTIVE CHOICE ACT OF 1991

Africare.
Alan Guttmacher Institute.
American Association of University Women.
American Civil Liberties Union.
American Public Health Association.
B'nai B'rith Women.
Catholics for Free Choice.
Center for Population Options.
Center for Women Policy Studies.
Columbia University School of Public Health.
Friends of the Earth.
Futures Group.
International Center for Research on Women.
International Planned Parenthood Federation.
International Projects Assistance Service.
International Science and Technology Institute.
Johns Hopkins University Center for Communication Programs.
Johns Hopkins University Institute for International Programs.
John Snow, Inc.
National Abortion Rights Action League.
National Council of Jewish Women.
National Family Planning and Reproductive Health Association.
National Organization for Women.
National Women's Law Center.
Natural Resources Defense Council.
Pathfinder Fund.
Planned Parenthood Federation of America.
Population Council.
Population Crisis Committee.
Population-Environment Balance.
Program for the Introduction and Adaptation of Contraceptive Technology.
Religious Coalition for Abortion Rights.
Sierra Club.
Trickle Up Program.
Unitarian Universalist Association of Congregations in North America.
United Church of Christ.
University of Michigan Center for Population Planning.
Western Consortium for Public Health.
Women's Legal Defense Fund.
World Education.
World Population Society.
Worldwatch Institute.
YWCA of the USA.

This is a catalog of distinguished and enlightened organizations coming together to focus on this enormous challenge.

Mr. President, of all the challenges facing us in this country and around the globe, none compares to that of rapid population growth. All of our efforts to promote national and international security, to protect the environment, to promote economic development around the world, all of these efforts are vexed by the staggering rate of growth in human numbers.

Two hundred and thirty five thousand people will be added to the world's population today; put another way, about 2,000 people will be added to our numbers during the time it takes for me to make this statement—170 people added every minute of every hour of every day, 7 days a week, 365 days a year.

Recent events have thrust before us the horrific face of poverty, starvation, and suffering. Even the immediate needs of the victims of the Kurdish, Bangladeshi, and Sudanese suffering seem immense. Coupled with the high rate of global population growth the task of providing even hope—let alone food and economic opportunity—seems overwhelming.

On the environmental front, population is a major, if not the dominant force for global ecological decline. From decertification to deforestation, the linkage is clear.

The triad of population growth, environmental degradation, and pervasive poverty threaten us and our planet as never before. For these reasons I am introducing the International Population Stabilization and Reproductive Choice Act of 1991. This is a very comprehensive effort to address the population issue, drafted with the intention of leading the international effort for population stabilization at or below 10 billion people.

In the past several weeks, a number of articles have appeared in the major media on the issue of global population growth. Two weeks ago, the distinguished writer for the Washington Post, Mr. Hobart Rowan, wrote an op-ed piece on the connections between rapid population growth and the terrible tragedy that has overwhelmed the nation of Bangladesh. And just last week, some encouraging news: The United Nations reported that birth-rates are declining in all major regions of the world.

I am encouraged by both of these observations, Mr. President. One demonstrates the growing recognition of the population problem. The other demonstrates the growing recognition that we know what to do about it. We should not be lulled into complacency the latest U.N. projections. Global population continues to grow by almost 100 million people a year. The rate is down, but the growth is still accelerating in a dangerous and dramatic fashion. At current rates of growth the population of the globe will double and may triple to almost 15 billion people from today's 5.4 billion.

Despite encouraging progress on the population front, the hard work is ahead of us not behind. Currently, population is growing at the rate of 1.7 percent per year. The typical woman bears, on average, 3.4 children—well above the replacement level of 1.2 children. What is needed then, is an all out effort to make family planning services available to everyone who seeks them by the year 2000. We need to expand health care and educational opportunities for women, and make improving the status of women an urgent campaign. If we accomplish these goals, we can stabilize population at less than 10 billion, but it is going to take a major, concerted effort and it is going to take perhaps, above all, leadership from the United States of America, leadership from this Congress, and leadership from the White House.

Two years ago, 79 nations met at the International Forum on Population in the 21st Century and issued the so-called Amsterdam Declaration which outlined a plan to achieve population stabilization.

The Amsterdam Declaration called for global expenditures on population programs to increase to $10.5 billion by the year 2000, from today's level of $3.2 billion, an increase of about 3 times. In order to meet this goal and maintain our historic contribution to the international effort, U.S. spending must increase to more than $1 billion by 2000. This bill sets us on that path by authorizing significant but realistic increases for U.S. population programs.

What we have learned in the two decades since population was given a separate line item in the budget—is part of the work that George Bush, as a Congressman, encouraged—is that some family planning programs work very well—the expanded delivery of community-based family planning services; child mortality programs; education programs—particularly for young girls; the expansion of economic, social, and political opportunities for women all around the globe. These basic services are taken for granted in this country or should be, even though they certainly are not available to a growing segment of the poor part of our population. These are basic services that should be taken for granted in this wealthy country, but they are not widely available elsewhere, most significantly in those countries with the highest rates of population growth.

To help bridge the gap and fulfill the unmet need for family planning services, this bill comprehensively examines our population and foreign assistance policies and proposes a set of new directions for our programs.

First, the legislation calls for the provision of a variety of voluntary family planning programs by U.S. population experts. For too long, population programs have been tied up with terrible stories of coercive practices in other nations. This legislation makes it clear that the United States will not support any program that is not entirely voluntary.

The expansion of reproductive rights around the world is a second policy direction proposed in this bill. If we are going to be serious about population, we must ensure that individuals around the world have available a diverse set of family planning programs.

In addition, the bill gives special emphasis for reaching out to young adults approaching the childbearing age.

On the funding side, the bill proposes increases for our overall population effort to ensure that we contribute our share to the Amsterdam goals. It also restores funding for UNFPA and overturns the misguided "Mexico City" policy. Finally, priorities for funding are established to ensure that U.S. funds are going to support the most important and successful programs abroad.

Based on the experiences of the past two decades, it is now clear which programs are most effective at reducing fertility rates around the world. Therefore, the legislation redirects AID's programs toward the expansion of high quality, affordable and voluntary family planning services.

The legislation sets specific health and development objectives for women to complement our population programs and guide our development efforts. Specifically, we need to help achieve universal access to basic education around the world—with special emphasis on eliminating the gap between female and male literacy levels and school enrollment.

U.S. foreign policy should include an explicit aim to reduce the rate of infant mortality in all countries by one-third by the year 2000. One of the reasons fertility rates are so high in less developed nations is due to the fact that parents assume that some of their offspring will die. This is a terrible reality—we must reduce infant and child mortality rates to give parents confidence that their children will survive.

The legislation also proposes a safe motherhood initiative to reduce deaths associated with pregnancy, childbirth and unsafe abortions by 50 percent by 2000. This effort will have to include initiatives in prenatal care, supplemental food programs, infertility prevention and a variety of others.

Finally, our foreign policy should be geared toward ensuring that women are given equal opportunities in international development programs.

This is a very brief summary of this important, comprehensive, and broad-sweeping legislation, and I ask unanimous consent that the bill, the detailed summary, and additional material be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. WIRTH. Global population growth is an urgent concern—perhaps the most pressing and perplexing challenge facing humanity. Fortunately, for perhaps the first time, we know not only that aggressive family planning programs are effective at reducing birth rates, but we know as well which family planning programs work. With the proper commitment to take on this issue, a redirection of our population and foreign assistance programs can stabilize the population of the globe at less than 10 billion people.

We are at 5.4 billion now. Current trends take us to 10 billion. We believe we can stabilize at that point. That is twice as many people, almost, as on the face of the Earth today. If we do nothing, we climb to 15 billion and beyond, and the whole legacy of hopelessness increases dramatically around the world with dire consequences for us, with enormous numbers of environmental and population refugees being created, and the ability to provide the kinds of opportunities, education, health care, housing and everything else we would like to see for individuals plummet dramatically.

Finally, I should point out Mr. President that the United States has traditionally been the world's leader in international family planning programs. We pushed for the creation of the United Nations Population Fund and established early on an aggressive and world-renowned population program. During the 1980's we abdicated our leadership and our population programs became embroiled in symbolic debates about abortion.

This bill is not about abortion. This bill is about population, family planning, and choices for women around the world. We do not have to get tied up in the abortion debate when we discuss family planning. And maybe our first responsibility Mr. President, is to make that separation.

Let those who want to get involved in the shrill debate about abortion—it is an important debate—let those who want to get involved and spend all of their time on that do that. But let us also remember there is a very, very important and much bigger set of issues related to population, and we have to separate those two and get on with our

traditional leadership and our responsibilities in terms of family planning programs.

Unhappily, for now nearly 20 years, our law has prevented U.S. funds from being used to pay for abortions. But that is the law of the land.

On the other hand, we should not hold citizens of other nations to a standard different from our own—and that has been a major contradiction in our program for almost a decade. We have to move past these debates and establish aggressive, fair population programs that are measured not by an ideological litmus test, but rather by the ability of the program to meet the magnitude of the challenge we face.

These are the objectives of the legislation that I am introducing today, and I urge all of my colleagues to review this important piece of legislation, and I hope many more will support it.

I thank those original cosponsors who are on the bill now. This is an act of a certain amount of bravery, I believe, Mr. President, to take this issue on, to be honest about it. We cannot duck this issue any more than we can duck a number of the very pressing and important issues coming at us. I do not believe we were elected to duck. We were elected to take these on head on, and do the best we can.

This issue is so important and so enormous, we must work together to develop good legislation that can be passed in this Congress.

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

S. 1192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Population Stabilization and Reproductive Choice Act of 1991".

SEC. 2. DEFINITION.

For purposes of this Act, the term "United States population assistance" means assistance provided under section 104(b) of the Foreign Assistance Act of 1961.

TITLE I—UNITED STATES POPULATION ASSISTANCE

SEC. 101. CONGRESSIONAL FINDINGS.

(a) IMPORTANCE OF REPRODUCTIVE CHOICE.—(1) Congress finds that throughout much of the world, the inability of women and particularly poor women to exercise choice over childbearing undermines women's struggle for self-determination, contributes to needless death and suffering among women and their children, puts mounting pressure on the land, forests and other natural resources on which many poor families depend for their survival, and in other ways vitiates the efforts of families to lift themselves out of the poverty in which over a billion of the world's more than five billion people live.

(2) Congress also finds that after more than a quarter century of experience and research the specific actions needed to bring about a rapid decline in birthrates are clear. They include, first and foremost, the expansion of reproductive choice through fertility control services which involve the community and are sensitive to the needs and values of those who use them. Over the longer term, they also include measures to reduce child mortality, expand basic education, especially for girls, and provide for fuller participation by women in the social, economic, and political lives of their community.

(b) UNMET NEEDS.—(1) Congress also finds that throughout much of the developing world women want desperately to take control of their reproductive lives. No more compelling evidence of such demand exists than the millions of women, most of them mothers, who are killed or injured each year as a result of unsafe abortions. The wider availability of safe and effective fertility control methods and services can contribute substantially to the prevention of these tragedies.

(2) Although a number of religious and cultural barriers to the spread of family planning remain, attitudes toward modern birth control have changed rapidly over the course of the last decade, and in almost all countries there now exists a large and growing unmet desire for fertility control among women and men who are too poor to pay the full cost of services. In 1990, the number of couples of childbearing age who wished to stop or postpone childbearing, but who lacked satisfactory services, exceeded 125 million. Meeting these expressed needs would alone reduce world birthrates by a third. Even in Africa, where the desire for large families has remained strongest, contraceptive use is increasing more rapidly, particularly in countries with effective family planning programs, than demographic experts considered possible a decade ago.

(3) More than any other single factor, these organized family planning efforts have contributed to a dramatic increase in worldwide family planning use, from less than one-third of married couples in 1965 to more than one-half of such couples in 1990. In developing countries or newly industrialized countries, such as Taiwan, South Korea, Costa Rica, Thailand, Chile, Brazil, Colombia, and Sri Lanka, levels of family planning use and family size are becoming comparable to those in developed countries.

(c) FOREIGN GOVERNMENT POLICIES.—(1) In the 25 years which have passed since the United States Congress first authorized assistance to population programs there has also been a remarkable change in the policies of most governments toward population growth. The overwhelming proportion of people in developing countries now live under governments which officially seek to curb population growth. Some governments now consider population growth their most important development problem. In 1965, only 21 governments provided public support for family planning information and services. In 1990, 130 governments subsidized such services for low-income families.

(2) Despite these positive trends, birthrates in many developing countries around the world are presently declining too slowly to prevent a cataclysmic near tripling of the world's population before stabilization can occur. Although birthrates in a number of countries have declined faster in recent years than anticipated, for much of the world progress in the 1980s was noticeably slower than in the 1970s. Despite birthrate declines, the total number of people added to the world's population has thus continued to climb.

(d) FINDINGS REGARDING UNITED STATES GOVERNMENT POLICY.—(1) One of the major obstacles to more rapid progress in the 1980s has been the ambivalence of United States Government policy with respect to world population stabilization and the preoccupation of United States population assistance policy with efforts to outlaw abortion. The Congress finds that current United States population assistance has no clear objective either with respect to international population stabilization or to the expansion of reproductive choice. This lack of clear objectives leads additionally to a lack of clear criteria for allocation of funds and for evaluating program success.

(2) During the decade of the 1980s, while the United States Government increasingly questioned the seriousness of population problems and the importance of organized family planning efforts in solving them, nearly 800 million people, a number more than three times the population of the United States, were added to the world's population, making the world community's task for the 1990s both more difficult and more critical.

(3) As the world enters the last decade of the 20th century, the impact of human population pressure, combined with continued widespread poverty, is becoming evident in the mounting stress on the world's natural life support systems, most particularly in the rapid pace of tropical deforestation, the erosion of arable land and watersheds and the spread of deserts, in the extinction of plant and animal species, in global climate change and in growing problems of waste management and air and water pollution. Rapid world population growth, including continuing population expansion in developed countries, combined with unsustainable patterns of natural resource consumption, has become an urgent economic, social, and environmental problem.

(4) Congress finds that the lack of reproductive choice throughout much of the world has tragic consequences not only for women and their families but also for the planet's natural life support systems. Between now and the end of this century, population stabilization must be pursued as an urgent global objective.

SEC. 102. DECLARATION OF POLICY.

Therefore, Congress declares that in order to reduce population growth and stabilize world population at the lowest level feasible and thereby protect the global environment, to provide greater self-determination for women and to improve the health and well-being of the world's families, it shall be a principal objective of the foreign policy of the United States in the decade of the 1990s to achieve universal availability of high quality fertility control services. Such services shall offer a wide choice of safe and effective means of birth control, including safe abortion where permitted by individual country policy, along with programs of public education and other health and development efforts in support of smaller families. Congress directs that the President and those whom he appoints to conduct the foreign affairs of the United States shall establish the United States Government in a position of leadership in global efforts to achieve universal reproductive freedom and informed choice over childbearing by the end of the century.

SEC. 103. POPULATION ASSISTANCE POLICIES.

(a) FINDINGS.—The Congress recognizes that over time, although many social and economic factors affect desired family size, organized family planning programs have by far the most rapid and strongest single effect on birthrates, because they enable women and their families to achieve the same level of control over the timing and number of

their children as is available only to wealthier couples in most countries. The Congress also recognizes that widespread voluntary adoption of modern family planning methods and their successful long-term use depends on the quality of reproductive health care services offered and their responsiveness to individual and community needs and values.

(b) VOLUNTARY PARTICIPATION AND INFORMED DECISIONMAKING.—(1) All family planning activities receiving United States Government support under the Foreign Assistance Act of 1961 and related statutes shall, either directly or through referral, provide a broad range of fertility control methods, including abortion where permitted by individual country policy.

(2) To ensure that the decision to adopt any method is fully informed and entirely voluntary, none of the funds made available by the United States Government to foreign governments, international organizations, or nongovernmental organizations may be used to coerce any person to undergo contraceptive sterilization or involuntary abortion or to accept any other method of fertility control.

(c) QUALITY OF CARE.—(1) Family planning services and related reproductive health care services supported by United States foreign assistance shall maintain the highest medical standards possible under local conditions and shall ensure regular oversight of the quality of medical care and other services offered.

(2) United States population assistance programs shall supply only those contraceptive drugs and devices which have received approval for marketing in the United States by the United States Food and Drug Administration or which have been tested and judged safe and effective under research protocols comparable to those required by the United States Food and Drug Administration and have been judged safe by the World Health Organization or the relevant health authority in the country to which they are provided.

(3) United States population assistance shall in each recipient country support to the extent possible a broad choice of public and private family planning services, including networks for community based and subsidized commercial distribution of contraceptives.

(4) Family planning services supported by the United States shall be designed to take into account the needs of the family planning user, including the constraints on women's time, by involving community people in the design and ongoing evaluation of the services. The design of services shall stress easy accessibility, by locating services as close as possible to potential users, by keeping hours of service convenient, and by improving communications between users and providers through community outreach and involvement.

(d) SUPPORT FOR REPRODUCTIVE CHOICE.—(1) The United States Government shall support, through policy dialogue and public discussion and funding for relevant research, the expansion of reproductive rights in countries receiving foreign assistance.

(2) Eligibility for foreign assistance from the United States Government shall not be denied to any foreign government, international organization, or nongovernmental organization, whether located in the United States or abroad, based on that government's or organization's provision of abortion-related information or services or conduct of advocacy efforts on behalf of reproductive choice.

(e) ADOLESCENT PROGRAMS.—United States population assistance in the decade of the 1990s shall provide increased support for special programs to reach young adults before they begin childbearing. Such programs shall include educational programs which stress responsible parenthood and the various health risks of unprotected sexual intercourse, as well as service programs designed to meet the information and contraception needs of adolescents. United States assistance to adolescent fertility programs shall be provided in the context of prevailing norms and customs in the recipient country, except that, in setting guidelines for such programs, the Agency for International Development may encourage, but not require, family participation to the extent possible.

SEC. 104. ALLOCATIONS OF POPULATION ASSISTANCE.

(a) PRIORITY COUNTRIES.—Notwithstanding other provisions of law, funds provided to the President for population assistance shall be allocated, directly or through intermediary organizations, to countries which meet one or more of the following criteria:

(1) Countries which account for a substantial proportion of the world's annual population increment.

(2) Countries which have significant unmet needs for fertility control and require foreign assistance to implement, expand, or sustain good quality family planning services for all their people.

(3) Countries which demonstrate a strong policy commitment to population stabilization through the expansion of reproductive choice. As part of its annual congressional presentation materials, the Administrator of the Agency for International Development shall transmit to the Congress a detailed description of prior year and proposed direct and indirect allocations of population assistance, by country, which indicates how each country allocation meets the criteria set down in this section.

(b) PARTICIPATION IN MULTILATERAL ORGANIZATIONS.—(1) The Congress recognizes that the remarkable changes which have taken place in government policies toward population growth owe much to the efforts of the United Nations and its specialized agencies and organizations, most specifically, the United Nations Population Fund, which was established in 1969 at the urging of the United States and several other governments as a United Nations population assistance organization totally funded by voluntary contributions. Through its support of international forums for the discussion of population concerns and its support of thousands of population projects in and for the benefit of developing countries, the Fund has greatly helped to create the present international awareness and consensus on population growth as a development problem and on family planning as a basic human right. The Fund also provides assistance to a number of countries which receive little or no bilateral assistance from the United States.

(2) In recognition of the unique role which the United Nations Population Fund plays in promoting international cooperation in population activities and in addition to any other amounts made available for United States population assistance, the following amounts shall be available for the United Nations Population Fund for the following fiscal years:

(A) For fiscal year 1992, $65,000,000.

(B) For fiscal year 1993, $75,000,000.

(C) For fiscal year 1994, $85,000,000.

(3) In order to further international cooperation in the development and evaluation of fertility control technology, of the funds available under the Foreign Assistance Act of 1961, the President shall make available $4,000,000 to the Special Programme of Research, Development and Research Training in Human Reproduction managed by the World Health Organization for fiscal years 1992, 1993, and 1994.

(c) SUPPORT FOR NONGOVERNMENTAL ORGANIZATIONS.—(1) Congress finds that in many developing country settings, private and voluntary organizations or other nongovernmental entities, including those in the private enterprise sector, are the most appropriate and effective providers of United States assistance to population and family planning activities.

(2) The Administrator of the Agency for International Development shall establish simplified procedures for the development and approval of programs to be carried out by such nongovernmental organizations as have demonstrated a capacity to undertake effective population and family planning activities and a commitment to quality reproductive health care for women, including but not limited to the International Planned Parenthood Federation and the Planned Parenthood Federation of America.

(3) At least 50 percent of the funds appropriated in any fiscal year for United States population assistance shall continue to be made available to the programs of United States and foreign nongovernmental organizations.

(4) The Agency for International Development shall encourage greater involvement in the delivery of family planning services by private health practitioners, by employer-based health services, by unions and by cooperative health organizations.

SEC. 105. INCREASED FINANCIAL RESOURCES.

(a) FINDINGS.—The Congress takes note of the 1990 Amsterdam Declaration of the Forum on Population in the 21st Century and specifically of the worldwide goals set for expenditures on family planning and related programs in developing countries by the end of the century. The Congress establishes a target for global expenditures in developing countries from all domestic and international sources by the year 2000 of at least $10,500,000,000 for core population programs, as described in section 106 (a) and (b) of this Act, and establishes a goal for United States population assistance by the year 2000 of $1,200,000,000 in constant 1990 dollars.

(b) AUTHORIZATIONS OF APPROPRIATIONS.—In addition to any other amounts made available for such purposes, there are authorized to be appropriated to the President to carry out United States population assistance $510,000,000 for fiscal year 1992, $575,000,000 for fiscal year 1993, and $640,000,000 for fiscal year 1994.

SEC. 106. PROGRAMS DIRECTIONS IN CORE POPULATION ASSISTANCE PROGRAMS.

(a) FAMILY PLANNING SERVICES.—The Administrator of the Agency for International Development shall ensure that population assistance funds are used primarily to support the expansion of high quality, affordable, voluntary family planning services and closely related reproductive health care services, which emphasize informed choice among a variety of safe and effective fertility control methods. No individuals in programs assisted by the United States shall be denied family planning services because of an inability to pay all or part of the cost of such services. United States population assistance shall include support for adequate and regular supplies of high quality contraceptive commodities and shall include in-

creased emphasis on the use of the mass media to improve public knowledge of fertility control methods and where they may be obtained and to promote the benefits to individuals, families and communities of family planning.

(b) RESEARCH AND EVALUATION.—In order to facilitate the expansion of good quality family planning and related reproductive health care services United States population assistance shall also include—

(1) support to United States and foreign research institutions and other appropriate entities for biomedical research to develop or evaluate improved methods of safe fertility control, including abortion and methods which may act post-coitally, and with particular emphasis on methods which might prove safer, easier to use, less expensive and easier to make available in developing country settings;

(2) support for field research on the characteristics of programs most likely to result in sustained effective family planning use with particular emphasis on the perspectives of family planning users, including support for relevant social and behavioral research focusing on factors, including the use, non-use, and ineffective use of various fertility control methods;

(3) support for research and research dissemination related to population policy development, including demographic surveys to assess population trends, to measure unmet needs, and to evaluate program impact and for policy-relevant research on the relationships between population trends, poverty, and environmental management, including implications for sustainable agriculture, agroforestry, biodiversity, water resources, energy use, and local and global climate change;

(4) support for research and public information on the health and welfare consequences of unsafe abortion and for equipment and training necessary for the medical treatment of the complications of unsafe abortions.

(c) EXPANDED PUBLIC EDUCATION AND OUTREACH.—During the decade of the 1990s, the United States Government shall support a broad array of governmental and nongovernmental communications strategies to create public awareness within the United States and in foreign countries about reproductive health needs and the serious problems associated with continued world population growth, in order to generate a stronger consensus on the need for action. Such programs shall give special emphasis to the need to educate men and mobilize their support for enhancing reproductive choice and shall seek to make family planning an established community norm.

(d) REPORT TO CONGRESS.—The Administrator of the Agency for International Development shall prepare and submit to the Congress each year a report on world progress toward population stabilization and universal reproductive choice. The report shall include—

(1) estimates of expenditures, by national governments, donor agencies, and private sector entities on core population activities as described in subsections (a) and (b) of this section;

(2) an assessment of the availability and use of all methods of fertility control, including abortion whether or not legal, by country; and

(3) an analysis by country and region of the impact of population trends on important social, economic, political, and environment indicators.

TITLE II—POPULATION ASSISTANCE POLICY AND DEVELOPMENT

SEC. 201. THE IMPACT OF DEVELOPMENT.

(a) FINDINGS.—The Congress finds that certain development activities and expanded reproductive choices for women have such strong mutually reinforcing effects that when family planning services and these development activities are pursued simultaneously, fertility decreases and development both progress more rapidly. Among the most important of these development activities are efforts which improve infant and child survival rates, which increase the availability of education especially for girls and women, and which strive to make women equal partners in development.

(b) GENERAL POLICY.—The President, the Secretary of State, the Administrator of the Agency for International Development and others whom the President appoints to direct the foreign assistance programs of the United States shall in the decade of the 1990s provide strong political and financial leadership to the achievement of the specific goals set down in sections 202, 203, 204, and 205 of this Act to improve maternal and child survival, expand basic education and enhance women's self-determination and participation in development.

SEC. 202. SUPPORT FOR BASIC EDUCATION AND EQUAL EDUCATIONAL OPPORTUNITY.

(a) FINDINGS.—The Congress recognizes that beyond the availability of safe and effective contraceptives and safe abortion one of the most powerful long-term influences on birthrates is education, especially educational attainment among women. The education of women also has a strong positive influence on other aspects of family welfare, including rates of infant and child survival. The Congress notes, however, that as a result of rapidly rising numbers of school-age children around the world and constraints on government resources for education, there are now more school-age children not in school around the world than ever before. Most of the children not in school are girls. Efforts to remedy this situation are important to the achievement of broad-based social, economic, and political development as well as to early world population stabilization.

(b) POLICY.—It shall be an objective of United States foreign policy in the decade of the 1990s to achieve in all countries of the world universal access to basic education. In addition, specific objectives of United States foreign policy shall be to ensure the completion of primary school education by no less than 80 percent of primary school-age children worldwide and the reduction of world adult illiteracy by at least half of the 1990 level by the end of this decade. It shall also be an objective of United States foreign policy, to be pursued through policy dialogue with national governments and financial support of gender-specific educational initiatives, to eliminate by the end of this century the gap between male and female levels of literacy and between male and female levels of primary and secondary school enrollment.

(c) AUTHORIZATION OF APPROPRIATIONS.—Of the aggregate amounts available for United States development and economic assistance programs for education activities, $135,000,000 for fiscal year 1992 and $175,000,000 for fiscal year 1993 shall be available only for programs in support of adult literacy and basic primary education, including necessary activities in support of basic primary education.

(d) REPORT.—No later than December 31, 1991, the Administrator of the Agency for International Development shall prepare and transmit to Congress a 10-year estimate of financial resources needed for the achievement of these goals, including the total financial resources required from the United States, from other donor nations or organizations and from national education budgets.

SEC. 203. SUPPORT FOR INFANT AND CHILD SURVIVAL.

(a) FINDINGS.—The Congress notes that nearly 15,000,000 children under the age of 5 years die each year, most of them of readily preventable causes. This shameful waste of young life could be largely avoided through the wider availability of vaccines, simple treatments for diarrheal disease and respiratory infections and improved nutrition. The Congress also recognizes that efforts to reduce child death rates and to lower birthrates are mutually reinforcing, since unwanted pregnancy contributes in important ways to high child mortality and since parents who choose to limit the number of their children need assurance that their children will survive. Efforts to improve child health help secure the world's future by ensuring the vitality of future human resources and by reinforcing the trend toward smaller families.

(b) POLICY.—It shall be an objective of United States foreign policy to reduce in all countries by the end of this century the infant mortality rate by one-third of its 1990 level or to 50 deaths per 1,000 live births, whichever is lower, and to reduce the mortality rate of children under 5 years of age by 30 percent or 70 deaths per 1,000 live births, whichever is lower. In addition, specific objectives of United States foreign policy during the decade of the 1990s shall be—

(1) to reduce by one-half malnutrition among children under 5 years of age, with an emphasis on female child nutrition;

(2) to maintain immunization against childhood diseases for at least 85 percent of infants in all countries; and

(3) to reduce by one-half deaths to children under 5 years of age due to diarrheal disease and acute respiratory infections.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated not less than $150,000,000 for fiscal year 1992 and not less than $205,000,000 for fiscal year 1993 in the Child Survival Fund only for child survival activities, including the Children's Vaccine Initiative, the worldwide immunization effort and oral rehydration programs.

(d) REPORT.—No later than December 31, 1991, the Administrator of the Agency for International Development shall prepare and transmit to Congress a 10-year estimate of the financial resources needed for the achievement of these goals, including the total financial resources required from the United States, from other donor nations or organizations, and from national budgets for maternal and child health.

SEC. 204. SUPPORT FOR WOMEN'S HEALTH AND NUTRITION.

(a) FINDINGS.—(1) The Congress notes that in many of the world's countries, the most important factors in high levels of mortality and morbidity among women of childbearing age relate to the inadequacy of reproductive health care services. Each year, at least 500,000 women worldwide die from problems related to pregnancy, childbirth, or the rising incidence of unsafe illegal abortion. For each woman who dies from such causes, as many as 20 additional women suffer long-term illness or permanent physical impairment.

(2) High levels of morbidity and mortality among women in their childbearing years have serious consequences for families and communities since women are both the principal family care givers and, in a growing number of families, are an important or the sole source of economic support for their children. The death of a mother substantially increases the risk of neglect, abandonment, or even death for her small children.

(3) In addition, malnutrition and anemia are widespread among poor women in their childbearing years. Maternal malnutrition during pregnancy and during breastfeeding of 12-months duration or longer contributes substantially to morbidity and mortality among women. Congress finds that despite the active worldwide campaign to encourage long breastfeeding there has been little focus on the nutritional needs of nursing mothers.

(4) During the decade of the 1990s, women, especially in Africa, will also face substantially increased risks of death or disability, including infertility, from sexually transmitted diseases. During the 1990s, more than 3 million women in Africa will die of AIDS, leaving more than 5 million AIDS orphans.

(b) SAFE MOTHERHOOD INITIATIVE.—It shall be an objective of United States foreign policy during the decade of the 1990s to reduce by one-half, deaths to women resulting from problems associated with pregnancy, childbirth, and unsafe abortions. In addition to fertility control services, expanded programs in reproductive health care shall emphasize—

(1) prenatal care and screening for high risk pregnancies and improved access to safe delivery services for women with high risk pregnancies;

(2) supplemental food programs for pregnant and nursing women;

(3) strategies to prevent and cost-effectively treat infertility;

(4) expanded programs to prevent, detect, and treat sexually transmitted diseases, including AIDS, and other chronic reproductive health problems;

(5) programs to eliminate traditional practices damaging to women's health, including female circumcision; and

(6) improvements in the practice of midwifery, including outreach to traditional birth attendants.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $62,000,000 for fiscal year 1992 and $72,000,000 for fiscal year 1993 for the AIDS Prevention and Control Fund.

(d) REPORT.—The Administrator of the Agency for International Development shall prepare and transmit to the Congress no later than December 31, 1992 a report outlining new and expanded initiatives to ensure safe motherhood worldwide. The report shall incorporate the findings of new AID-sponsored research on the major causes of mortality and morbidity among women of childbearing age in various regions of the world. The report shall identify the most important actions to be taken over the decade of the 1990s in order to reduce world maternal mortality by one-half and the financial resources needed to meet this goal from the United States, other donor nations or organizations and national budgets for health.

SEC. 205. SUPPORT FOR WOMEN'S FULL PARTICIPATION IN DEVELOPMENT.

(a) FINDINGS.—Congress notes that throughout the world, women who are free and thus able to participate fully in the entire array of social, economic, and political affairs of their communities are most likely to want small families and to acquire the means to exercise their choices about childbearing. Women, moreover, represent one-half of the human resources available for development, and improvements in their status and productivity are essential for progress in most sectors. It is, therefore, a long-term objective of United States foreign policy to ensure that women everywhere have the opportunity to become equal partners with men in the development of their societies.

(b) SUPPORT FOR THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN.—The Secretary of State shall include in each annual country human rights assessment, information on any patterns of discrimination against women in inheritance laws, property rights, family law, access to credit and technology, hiring practices, formal education, and vocational training. The assessment shall also make reference to all significant forms of violence against women, including female circumcision, the extent of involuntary marriage and childbearing, and the prevalence of marriage among women under the age of 18 years.

(c) SUPPORT FOR UNITED NATIONS FORWARD LOOKING STRATEGIES FOR THE ADVANCEMENT OF WOMEN.—(1) Congress directs that the United States representatives to the United Nations Commission on the Status of Women shall take all actions necessary to ensure the rapid implementation of the United Nations Forward Looking Strategies for the Advancement of Women, as adopted in 1985 at the United Nations Conference ending the Decade for Women.

(2) Not later than December 31, 1991, the Secretary of State shall submit the five-year review of the status of United States women, as called for at the conference, and shall submit such annual reports as are requested by the United Nations Commission on the Status of Women.

(d) WOMEN'S PRODUCTIVITY INITIATIVE.—In addition to efforts to expand formal education for girls, Congress mandates that United States foreign assistance programs shall place greater emphasis on activities which increase women's productivity through improved access to appropriate labor saving technology, vocational training, extension services, access to credit, and child care facilities. New initiatives shall take into account rural women's heavy work burden and their important roles as managers of renewable natural resources such as fuelwood and water.

(e) REPORT.—No later than December 31, 1992, the Administrator of the Agency for International Development (AID) shall prepare and transmit to Congress an analysis, by country, of the most important legal, social, economic, and cultural barriers to women's self-determination and to improvements in the productivity of women's labor in both traditional and modern sectors. The analysis shall include a description of initiatives AID proposes to support in the development of appropriate technology for women, credit schemes for low-income women, expanded child care, and vocational training and extension services for women.

TITLE III—ORGANIZATIONAL PROVISIONS

SEC. 301. STRENGTHENING THE ORGANIZATION OF THE DEPARTMENT OF STATE.

(a) The Congress finds that the present organization of the Department of State inadequately reflects and provides insufficient focus for the increasing importance to United States interests in the post-Cold War era of the interrelated issues of global population growth, environmental degradation, and natural resources management. The Congress expects that between now and the end of this century, the United States Government will be a party to and in many cases provide leadership for greatly increased global cooperation on these critical issues.

(b) In addition to the positions provided under the first section of the Act of May 26, 1949, as amended (22 U.S.C. 2652), there shall be within the Department of State an Under Secretary of State for Global Population, Environment, and Natural Resources who shall be appointed by the President, by and with the advice and consent of the Senate and who shall have the responsibility to provide a focus within the Department of State for the bilateral and multilateral dialogue described in subsection (a), except that authority for the overall direction of United States population assistance policies and programs shall remain with the Agency for International Development.

SEC. 302. OVERSIGHT OF MULTILATERAL DEVELOPMENT BANKS.

(a) The Congress considers insufficient the role currently played in global population efforts by the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank and the African Development Bank. Although these multilateral development banks are singularly important sources of support for development activities, together they provided less than $200,000,000 in 1990 in assistance for core population programs. Nor have these institutions consistently used their considerable influence with national leaders to encourage appropriate population and reproductive health care policies.

(b)(1) The Congress believes that the multilateral development banks should together increase their support for core population activities to no less than $1,000,000,000 by the end of this century.

(2) In furtherance of this goal, the President shall require the United States Executive Directors of the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank and the African Development Bank to prepare and transmit to Congress by July 31 of each year a report on allocations by each of these institutions to core population activities and, if such allocations total less than $1,000,000,000, a discussion of any specific actions taken by the Executive Directors to encourage increases in such allocations and in policy level discussions with donor and developing country governments.

SEC. 303. PREPARATIONS FOR THE 1994 INTERNATIONAL POPULATION CONFERENCE.

(a) Not later than March 1, 1992, the President shall establish a National Bipartisan Commission on World Population Stabilization and Reproductive Health to oversee United States preparations for, and participation in, the 1994 International Population Meeting and for other purposes.

(b) The Commission shall be comprised of the Under Secretary of State for Global Population, Environment and National Resources, the Administrator of the Agency for International Development, the Chairman of the President's Council on Environmental Quality, the Deputy Assistant Secretary for Population Affairs of the Department of Health and Human Services, the Director of the Congressional Office of Technology Assessment, and three other individuals appointed by the President, by and with the advice and consent of the Senate, one of whom shall be designated as chairman.

(c) Not later than June 30, 1993 the Commission shall prepare and have published as

a public document a report on national and international population trends and their probable impact on efforts to alleviate poverty and protect the environment. The report shall include specific recommendations for modifications in the World Population Plan of Action, and in the 88 recommendations for its further implementation approved at the 1984 International Conference on Population, for consideration at the 1994 International Population Meeting. Such recommendations shall emphasize, *inter alia*, policy changes and financial commitments by the governments of the world required to achieve universal reproductive choice and early population stabilization.

(d) The Commission shall hold public hearings on the published report in which relevant experts from within the United States as well as from other developed and developing countries shall be invited to review the findings and recommendations.

(e) In order to carry out this section, there are authorized to be appropriated $500,000 for fiscal year 1992 and $1,000,000 for fiscal years 1993 and 1994.

EXHIBIT 1

[From the Christian Science Monitor, May 10, 1991]

WORLD POPULATION—U.S. ADDRESSES FAMILY PLANNING

(By Brad Knickerbocker)

The connection between overpopulation and environmental degradation is becoming a prominent factor in efforts to increase family planning around the world.

This is happening at several levels: within international agencies like the United Nations, among environmental groups now making it a top priority, and on Capitol Hill.

The House Committee on Foreign Affairs was scheduled yesterday to mark up its foreign aid bill, which includes funds for international family planning legislation. [See related story].

While man's impact on nature has long been felt locally, the worldwide effect of steady growth in population and development is becoming increasingly evident in light of deforestation, species loss, and global warming.

For example, the clearing of forests for firewood in Nepal caused erosion and siltation that in turn created small islands where rivers emptied into the sea. Land-starved peasants in Bangladesh (where 110 million people live in an area the size of Wisconsin) crowded onto these islands, which put them in the direct path of cyclones.

Lester Brown, president of the Worldwatch Institute says "profoundly disturbing" population trends mean the per capita availability of key resources will shrink "at an unprecedented rate" during the 1990s: grain land by 15 percent, irrigated land by 11 percent, forest land by 19 percent, and grazing land by 18 percent. World grain output per capita already has dropped 4 percent since the mid-1980s.

Werner Fornos, president of the Population Institute, points out that 70 percent of all families in the developing world depend on wood for fuel. Many of the communities that rely on fuel-wood as a primary energy source are overcutting forest land, according to the UN Food and Agriculture Organization.

Nancy Wallace, director of the Sierra Club's international population program, points to the direct connection between deforestation, wood burning (both linked to overpopulation), and global warming. Wood burning for example, releases two of the four major "greenhouse" gases—carbon dioxide and methane—into the atmosphere. Forests left growing, on the other hand, absorb carbon dioxide.

"The quality of human life is inseparable from the quality of the environment," Nafis Sardik, director of the UN Population Fund, said in releasing the agency's 1990 report. "And we cannot solve the environmental crisis without solving the population crisis."

"The current percent increases [in population] may seem innocuous, but the added billions can bring disaster," warns Nathan Keyfitz, who heads the population program for the International Institute for Applied Systems Analysis in Austria. "The tree cutting and other demands on the environment are not related to [birthrate] but to the population, and the relation to population is not linear or proportional, but much more than proportional, once a resource has become scarce."

"The time in which the claim can be broken is limited," he writes in "Preserving the Global Environment." published this year by the American Assembly at Columbia University and the World Resources Institute.

The world population today is 5.3 billion people. The annual rate of increase slowed to 1.7 percent by the mid 1980s, but edged up again toward the end of the decade. Experts figure the population will stabilize at 9.3 billion by the end of the next century—but only if voluntary means of contraception are made widely available and birth rates drop to replacement levels (an average of 2.1 children per couple).

If not, the population could triple. There are 1.4 billion people under age 15 in Latin America, Africa, and Asia excluding Japan. The number of reproductive-age couples in such countries will go up about 18 million per year through the 1990s.

Today, only about half the women in developing countries have access to modern contraception; 30 percent not counting China. Meeting at a UN-sponsored conference in Amsterdam two years ago, 79 countries (including the US) drew up a blueprint for stabilizing population growth that would increase contraception availability to 75 percent. Fulfilling the "Amsterdam Declaration" would mean raising world spending on family planning assistance from $3.2 billion a year to $10.5 billion. This is equal to 4 percent of average foreign aid from developed countries (which only Norway now spends).

At present, the US dedicates 2.2 percent of its foreign aid to population programs. Under pressure from right-to-life groups, the Reagan administration in 1984 cut off US support for the UN Population Fund. It was alleged that the organization at least indirectly lent support to abortions in China. The Bush administration has kept that ban.

But the Bush White House also budgeted a 24 percent rise in other forms of international population assistance for 1992, which Nancy Wallace of the Sierra Club calls "a major increase given the current fiscal climate." This brings the total to $308 million, which is still only about half what the US would be spending under the Amsterdam Declaration.

Conservative groups—many of which oppose not just abortion but family planning in general—have attacked environmental groups that have joined the call for population control. The irony here is that failure to provide means of contraception leads to an increase in abortion in much of the world. Environmental group leaders shrug off this criticism and are hopeful that the current momentum in their direction continues.

"I feel quite confident that this will be dealt with," says Ms. Wallace. "The question is, will we do it soon enough to maintain a reasonable quality of life and a healthy ecosystem? Or will be lose the basis for our economic survival?"

[From the Washington Post]

U.N. SEES GLOBAL FERTILITY DROP, BIRTH CONTROL GAINS

(By William Booth)

Birthrates are declining in all major regions of the world and more than half of all couples in developing countries now use some kind of contraception, according to the United Nations' annual report on the state of the world population.

The percentage of couples in developing countries using birth control has gone from less than 10 percent in the 1960s to 45 percent in the 1980s and 51 percent today, said the report of the U.N. Population Fund, issued yesterday.

"It shows a real change in the real world is possible. It shows family planning does work," said Carl Haub, a demographer at the private Population Reference Bureau here. "The situation is not hopeless."

The world's current population is 5.4 billion. It is expected to increase by about 85 million people a year, or 850 million over the next decade, equivalent to adding the population of Mexico every year or the population of India every 10 years.

But there has been a change in attitude. In numerous surveys, women today say they want fewer children, and desired family size is declining. Birthrates, which demographers refer to as fertility, are decreasing in every major region of the world, sometimes dramatically.

In Latin America and Asia, where in the 1960s women gave birth to an average of six children, they are now having three or four. In countries such as Thailand, Indonesia and South Korea, fertility has fallen steeply; in some cases, the rate has fallen to that of Western Europe, which barely manages to replace the dying with the newly born.

In Africa, where fertility is highest and contraception use lowest, women on average had fewer babies in the 1980s, though the average number of births was still high at 6.2, down from 6.6 in the 1960s.

GLOBAL BIRTHRATES DECLINING AS FAMILY PLANNING INCREASES

"What people are realizing is that smaller family size helps them increase their opportunities," said Catherine Pierce, a demographer with the U.N. Population Fund, "They can see the advantages of smaller versus larger families."

Yet against these signs is the unrelenting mathematics of continued population growth at higher than the replacement rate, which many believe to be at the root of the environmental degradation and mass poverty that plagues some developing countries.

The drop in family size from six to four children, for example, still results in rapid growth. Adding to the calculus is increased life expectancy in many countries. The United Nations projected in the 1980s that world population would stabilize at about 10.2 billion by the year 2085. Despite the family planning advances reported yesterday, many demographers now expect that world population will not top out until it reaches 11 billion or 12 billion toward the end of the next century. World Bank demograhers recently put the ceiling at 12.5 billion.

Almost all of the increases will occur in the developing world. To slow growth, the

U.N. group advocates increasing birth control use in the developing countries from the current figure of 51 percent to 59 percent by the year 2000.

But contraceptive use is not evenly distributed around the world. In China, it is 72 percent; in West Africa, 4 percent. Use in the United States is almost 70 percent. U.N. demographers said that a stable world population will not be achieved until 75 percent of couples use contraception.

But officials say they are encouraged by the fact that most developing countries now appreciate the need for family planning. According to the report, only four countries actively restrict access to family planning services: Saudi Arabia, Iraq, Cambodia and Laos.

To increase birth control use, the U.N. Population Fund estimates that worldwide spending on family planning will have to double to $9 billion by the year 2000. While most of the money comes from developing countries, the U.N. group hopes to increase donations from developed countries, including the United States. The United States cut off support for the U.N. Population Fund because of its program in China, whose "one couple, one child" campaign was viewed as overly coercive.

FAMILY PLANNING, U.S. POLICY AND THE DEATHS IN BANGLADESH

(By Hobart Rowen)

The death toll has hit a shocking 125,000 in Bangladesh and may reach 200,000. But don't blame it all on the cyclone and floods. The disaster also has its roots in abject poverty, which is linked to environmental problems and excessive population growth.

Bangladesh is a disaster-prone tiny corner of Asia, suffering from degradation of the water-shed in the upper Himalayas that aggravates periodic flooding, creating vast numbers of landless poor. The per-capita income is a miserable $170 a year.

At the same time, Bangladeshi families produce an avreage of almost five children, an improvement over six in the early '80s, but still too high. About 115 million people—equal to about half the U.S. population—are jammed into an area ⅛th the size of the United States. The worst lies ahead: Bangladesh will nearly double to 199 million by the year 2025, according to the World Bank.

Misguided richer nations routinely pump multi-billions of loans into the Third World for economic "development" and then ignore the relative pennies that are needed for family planning or reforestation.

World Bank statistics show that despite money handouts, per-capita income in country after country in Asia and Latin America is declining. With too many mouths to feed, there's no mystery to the result.

Routinely, we hand out condoms in American classrooms these days. yet because of the power of the antiabortion lobby, normally sensible politicians such as President Bush look the other way when poor mothers and fathers in the Third World beg for modern contraceptive devices and training.

The current crisis in Bangladesh gives added urgency to a report on global population problems sent this week to 300 members of Congress by the Population Crisis Committee, a Washington research agency.

A key recommendation is that Congress boost Agency for International Development funds for family planning from $322 million this year to $600 million next year and that AID scrap the "open hostility" evidenced at the very top of the agency and return to the much bolder population-control programs it guided until midway through the Reagan administration.

By promoting the availability and use of modern contraceptive techniques, AID helped slow the pace of population growth in the '60s and '70s. It was one of our real foreign aid success stories, notably in Thailand, Indonesia, Mexico—and Bangladesh.

But in 1984 President Reagan allowed then-State Department official James Buckley, as chief U.S. delegate to a population conference in Mexico City, to establish a new and circumscribed American policy. Buckley decided that no AID funds could be used to support any foreign population-control agency if that agency engaged in any abortion-related activities.

"The Mexico City policy says to groups overseas: 'If you use your own resources on abortion, you're ineligible for any grant from us for family planning,'" said the PCC's Joseph Speidel.

"AID programs are plagued by the ghost of the Reagan administration," and PCC Vice President Sharon Camp. "Reagan ideology claimed that population growth is a neutral factor in development—rather than a threat to economic progress, family health and the environment."

There is little doubt that Bush knows better. But he has willingly sublimated lifelong, on-the-record views on the desirability of strong American leadership on this issue to an effort to appease the GOP right wing.

This head-in-the-sand policy needs a new and urgent re-examination. The PCC estimates that 1 million women lose their lives annually in the Third World through illegal abortions. Good family planning could cut that figure in half. The PCC report notes that most demographers believe that the world's population will triple before it stops growing unless more couples adopt some form of birth control by the end of the 1990s.

Family planning advocates are not suggesting using American government money to finance abortions abroad. They want AID to finance what is legal in both the United States and in most Third World countries. That includes funding a comprehensive family planning program that will help couples obtain modern contraceptives and teach them how to use them effectively. They also want to educate Third World women on the dangers of illegal abortions and generate sex education for adolescents in Africa and Asia.

The United States should restore itself as a world leader in the field of family planning. This is an area where a Democratic leadership looking for issues has a real opening. Polls show that the vast majority of Americans support funding for family planning. Increasingly, environmental organizations that shied away from entanglements with population issues see the nexus between family planning and their own goals, as illustrated in Bangladesh.

Sen. Mitchell, Speaker Foley: What are you waiting for?

[From the New York Times, May 23, 1991]

SMALLER FAMILIES, BIGGER FUTURES

A Republican President of the United States once made stirring comments about the importance of birth control. "Governments must act and private citizens cooperate urgently through voluntary means to secure this right for all people," Dwight D. Eisenhower said. "Failure would limit the expectation of future generations to abject poverty and suffering and bring down upon us history's condemnation."

During the last 25 years many governments, and the United States Government in particular, have indeed acted to secure the right to birth control information and technology. The results, described in a new report from the United Nations, are remarkable.

Thirty years ago, fewer than 10 percent of couples in developing countries used some kind of birth control. Today more than half do. In Latin America and Asia, women are giving birth to three or four children where once they had six. And in Africa, where the fertility rate is highest and contraceptive use lowest, births are starting to decline.

Even so, the multiplication rate remains awesome, and so do its consequences: the impoverishment of the planet and many of its inhabitants. The 1990's represent America's chance to make an extraordinary impact on the future—by resuming the leadership of international family planning efforts it renounced during the Reagan years.

At the 1984 World Population Conference in Mexico City, the United States announced it would try to end financial aid to any agency that so much as mentioned abortion. The Agency for International Development then withdrew funding from the U.N. Fund for Population Activities and the International Planned Parenthood Federation.

Last week, the Population Crisis Committee, a Washington research and advocacy group, sent recommendations on global population control to Congress. They deserve serious consideration by legislators and by anyone concerned about world population, mass poverty and the environment—and, above all, by the current Republican tenant in the White House. The group seeks renewed support for the U.N. fund and the federation; a substantial budget for A.I.D.'s population programs, and more comprehensive approaches to family planning.

"A.I.D. programs are plagued by the ghost of the Reagan Administration," says Sharon Camp, a senior vice president of the population crisis group. It's well past time to shake off that ghost of the past, for the sake of the future.

By Mr. CRANSTON (for himself, Mr. RIEGLE, and Mr. DIXON):

S. 1194. A bill to amend the Urban Mass Transportation Act of 1964, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FEDERAL MASS TRANSPORTATION ACT OF 1991

• Mr. CRANSTON. Mr. President, I am introducing today the Federal Mass Transportation Act of 1991, a bill that will improve public transportation across this country.

I am pleased to join in cosponsoring the bill with my distinguished colleagues, Senators DON RIEGLE and ALAN DIXON.

The bill is not, of course, a final product. The Senate Banking Committee will be working on a bipartisan basis to refine this legislation so that it can be added as the mass transportation title when the Surface Transportation Efficiency Act is considered on the Senate floor next month. We are introducing the bill today to make it easier for people across the country to have access to the text for review and comment.

The transportation bill now before Congress is the most important piece

of transportation legislation in many years. The Environment and Public Works Committee is setting out a far-sighted framework for national transportation policy. And the bill we introduce today will reinforce other elements of the Surface Transportation Efficiency Act.

Public transit must be an important part of our transportation future. The unmet need for modern, efficient public transit is even greater today than it was 25 years ago, when Congress first acted to strengthen public transit. Fortunately, we have a great opportunity this year to begin closing that gap.

For the first time in 35 years, we are finally free to decide the future of Federal transportation policy without the cost burdens of completing the interstate highway system. The Nation now has that vital asset. It needs to be preserved, of course.

The interstate commitment was based on the Eisenhower era dream that we could achieve nationwide mobility by building bigger and better roads to accommodate more and faster motor vehicles.

My own State of California embraced the dream early on. No State threw itself into the task with more fervor. California's vast and sophisticated network of superhighways is second to none.

But now we also know that the dream of 35 years ago can carry us only so far—and then it creates severe problems. In our economic and population centers, more highways do not bring mobility—new highways tend to generate new congestion.

The costs of highway construction are far greater than the $129 billion in direct spending on the interstate system.

We pay that cost through increasingly intolerable traffic congestion in the Nation. In my State of California, some 6,000 miles of the main roads are choked to capacity in peak hours. California's work force spends 300,000 hours each day in traffic gridlock.

We pay the cost through rising and atrocious air pollution in America—8 of every 10 Californians now live in areas with polluted air, much of it transportation related.

Two recent studies by the University of Southern California made the shocking finding that "children raised in the South Coast Air Basin already had 10 to 15 percent less lung function by the time they were in the second grade than youngsters growing up in relatively smog-free Houston."

We pay the cost through over-reliance on foreign oil. And each additional commuter who has to use a car requires an extra 200 gallons of gasoline per year.

These problems can only worsen if we continue current transportation policies. California's freeway congetion is expected to rise by more than 400 percent during the next 20 years. Some States may not yet have the highway-related crisis that has already hit California. But many do, and the trends are ominous throughout the country.

Continuing with a narrow-viewed highway policy will lead us up a blind alley. The Senate must find a better path.

I am confident that a new transportation bill can move the country toward a more balanced, integrated and efficient transportation system. We can do a better job of linking highways, mass transit, ports, railroads, and airlines. We can move goods more efficiently within urban centers and to distant markets. We can help people move quickly to and from home, jobs, and other destinations.

I believe the Senate is stepping up to that challenge.

The Committee on Environment and Public Works and the Senate Banking Committee are working closely together to develop a comprehensive transportation bill.

The Banking Committee's Subcommittee on Housing and Urban Affairs, which I chair, is responsible for public transit legislation. Our process is well along. Several months ago, the subcommittee invited policy recommendations from transportation leaders across the country. We convened a national symposium on public transportation. We've held hearings in Washington and elsewhere.

Many responded with very thoughtful advice. And we have incorporated the best of those recommendations into this bill. I would like to mention key elements of our legislation.

First, the bill provides comparable funding increases for highways and public transit. Over the past decade, Federal aid to public transit was cut from $4.6 billion in fiscal 1981 to $3.2 billion today. After inflation, that is a cut of 50 percent. Now, the administration's bill would expand highway spending by 39 percent but proposes essentially flat funding for public transit. The President suggests a token increase way out in the last year of the proposal; but, after inflation, mass transit would continue to be cut for 5 more years.

Our bill provides for real growth in transit funding—equal to the increase provided for highways. Both the discretionary grant program and the formula grant programs will be funded partly out of the transit account of the highway trust fund and partly out of general funds.

The bill does not accept the President's scheme for exhausting the trust fund balance over a 5- or 6-year period and then throwing transit funding into a crisis. Our bill will provide transit with sources of funding that can be sustained on into the future.

Second, the bill opens up the highway trust fund so that highway and transit dollars can be used to improve mobility in the most efficient way—whether that is with roadways, or transit, or some multimodal solution.

In some areas, new roads may be the answer. But in other areas, mobility would be improved much more efficiently through improved mass transit—or perhaps through ramp-metering, HOV lanes, or car pool programs. Metropolitan areas should be able to choose the best use of scare funds.

I am aware that many are uneasy about funding flexibility because, historically, highway interests have had such dominant power in many States.

But I believe we can fashion a solution that provides funding flexibility where it really is needed—in those metropolitan areas that are struggleing with severe problems of congestion and air pollution. We should do it with adequate protections so that funds will not be drained form basic transit needs.

Fourth, the bill helps us get a bigger "bang" of transportation service for every transit buck that is made available.

One section of the bill improves full funding grant agreements to stretch available funding over more projects and enable transit operators to finance and manage long-term projects more efficiently. Another section of the bill permits operators to enter into long-term purchasing agreements for buses and rail cars to provide fleets of compatible vehicles that can be operated and maintained more efficiently. Yet another section of the bill provides new authority that is needed for "turnkey" procurement of high technology transit systems.

Fifth, the bill addresses the differing needs of mass transit systems across the country. Some cities have a great need to build new transit systems—for them, the bill would improve capital project management. Other cities have mature transit systems and need assistance in operating, modernizing and extenting their facilities—for them, rail modernization would be distributed on a more predictable formula. All cities need adequate bus service—for them, funding for bus procurement would be increased. The bill reflects the needs of smaller communities and rural areas—for them, funding for the section 18 program would be doubled.

Sixth, the bill gives priority to maintenance of our existing infrastructure. The Senate's highway title provides protection of the interstate investment and maintenance of our bridges. The public transportation title will also provide for adequate maintenance of our public transportation services.

Seventh, the bill gives metropolitan areas responsibility to develop comprehensive strategies for meeting their long term transportation needs. Our bill is carefully crafted so as not to require significant changes in practice

for less densely populated States and areas. But it does provide for integrated transportation planning in areas with severe air pollution and traffic congestion where that is especially important.

That will work only if metropolitan areas are allocated a fair share of Federal transportation aid and are given authority to select projects for new or expanded capacity. Projects will be approved through a comprehensive local decision making process in which States and other interested parties participate.

This authority to approve capacity expansion projects need not be given to every metropolitan area, but our bill gives that authority to those areas that are trying to carry out a comprehensive strategy for reducing severe congestion and air pollution.

Eighth, the bill removes bias against the choice of the most efficient use of Federal transportation funds. Federal policy now stacks the deck heavily against public transit. Metropolitan areas will have a "level playing field" when they choose among transportation modes. Application procedures will be more standardized. Extra UMTA requirements for alternatives analysis and some other application steps would be waived if section 3 funds will be less than 30 percent of a project's cost—and Federal highway funds could be used to reduce funds required under section 3.

State and local match requirements will be more uniform across alternative transportation solutions. Our bill would apply the highway match requirements to public transit projects—that is a 75/25 match for new capacity; and 80/20 match for maintenance activities and more efficient use of existing systems.

And finally, the bill reinforces the Clean Air Act, the Americans With Disabilities Act and other important national objectives. The bill is drafted to prevent some provisions of the Clean Air Act from having the unintend effect of diverting Federal transportation assistance away from areas of the country that have the greatest congestion. And it is drafted to prevent some requirements of the Americans with Disabilities Act from having the unintended effect of weakening transit systems that are already financially strained.

Our bill reflects the suggestions of many transportation leaders across the country. It improves existing transit programs and breaks some new ground to provide for more effective mass transit.

The Senate is under tight time pressure for moving a transportation bill. Majority Leader GEORGE MITCHELL has made clear that the Senate has to complete action on a transportation bill before the July recess. I intend to meet that timetable.

I urge my colleagues to review this legislation carefully and work with us to refine it and get it enacted promptly. Together we can produce a surface transportation act that will give this country the advanced, integrated transportation system we need—a system that will help conserve our fuel, cut our air pollution, and clear our roadway congestion for decades to come.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed at this point in the RECORD.

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

S. 1194

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Federal Mass Transportation Act of 1991".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Change of agency name.
Sec. 3. Findings and purposes.
Sec. 4. Discretionary capital grants; technical amendment to provide for early systems work contracts and full funding grant contracts.
Sec. 5. Section 3 program—Allocations and rail modernization formula.
Sec. 6. Discretionary capital grants—Innovative techniques and practices.
Sec. 7. Discretionary capital grants—Elderly and persons with disabilities.
Sec. 8. Criteria for new starts.
Sec. 9. Advance construction; technical amendment related to interest cost.
Sec. 10. Discretionary capital grants—Deleting of extraneous material.
Sec. 11. Comprehensive transportation strategies.
Sec. 12. Section 9 formula grant program—Discretionary transfer of apportionment.
Sec. 13. Section 9 program—Elimination of incentive tier.
Sec. 14. Section 9 program—Applicability of safety provisions.
Sec. 15. Section 9 program—Certifications.
Sec. 16. Section 9 program—Program of projects.
Sec. 17. Section 9 program—Delegation of environmental assessment responsibility.
Sec. 18. Section 9 program—Continued operating assistance for commuter rail in southern Florida.
Sec. 19. Section 11—University transportation centers.
Sec. 20. Section 12—Transfer of facilities and equipment.
Sec. 21. Special procurement.
Sec. 22. Section 16—Elderly and persons with disabilities.
Sec. 23. Section 18—Transfer of facilities and equipment.
Sec. 24. Human resources program support.
Sec. 25. Authorizations.
Sec. 26. Section 23—Project Management Oversight.
Sec. 27. Section 26—Planning and research.
Sec. 28. Technical accounting provisions.

SEC. 2. CHANGE OF AGENCY NAME.

(a) IN GENERAL.—The Urban Mass Transportation Administration is hereby redesignated as the "Federal Transit Administration".

(b) CONFORMING AMENDMENTS.—Titles 5 and 49, United States Code, are amended by striking "Urban Mass Transportation Administration" wherever it appears and inserting "Federal Transit Administration".

(c) OTHER REFERENCES.—Any reference in any other provision of law to the "Urban Mass Transportation Administration" shall be deemed to refer instead to the "Federal Transit Administration".

SEC. 3. FINDINGS AND PURPOSES.

(a) FINDINGS.—Section 2(a) of the Urban Mass Transportation Act of 1964 (hereafter referred to in this Act as the "Act") (49 U.S.C. App. 1601(a)) is amended—

(1) in paragraph (2), by striking "and" after "basis";

(2) in paragraph (3), by striking the period and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(4) that significant improvements in public transportation are necessary to achieve national goals for improved air quality, energy conservation, and mobility for elderly persons, persons with disabilities, and economically disadvantaged persons in urban and rural areas of the country.".

(b) PURPOSES.—Section 2(b) of the Act is amended—

(1) in paragraph (2), by striking "and" after "private";

(2) in paragraph (3), by striking the period and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(4) to provide financial assistance to State and local governments and their instrumentalities to help implement national goals relating to mobility for elderly persons, persons with disabilities, and economically disadvantaged persons.".

SEC. 4. DISCRETIONARY CAPITAL GRANTS; TECHNICAL AMENDMENT TO PROVIDE FOR EARLY SYSTEMS WORK CONTRACTS AND FULL FUNDING GRANT CONTRACTS.

Section 3(a)(4) of the Act is amended—

(1) by inserting after "(4)" the designation "(A)";

(2) by adding in the fifth sentence, after "complete" the phrase "not less than";

(3) by adding after the fifth sentence the following new subparagraphs:

"(B) The Secretary is authorized to enter into a full funding contract with the applicant, which contract shall—

"(i) establish the terms and conditions of Federal financial participation in a project under this section;

"(ii) establish the limits of Federal financial obligation for such project; and

"(iii) facilitate timely and efficient management of such project in accordance with Federal law.

A contract under this subparagraph shall obligate an amount of available budget authority specified in law and may include a commitment, contingent upon the future availability of budget authority, to obligate an additional amount or additional amounts from future available budget authority specified in law. The total of amounts stipulated in a contract for a fixed guideway project shall be sufficient to complete not less than an operable segment. Any interest and other financing costs of carrying out the project or a portion thereof efficiently shall be considered as a cost of carrying out the project

under a full funding contract, except that eligible costs shall not be greater than the costs of the most favorable financing terms reasonably available for the project at the time of borrowing.

"(C) The Secretary is authorized to enter into early systems work agreements with the applicant if a record of decision pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) has been issued on the project and the Secretary determines there is reason to believe—

"(i) a full funding contract will be entered into for the project; and

"(ii) the terms of the early systems work agreement will promote ultimate completion of the project more rapidly and at less cost.

The early systems work agreement shall obligate an amount of available budget authority specified in law and shall provide for reimbursement of preliminary costs of project implementation, including land acquisition, timely procurement of system elements for which specifications are determined, and other activities that the Secretary determines to be appropriate to facilitate efficient, long-term project management. The interest and other financing costs of carrying out the early systems work agreement efficiently shall be considered as a cost of carrying out the agreement, except that eligible costs shall not be greater than the costs of the most favorable financing terms reasonably available for the project at the time of borrowing. If an applicant fails to implement the project for reasons within the applicant's control, the applicant shall repay all costs under the early systems work agreement plus such interest and penalty charges as the Secretary may establish as reasonable in the agreement.";

(4) by inserting "(D)" before "The total estimated";

(5) in the sentence that begins "The total estimated"—

(A) by inserting "and contingent commitments to incur obligations," after "Federal obligations";

(B) by inserting "early systems work agreements and full funding grant contracts," after "all outstanding letters of intent,"; and

(C) by inserting "or the unobligated balance remaining in the transit account of the Highway Trust Fund, whichever is greater" after "section 3 of this Act"; and

(6) in the sentence that begins "The total amount covered", by inserting "or obligated by early systems work agreements and full funding grant contracts" after "by new letters issued,".

SEC. 5. SECTION 3 PROGRAM—ALLOCATIONS AND RAIL MODERNIZATION FORMULA.

Section 3(k) of the Urban Mass Transportation Act of 1964 is amended by adding at the end the following new paragraphs:

"(3) IN GENERAL.—Of the amounts available for grants and loans under this section for fiscal years 1992, 1993, 1994, 1995, and 1996—

"(A) _____ percent shall be available for rail modernization;

"(B) _____ percent shall be available for construction of new fixed guideway systems and extensions to fixed guideway systems;

"(C) _____ percent shall be available for the replacement, rehabilitation and purchase of buses and related equipment and the construction of bus-related facilities; and

"(D) _____ percent shall be available for purposes of carrying out capital projects necessary to satisfy requirements of the Clean Air Act Amendments of 1990 and the Americans With Disabilities Act.

"(4) RAIL MODERNIZATION FORMULA.—

"(A) HOLD HARMLESS FOR HISTORIC RAIL SYSTEMS.—For fiscal years 1992, 1993, 1994, 1995 and 1996, the Secretary shall make available to historic rail systems any amounts approved in an appropriations Act to carry out paragraph (3)(A) ('the appropriated amounts') that are to equal or less than the amounts provided for rail modernization activities in the Department of Transportation Appropriations Act for fiscal year 1991. The Secretary shall allocate the appropriated amounts such that each historic system annually receives no less than its proportionate share of the appropriated amounts, as reflected by the average share that the system received of funding for rail modernization activities under this section for each of fiscal years _____.

"(B) ALLOCATION OF ADDITIONAL APPROPRIATIONS.—For the fiscal years identified in subparagraph (A), the Secretary shall make available to all eligible systems any amounts approved in an appropriations Act to carry out paragraph (3)(A) that exceed the amounts provided for rail modernization activities in the Department of Transportation Appropriations Act for fiscal year 1991. The Secretary shall allocate such amounts by the formula specified under section 9(b)(2).

"(C) APPORTIONMENT.—(i) On October 1 of each fiscal year, the Secretary shall apportion any amounts authorized to be appropriated for that fiscal year (and any fiscal years remaining in the authorization period identified under paragraph (3)) among all eligible systems in accordance with the provisions of this paragraph. The Secretary shall publish apportionments of such authorized amounts on the apportionment date established by the preceding sentence.

(ii) The Secretary shall apportion any amounts approved in an appropriations Act to carry out paragraph (3)(A) for any fiscal year in accordance with the provisions of this paragraph not later than the 10th day following the date on which such funds were appropriated or October 1 of such fiscal year, whichever is later. The Secretary shall publish apportionments of such appropriated amounts on the apportionment date established by the preceding sentence.

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) the term 'historic rail system' includes those rail systems that received funding for rail modernization under this section for at least two of the five fiscal years comprising the authorization period identified under paragraph (1).

"(ii) the term 'eligible systems' shall include, for a given fiscal year, all historic rail systems and all other fixed rail systems (including commuter rail) placed in revenue service within 10 years of such fiscal year. A fixed rail system (including commuter rail) shall be considered to be placed in revenue service for purposes of the preceding sentence if a minimum operable segment of such system was so placed.".

SEC. 6. DISCRETIONARY CAPITAL GRANTS—INNOVATIVE TECHNIQUES AND PRACTICES.

Section 3(a)(1) of the Act (49 U.S.C. App. 1602(a)(1)) is amended by striking in subparagraph (C) the semicolon and inserting ", including grants to States and local public bodies for projects for the deployment of innovative techniques and methods in the management and operation of public transportation services;".

SEC. 7. DISCRETIONARY CAPITAL GRANTS—ELDERLY AND PERSONS WITH DISABILITIES.

Section 3(a)(1) of the Act (49 U.S.C. App. 1602(a)(1)) is amended by striking subparagraph (E) and inserting the following:

"(E) mass transportation services which are planned, designed, and carried out so as to meet the special needs of elderly persons and persons with disabilities, with such grants and loans being subject to all of the terms, conditions, requirements and provisions applicable to grants and loans made under this section.".

SEC. 8. CRITERIA FOR NEW STARTS.

Section 3(i) of the Act (49 U.S.C. App. 1602(i)) is amended—

(1) by redesignating paragraphs (1), (2), and (3), as subparagraphs (A), (B), and (C);

(2) by inserting "(1)" before the first sentence;

(3) by inserting after subparagraph (C), as redesignated, the following:

"In determining cost-effectiveness, the Secretary shall provide appropriate adjustments for inflation over time and for regional differences in the costs of such factors as land and construction. The alternatives analyses shall take account of the direct and indirect costs of relevant alternatives that would provide comparable capacity expansion, including costs related to such factors as air pollution, noise pollution, congestion, energy conservation, and economic development.";

(4) by striking "may" the second time it appears and inserting "shall";

(5) by inserting after "the Secretary may also consider" the following: "the current state of land use in the community, the degree to which the project increases the mobility of the transit dependent population, and"; and

(6) by adding at the end of the subsection the following new paragraph:

"(2) Notwithstanding paragraph (1), if assistance provided under this section accounts for less than $25,000,000 or less than 30 percent of total project cost, the provisions of paragraph (1)(A) and the limitation on project development to one corridor at a time will be waived.".

SEC. 9. ADVANCE CONSTRUCTION; TECHNICAL AMENDMENT RELATED TO INTEREST COST.

Section 3(1)(2)(B) of the Act is amended by striking all after "greater than" and inserting the phrase "the most favorable interest terms reasonably available for the project at the time of borrowing.".

SEC. 10. DISCRETIONARY CAPITAL GRANTS—DELETING OF EXTRANEOUS MATERIAL.

Section 4 of the Act (49 U.S.C. App. 1603) is amended by striking subsections (b) through (g) and subsection (i) and redesignating subsection (h) as subsection (b).

SEC. 11. COMPREHENSIVE TRANSPORTATION STRATEGIES.

Section 8 of the Act (49 U.S.C. App. 1607) is amended to read as follows:

"SEC. 8. PLANNING.

"(a) METROPOLITAN TRANSPORTATION STRATEGIES.—

"(1) IN GENERAL.—It is in the national interest to encourage and promote the development of transportation systems that integrate various modes of transportation and efficiently maximize mobility of people and goods within and through urbanized areas and minimize transportation-related fuel consumption and air pollution. The Secretary shall cooperate with State and local officials in metropolitan areas in the devel-

opment of comprehensive transportation strategies for achieving this objective.

"(2) METROPOLITAN PLANNING ORGANIZATIONS.—

"(A) IN GENERAL.—A metropolitan planning organization shall be designated for each urbanized area of more than 50,000 in population by agreement among the Governor and units of general purpose local government representing at least 90 percent of the affected population. In those metropolitan areas eligible for designation as transportation management areas in accordance with subparagraph (D) of this section the metropolitan planning organization shall include local elected officials, officials of agencies that administer or operate major modes of transportation in the metropolitan area, and appropriate State officials. For purposes of this section, the term 'metropolitan area' shall mean an area for which one metropolitan planning organization is responsible.

"(B) CONTINUING DESIGNATION.—Designations of metropolitan planning organizations, whether made under this or earlier provisions of law, shall remain in effect until revoked by agreement among the Governor and the affected units of general purpose local government, provided that metropolitan planning organizations may be reorganized by agreement among the Governor and units of general purpose local government representing at least 90 percent of the affected population as appropriate to carry out the provisions of this Act. The Secretary shall establish practicable procedures and timetables that the Secretary determines to be appropriate for metropolitan planning organizations to meet the requirements of subparagraph (A).

"(C) RESPONSIBILITY OF THE GOVERNOR.—When a metropolitan planning organization is designated or reorganized, the Governor shall ensure that the metropolitan planning organization is structured to—

"(i) give balanced assessment to all modes of transportation, including roadway and public transit facilities;

"(ii) give full consideration to the need for mobility of people and goods into and through central cities within the metropolitan area; and

"(iii) otherwise carry out the metropolitan planning organization's responsibilities under Federal law. The Governor shall certify to the Secretary that the requirements of this subparagraph have been met.

"(D) TRANSPORTATION MANAGEMENT AREAS.—The Secretary shall publish and annually update a list of those metropolitan areas that—

"(i) have greater than 250,000 population; or

"(ii) are noncompliance areas under the Clean Air Act (42 U.S.C. 7401 et seq.).

The Secretary shall designate such areas to be transportation management areas. The Secretary may designate additional metropolitan areas to be transportation management areas upon the request of the Governor and the metropolitan planning organization. Such additional metropolitan areas may include ecologically fragile areas of national significance that are expected to be significantly affected by transportation decisions. The designation of a transportation management area shall remain in effect until revoked by the Secretary. The metropolitan planning organization in a transportation management area shall carry out a continuing, cooperative, and comprehensive transportation planning and programming process in cooperation with the State and transit operators and have such additional authorities and responsibilities as are specified in this Act.

"(E) TRANSITIONAL PROVISION.—The Secretary shall designate as transportation management areas—

"(i) not less than 15 percent of the metropolitan areas on the list in subparagraph (D) within 1 year after enactment of this Act;

"(ii) not less than 30 percent of such areas within 2 years after enactment;

"(iii) not less than 45 percent of such areas within 3 years after enactment;

"(iv) not less than 60 percent of such areas within 4 years after enactment; and

"(v) all such areas thereafter. To the extent the Secretary deems practicable after taking into account local circumstances, the Secretary shall exceed the percentages required in the previous sentence and give priority to designation of metropolitan areas that have the most severe problems of air quality and traffic congestion.

"(3) METROPOLITAN AREA BOUNDARIES.—

"(A) IN GENERAL.—For the purposes of this title, the boundaries of any metropolitan area shall be determined by agreement between the metropolitan planning organization and the Governor. Each metropolitan area shall include at least the existing urbanized area and the contiguous area that can reasonably be expected to be urbanized within the subsequent 20-year period.

"(B) TREATMENT OF LARGE URBAN AREAS.—More than one metropolitan planning organization may be designated within an urbanized area, if—

"(i) more than one metropolitan planning organization was designated within such area on January 1, 1991; and

"(ii) the Secretary determines that the size and complexity of the urbanized area make designation of more than one metropolitan planning organization appropriate. If more than one metropolitan planning organization has authority within an urban area, appropriate provision, as determined by the Secretary, shall be made to coordinate the metropolitan transportation strategies within such urban area.

"(C) INCLUSION OF CLEAN AIR NONATTAINMENT AREAS.—Any area that—

"(i) is found to be in nonattainment for any transportation-related pollutant under the Clean Air Act (42 U.S.C. 7401 et seq.); or

"(ii) is determined by the Governor and the metropolitan planning organization to be likely to be significantly affected by air pollution within the subsequent 20-year period, shall be included within the boundaries of the appropriate metropolitan area, as determined by the Governor and the metropolitan planning organization. If more than one metropolitan planning organization has authority within a nonattainment area, appropriate provision, as determined by the Secretary, shall be made to coordinate the metropolitan transportation strategies within such nonattainment area.

"(D) COORDINATION IN MULTI-STATE AREAS.—The Secretary shall establish such requirements as the Secretary deems appropriate to encourage Governors and metropolitan planning organizations with responsibility for a portion of a multi-State Metropolitan Statistical Area or Consolidated Metropolitan Statistical Area, as defined by the Bureau of the Census, to provide coordinated transportation planning for the entire Metropolitan Statistical Area or Consolidated Metropolitan Statistical Area.

"(4) DEVELOPMENT OF TRANSPORTATION STRATEGY.—

"(A) IN GENERAL.—Each metropolitan planning organization shall prepare and update periodically, according to a schedule that the Secretary determines to be appropriate, a metropolitan transportation strategy for its metropolitan area as provided in this section. In developing the strategy, the metropolitan planning organization shall consider the environmental, energy, land use, and other regional effects of all transportation projects to be undertaken within the metropolitan area, without regard to funding source.

"(B) PUBLICATION OF STRATEGIES.—A metropolitan transportation strategy shall be—

"(i) published or otherwise made readily available for public review; and

"(ii) submitted for information purposes to the Governor. The Secretary shall establish such dates and manner for the publication and submission of metropolitan transportation strategies as the Secretary determines to be appropriate to carry out the purposes of this section.

"(C) COORDINATION WITH CLEAN AIR ACT AGENCIES.—In nonattainment areas for transportation-related pollutants, the metropolitan planning organization shall coordinate the development of a metropolitan transportation strategy with the process for development of the transportation measures of the State Implementation Plan required by the Clean Air Act (42 U.S.C. 7401 et seq.).

"(D) PARTICIPATION BY INTERESTED PARTIES.—Prior to approving a metropolitan transportation strategy, each metropolitan planning organization shall provide citizens, affected public agencies, representatives of transportation agency employees, private providers of transportation and other interested parties with a reasonable opportunity to participate in the development of the strategy, in a manner that the Secretary deems appropriate.

"(E) CERTIFICATION OF COMPLIANCE.—The Secretary shall assure that each metropolitan planning organization is carrying out its responsibilities under applicable provisions of Federal law. The Secretary shall, not less frequently than every 3 years, provide certification to those metropolitan planning organizations that, in the opinion of the Secretary, are carrying out applicable requirements of Federal law. If the Secretary finds, after reasonable notice and opportunity for hearing, that a metropolitan planning organization is not carrying out its responsibilities under applicable provisions of Federal law, the Secretary shall deny certification and, until corrective action satisfactory to the Secretary is taken, may suspend or disapprove in whole or in part the expenditure within the metropolitan area of funds made available under the Federal-Aid Highway Act of 1991 or the Federal Public Transportation Act.

"(5) CONTENTS OF STRATEGY.—A metropolitan transportation strategy under this section shall be in a form that the Secretary determines to be appropriate and shall, at a minimum—

"(A) identify transportation facilities (including but not necessarily limited to major roadways, mass transit, and multimodal and intermodal facilities) that should function as an integrated metropolitan transportation system, giving emphasis to those facilities that serve important national and regional transportation functions, such as—

"(i) moving goods within the metropolitan area and among distant markets;

"(ii) enabling people to move quickly to and from home, jobs and other destinations; and

"(iii) connecting complementary modes of transportation (such as highways, transit systems, ports, railroads and airlines);

"(B) assess major demands on the metropolitan transportation system, projected over the subsequent 20 year period;

"(C) set forth a long-range strategy for meeting metropolitan area personal mobility and goods transportation needs, including State and local actions to manage travel demand, improve transportation operations and management, increase the efficiency and effectiveness of existing facilities, or provide new transportation capacity; and

"(D) explain how proposed transportation decisions will—

"(i) achieve compliance with applicable requirements of the Clean Air Act (42 U.S.C. 7401 et seq.), the Clean Water Act and other environmental and resource conservation laws;

"(ii) further applicable Federal, State and local energy conservation programs, goals and objectives; and

"(iii) affect other important social, economic and environmental objectives of the metropolitan area as reflected in publicly adopted plans, such as those concerning housing, community development, and historic preservation;

"(E) explain—

"(i) the extent to which State and local policies regarding land use and transportation will affect metropolitan-wide mobility; and

"(ii) how proposed transportation decisions will affect future travel demand, growth in vehicle use, mobile source emissions, and land use and development, taking into consideration the provisions of all applicable short-term and long-term land use and development plans;

"(F) include a financial plan that demonstrates how the metropolitan transportation strategy can be implemented, which plan shall indicate resources from all sources that are reasonably expected to be made available to carry out the strategy, and recommend any innovative financing techniques to finance needed projects and programs, including such techniques as value capture, tolls, and congestion pricing;

"(G) project capital investment and other measures necessary to—

"(i) ensure the preservation of the existing metropolitan transportation system, including requirements for operations, resurfacing, restoration and rehabilitation of existing and future major roadways, as well as operations, maintenance, modernization and rehabilitation of existing and future public transit facilities; and

"(ii) make the most efficient use of existing transportation facilities to relieve vehicular congestion and maximize the mobility of people and goods; and

"(H) indicate as appropriate proposed transportation enhancement activities.

For metropolitan areas not designated as Transportation Management Areas under paragraph (2)(D), the Secretary may provide for the development of abbreviated metropolitan transportation strategies that the Secretary determines to be appropriate to achieve the purposes of this section, taking into account the complexity of transportation problems, including transportation related air quality problems, in such areas. The State shall develop a state-wide transportation strategy, in a form acceptable to the Secretary, that shall take into account the transportation needs of areas for which no metropolitan planning organization has been designated.

"(b) TRANSPORTATION IMPROVEMENT PROGRAMS.—

"(1) DEVELOPMENT OF PROGRAMS.—The metropolitan planning organization, in cooperation with the State and relevant transit operators, shall develop a transportation improvement program for the subsequent period of not less than 3 years. The program shall include all projects within the metropolitan area proposed for funding pursuant to the Federal-Aid Highway Act of 1991 and the Federal Public Transportation Act. The program shall conform with the approved metropolitan transportation strategy and the State Implementation Plan required under the Clean Air Act, as amended. The program shall include a project, or an identified phase of a project, only if full funding for such project or project phase can reasonably be anticipated to be available within the period of time contemplated for completion of the project and, in the case of a major project to expand the transportation capacity, an appropriate range of alternatives has been analyzed pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.).

"(2) PERIODIC REVIEW AND REVISION.—The metropolitan planning organization shall update or reapprove the program not less frequently than annually, except that the Secretary may provide for a less frequent updating for areas that are not designated to be transportation management areas, as the Secretary determines to be appropriate. A metropolitan planning organization may amend the program at any time, provided that the amendment shall be consistent with the metropolitan transportation strategy.

"(3) PRIORITY PROJECTS.—The program shall identify priority projects reflecting projected funding and the objectives of the metropolitan transportation strategy that shall be carried out for each relevant programming period.

"(4) STATE PROGRAMS.—The Governor shall develop a transportation improvement program, in a form acceptable to the Secretary, for areas for which no metropolitan planning organization has been designated.

"(c) PROJECT SELECTION WITHIN TRANSPORTATION MANAGEMENT AREAS.—

"(1) APPROVAL OF PROJECTS.—For projects within a transportation management area, the metropolitan planning organization shall submit to the Governor and the Secretary a list of highway and transit projects and activities that the metropolitan planning organization has approved for funding in the ensuing period, which shall not exceed 2 years. Federal assistance required for the approved projects and activities shall not exceed Federal assistance made available for project selection by the metropolitan planning organization for that period under section 106 of the Federal-Aid Highway Act of 1991 and sections 3 and 9 of the Federal Mass Transportation Act. When submitting a list of projects and activities under this paragraph, the metropolitan planning organization shall certify to the Secretary that the list was developed in accordance with a continuing, cooperative, and comprehensive planning process that the Secretary has found satisfactory under subsection (a)(4)(E).

"(2) REQUIREMENT OF APPROVAL.—Notwithstanding any other provision of law, no project or activity to be carried out with Federal participation pursuant to the Federal-Aid Highway Act of 1991 or the Federal Public Transportation Act may be approved within a transportation management area unless it is included in the list of projects approved by the metropolitan planning organization under paragraph (1).

"(3) EXCEPTIONS.—Paragraph (2) shall not apply to projects or activities that—

"(A) do not significantly increase the vehicle carrying capacity of a transportation corridor;

"(B) are necessary to maintain and preserve existing transportation facilities or their carrying capacity;

"(C) are part of a program of investments required to comply with the Americans with Disabilities Act or other Federal law; or

"(D) are needed for management of ongoing operations.

"(4) RECAPTURE.—Amounts made available under the Federal-Aid Highway Act of 1991 or the Federal Public Transportation Act for project selection by a metropolitan planning organization in a transportation management area shall remain available for a period of 3 years following the close of the fiscal year for which such funds are made available to the metropolitan area. The Secretary shall recapture any funds not obligated during such period and reallocate the funds nationally as soon as practicable according to the formula for the program under which the funds were made available. For the purposes of this paragraph, funds shall be considered to be obligated if the funds are reserved to help finance a project for which an application is pending under section 3 of the Federal Public Transportation Act.

"(d) GRANTS.—

"(1) ELIGIBILITY.—The Secretary is authorized to contract for and make grants to States and local public bodies and agencies thereof, or enter into agreements with other Federal departments and agencies, for the planning, engineering, design, and evaluation of public transportation projects, and for other technical studies. Activities assisted under this section may include—

"(A) studies relating to management, operations, capital requirements, and economic feasibility;

"(B) evaluation of previously funded projects; and

"(C) other similar or related activities preliminary and in preparation for the construction, acquisition or improved operation of mass transportation facilities and equipment.

"(2) CRITERIA.—A grant, contract or working agreement under this section shall be made in accordance with criteria established by the Secretary.

"(e) PRIVATE ENTERPRISE.—The plans and programs required by this section shall encourage to the maximum extent feasible the participation of private enterprise. Where facilities and equipment are to be acquired which are already being used in mass transportation service in the urban areas, the program must provide that they shall be so improved (through modernization, extension, addition, or otherwise) that they will better serve the transportation needs of the area.

"(f) USE FOR COMPREHENSIVE PLANNING.—The Secretary shall ensure, to the extent practicable, that amounts made available under section 21(c)(1) for the purposes of this section are used to support balanced and comprehensive transportation planning that takes account of the relationships among land use and all transportation modes, without regard to the programmatic source of the planning funds.

"(1) FORMULA ALLOCATION TO ALL METROPOLITAN AREAS.—The Secretary shall apportion 80 percent of the amount made available under paragraph (1) to States in the ratio that the population in urbanized areas, in each State, bears to the total population in urbanized areas, in all the States as shown by the latest available decennial census, except that no State shall receive less than ½

of 1 percent of the amount apportioned under this paragraph. Such funds shall be allocated to metropolitan planning organizations designated under section 8(a)(2)(A) by formula, developed by the State in cooperation with metropolitan planning organizations and approved by the Secretary, that considers population in urbanized areas and provides an appropriate distribution for urbanized areas to carry out the cooperative processes described in section 8 of this Act. The State shall make such funds available promptly to eligible metropolitan planning organizations according to procedures approved by the Secretary.

"(2) SUPPLEMENTAL ALLOCATION TO TRANSPORTATION MANAGEMENT AREAS.—The Secretary shall apportion 20 percent of the amount made available under paragraph (1) to States to supplement allocations under subparagraph (B) for metropolitan planning organizations in transportation management areas. Such funds shall be allocated according to a formula that reflects the additional costs of carrying out planning, programming, and project selection responsibilities under this section in such areas.

"(3) HOLD HARMLESS.—The Secretary shall ensure, to the maximum extent practicable, that no metropolitan planning organization is allocated less than the amount it received by administrative formula under section 8 of this Act in fiscal year 1991. To comply with the previous sentence, the Secretary is authorized to make a pro rata reduction in other amounts made available to carry out section 21(c).

"(4) FEDERAL SHARE PAYABLE.—The Federal share payable for activities under this paragraph shall be 75 percent except where the Secretary determines that it is in the Federal interest not to require a State or local match.".

SEC. 12. SECTION 9 FORMULA GRANT PROGRAM—DISCRETIONARY TRANSFER OF APPORTIONMENT.

Section 9 of the Act (49 U.S.C. App. 1607a) is amended—

(1) in subsection (j)(1) by adding at the end of the first sentence the following new sentence: "In a transportation management area designated pursuant to section 8(a)(2)(D), grants for construction projects under this section also shall be available for highway projects; provided that—

"(A) such use is approved by the metropolitan planning organization in accordance with section 8(c); and

"(B) according to criteria established by the Secretary, adequate provision is made for sound operation of existing transit facilities, maintenance of such facilities and their carrying capacity, management of ongoing transit operations, and any program of investments required to comply with the Americans with Disabilities Act or other Federal law."; and

(2) by adding at the end of subsection (j) the following new paragraphs:

"(3) Grants for construction projects under this section may be available for highway projects only if funds used for the State or local share portion of such highway projects are eligible to fund either highway or transit projects, or, when in the determination of the Secretary there exists under State or local law a sufficient amount of funds from a dedicated source which is available to fund local transit projects.

"(4) Funds made available for a highway project under this Act shall be transferred to and administered by the Federal Highway Administration.".

SEC. 13. SECTION 9 PROGRAM—ELIMINATION OF INCENTIVE TIER.

Section 9 of the Act (49 U.S.C. App. 1607a) is amended—

(1) in subsection (b)(2) by striking "95.61 per centum of";

(2) in subsection (b) by striking paragraph (3);

(3) in subsection (c)(2) by striking "90.8 per centum of"; and

(4) by striking all of subsection (c)(3).

SEC. 14. SECTION 9 PROGRAM—APPLICABILITY OF SAFETY PROVISIONS.

Section 9(e)(1) of the Act (49 U.S.C. App. 1607a) is amended in the first sentence by striking "and 19", and inserting "19, and 22".

SEC. 15. SECTION 9 PROGRAM—CERTIFICATIONS.

(a) Section 9(e)(2) of the Act (49 U.S.C. App. 1607a(e)(2)) is amended by inserting after the first sentence the following: "Such certifications and any additional certifications required by law shall be consolidated into a single document to be submitted annually as part of the grant application under this section. The Secretary shall annually publish a list of all required certifications in conjunction with section 9(q).".

(b) Section 9(e)(3) of the Act (49 U.S.C. App. 1607a(e)(3)) is amended by adding the following new sentence at the end: "The Secretary shall establish streamlined administrative procedures to govern compliance with the certification requirement under subparagraph (B) with respect to track and signal equipment used in ongoing operations.".

SEC. 16. SECTION 9 PROGRAM—PROGRAM OF PROJECTS.

Section 9(f) of the Act (49 U.S.C. App. 1607a(f)) is amended—

(1) at the end of paragraph (3) by striking "and";

(2) at the end of paragraph (4) by striking the period and by inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(5) assure that the proposed program of projects provides for the maximum feasible coordination of public transportation services assisted under this section with transportation services assisted by other Federal sources.".

SEC. 17. SECTION 9 PROGRAM—DELEGATION OF ENVIRONMENTAL ASSESSMENT RESPONSIBILITY.

Section 9 of the Act (49 U.S.C. App. 1607a) is amended by adding at the end the following new subsection—

"(r) NATIONAL ENVIRONMENTAL POLICY ACT.—

"(1) DELEGATION.—The Secretary in lieu of the Federal environmental review procedures otherwise applicable under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) (hereafter referred to in this subsection as "NEPA") may, under regulations, provide for the approval of projects by recipients of assistance under this section who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to NEPA, and other provisions of law that would apply to the Secretary if the projects were undertaken as Federal projects. The Secretary shall issue regulations to carry out this paragraph only after consultation with the Council on Environmental Quality.

"(2) CERTIFICATION.—Such recipient shall submit an annual certification under the regulations authorized by subsection (d)(1). The certification shall—

"(A) be in a form acceptable to the Secretary;

"(B) be executed by the chief executive officer or other officer of the recipient of assistance under this section qualified under the regulations authorized in subsection (r)(1);

"(C) specify that the recipient of assistance under this section will carry out fully its responsibilities as described under the regulations authorized in subsection (r)(1);

"(D) specify that the certifying officer consents to assume the status of a responsible Federal official under the NEPA specified in regulations issued by the Secretary insofar as the provisions of NEPA apply under the regulations authorized under subsection (r)(1) and is authorized and consents on behalf of the recipient of assistance under this section and the certifying officer to accept the jurisdiction of the Federal courts for the purpose of enforcement of the certifying officer's responsibilities, and

"(E) include an agreement that the Secretary's approval of any certification shall be deemed to satisfy the Secretary's responsibilities under the NEPA as the regulations of the Secretary specify insofar as those responsibilities relate to the approval of projects by recipients under this section.

"(3) COMPLIANCE.—If the Secretary determines that a recipient has failed to comply substantially with any provision of this subsection, the Secretary shall notify the recipient that, if it fails to take corrective action within 60 days from the receipt of the notification, the Secretary will withhold future payments under this section until the Secretary is satisfied that appropriate corrective action has been taken.".

SEC. 18. SECTION 9 PROGRAM—CONTINUED OPERATING ASSISTANCE FOR COMMUTER RAIL IN SOUTHERN FLORIDA.

Section 329 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 239) is amended—

(1) in the first sentence by striking all that follows after "year";

(2) in the first sentence by inserting a period after "year";

(3) in the second sentence by striking all that follows after "service"; and

(4) in the second sentence by inserting a period after "service".

SEC. 19. SECTION 11—UNIVERSITY TRANSPORTATION CENTERS.

Section 11(b) of the Act (49 U.S.C. App. 1607c) is amended—

(1) by striking paragraph (2) and inserting the following:

"(2) RESPONSIBILITIES.—The responsibilities of each transportation center established under this subsection shall include, but not be limited to, the conduct of infrastructure research concerning transportation, research and training concerning transportation of passengers and property, and transportation safety and the interpretation, publication, and dissemination of the results of such research. The responsibilities of one of such centers may include research on the testing of new model buses. The responsibilities of the centers may include research involving any mode of transportation. The program of research at all research centers should cover more than one mode of transportation, and should take into consideration the proportion of funding for this subsection made available under this Act, title 23, United States Code, or other sources.";

(2) by striking paragraph (7) and inserting the following:

"(7) PROGRAM COORDINATION.—The Secretary shall provide for coordination of the research, education, training and technology transfer in the research centers, the dissemi-

nation of the results of the research, and a clearinghouse between the centers and the transportation industry. The Secretary shall review and evaluate the programs carried out by the grant recipients at least annually.";

(3) by striking paragraph (8) and inserting the following:

"(8) ADMINISTRATION.—Up to 1 per centum of the funds made available from any source to carry out this subsection shall be available to the Secretary for the administrative expenses in connection with the performance of such administrative responsibilities."; and

(4) by adding at the end the following new paragraph:

"(11) Notwithstanding any other provision of law, funds appropriated or otherwise made available to the Department of Transportation in any Act for the purpose of transportation research may, at the discretion of the Secretary, be made available to one or more of the transportation research centers for the conduct of research compatible with the research conducted in such centers pursuant to authorizations under this Act or from the Highway Trust Fund.".

SEC. 20. SECTION 12—TRANSFER OF FACILITIES AND EQUIPMENT.

Section 12 of the Act (49 U.S.C. App. 1608) is amended by adding at the end the following new subsection:

"(k) TRANSFER OF CAPITAL ASSET.—

"(1) AUTHORIZATION.—If a recipient determines that facilities and equipment acquired with assistance under this Act no longer are needed for their original purposes, the Secretary may authorize the transfer of such assets to any public body to be used for any public purpose, with no further obligation to the Federal Government, on condition that any such facilities (including land) remain in public use no less than 5 years after the date of the transfer.

"(2) DETERMINATION.—Before authorizing a transfer under paragraph (1) for any public purpose other than mass transportation, the Secretary shall first determine that—

"(A) there are no purposes eligible for assistance under this Act for which the asset should be used;

"(B) the overall benefit of allowing the transfer outweighs the Federal Government interest in liquidation and return of the Federal financial interest in the asset, after consideration of fair market value and other factors; and

"(C) in the case of facilities (including land), the Secretary determines through an appropriate screening or survey process that there is no interest in acquiring the asset for Federal use.

"(3) DOCUMENTATION.— Where the Secretary finds that a transfer is warranted, the Secretary shall set forth in writing the rationale for the decision that the transfer is appropriate under the standards in paragraph (2).

"(4) RELATION TO OTHER PROVISIONS.—The provisions of this section shall be in addition to and not in lieu of any other provision of law governing use and disposition of facilities and equipment under an assistance agreement.".

SEC. 21. SPECIAL PROCUREMENT.

Section 12 of the Act (49 U.S.C. App. 1608) is amended by adding at the end the following new subsection:

"(l) SPECIAL PROCUREMENT INITIATIVES.—

"(1) TURNKEY SYSTEM PROCUREMENTS.—

"(A) IN GENERAL.—In order to advance new technologies and lower the cost of constructing new mass transportation systems, the Secretary may allow the solicitation for a turnkey system project to be funded under this Act to be conditionally awarded before Federal requirements have been met on the project so long as the award is made without prejudice to the implementation of those Federal requirements. Federal financial assistance under this Act may be made available for such a project when the recipient has complied with relevant Federal requirements.

"(B) INITIAL DEMONSTRATION PHASE.—In order to develop regulations applying generally to turnkey system projects, the Secretary is authorized to approve not to exceed 4 projects for an initial demonstration phase. The results of such demonstration projects shall be taken into consideration in the development of the regulation implementing this subsection.

"(C) TURNKEY SYSTEM PROJECT DEFINED.—As used in this subsection, the term 'turnkey system' means a vendor-specific project under which a recipient contracts with a vendor to build a transit system that meets specific performance criteria and which is operated by the vendor for a period of time.

"(2) MULTIYEAR ROLLING STOCK PROCUREMENTS.—A recipient procuring rolling stock with Federal financial assistance under this Act may enter into a multiyear agreement for the purchase of such rolling stock and replacement parts pursuant to which the recipient may exercise an option to purchase additional rolling stock or replacement parts for a period not to exceed 5 years from the date of the original contract. A recipient may award to other than the low bidder in connection with a procurement under this subsection, but the recipient may receive Federal assistance under this Act for in an amount not to exceed the equivalent of the lowest bid for the project.

The Secretary shall permit two or more recipients to form a consortium (or otherwise act on a cooperative basis) for purposes of procuring rolling stock in accordance with this paragraph and other Federal procurement requirements.".

SEC. 22. SECTION 16—ELDERLY AND PERSONS WITH DISABILITIES.

Section 16(b)(2) of the Act (49 U.S.C. App. 1612(b)(2)) is amended—

(1) by inserting "to the Governor of each State for allocation" before "to private";

(2) by inserting at the end the following new subparagraphs:

"(A) Funds made available under this section may be used for transportation projects to assist in the provision of transportation services for elderly persons and persons with disabilities which are included in a State program of projects. Such programs shall be submitted annually to the Secretary for approval and shall contain an assurance that the program provides for maximum feasible coordination of transportation services assisted under this section with transportation services assisted by other Federal sources.

"(B) Nothing in this subsection shall be construed to prohibit the leasing of vehicles purchased in accordance with this subsection to local public bodies or agencies for the purpose of improving transportation services designed to meet the special needs of elderly persons and persons with disabilities.".

SEC. 23. SECTION 18—TRANSFER OF FACILITIES AND EQUIPMENT.

Section 18 of the Act (49 U.S.C. App. 1614) is amended—

(1) by striking subsection (g) and redesignating subsection (h) as subsection (g); and

(2) by adding at the end the following new subsection:

"(h) TRANSFER OF FACILITIES AND EQUIPMENT.—In addition to the transfer authority in section 12(k) of this Act, in administering this section the State may transfer facilities and equipment acquired with assistance under this section or section 16(b) to any recipient eligible to receive assistance under this Act so long as the equipment or facilities continue to be used in accordance with the requirements of this section or section 16(b).".

SEC. 24. HUMAN RESOURCES PROGRAM SUPPORT.

Section 20 of the Act (49 U.S.C. App. 1616) is amended—

(1) by inserting "(a) IN GENERAL.—" before the first sentence; and

(2) by adding at the end the following:

"(b) USE OF FUNDS.—The Secretary is authorized to retain any funds returned to the Secretary in connection with a grant or contract under subsection (a), and such funds may continue to be used for the purpose of subsection (a).".

SEC. 25. AUTHORIZATIONS.

Section 21 of the Act (49 U.S.C. App. 1617) is amended to read as follows:

"SEC. 21. AUTHORIZATIONS.

"(a) FORMULA GRANT PROGRAMS.—

"(1) FROM THE TRUST FUND.—There shall be available from the Mass Transit Account of the Highway Trust Fund only to carry out sections 9, 11(b), 12(a), 16(b), 18, 23, and 26 of this Act, and substitute mass transportation projects under section 103(e)(4) of title 23, United States Code, $1,203,750,000 for the fiscal year 1992, $1,225,000,000 for the fiscal year 1993, $1,250,000,000 for the fiscal year 1994, $1,375,000,000 for the fiscal year 1995, and $1,500,000,000 for the fiscal year 1996, to remain available until expended.

"(2) FROM GENERAL FUNDS.—In addition to the amounts specified in paragraph (1), there are hereby authorized to be appropriated to carry out sections 9, 11(b), 12(a), 16(b), 18, 23, and 26 of this Act, and substitute mass transportation projects under section 103(e)(4) of title 23, United States Code, $1,259,075,000 for the fiscal year 1992, $1,291,697,000 for the fiscal year 1993, $1,331,033,000 for the fiscal year 1994, $1,381,543,000 for the fiscal year 1995, and $1,443,988,000 for the fiscal year 1996. Any funds so appropriated shall remain available until expended.

"(b) SECTION 3 DISCRETIONARY AND FORMULA GRANTS.—

"(1) FROM THE TRUST FUND.—There shall be available from the Mass Transit Account of the Highway Trust Fund only to carry out section 3 of this Act, $602,250,000 for the fiscal year 1992, $675,000,000 for the fiscal year 1993, $750,000,000 for the fiscal year 1994, $825,000,000 for the fiscal year 1995, and $900,000,000 for the fiscal year 1996, to remain available until expended.

"(2) FROM GENERAL FUNDS.—In addition to the amounts specified in paragraph (1), there are hereby authorized to be appropriated to carry out section 3 of this Act, $755,455,000 for the fiscal year 1992, $775,018,000 for the fiscal year 1993, $798,620,000 for the fiscal year 1994, $828,926,000 for the fiscal year 1995, and $866,398,000 for the fiscal year 1996. Any funds so appropriated shall remain available until expended.

"(3) CONTRACTUAL OBLIGATIONS.—Approval by the Secretary of a grant or contract with funds made available under this subsection shall be deemed a contractual obligation of the United States for payment of the Federal share of the cost of the project.

"(c) SET-ASIDE FOR PLANNING, PROGRAMMING AND RESEARCH.—Before apportionment in each fiscal year of the funds made avail-

able or appropriated under subsection (a), an amount equivalent to 3.0 percent of funds made available or appropriated under subsections (a) and (b), and appropriated under the National Capital Transportation Act of 1969, as amended, shall be made available until expended as follows:

"(1) 45 percent of such funds shall be made available for metropolitan planning activities under section 8(f);

"(2) 5 percent of such funds shall be made available to carry out section 18(h);

"(3) 20 percent of such funds shall be made available to carry out the State program under section 26(a); and

"(4) 30 percent of such funds shall be made available to carry out the national program under section 26(b).

"(d) OTHER SET-ASIDES.—Before apportionment in each fiscal year of the funds made available or appropriated under subsection (a), of the funds made available or appropriated under subsections (a) and (b) and appropriated under the National Capital Transportation Act of 1969, as amended—

"(1) not to exceed an amount equivalent to 20 percent shall be available for administrative expenses to carry out section 12(a) of this Act and shall be available until expended;

"(2) not to exceed an amount equivalent to 1.5 percent shall be available for elderly and handicapped transportation pursuant to the formula under section 16(b) of this Act, to be available until expended;

"(3) $5,000,000 shall be available for the purposes of section 11(b) for each of fiscal years 1992 through 1996.

"(e) COMPLETION OF INTERSTATE TRANSFER TRANSIT PROJECTS.—Of the amounts remaining available each year under subsections (a) and (b), after allocation pursuant to subsections (c) and (d), for substitute mass transportation projects under section 103(e)(4) of title 23, United States Code, there shall be available $160,000,000 for fiscal year 1992 and $160,715,000 for fiscal year 1993.

"(f) SET-ASIDE FOR RURAL TRANSPORTATION.—An amount equivalent to 5 percent of the amounts remaining available each year under subsection (a), alter allocation pursuant to subsections (c), (d), and (e), shall be available pursuant to the formula under section 18, to be available until expended.

"(g) SECTION 9 FUNDING.—The funds remaining available each year under subsection (a), after allocation pursuant to subsections (c), (d), (e) and (f), shall be available under section 9.

SEC. 26. SECTION 23—PROJECT MANAGEMENT OVERSIGHT.

Section 23(a) of the Act (49 U.S.C. App. 1619) is amended—

(1) by striking paragraphs (1) through (5);

(2) by striking "½ of 1 percent of—" and inserting "¾ of 1 percent of the funds made available for any fiscal year to carry out sections 3, 9, or 18 of this Act, or interstate transfer transit projects under section 103(e)(4) of title 23, United States Code, in effect on September 30, 1991 or a project under the National Capital Transportation Act of 1969, as amended, to contract with any person to oversee the construction of any moor project under any such section.".

SEC. 27. SECTION 26—PLANNING AND RESEARCH.

The following new section is added to the Act immediately after section 25:

"SEC. 26. PLANNING AND RESEARCH PROGRAM.

"(a) STATE PROGRAM.—The funds made available under section 21(c)(3), shall be available for State programs as follows:

"(1) TRANSIT COOPERATIVE RESEARCH PROGRAM.—50 percent of that amount shall be available for the transit cooperative research program to be administered as follows:

"(A) INDEPENDENT GOVERNING BOARD.—The Secretary shall establish an independent governing board for such program to recommend mass transportation research, development, and technology transfer activities as the Secretary deems appropriate; and

"(B) NATIONAL ACADEMY OF SCIENCES.—The Secretary may make grants to, and enter into cooperative agreements with, the National Academy of Sciences to carry out such activities as the Secretary determines are appropriate.

"(2) STATE PLANNING AND RESEARCH.—The remaining 50 percent of that amount shall be apportioned to the States for grants and contracts consistent with the purposes of sections 6, 8, 10, 11, and 20 of the Act.

"(A) APPORTIONMENT FORMULA.—Amounts shall be apportioned to the States in the ratio which the population in urbanized areas in each State, bears to the total population in urbanized areas, in all the States as shown by the latest available decennial census, except that no State shall receive less than ½ of 1 percent of the amount apportioned under this section.

"(B) ALLOCATION WITHIN A STATE.—A State may authorize a portion of its funds made available under this subsection to be used to supplement funds available under subsection (a)(1), as the State deems appropriate.

"(b) NATIONAL PROGRAM.—

"(1) IN GENERAL.—The funds made available under section 21(c)(4), shall be available to the Secretary for grants or contracts for the purposes of sections 6, 8, 10, 11, or 20 of this Act as the Secretary deems appropriate.

"(2) FEES.—Notwithstanding any other provision of law, the Secretary is authorized to charge and retain fees, tuition, or related amounts resulting from conferences, seminars, training sessions and the like funded under this subsection, and any such amounts may be used for the purposes of this subsection. The Secretary shall determine what constitutes a necessary expense for the conduct of activities under this subsection. The Secretary shall carry out activities under this subsection in coordination with, and to the extent practicable through contract with, national and regional organizations that have expertise in transportation.

"(3) SPECIAL INITIATIVES.—Of the amounts available under subsection (1), an amount not to exceed 25 percent shall be available to the Secretary for special demonstration initiatives subject to such terms, conditions, requirements, and provisions as the Secretary deems consistent with the requirements of this Act, except that for nonrenewable grants that do not exceed $500,000, the Secretary may waive requirements for this Act to the extent the Secretary deems necessary to achieve the purposes of this paragraph.

"(4) TECHNOLOGY DEVELOPMENT.—

"(A) PROGRAM.—The Secretary is authorized to undertake a program of transit technology development in coordination with affected entities.

"(B) INDUSTRY TECHNICAL PANEL.—The Secretary shall establish an Industry Technical Panel consisting of representatives of transportation suppliers and operators and others involved in technology development. A majority of the Panel members shall represent the supply industry. The Panel shall assist the Secretary in the identification of priority technology development areas and in establishing guidelines for project development, project cost sharing, and project execution.

"(C) GUIDELINES.—The Secretary shall develop guidelines for cost sharing in technology development projects funded under the section. Such guidelines shall be flexible in nature and reflect the extent of technical risk, market risk, and anticipated supplier benefits and pay back periods.

"(5) SUPPLEMENTARY FUNDS.—The Secretary may use funds appropriated under this subsection to supplement funds available under subsection (a)(1), as the Secretary deems appropriate.

"(6) FEDERAL SHARE.—Where there would be a clear and direct financial benefit to an entity under a grant or contract funded under this subsection or subsection (a)(1), the Secretary shall establish a Federal share consistent with that benefit.".

SEC. 28. TECHNICAL ACCOUNTING PROVISIONS.

Notwithstanding any other provision of law, any funds appropriated before October 1, 1983, under sections 6, 10, 11, or 18 of the Urban Mass Transportation Act of 1964, or section 103(e)(4) of title 23, United States Code, in effect on September 30, 1991, that remain available for expenditure alter October 1, 1991, may be transferred to and administered under the most recent appropriation heading for any such section.

SECTION-BY-SECTION ANALYSIS OF THE FEDERAL MASS TRANSPORTATION ACT OF 1991

Sec. 1. Short Title. This title would be referred to as the "Federal Mass Transportation Act of 1991".

Sec. 2. The Agency Name. The name of the Urban Mass Transportation Administration would be changed to "Federal Transit Administration".

Sec. 3. Amendment to Findings and Purposes. This secton would amend Section 2(a) of the Urban Mass Transportation Act (UMT Act) to add a new finding that a significant improvement in public transportation achieve national goals for improved air quality, energy conservation and mobility for the elderly, persons with disabilities and the economically disadvantaged in urban and rural areas of the country.

This section would also amend Section 2(b) to state that an objective of the Act will be to provide State and local governments with the financial resources to help implement the national goals related to mobility for the elderly, persons with disabilities and economically disadvantaged persons.

Sec. 4. Discretionary Capital Grants—technical amendment to provide for early systems work contracts and full funding grant contracts. The bill amends Section 3 of the UMT Act to authorize the Secretary to enter into full funding contracts and early systems work agreements with applicants to provide for more efficient project management.

A full funding contract would be designed to (1) establish the terms and conditions of federal financial partiticpation in a project under this section, (2) establish the limits of federal financial obligation for the project, and (3) facilitate timely and efficient management of the project in accordance with federal law. Budget authority obligated by a full funding contract would be limited by the amount made available in the law. A contract could either obligate the full amount required for the project, or it could obligate a portion of that amount with a commitment, contingent upon the future availability of budget authority, to obligate or additional amounts from budget authority as it is made available in law. The total of amounts stipulated in a contract for a fixed guideway project would have to be sufficient to complete not less than an operable seg-

ment. Any interest and other financing costs of efficiently carrying out a project or a portion of a project shall be considered an eligible project cost under a full funding contract, provided that eligible financing costs could not exceed the costs of the most favorable financing terms reasonably available for the project at the time of borrowing.

An early systems work agreement would permit a grantee to proceed with procurement of land and long-lead-time system elements to avoid delays that would increase overall project costs. The Secretary could only enter into an early systems work agreement if a record of decision pursuant to the National Environmental Policy Act of 1969 has been issued on the project and the Secretary determines there is reason to believe (1) a full funding contract will be entered into for the project and (2) the terms of the early systems work agreement will promote ultimate completion of the project more rapidly and at less cost. An early systems work agreement would obligate an amount of available budget authority and would provide for reimbursement of preliminary costs of project implementation specified in the agreement, which could include land acquisition, timely procurement of system elements for which specifications are determined, and other activities that the Secretary determines to be appropriate to facilitate efficient, long-term project management. The interest and other financing costs of carrying out the early systems work agreement efficiently would be considered eligible project costs, except that eligible financing costs could not exceed costs of the most favorable financing terms reasonably available for the project at the time of borrowing. If an applicant failed to implement the project for reasons within the applicant's control, the applicant would be required to repay all costs under the early systems work agreement plus reasonable interest and penalty charges as specified in the agreement.

Limitation on obligations. The bill would limit the total value of letters of intent, full funding contracts, and early systems work agreements to the amount authorized or the unobligated balance remaining in the transit account, whichever is greater. The amount of budget authority obligated in such documents would be subject to limitations provided in law.

Sec. 5. Section 3 Program/Allocations-Rail Modernization Formula. This section would require the Secretary to allocate Section 3 grant funds in the following way: ___ percent for rail modernization; ___ percent for construction of new fixed guideway systems and extensions to fixed guideway systems; ___ percent for the replacement, rehabilitation and purchase of buses and related equipment and the construction of bus-related facilities; and ___ percent for purposes of carrying out capital projects necessary to satisfy requirements of the Clean Air Act Amendments of 1990 and the Americans with Disabilities Act.

This section would also make two fundamental amendments to the rail modernization program. First, the section would establish a statutory formula for the distribution of rail modernization funds; until a recent administrative change, the program was distributed on a discretionary basis.

Second, the section would expand the coverage of the program to include certain "new" as well as historic rail systems. Historic rail systems are presently the exclusive recipients of rail modernization monies. These systems—generally inherited by public authorities after years of private ownership and neglect—continue to have large capital needs and deserve to receive the bulk of federal rehabilitation dollars. Yet many "new" rail systems—built with large federal contributions—are approaching an age where major capital investments are also needed.

The new statutory formula would balance the competing needs and claims of historic and "new" rail systems. The formula would work as follows:

Hold Harmless. In a given fiscal year, the historic rail systems would receive all the funds up to an appropriation of $455 million, the amount appropriated in fiscal year 1991. Funds would be distributed on an historic share basis, recognizing the proportion that each historic system received under the program.

Additional Amounts. Any appropriations in excess of $455 million would be distributed to the historic rail systems and to those "new" rail systems experiencing larger capital needs (i.e. those systems in revenue service for at least ten years). These excess funds would be distributed by the factors contained under the Section 9 rail tier formula.

In a given fiscal year, the Secretary would be required to apportion rail modernization funds—based on both authorized and appropriations levels—within specified time periods. The Secretary would also be required to publish such apportionments for each program participant within the specified time periods.

Sec. 6. Discretionary Capital Grants—Innovative Techniques and Practices. The eligible activities under the section 3 discretionary program would be expanded to include projects that introduce innovative techniques and methods to public transportation. This change merely recodifies existing statute. It incorporates language from section 4(i) into section 3.

Sec. 7. Discretionary Capital Grants—Elderly and Persons with Disabilities. This section would amend Section 3 of the Act to allow public transit agencies to apply for capital funding under the Section 3 discretionary grant program for transportation projects that are specifically designed to meet the needs of elderly persons and persons with disabilities.

While current law provides for the rights of elderly and disabled persons to use mass transit, the recently enacted Americans with Disabilities Act of 1990 imposes requirements on transit providers that are more stringent than current law and as a consequence, more costly. This section would provide public transit agencies with a mechanism to help address the major capital costs associated with ADA compliance.

Sec. 8. Criteria for New Starts. This section would modify existing criteria for new starts. Cost-effectiveness measures used in ranking projects for selection would have to be adjusted for inflation and to reject regional differences in the costs of land and construction. The project evaluation process would be revised to ensure that the project's social, environmental and economic impacts are also given appropriate consideration.

The Section 3(i) new starts criteria and the limitation of development to one corridor at a time would be waived for projects that seek less than $25 million or 30% of the total project cost from Section 3 discretionary funds. Highway funds could be used to reduce a project's need for Section 3 funds.

Sec. 9. Advance Construction. Technical amendment related to interest cost. The bill would amend Section 3(l) to make the advance construction mechanism more workable by deleting language that requires grantees to bet on future inflation. The bill substitutes the requirement that operators obtain the most favorable interest terms reasonably available for the project at the time of borrowing.

Sec. 10. Discretionary Capital Grants—Deletion of Extraneous Material. This section would delete outdated authorizations language from previous UMT Acts. The provisions of 4(i) would be codified into section 3 (see above).

Sec. 11. Section 8—Comprehensive Transportation Strategies. This section amends Section 8 of the UMT Act to reform the current transportation planning process to give more attention to intermodal solutions and to give certain metropolitan planning organizations (MPO) in areas clearer responsibilities for approving projects.

Subsection (a) requires the development of comprehensive metropolitan transportation strategies by metropolitan planning organizations.

In general. The subsection declares it to be in the national interest to encourage and promote the development of transportation systems that integrate various modes of transportation and efficiently maximize mobility of people and goods within and through metropolitan areas and minimize transportation-related fuel consumption and air pollution. The Secretary is required to cooperate with state and local elected offcials in metropolitan areas in the development of comprehensive transportation strategies for achieving this objective.

Metropolitan Planning Organizations. The subsection requires that an MPO be designated for each urbanized area of more than 50,000 in population, as under existing law. The MPO structure would be determined by agreement among the Governor and units of general purpose local government representing at least 90 percent of the affected population. If an MPO is in a metropolitan area that (1) has population over 250,000, (2) is in non-compliance under the Clean Air Act, or (3) is otherwise eligible for designation as a "transportation management area" as noted below, the MPO will have to include local elected officials, officials of agencies that administer or operate major modes of transportation in the metropolitan area, and appropriate state officials. For purposes of this section, the term "metropolitan area" means an area for which one metropolitan planning organization is responsible.

Once an MPO is designated, whether under this or earlier provisions of law, the designation shall remain in effect until revoked by agreement among the Governor and the local governments. To accommodate the new responsibilities conferred under the bill, this subsection would permit MPO's to be reorganized and redesignated by agreement among the Governor and local governments representing at least 90 percent of the metropolitan area's population. The Secretary is required to establish appropriate procedures and timetables for MPOs to comply with membership requirements and other provisions in law.

When an MPO is designated or reorganized, each Governor is required to ensure that the MPO is structured to (1) give balanced assessment to all modes of transportation, including roadway and public transit facilities, (2) give full consideration to the need for mobility of people and goods into and through central cities within the metropolitan area, and (3) otherwise carry out the MPO's responsibilities under federal law. The Governor shall certify to the Secretary that the requirements of the previous sentence have been met.

Transportation Management Areas. Certain metropolitan areas will be designated to be "transportation management areas", which will include metropolitan areas that have greater than 250,000 population, or are non-compliance areas under the Clean Air Act, as amended. The Secretary is required to publish and annually update a list of metropolitan areas that meet those criteria. The Secretary may designate additional transportation management areas at the request of the Governor and MPO. Such additional metropolitan areas may include ecologically fragile areas of national significance that are expected to be significantly affected by transportation decisions. The designation of a transportation management area shall remain in effect until revoked by the Secretary. The MPO in a transportation management area is required to carry out a continuing, cooperative and comprehensive transportation planning and programming process in cooperation with the state and transit operators. The bill gives such MPOs additional authority and responsibility.

To provide for an orderly implementation of intermodal planning and programming in transportation management areas, the bill provides a transition period. The Secretary would be required to achieve the designation of not less than a minimum number of transportation management areas in each of the next 5 years: by the end of the first year after enactment, 15 percent of the eligible metropolitan areas would have to be designated; by the end of the second year, 30 percent; by the end of the third year, 45 percent; by the end of the fourth year, 60 percent; and all such areas would have to be designated in the fifth year. The bill makes it clear that the Secretary is responsible for exceeding the minimum percentages required for designation. Although the Secretary can make adjustments for compelling local circumstances, the Secretary is expected to begin with designation of metropolitan areas that have the most severe problems of air quality and traffic congestion.

Metropolitan Area Boundaries. The boundaries of a metropolitan area would be determined by agreement between the MPO and the Governor. To provide for comprehensive, long-range transportation planning, each metropolitan area would have to include at least the existing urbanized area and the contiguous area that can reasonably be expected to be urbanized within the subsequent twenty year period.

The bill makes provision for urbanized areas that are so large or complex that one MPO would be too unwieldy. The bill, however, would discourage the break up of MPOs that have already been formed. This subsection permits more than one MPO to be designated within an urbanized area, only if the area had more than one designated MPO on January 1, 1991 and the Secretary determines that more than one MPO is needed because of the size and complexity of the area. In such a case, the bill requires that appropriate provision be made to coordinate the metropolitan transportation strategies of all MPOs within the urbanized area.

The bill requires all areas that are in noncompliance under the Clean Air Act, as amended, to be included within the boundaries of the appropriate MPO's metropolitan area. An appropriate metropolitan area would also have to include any area that the Governor and MPO determine are likely to be significantly affected by air pollution within the subsequent twenty year period. If more than one MPO has authority within a non-attainment area, appropriate provision would have to be made to coordinate the metropolitan transportation strategies within the whole non-attainment area.

The bill would foster coordination of transportation strategies across multi-state areas. The Secretary would have to establish requirements to encourage Governors and MPOs with responsibility for a portion of a multi-state Metropolitan Statistical Area (MSA) or Consolidated Metropolitan Statistical Area (CMSA) to provide coordinated transportation planning for the entire MSA or CMSA.

Development of Transportation Strategy. The bill would require each MPO to prepare and update periodically a metropolitan transportation strategy for its metropolitan area. The Secretary would establish procedures according to which the strategy would be prepared. In developing the strategy, the MPO would be required to consider the environmental, energy, land use, and other regional effects of all transportation projects to be undertaken within the metropolitan area, without regard to funding source.

Each MPO would have to publish the strategy or otherwise make it readily available for public review. The MPO would also have to submit the strategy to the Governor for information purposes. The Secretary would have to establish dates and procedures for the publication and submission of strategies.

In Clean Air Act non-attainment areas for transportation-related pollutants, an MPO would be required to coordinate the development of a metropolitan transportation strategy with the development of transportation measures of the State Implementation Plan required by the Clean Air Act.

Each MPO would be required to provide citizens, affected public agencies, representatives of transportation agency employees, private providers of transportation and other interested parties with a reasonable opportunity to participate in the development of the strategy.

The Secretary would have to assure that each MPO is carrying out its responsibilities under applicable provisions of federal law. At least every three years, the Secretary would be required to provide certification to those MPOs that are complying with requirements of federal law. If the Secretary finds, after reasonable notice and opportunity for hearing, that an MPO is not carrying out its responsibilities under applicable provisions of federal law, the Secretary would have to deny certification. In that case, and until satisfactory corrective action is taken, the Secretary may suspend or disapprove in whole or in part the expenditure within the metropolitan area of funds made available under the Federal-Aid Highway Act of 1991 or the Federal Public Transportation Act.

Contents of Strategy. A metropolitan transportation strategy would be in a form that the Secretary deems appropriate. At a minimum, a strategy would:

(A) Identify transportation facilities (including major roadways, mass transit, and multimodal and intermodal facilities) that should function as an integrated metropolitan transportation system, giving emphasis to those facilities that serve important national and regional transportation functions, such as (i) moving goods within the metropolitan area and among distant markets, (ii) enabling people to move quickly to and from home, jobs and other destinations, and (iii) connecting complementary modes of transportation (such as highways, transit systems, ports, railroads and airlines);

(B) assess major demands on the metropolitan transportation system, projected over the subsequent 20 year period;

(C) set forth a long-range strategy for meeting metropolitan area personal mobility and goods transportation needs, including state and local actions to manage travel demand, improve transportation operations and management, increase the efficiency and effectiveness of existing facilities, or provide new transportation capacity;

(D) explain how proposed transportation decisions will (i) achieve compliance with applicable requirements of the Clean Air Act, as amended, the Clean Water Act and other environmental and resource conservation laws, (ii) further applicable federal, state and local energy conservation programs, goals and objectives and (iii) affect other important social, economic and environmental objectives of the metropolitan area as reflected in publicly adopted plans, such as those concerning housing, community development, and historic preservation;

(E) explain (i) the extent to which state and local policies regarding land use and transportation will affect metropolitan-wide mobility, and (ii) how proposed transportation decisions will affect future travel demand, growth in vehicle use, mobile source emissions, and land use and development, taking into consideration the provisions of all applicable short-term and long-term land use and development plans;

(F) include a financial plan showing demonstrates how the metropolitan transportation strategy can be implemented, which plan shall indicate resources from all sources that are reasonably expected to be made available to carry out the strategy, and recommend any innovative financing techniques to finance needed projects and programs, including such techniques as value capture, tolls, and congestion pricing;

(G) project capital investment and other measures necessary to (i) ensure the preservation of the existing metropolitan transportation system, including requirements for operations, resurfacing, restoration and rehabilitation of existing and future major roadways, as well as operations, maintenance, modernization and rehabilitation of existing and future public transit facilities and (ii) make the most efficient use of existing transportation facilities to relieve vehicular congestion and maximize the mobility of people and goods; and

(H) indicate any proposed transportation enhancement activities, as defined in the Clean Air Act.

For metropolitan areas that are not transportation management areas, the bill would permit the Secretary to provide for abbreviated strategies appropriate to achieve the purposes of this section, taking into account the complexity of transportation problems, including transportation related air quality problems, in such areas. The state would be required to develop a state-wide transportation strategy that takes into account the transportation needs of areas for which no MPO has been designated.

Subsection (b) of the bill establishes requirements for transportation improvement programs.

Development of programs. The MPO, in cooperation with the state and relevant transit operators, would be required to develop a transportation improvement program for the subsequent period of not less than three years. The program would have to include all projects within the metropolitan area that are proposed for funding pursuant to the Federal-Aid Highway Act of 1991 and the

Federal Public Transportation Act. The program would have to conform with the approved metropolitan transportation strategy and the State Implementation Plan required under the Clean Air Act, as amended. The program would have to include a project, or an identified phase of a project, only if full funding for such project or project phase can reasonably be anticipated to be available within the period of time contemplated for completion of the project. In the case of a major project to expand the transportation capacity, an appropriate range of alternatives would have to have been analyzed in accordance with the National Environmental Policy Act.

Periodic review and revision. The bill would require the MPO to update or reapprove the program annually, although the Secretary could permit less frequent updating for areas that are not designated to be transportation management areas. An MPO would be able to amend the program at any time, provided that the amendment is consistent with the metropolitan transportation strategy.

Priority Projects. The program would have to identify priority projects reflecting projected funding and the objectives of the metropolitan transportation strategy that shall be carried out for each relevant programming period.

State programs. The Governor shall develop a transportation improvement program, in a form acceptable to the Secretary, for areas for which no MPO has been designated.

Subsection (c) gives MPOs within transportation management areas the authority to approve funding of projects that expand the capacity of the transportation system.

Approval of projects. For projects within a transportation management area, the MPO would submit to the Governor and the Secretary a list of highway and transit projects and activities that the MPO has approved for funding in the ensuing period, which could not exceed two years. Federal assistance required for the approved projects and activities could not exceed the amount of federal assistance that is made available for capacity expansion within the metropolitan area for the period—either under section 106 of the Federal-Aid Highway Act of 1991 or sections 3 and 9 of the Federal Mass Transportation Act. When submitting a list of approved projects and activities, the MPO would have to certify to the Secretary that the list was developed in accordance with a continuing, cooperative and comprehensive planning process that the Secretary has found satisfactory under subsection (a)(4)(E).

Funds under the Federal-Aid Highway Act of 1991 or the Federal Public Transportation Act could not be used for any project or activity within a transportation management area unless it is included in the list of projects approved by the MPO.

The prohibition in the previous sentence would not apply to projects or activities that (A) do not significantly increase the vehicle carrying capacity of a transportation corridor, (B) are necessary to maintain and preserve existing transportation facilities or their carrying capacity, (C) are part of a program of investments required to comply with the Americans with Disabilities Act or other federal law, or (D) are needed for management of ongoing operations.

Recapture. The bill provides that federal highway and transit funds made available in a transportation management area for project selection by a MPO would remain available for a period of three years. If they are not obligated within that period, the Secretary would be required to recapture the funds and promptly reallocate them among other states according to the formula for the program under which the funds were made available. Funds would be considered to be obligated if they are reserved to help finance a project for which an application is pending under Section 3 of the Federal Mass Transportation Act.

Subsection (d) authorizes the Secretary, as under existing law, to contract for and make grants to states and local public bodies and their agencies for planning, engineering, designing, and evaluation of public transportation projects, and for other technical studies. Activities assisted under this section could include (1) studies relating to management, operations, capital requirements, and economic feasibility; (2) preparation of engineering and architectural surveys, plans, and specifications; (3) evaluation of previously funded projects; and (4) other similar or related activities preliminary and in preparation for the construction, acquisition, or improved operation of mass transporation systems, facilities and equipment. A grant of contract under this section would have to be made in accordance with criteria established by the Secretary.

Subsection (e), as does existing law, requires plans and programs under this section to encourage the participation of the private sector to the maximum extent feasible. If a program involves the acquisition of facilities and equipment that are already being used for mass transportation in urban areas, the program would have to provide that the facilities and equipment be so improved (such as through modernization, extension, or addition) that they will better serve the transportation needs of the area.

Subsection (f), would provide for the allocation of planning funds to MPOs. State planning funds would be provided as part of the new Section 26 State Program.

80 percent of the funds available to metropolitan planning organizations would be allocated to states in the ratio that the population in urbanized areas, in each state, bears to the total population in urbanized areas, in all the states as shown by the latest available decennial census. No state would receive less than ½ of 1 percent of the amount apportionated under this paragraph, however.

Funds would be allocated to MPOs within the state, by a formula—developed by the State in cooperation with metropolitan planning organizations and approved by the Secretary—that considers population in urbanized areas and provides an appropriate distribution for urbanized areas to carry out the cooperative processes described in section 8 of this Act.

Supplemental Formula for Transportation Management Areas. The remaining 20 percent would be allocated to supplement funds for metropolitan planning organizations in transportation management areas. Such funds would be allocated according to a formula that reflects the additional costs of carrying out planning, programming and project selection responsibilities under this section in such areas.

Hold Harmless. To ensure that MPOs would be "held harmless" at the amount they received by administrative formula under section 8 of this Act in fiscal year 1991, the Secretary could make a pro rata reduction in other amounts made available to carry out the state and national planning and research program.

Matching Share. The federal share for section 8 activities would be 75 percent except where the Secretary determines that it is in the federal interest not to require a state or local match.

Sec. 12. Section 9—Formula Grant Program—Discretionary Transfer of Apportionment. This section would amend Section 9 of the UMT Act to permit a transfer of transit funds to highway use under certain circumstances. This is comparable to amendments to the Federal-Aid Highway Act that would permit highway funds to be used for transit projects.

Subsection (a) would amend subsection (j)(1) of the UMT Act to provide that, in a transportation management area, formula grants for construction projects could also be used for highway projects; provided that (i) such use is approved by the metropolitan planning organization in accordance with section 8(c) and (ii) adequate provision is first made for sound operation of existing transit facilities, maintenance of such facilities and their carrying capacity, management of ongoing transit operations, and any program of investments required to comply with the Americans with Disabilities Act or other federal law.

Subsection (b) would add two new provisions to subsection (j) of the UMT Act. First, the bill would permit Section 9 construction funds to be used for a highway project only if (i) funds for the State or local government share of the project are eligible to fund either highway or transit projects, or (ii) the Secretary finds that State or local law provides a dedicated source of sufficient funding available to fund local transit projects.

Second, the bill makes it clear that Section 9 construction funds made available for a highway project would be transferred to and administered by the Federal Highway Administration.

Sec. 13. Section 9 Program/Elimination of Incentive Tier. This section would eliminate the "incentive tier" provisions of the section 9 bus and rail funding formulas. The "incentive tier" provisions—introduced in the Surface Transportation Assistance Act of 1982—now allocate a small portion of formula funds by factors purporting to weigh and reward the operating efficiency of bus and rail systems. The Administration has concluded that the time and cost associated with collecting and calculating the incentive factors far outweigh any benefits flowing from their application.

Sec. 14. Section 9 Program/Applicability of Safety Program. This section would apply Section 22 of the UMT Act, which gives the Secretary investigatory powers to ensure safety in mass transit systems, to the section 9 program. The provision is necessary because of the requirement in section 9(e)(1) that only specified sections of the UMT Act apply to section 9.

Sec. 15. Section 9 Program/Certifications. This section would make several amendments to simplify the section 9 grant application process—particularly the existing requirements that recipients self-certify their compliance with various statutory mandates.

Subsection (a) would mandate that all certifications required by law be incorporated into a single document to be submitted annually as part of the Section 9 application.

Subsection (a) would also require the Secretary to publish an annual list of all required certifications in conjunction with its annual publication—currently required by Section 9(q)—of information outlining the apportionment of Section 9 funds.

Subsection (b) would require the Secretary to establish streamlined procedures to gov-

ern a recipient's "continuing control" certification with respect to track and signal equipment. Under existing law, a section 9 recipient is required to certify that it has or will have "satisfactory continuing control" over the use of its facilities and equipment. UMTA's interpretation of this requirement with respect to track and signal equipment has been criticized for imposing undue administrative burdens on transit recipients.

Sec. 16. Section 9 Program/Program of Projects. This section would require a recipient, in developing its program of projects, to assure that the program provides for the maximum feasible coordination of public transportation services assisted under the section 9 program with transportation services assisted by other federal sources. A similar provision currently is in Section 18 of the Act.

Sec. 17. Section 9 Program/Delegation of Environmental Assessment Responsibility. This section would authorize the Secretary to issue regulations providing for recipient assumption of environmental review responsibilities applicable under the National Environmental Policy Act of 1969. Recipients would be required to submit an annual certification accepting NEPA responsibilities.

Sec. 18. Section 9 Program/Continued Operating Assistance for Consumer Rail in Southern Florida. This section would amend the 1987 Act to permit a commuter rail line (Tri-County Rail Authority) in south-eastern Florida to continue to receive federal operating assistance under section 9.

The TCRA commuter line was established as a temporary congestion relief measure during reconstruction of a major interstate in south-eastern Florida. To help meet the operating needs of this commuter line, section 329 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 permitted an increase in the Section 9 operating assistance cap for the urbanized areas of Fort Lauderdale and Miami, Florida. The increased operating assistance was specifically limited to commuter rail service "provided as a maintenance of traffic measure" during the reconstruction period.

The TCRA commuter line has proven to be successful and is expected to continue to operate beyond the completion of the interstate reconstruction. Recognizing the permanent status of the commuter line, this amendment would remove the limitations contained in Section 329 to enable TCRA to continue to receive federal operating assistance.

Sec. 19. Section 11—University Transportation Centers. Section 419(a) would revise the responsibilities of the University Transportation Centers to include transportation safety issues. Section 419(b) would delete the current National Advisory Council provision and replace it with a requirement that the results of studies conducted by the Centers be coordinated and disseminated by the Secretary.

In addition, Section 419(c) would amend section 11(b)(8) to permit up to 1% of the funds made available under this program by any agency of the Department to be available for the administrative expenses the Department incurs in administering the program. The Secretary intends to delegate the responsibility to administer the program to the Administrator of the Research and Special Programs Administration.

Section 419(d) would add a paragraph (11) to the end of section 11(b) of the Act providing that the Secretary could make available to the University Centers other funds appropriated for transportation research.

Sec. 20. Transfer of Facilities and Equipment. This section would amend the general provisions of Section 12 to allow the Secretary to authorize the transfer of facilities and equipment acquired with funds under the Act, to any public body for uses other than mass transportation. Under current law, the transfer of excess property for other public uses is difficult and cumbersome. This provision would simplify the process and allow, for example, the transfer of a surplus bus maintenance facility from the transit authority to a public school district.

The transferred facilities and equipment would have to remain in a public purpose use for a minimum of five years. In addition, prior to making any transfer, the Secretary would first have to make a written determination that there are no other mass transit purposes for which the asset should be used; that the benefit of the transfer outweighs liquidation of the asset and return of the Federal financial in the asset; and that there is no Federal use for the asset.

Sec. 21. Special Procurement Initiatives.—The bill will amend section 12 of the UMT Act by adding a new subsection that authorizes two new refinements to law affecting UMTA procurement procedures.

Turnkey System Procurements. This paragraph would promote the adoption of new transit technologies, such as automatically guided rail systems, and make possible lower cost construction of new mass transportation systems through the use of "turnkey" procurement. "Turnkey refers to a vendor-specific project under which a manufacturer contracts to (1) build a total system that meets specific performance criteria, (2) operate it for a period of time, and then (3) transfer operation to the transit system after reliable performance is assured. The paragraph would authorize the Secretary to allow the solicitation for a turnkey system project to be conditionally awarded before all Federal requirements have been met so long as the award is made without prejudice to the implementation of those Federal requirements. Federal financial assistance under the UMT Act could be made available when the recipient has complied with relevant Federal requirements. The Secretary is expected to develop appropriate regulations in a timely manner. In the meantime, and to assist in the development of those regulations, the Secretary is authorized to approve a maximum of 4 projects under this paragraph.

Multi-year rolling stock procurements. This paragraph would authorize a transit operator to enter into multi-year agreements for the purchase of rolling stock, such as busses and rail cars, and replacement parts. The purpose of this reform is to permit a reduction of overall procurement and maintenance costs through greater standardization and more orderly replacement of fleets. The agreements could provide for an option to purchase additional rolling stock or replacement parts for a period not to exceed 5 years from the date of the original contract. The operator could also award a contract to other than the low bidder so long as the recipient pays the extra cost with non-federal funds. Federal reimbursement would be made on the basis of the low bid.

The paragraph would also authorize two or more recipients to cooperate for the joint procurement of vehicles.

Sec. 22. Elderly and Persons with Disabilities. This section would clarify existing UMTA practice by specifying that funds provided under the Section 16(b)(2) program will be allocated to the States, who in turn will distribute funds to eligible private non-profit corporations and associations. States would submit a program of projects to the Secretary for approval as is current practice. The section also requires an assurance that the state's program of projects provides for the coordination of Section 16(b)(2) transportation services with transportation services assisted from other Federal sources. This provision is designed to encourage more effective coordination and to avoid duplication of service.

The section would also clarify that recipients of 16(b)(2) funds may lease their equipment to public transit entities.

Sec. 23. Nonurbanized Area Formula Program—Transfer of Capital Asset. This section would add a provision under the Section 18 program to allow States the flexibility to transfer facilities and equipment between the Section 18 and Section 16(b) programs. Current law does not allow equipment transfers from one program to the other. Under this provision a State could, for example, transfer vans purchased with Section 18 funds to the Section 16(b) program and vice versa. The original program use requirements of Section 18 and Section 16(b) would continue to apply to any transferred equipment.

Sec. 24. Section 20—Human Resources Program Support. Section 424 would amend current Section 20, which authorizes the Secretary to make grants or contracts for national or local programs that address human resource needs as they apply to public transportation activities. Section 424 would redesignate the current provision as subsection (a) and add a new subsection (b).

This new subsection would authorize the Secretary to retain any funds returned in connection with these human resource activities in a fund whereby these retained funds could in turn be made available for any human resource activities eligible to be funded under section 20.

Sec. 25. Authorizations. This section would provide authorization levels for the various programs in the bill. Under current law, section 9 and 18 formula programs are funded primarily from general revenue. The section 3 new starts, rail modernization, and bus discretionary programs, section 16(b)(2) elderly and handicapped transit and Section 8 planning—are funded from the mass transit account of the highway trust fund. In recent years, programs funded from general revenues have experienced larger cuts in the appropriations process than have programs funded from the trust fund. This proposal would restructure funding sources to provide greater equity between formula and discretionary programs. All formula and discretionary programs would receive a similar percentage of funds from both the trust fund and general revenues.

Funding for certain programs would be provided as a percentage set-aside of total funds available for formula and discretionary programs and the National Capital Transportation Act.

3.0% of total UMTA funds would be authorized for Planning, programming and research as follows:

45% would be available for MPOs under section 8(f);

5% would be available for RTAP under section 18(h);

20% would be available for state research and planning program under section 26(a); and

30% would be available for national planning and research program under section 26(b).

2.0% of total UMTA funds would be authorized for administrative expenses under section 12(a);

1.5% of total UMTA funds would be authorized for elderly and handicapped transportation under section 16(b);

$5,000,000 would be authorized for each of fiscal years 1992 through 1996 for University Transportation Centers under section 11(b);

$160,000,000 would be authorized for fiscal year 1992 and $160,715,000 for fiscal year 1993 for completion of the Interstate Transfer program transit projects;

5% of the remaining formula funds would be authorized for rural transportation under section 18;

the balance of formula funds would be available for section 9 formula grants.

Sec. 26. Section 23—Project Management Oversight. This section would increase the percentage of funds reserved for UMTA's project management oversight program. The current ½ percent takedown from of all funds available to carry out sections 3, 9, 18, interstate transfer projects, and the National Capital Transportation Act (authorizing legislation for D.C. metro) would be increased to ¾ percent. A technical restriction would be removed which currently limits the use of these "takedowns" from each eligible program to projects funded under that same particular section. Instead, UMTA could aggregate all of these funds for use on projects in any of the eligible programs.

Sec. 27. Section 26—Transportation Planning and Research. This section would clarify the research functions of the agency by adding a new Section 26 to the Act. Section 26(a) would provide for a state research and planning program.

Fifty percent of the funds authorized under section 21(c)(3) of this Act would be available under subsection 26(a)(1) for a transit cooperative research program to be administered by an independent governing board established by the Secretary. The majority of the board members would represent transit operating agencies. The mass transit projects the board recommends to be carried out would be done by means of grants or cooperative agreements from the Secretary of the National Academy of Sciences. The transit cooperative research program is intended to be an applied research program that focuses on identifying and evaluating solutions to everyday problems of transit operators.

The other 50 precent of funds would be available to the States on the basis of population for grants or contracts consistent with the purposes of section 6, 8, 10, 11, or 20 of the Act. No state would receive less than one-half of one percent of the amount apportioned in this section. States could also use a portion of their funds for activities in conjunction with the transit cooperative research program as well with local metropolitan planning organizations.

Section 26(b) would provide for a national research program to be administered by the Secretary. The secretary would be authorized to use the funds from 21(c)(4) for grants or contracts in accordance with sections 6, 8, 10, 11, or 20 of the Act.

Section (b)(2) would allow the Secretary to charge and retain and then use for the purposes of section 26(b)(1) tuition, fees, or other amounts realized by the various conferences, seminars, or other projects authorized under the section. The Secretary would be given authority to determine what constitutes a necessary expense to conduct activities under this subsection. The Secretary would have to coordinate these activities with private regional and national organizations with expertise in transportation and whenever possible contract out with these organizations.

Section 26(b)(3) would authorize the Secretary with up to 25% of the section 26(b)(1) funding for special initiatives. In connection with these initiatives, the Secretary could waive requirements the Secretary deems necessary in order to facilitate special projects as long as the projects are non-renewable grants that do not exceed $500,000.

Section 26(b)(4) would authorize the Secretary to undertake a program of transit technology development in coordination with affected entities. The Secretary would establish an Industry Technical Panel composed of representatives of transportation operators and suppliers. Representatives of the suppliers could comprise a majority. The panel would assist the Secretary in the identification of technology development areas and in developing guidelines for project development. The Secretary would also develop guidelines on cost sharing principles for technology development projects.

Section 26(b)(5) would permit the Secretary to use funds under this subsection to supplement funds under the transit cooperative research program, section 26(a)(1), in the state program.

Section 26(b)(6) would authorize the Secretary to impose an appropriate local share in connection with any grant or contract that would give a clear and direct financial benefit to an entity.

Sec. 28. Technical Accounting Provisions. This section would correct administrative difficulties resulting from current accounting practices. Funds appropriated prior to October 1, 1983, that remain available for expenditure after October 1, 1991, could be transferred to and administered under the most recent appropriation heading for the relevant section.●

By Mr. DODD (for himself, Mr. MURKOWSKI, Mr. CRANSTON, Mr. BIDEN, Mr. SARBANES, Mr. KENNEDY, Mr. KERRY, and Mr. LEAHY:

S. 1195. A bill to authorize the establishment of a memorial on Federal land in the District of Columbia to honor individuals who have served as volunteers in the Peace Corps; to the Committee on Energy and Natural Resources.

PEACE CORPS VOLUNTEER MEMORIAL

● Mr. DODD. Mr. President, I rise today to introduce a bill to establish a memorial for former volunteers of the Peace Corps. I am pleased to be joined by my colleague from Alaska, Senator MURKOWSKI, and five other cosponsors in this effort.

Mr. President, this bill would establish a nonpaid Commission to solicit private donations for the construction of this memorial. Though the actual design of the memorial would be up to the Commission, we envision a modest structure—perhaps even a living memorial—to be located within the District of Columbia.

Let me stress, Mr. President, that no Federal funds would be used in the construction of the memorial. Private donations would be solicited to cover all of the costs of construction and maintenance of the memorial.

Mr. President, in the 30 years since President John F. Kennedy and Sargent Shriver first set forth a volunteer program to promote world peace and friendship, the Peace Corps has grown into a thriving and successful program. Over 138,000 young American volunteers have had their lives enriched by the experiences of serving in a foreign land and sharing in a foreign culture. And citizens of over 100 countries throughout the world have benefited from American technology, from American ingenuity, and from the American tradition of giving.

For thousands of citizens the world over, Mr. President, their only experience of Americans is through the ones that one day came out to dig a ditch, to build a bridge, or to teach a child. And that is the special gift of the Peace Corps. It doesn't demand a high level of technical expertise. You don't need an advanced degree or a lengthy resume to participate. All you need are a sense of caring, a desire to share, and a willingness to do the little things that will make another life better.

Mr. President, the Peace Corps bills itself as the toughest job you will ever love. As a former Peace Corps volunteer myself, I can attest to the accuracy of that statement. I spent two of my toughest and finest years in the mountains near Moncion, in the Dominican Republic. The work was tough. But the experience that I gained from the Peace Corps is a reward that continues to pay dividends even to this very day.

As we stand here in May 1991, Mr. President, with the war in the Persian Gulf over and a renewed surge of democracy throughout the world, the Peace Corps enjoys a future that is very bright indeed. The collapse of communism has enabled the program to expand into 25 new countries within the past 2 years. And another six countries are scheduled to be added in 1992. That brings the number of countries that the Peace Corps will serve in 1992 to 94.

But as we celebrate the Peace Corps' success, it is also important to look back at the history of this program, and at the more than 138,000 volunteers that have contributed to it over the years. The people I worked with in Moncion, like Peace Corps volunteers throughout the world, are hardworking and devoted people. They care deeply about the principles that the Peace Corps represents. They are people, Mr. President, with passion and commitment.

These volunteers, and their contribution over the years, deserve to be recognized. The Peace Corps Memorial is a small but important step in recognizing that the success of the Peace Corps today would not be possible without the contributions of yesterday's volunteers. Because ultimately, Mr. President, it is people that make the dif-

ference for the Peace Corps. It is people who have made the Peace Corps the wonderful and vibrant program that it is. And it is people, Mr. President, that ultimately will ensure the continued success of the Peace Corps for many years to come.

Mr. President, I hope the rest of the Senate will join us in giving its swift approval to this bill.●

By Mr. ADAMS (for himself and Mr. GRAHAM):

S. 1196. A bill to prohibit government-to-government and commercial arms sales to any country that is participating in or cooperating with the economic boycott of Israel; to the Committee on Foreign Relations.

ENDING THE ECONOMIC BOYCOTT AGAINST ISRAEL

Mr. ADAMS. Mr. President, I rise today to introduce legislation to prohibit arms sales to nations that participate in or cooperate with the international economic boycott of Israel. Joining me in introducing this bill is the Senator from Florida [Mr. GRAHAM].

Earlier this year, the United States, along with more than 20 allied nations, united to force Iraqi forces out of Kuwait. Operation Desert Storm and its success caused President Bush to herald the advent of a new world order. For the Middle East, the new order would usher in an era of peace between the Arabs and Israelies, and regional reductions in nuclear, conventional and biological weapons.

Unfortunately, the high ideals of that new world order have not been translated to real accomplishments on the ground. In Kuwait, whose liberation the entire world enjoyed in the first days after the war with Iraq, democracy has been delayed and justice is still a vague promise. Despite its promises of regional arms control, the Bush administration has begun preparing to present to Congress requests for billions of dollars of sales of sophisticated weaponry to the Arab states.

The administration's quick dismissal of its promises on arms control is matched by the Arab States' dismissal of Isarel's role in the allied victory over Saddam Hussein. The Saudis and Kuwaitis cannot be allowed to forget the Israelis' restraint in the face of unprovoked Scud attacks, which killed their people and destroyed their homes. The Arab nations may have forgotten Israel's role, but the American people have not.

Now that the gulf war is over and the promises of a new world order have faded from the administration's pronouncements, the Arab nations have returned to the behavior of the Old World. The most glaring evidence of this is the Arab League's continued application of the economic boycott against Israel.

Under the boycott, which actually predates the existence of Israel, Arab States and companies are prohibited from buying or selling to Israel or Israelis. The boycott has been expanded to an exclusion of companies that do business with or in Israel—secondary—and a ban on companies doing business with companies that are themselves blacklisted for doing business with Israel—tertiary. The Arab boycott is aimed at the economic, as well as political isolation and strangulation of Israel. In short, it's the economic equivalent of war against the Jewish state.

In excusably, the leading enforcers of the boycott have been the major beneficiaries of America's victory over Hussein—Kuwait, Saudi Arabia, and the United Arab Emirates.

In the aftermath of the gulf war, the Arab League has actually tightened its enforcement of the boycott. In fact, since the allied victory over Hussein, the Arab League's Central Boycott office in Damascus has added 110 new companies to its blacklist because of their alleged business associations with Israel.

It's time that the United States do more than just talk about the new world order in the Middle East. It's time that our policies and our actions start matching our rhetorical support for bringing peace to the Middle East and controlling the spread of nuclear, chemical and conventional arms in the region.

More than 500,000 American troops helped liberate Kuwait from Iraqi aggression. It's time we use all our policy options, including the withholding of arms sales, to convince the Arab world that it must stop its aggression, both military and economic, against Israel.

Since the administration doesn't appear prepared to exert real pressure to compel the Arab States to lift their boycott of Israel, then the Congress must act. For this reason, I am introducing legislation to prohibit government-to-government and commercial arms sales to any nation participating in or cooperating with the Arab League's economic boycott of Israel.

If we are serious about promoting peace and reducing arms in the Middle East, the United States must be evenhanded in pressing both sides to demonstrate their seriousness about the peace process. The Israelis already acted when they refused to be drawn into the gulf war even after suffering countless Iraqi scud attacks. Now it's time for the Arab States to show their good faith by lifting their boycott and ending their economic war against Israel.

I urge my colleagues to join Senator GRAHAM and me as cosponsors of this important legislation. I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 1196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION ON ARMS SALES TO COUNTRIES PARTICIPATING IN OR COOPERATING WITH THE ECONOMIC BOYCOTT OF ISRAEL.

(a) GOVERNMENT-TO-GOVERNMENT SALES.—Sales may not be made under the Arms Export Control Act to any country described in subsection (c).

(b) COMMERCIAL EXPORT SALES.—License may not be issued under section 38 of the Arms Export Control Act with respect to a sale to any country described in subsection (c).

(c) COUNTRIES SUBJECT TO PROHIBITIONS.—This section applies with respect to any country that is listed pursuant to section 999(a)(3) of the Internal Revenue Code of 1986 as a country which requires or may require participation in or cooperation with the international boycott directed against Israel.

ADDITIONAL COSPONSORS

S. 190

At the request of Mr. GRAHAM, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 190, a bill to amend section 3104 of title 38, United States Code, to permit veterans who have a service-connected disability and who are retired members of the Armed Forces to receive compensation, without reduction, concurrently with retired pay reduced on the basis of the degree of the disability rating of such veteran.

S. 240

At the request of Mrs. KASSEBAUM, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 240, a bill to amend the Federal Aviation Act of 1958 relating to bankruptcy transportation plans.

S. 267

At the request of Mr. REID, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 267, a bill to prohibit a State from imposing an income tax on the pension or retirement income of individuals who are not residents or domiciliaries of that State.

S. 290

At the request of Mr. MCCAIN, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 290, a bill to establish an Indian Substance Abuse Program, and for other purposes.

S. 323

At the request of Mr. CHAFEE, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 323, a bill to require the Secretary of Health and Human Services to ensure that pregnant women receiving assistance under title X of the Public Health Service Act are provided with informa-

tion and counseling regarding their pregnancies, and for other purposes.

S. 327

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 327, a bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to furnish outpatient medical services for any disability of a former prisoner of war.

S. 466

At the request of Mr. GRASSLEY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 466, a bill to amend the Internal Revenue Code of 1986 to provide for a renewable energy production credit, and for other purposes.

S. 527

At the request of Mr. BUMPERS, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 527, a bill to provide for the partial cancellation or repayment of Perkins and Stafford loans for student borrowers who perform a year or more of full-time, low-paid service as Peace Corps and VISTA volunteers, and comparable full-time, low-paid service with a tax-exempt community service organization in the private sector.

S. 544

At the request of Mr. HEFLIN, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 544, a bill to amend the Food, Agriculture, Conservation and Trade Act of 1990 to provide protection to animal research facilities from illegal acts, and for other purposes.

S. 596

At the request of Mr. MITCHELL, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 596, a bill to provide that Federal facilities meet Federal and State environmental laws and requirements and to clarify that such facilities must comply with such environmental laws and requirements.

S. 621

At the request of Mr. CRANSTON, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 621, a bill to establish the Manzanar National Historic Site in the State of California, and for other purposes.

S. 715

At the request of Mr. BURNS, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 715, a bill to permit States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to vehicles used to transport farm supplies from retail dealers to or from a farm, and to vehicles used for custom harvesting, whether or not such vehicles are controlled and operated by a farmer.

S. 722

At the request of Mr. ROTH, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 722, a bill to amend the Internal Revenue Code of 1986 with respect to the requirement that an S corporation have only 1 class of stock.

S. 843

At the request of Mr. BREAUX, the names of the Senator from South Dakota [Mr. PRESSLER] and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of S. 843, a bill to amend title 46, United Staes Code, to repeal the requirement that the Secretary of Transportation collect a fee or charge for recreational vessels.

S. 859

At the request of Mr. GRASSLEY, the names of the Senator from Utah [Mr. HATCH], the Senator from Arizona [Mr. DECONCINI], the Senator from Alabama [Mr. SHELBY], the Senator from North Dakota [Mr. BURDICK], the Senator from Idaho [Mr. CRAIG], the Senator from Idaho [Mr. SYMMS], the Senator from New Hampshire [Mr. SMITH], the Senator from Colorado [Mr. BROWN], and the Senator from Utah [Mr. GARN] were added as cosponsors of S. 859, a bill to amend the Federal Aviation Act of 1958 to limit the age restrictions imposed upon aircraft pilots.

S. 879

At the request of Mr. DASCHLE, the names of the Senator from South Dakota [Mr. PRESSLER] and the Senator from Nebraska [Mr. EXON] were added as cosponsors of S. 879, a bill to amend the Internal Revenue Code of 1986 to clarify the treatment of certain amounts received by a cooperative telephone company indirectly from its members.

S. 882

At the request of Mr. SARBANES, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 882, a bill to amend subpart 4 of part A of title IV of the Higher Education Act of 1965 to mandate a 4-year grant cycle and to require adequate notice of the success or failure of grant applications.

S. 962

At the request of Mr. INOUYE, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 962, a bill to make permanent the legislative reinstatement, following the decision of Duro against Reina (58 U.S.L.W. 4643, May 29, 1990), of the power of Indian tribes to exercise criminal jurisdiction over Indians.

S. 1000

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1000, a bill to ensure that the recommendations of the Commission on the Consolidation and Conversion of Defense Research and Development Laboratories are available for consideration before any action is taken to close or realign Department of Defense laboratories pursuant to the Defense Base Closure and Realignment Act of 1990.

S. 1013

At the request of Mr. GRASSLEY, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 1013, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the earned income tax credit for individuals with young children.

S. 1014

At the request of Mr. GRASSLEY, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 1014, a bill to amend the Internal Revenue Code of 1986 to increase the personal exemption amount.

S. 1110

At the request of Mr. KASTEN, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1110, a bill to amend the Federal Food, Drug, and Cosmetic Act to require that standards of identity for milk include certain minimum standards regarding milk solids, and for other purposes.

S. 1111

At the request of Mr. MITCHELL, the names of the Senator from California [Mr. CRANSTON], the Senator from Delaware [Mr. BIDEN], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of S. 1111, a bill to protect the Public from Health Risks from Radiation Exposure from Low-Level Radioactive Waste, and for other purposes.

S. 1156

At the request of Mr. PACKWOOD, the names of the Senator from Montana [Mr. BURNS] and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of S. 1156, a bill to provide for the protection and management of certain areas on public domain lands managed by the Bureau of Land Management and lands withdrawn from the public domain managed by the Forest Service in the States of California, Oregon, and Washington; to ensure proper conservation of the natural resources of such lands, including enhancement of habitat; to provide assistance to communities and individuals affected by management decisions on such lands; to facilitate the implementation of land management plans for such public domain lands and federal lands elsewhere; and for other purposes.

S. 1175

At the request of Mr. KERRY, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 1175, a bill to make eligibility standards for the award of the Purple Heart currently in effect applicable to members of the Armed Forces of the United States who were taken prisoners or taken captive by a hostile foreign government or its agents or a hostile force

before April 25, 1962, and for other purposes.

SENATE JOINT RESOLUTION 130

At the request of Mr. LAUTENBERG, the names of the Senator from Connecticut [Mr. LIEBERMAN] and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of Senate Joint Resolution 130, a joint resolution to designate the second week in June as "National Scleroderma Awareness Week."

SENATE JOINT RESOLUTION 131

At the request of Mr. LUGAR, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of Senate Joint Resolution 131, a joint resolution designating October 1991 as "National Down Syndrome Awareness Month."

SENATE JOINT RESOLUTION 136

At the request of Mr. RIEGLE, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Joint Resolution 136, a joint resolution to authorize the display of the POW-MIA flag on flagstaffs at the national cemeteries of the United States, and for other purposes.

SENATE JOINT RESOLUTION 151

At the request of Mr. RIEGLE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Joint Resolution 151, a joint resolution to designate October 6, 1991, and October 6, 1992, as "German-American Day."

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. LAUTENBERG, the names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Concurrent Resolution 27, a concurrent resolution urging the Arab League to terminate its boycott against Israel, and for other purposes.

AMENDMENTS SUBMITTED

TELECOMMUNICATIONS EQUIPMENT RESEARCH AND MANUFACTURING COMPETITION ACT

PRESSLER AMENDMENTS NOS. 277 THROUGH 279

(Ordered to lie on the table.)

Mr. PRESSLER submitted three amendments intended to be proposed by him to the bill (S. 173) to permit the Bell Telephone Cos. to conduct research on, design, and manufacture telecommunications equipment, and for other purposes, as follows:

AMENDMENT No. 277

At the end of the bill, add the following:

SEC. 4. ADDITIONAL AMENDMENT TO THE COMMUNICATION ACT OF 1934.

Section 220(d) of the Communications Act of 1934 (47 U.S.C. 220(d) is amended by deleting "$6,000" and inserting in lieu thereof "$10,000".

AMENDMENT No. 278

On page 12, between lines 2 and 3, insert the following:

"(k) No Bell Telephone Company or affiliate may purchase or use in the provision of any regulated service, any equipment which it or any affiliate manufactures.".

On page 12, line 3, strike out "(k)" and insert in lieu thereof "(l)".

AMENDMENT No. 279

On page 12, between lines 2 and 3, insert the following:

"(k) Notwithstanding any other provision of this Act or any other law and before the commencement of any manufacturing activity by any Regional Bell Telephone Company or any Regional Bell Telephone Company affiliate, the Commission shall not later than 180 days after enactment of this subsection, promulgate rules and standards necessary to ensure that—

"(1) State regulatory commissions have adequate financial records systems in place to ensure detection of anti-competitive abuses by monopoly local telephone service exchanges where business crosses State lines; and

"(2) the various State regulatory commissions are authorized to enter into regulatory compacts with one another to detect regulatory abuses, and that such commissions are vested with subpoena authority for access to financial records of a Bell Telephone company or any affiliate

On page 12, line 3, strike out "(k)" and insert in lieu thereof "(l)".

Mr. PRESSLER. Mr. President, I rise today to file three amendments for possible consideration when we take up S. 173. I submit these amendments in an effort to encourage discussion from all sides on this issue, and I welcome comments or suggestions from any interested parties.

The first amendment would require the Federal Communications Commission to ensure that State regulators have adequate financial records systems in place to detect any anticompetitive activities of local telephone service exchanges where their business crosses State lines. In addition, it would ensure that State regulatory commissions are authorized to enter into regulatory compacts with other State regulatory commissions to assist in detecting any regulatory abuses. Finally, it would assure that State regulatory commissions are vested with subpoena authority to access the financial records of a Bell telephone company or any affiliate. These tools are intended to give State and Federal regulators the tools they need to protect the interests of ratepayers.

The second amendment would provide for an increase in the fine for a violation of the Communications Act by any telephone company that fails or refuses to keep accounts, records, and memoranda on the books in the manner prescribed by the Federal Communications Commission.

My third amendment prohibits a practice known as self-dealing. This occurs when a monopoly utility owns a manufacturing operation and buys exclusively for itself the product it needs in its networks. Ratepayers, both consumers and businesses, are deprived of competition that should exist for those product sales. Equipment competitions could be shut out of the Bell markets—sales worth billions of dollars a year. The history of the last 7½ years demonstrates that competition in telecommunications equipment produces more R&D, new and better products, and lower prices. This amendment would prohibit self-dealing and encourage continued competition in the telecommunications equipment markets.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will be holding a hearing on the "Circle of Poison: Impact on the Third World." The hearing will be on Wednesday, June 5, 1991, at 9:30 a.m., in SR-332. For further information please contact Carolyn Brickey or Jon Haber of the committee staff at 224-2035.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PROJECTION FORCES AND REGIONAL DEFENSE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Projection Forces and Regional Defense of the Committee on Armed Services be authorized to meet on Friday, May 24, 1991, at 9:30 a.m., to receive testimony on current strategic lift capability and programs, in review of S. 1066, the National Defense Authorization Act for fiscal years 1992-93.

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

ADDITIONAL STATEMENTS

FINANCING FOR DEFENSE EXPORTS—S. 1173

• Mr. LIEBERMAN. Mr. President, yesterday I introduced legislation, S. 1173, that would establish a guarantee program for the defense exports of American manufacturers. This legislation is a revised version of a bill that I introduced last year.

Our defense manufacturers are a critical portion of our manufacturing base, crucial to a wide range of secondary suppliers. They produce products which are competitive worldwide. The problem confronting our defense manufacturers has nothing to do with the quality of their products, it has to do with the lack of an adequate financing program to help them compete against manufacturers from other nations. Without this financing, they are at a competitive disadvantage.

The United States is one of the few nations that does not support its deffense manufacturers with their export sales. The result of this lack of support is that domestic producers lose sales or shift production overseas through subsidiaries in countries which will provide export credits. At a time when our defense industry is downsizing as a result of inevitable cutbacks, we cannot afford to hurt our exporters further by refusing to support their export activities. We stand to lose too many jobs if we do not help. This is particularly important to my home State of Connecticut which relies heavily on its defense industry.

I introduced similar legislation last year, and I am also a cosponsor of my friend Senator DODD'S bill that would establish a defense export financing program in the Export-Import Bank. My new bill is intended to serve as an alternative to that bill only if it does not move forward. My bottom line is to ensure that some type of program is in place for our defense manufacturing sector.

S. 1173 would establish a Defense Export Financing Board, comprised of the Eximbank and Departments of State, Defense, Commerce, and Treasury with Treasury and Commerce as nonvoting members of the Board. The Board has the responsibility to determine whether or not a guarantee should be granted for each request. The Center for Defense Trade at the Department of State will handle the administrative functions of the program with the Eximbank providing credit analysis and other administrative functions. The guarantee program is to be the same as the Eximbank guarantee program, which has proven to be an effective tool for civilian exporters.

Each country must be determined to be creditworthy, friendly, and may not be in violation of section 502(b) of the Foreign Assistance Act, concerning human rights protections, in order to be considered eligible for the program. These provisions are intended to ensure that we will never supply potential enemies or developing nations that simply cannot and should not buy unnecessary arms.

In addition, the Defense Financing Board must submit notification to Congress of a sale. The notification procedure can run concurrently with present procedures in the Arms Export Control Act. The purpose of this procedure is to give Congress along with the executive branch an opportunity to determine whether or not it is in our national interest to permit a sale to go forward. This is a further safeguard.

I believe that my bill provides a framework for establishing a carefully controlled defense export financing program that addresses the financial and political concerns of both the administration and Congress. I am committed to seeing a workable program put in place so that our defense exporters will no longer be at a competitive disadvantage.

I ask that a copy of the bill be placed into the RECORD after my statement, along with some additional information on the export financing programs of other major defense exporting nations.

The material follows:

S. 1173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Private Defense Export Financing Act of 1991".

SEC. 2. PRIVATE DEFENSE EXPORT FINANCING.

(a) AUTHORITY TO GUARANTEE PROJECTS.—The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended by inserting after chapter 7 the following new chapter:

"CHAPTER 8—PRIVATE DEFENSE EXPORT FINANCING

"SEC. 81. GUARANTY AUTHORITY.—(a) The Private Defense Export Financing Board may guarantee any eligible defense export loan in accordance with the provisions of this chapter.

"(b) A loan is a defense export loan eligible for a guaranty pursuant to this chapter if the loan is made—

"(1) by an individual, corporation, partnership, or other juridical entity doing business in the United States (other than a department or agency of the United States Government); and

"(2) for an export project that—

"(A) involves the acquisition of defense articles, defense services, or design and construction services (authorized for sale by section 29) by one or more friendly foreign countries or international organizations;

"(B) is financed entirely by one or more such indviduals, corporations, partnerships, or other juridical entities;

"(C) is creditworthy, as determined pursuant to section 84;

"(D) will not involve procurement outside the United States except to the extent that such procurement would be permitted under section 42(c) if funds made available by this Act were to be used for such procurement; and

"(E) satisfies such other conditions and criteria as the Board prescribes in regulations.

"(c) A guaranty issued pursuant to this chapter shall guarantee a lender against political and credit risks of non-payment, including nonpayment of interest, and shall be backed by the full faith and credit of the United States.

"SEC. 82. PRIVATE DEFENSE EXPORT FINANCING BOARD.—(a) the Private Defense Export Financing Board is a board within the executive branch.

"(b) The Board is composed of five members as follows:

"(1) The Secretary of State, who shall serve as Chairman of the Board.

"(2) The Secretary of Defense.

"(3) The Chairman of the Export-Import Bank of the United States.

"(4) The Secretary of Commerce.

"(5) The Secretary of the Treasury.

"(c) An official referred to in subsection (b) may designate an officer or employee of the United States to serve as a member of the Board in place of such official. Any such designee of the Secretary of State shall serve as Chairman of the Board.

"(d) The members referred to in paragraphs (4) and (5) of subsection (b) are nonvoting members of the Board.

"(e) Two of the members referred to in paragraphs (1), (2), and (3) of subsection (b) shall constitute a quorum.

"SEC. 83. CONGRESSIONAL NOTIFICATION.—A guaranty may be issued under this chapter only upon the expiration of 30 calendar days after the Private Defense Export Financing Board has transmitted to the Committees on Armed Services, Foreign Relations, and Appropriations of the Senate and the Committees on Armed Services, Foreign Affairs, and Appropriations of the House of Representatives a written notification of the proposed guaranty. The notification shall contain a detailed discussion of the proposed guaranty and the export project to which the guaranty relates.

"SEC. 84. RESPONSIBILITIES OF THE EXPORT-IMPORT BANK.—(a) The Export-Import Bank of the United States shall—

"(1) determine the creditworthiness of each export project for which a loan is proposed to be guaranteed pursuant to this chapter;

"(2) timely provide the Private Defense Export Financing Board with a risk analysis for such project; and

"(3) make such risk analysis available to the committees of Congress referred to in section 83.

"(b) Upon the request of the Board, the Bank may provide the Board with additional services relating to the Board's responsibilities.

"SEC. 85. ADMINISTRATIVE RESPONSIBILITY.—The Center for Defense Trade of the Department of State shall (1) administer the guaranties issued by the Board pursuant to this chapter, and (2) furnish the Board with such additional administrative services as the Board request to carry out its responsibilities under this chapter.

"SEC. 86. HUMAN RIGHTS PROTECTION.—A guaranty issued pursuant to this chapter is a guaranty of a loan within the meaning of section 502B(d)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2304(d)(2)).".

(b) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 1992 to carry out the provisions of chapter 8 of the Arms Export Control Act (as added by subsection (a)), as follows:

(1) For providing guaranties for defense export loans, $65,000,000.

(2) For the Export-Import Bank of the United States, such sums as are necessary to carry out section 84 of such Act.

EXPORT FINANCING OF DEFENSE PRODUCTS BY OTHER COUNTRIES

All major exporters of defense products other than the U.S. provide some form of official financing guarantees to their private sector. Most also provide below market rate direct financing, both as security assistance, as in the case of the U.S., but also as a means to promote sales of their defense products. In most cases the countries use the same institution for both commercial and military sales credit programs.

FRANCE

France provides below market rate finance with long maturities through the Banque Francaise du Commerce Exterieur. It also provides guarantees through the Compagnie Francaise d'Assurance pour le Commerce Exterieur, known as COFACE. COFACE is a private joint stock company owned by nationalized insurance companies and banks, and covers both commercial and military products.

GERMANY

HERMES Kreditversicherungs AG, the German equivalent of Eximbank, provides export credit insurance to exporters and banks, and covers both commercial and military products.

UNITED KINGDOM

The Export Credits Guarantee Department (ECGD) provides insurance programs to cover a variety of political and commercial risks for exports from the U.K., including 100% guarantees for repayment to banks on credit terms of two years or more. It covers both military and commercial products.

CANADA

The Export Development Corporation (EDC) offers Canadian exporters a variety of insurance, financing and guarantee programs, for both commercial and military products. Loans are generally insured for up to 90% of the contract value.

BRAZIL

The Carteira de Comercio Exterior (CACEX), the foreign trade department of the Banco do Brasil, operates an export credit program known as FINEX. It provides political risk coverage and an interest rate equalization program to exporters of both commercial and military products.●

HAMPTON UNIVERSITY

● Mr. WARNER. Mr. President, not long ago, I had the pleasure of accompanying the President of the United States to Hampton University, where President Bush delivered the commencement address. I am always glad to accompany our President on such special occasions, and I was especially glad to be there as he addressed the graduates of this fine school. Hampton University has played an important role among the historically black colleges and universities of our Nation.

During the ceremony, I was impressed with the President's remarks, which were both thoughtful and motivating. The other speeches offered that day by university president, Dr. William R. Harvey and by senior class president, Carvel Lewis were equally impressive.

Aspects of all three speeches given that day are as timeless as they are timely. Because the words we use to mark such special occasions are often a barometer of the times, I respectfully request that the texts of the three speeches be entered into the permanent RECORD of the proceedings of this Congress as a resource for today and for posterity.

The speeches follow:

ADDRESS BY THE PRESIDENT AT HAMPTON UNIVERSITY COMMENCEMENT

The PRESIDENT: Thank you very much. President Harvey, Senator Warner, and Congressman Bateman, and members of the University administration, and especially the Class of 1991. [Applause.] May I thank the class president, Carvel Lewis, for his remarks; pay my respects to the faculty, and to Mr. Dillard and this magnificent choir.

My first exposure to music at Hampton was in the year either 1935 or 1936, when one of your predecessor singing groups came to Eastern schools. And this is a magnificent tradition of Hampton.

And let me say to those who graduated 50 years ago, you don't look so old to me. [Laughter.]

One of the pleasures of coming here is getting to know your university president better. You know, President Harvey is an avid tennis player. Really avid. When I shook his hand he corrected my grip. [Laughter.]

At any rate, it's a real pleasure to join with you today. I'm the ninth President to visit your campus—and I might say that eight of them have been Republicans. [Laughter.]

Hampton is an elite institution. It boasts the largest endowment of any historically black college or university in the United States. Its graduates contribute daily to our national progress and national well-being. Patricia Stevens-Funderburk, Hampton '71, whom you honor today, serves in our Department of Health and Human Services. Patricia, congratulations to you for this fine award. [Applause.]

As President Harvey said and Carvel said, you all will make your marks in the world. And today I'd like to talk about the new world that you will enter—a world no longer divided by superpower confrontation, but engaged in economic competition and international cooperation.

You in this magnificent Hampton Roads area understand this world better than most. More than 100 firms in this region conduct business beyond our borders. And when many of you leave this university, you'll look to distant shores, places where you hope to spread American ingenuity—your ingenuity.

You ought to be excited about your opportunities. I know that I am. We stand on the verge—if you look around the world you'll understand this—we stand on the verge of a new age of freedom. If we build upon our strengths, if we join hands as a people, we will build a nation and a future unlike any ever seen in human history.

Our first and greatest strength, of course, is our intelligence, and our greatest tool for developing that strength is our educational system. But we have to be honest with ourselves: Contrary to your tradition of excellence, our educational system as a whole has slipped in recent years. Test scores continue to fall. Dropout rates soar in many of our school systems. Businesses complain that some high school graduates don't have the basic reading, writing or math skills. And meanwhile, our elementary and high school students don't compare well to those in other industrial countries in math, science, and even in American geography.

We've got to do better. We ought to improve our schools the old-fashioned way—through commitment and competition. Our America 2000 strategy tries to make a quality education available to every child and every citizen who wants to learn. We have challenged Americans to reinvent the American school—not to improve it, but to reinvent it—not by turing the task over to experts in Washington, but by inviting a nationwide competition to create better schools.

The concept of choice—letting parents choose schools for their children—plays a role. Its time has come. Polls show that 62 percent of the American public favor choice, and 72 percent of minority Americans advocate choice in the schools.

This should surprise no one, because choice means hope. It lets children from poor neighborhoods enroll in the same schools as our children from wealthier ones. It gives parents the freedom to find good schools for their sons and daughters. It frees students from the tyranny of inadequate education.

We've encouraged communities and businesses to roll up their sleeves and help; communities, by taking on crime and hunger and other disturbances that make it almost impossible to learn; businesses, by contributing expertise to local schools and by developing education programs at the workplace. You've set a great example right here with Hampton Harbor. You've built a successful commercial residential area, and you're turning the profits into student scholarships.

We remain committed to such programs as Head Start, which help prepare young students for school. It works. As long as I'm President, it will be adequately funded and it will keep on working. [Applause.]

The business of education is the business of creating a better world. A good education lets you see possibilities you would never have imagined before, and reach them. But education is also a commitment of labor of love.

I recently got a letter from an Army sergeant serving in Saudi Arabia. He talked about his daughter. And he wrote, "I am very proud of her and would like for her to know this: I am thinking of her even as I sit in the Gulf, serving my country,"

Nilka Bacilio, who will receive a Bachelor of Science from the School of Education and Liberal Arts, with honors in Therapeutic Recreation—your dad says, "Hi." [Applause.]

Other parents here have written me, and I want to thank you all. Nothing is more natural, no feeling more fulfilling than having pride in your kids. And when I talk about educational choice or educational reform, I always remember a crucial truth: We can't go anywhere without the support of the people who love us, who believe in us. And if there is any advice I can give today, it is this: Cherish those who give you this kind of lift, and return the favor whenever you can. [Applause.]

Speaking of educational excellence, let me pause now to honor Dinee Riley, who has achieved the highest grade point average of anyone in this class. [Applause.] It is my privilege and honor to hand her her diploma—a biology major, 3.95. [Applause.] What a magnificent record. Dinee, you and your classmates should be proud of your accomplishments. and now comes the challenging part, making use of knowledge once you get out of school.

As a Nation, we must give everyone a chance to make full use of their imagination and intelligence. Our administration does this by trying to remove barriers to progress. We want to free people now trapped by self-doubt and despair.

We've put together an ambitious housing reform package. We call it HOPE, which extends the dignity of home ownership to people who live in public housing communities. The idea is simple: Give people assets; give them permanent wealth, not just consumable scraps of paper; offer people independence; don't hold them in the bondage of dependency. HOPE offers an ethic of encouragement. It encourages people to take an active part in building better lives for themselves, for us all.

We must free people who have been held back by barriers of discrimination. This administration will fight discrimination vigorously, because a kinder, gentler nation must not be gentle or kind to those who practice prejudice. [Applause.] We must free people bound by red tape and unnecessary regulation.

Last year, Americans devoted 5.3 billion hours to filling out regulatory paperwork—5.3 billion hours at a cost to the economy of $185 billion; and this can't continue.

We must free people from the specter of punitive taxation, which takes money that might otherwise buy a home, pay for a child's college education or establish a family nest egg. The controversial budget agreement that we signed last year restrains the growth of federal spending. It offers hope that workers in the future will be able to spend less time working for their tax collector and more time working for their families.

We must free people to create the next great invention. Our administration repeatedly has sought a cut in the capital gains, a tax on the wealth that you will create. That tax is a tax on ideas, on innovation, on the American dream.

But mainly, we must free ourselves from doubt. We must free ourselves from fear. We can't afford to hide from the rest of the world by erecting protectionist walls. If we want to learn, we have to compete. If we want to test ourselves, we have to compete. And if we want to take full advantage of all the world's diverse cultures, ideas and innovations, we have to compete. Our future lies in the world economy.

Last year, exports accounted for 84 percent of our economic growth. Between 1986 and 1990, our exports to the rest of the world increased 73 percent, and exports to our major competitors grew even more: to Germany, 80 percent; Japan, 82 percent; the European Community by 87 percent. We exported $673 billion in goods and services last year.

And our future depends on trade. We've asked Congress to extend the fast-track trade procedures that presidents have been able to use since 1974. Without fast track, we will have trouble moving forward with critical trade initiatives, including the Uruguay Round of the GATT talks, North American Free-Trade Agreement and the Enterprise for the Americas Initiative. Unfortunately, some of the opponents of free trade have resorted to slurs against our Mexican neighbors in the hopes of derailing fast track.

I can think of no more revealing contrast between a free-enterprise view of the human community and the protectionist view. Prejudice is usually nothing more than a breed of cowardice. People afraid to test themselves, or to risk challenging their assumptions hide behind restrictive laws and restrictive walls.

If we want to lead the post-Cold War world, we must not build walls of prejudice and doubt. We must involve ourselves in the world around us. We must build ties of mutual interests and affection everywhere. And the same sentiments ought to guide us at home. In the end, prosperity requires trust. You cannot build a business if you spend all your time worrying about being cheated or conned or attacked. True brotherhood represents the key to happiness and growth.

The programs that I've discussed today give every American, rich or poor or middle class, white or black or brown, a fair chance to pursue his or her destiny. And they try to harness the engine of ambition in service to the common good. They do not divide people along race or class lines; they give everyone a shared stake in everyone else's success.

We have a chance to rekindle the kind of optimism that characterized the civil rights movement of the '60s—one in which men and women of all races and backgrounds joined to pursue goals that we all hold dear: opportunity, prosperity, justice, freedom, tolerance.

So today, you assume responsibility for shaping an international commonwealth of freedom. Believe in yourselves. Trust in yourselves. Don't abandon your passion for ideas or causes. Work hard, but serve your community. Attend to the thousands of tiny deeds that constitute a good and decent life, treat yourself well and respect others. Be a point of light. Build a truly good society.

To you, and to the friends and especially the families who have supported you over the years, congratulations. Thank you for letting me share in your commencement exercises. And may God bless you and God bless the United States of America. [Applause.]

CONFERRING OF DEGREE ON PRESIDENT BUSH, HONORARY DOCTOR OF LAWS

President Bush, because of your long standing support of historically black colleges and universities, I am particularly pleased that the Hampton University Board of Trustees voted to award you an Honorary Doctor of Laws degree. As an early example of your commitment to enhancing black colleges and universities, during your college days, you founded the United Negro College Fund chapter at Yale University. More recently, you implemented the following initiatives:

Appointed, on September 20, 1990, a 23-member Presidential Advisory Board on Historically Black Colleges and Universities to advise you and the Secretary of Education on ways to strengthen the HBCUs. I am one of those members.

Directed the Office of Personnel Management, in conjunction with the Secretaries of Labor and Education, to develop a program to improve the recruitment of graduate and undergraduate HBCU students for part-time and summer federal positions.

Invited Hampton University to nominate a student to spend a semester at the White House as a White House intern.

Encouraged the development of the 15-member Historically Black College and University/Minority Institution Consortium, which was recently awarded $4.3 million. This academic partnership program is aimed at increasing the number of scientists, engineers, and other professionals, especially technicians, in the growing field of environmental restoration and waste management. Hampton University is a participant in this program.

Directed the White House Initiative Office to pair fourteen (14) of the nation's HBCUs with seven (7) mid-western research universities to improve the research capabilities of the HBCUs. This new coalition is known as the University Consortium for Research and Development. Hampton University is a participant in this program, and

Signed Executive Order 12677 which directed 27 agencies to increase opportunities for the participation of HBCUs in federal programs. Increases in total funding over fiscal year 1989 award levels were reported by most agencies. HBCUs received a total of $776 million in FY 1989 and $894 million in FY 1990, an increase of $199 million.

You supported historically black colleges and universities before it was fashionable, and you stayed with us after some thought us anachronisms.

These and other examples are clear testimony to your personal and professional commitment to black colleges and universities.

For that I thank you, and Hampton University is proud to award you the Doctor of Laws degree, Honoris rausa.

CHARGE TO THE GRADUATING CLASS OF 1991, OGRE PHI OGRE VII

(By Dr. William R. Harvey)

Today, you are among many young men and women across the nation who have reached a significant milestone in their lives. You have toiled long and hard for this day. In the years ahead, you must be able to say that your efforts have not been in vain. From this point in your life, you must work even harder to achieve the goals you have set for your future.

During your tenure here, the administration, faculty and staff have attempted to demonstrate to you the need for a total education—wholeness of knowledge—the ability to know how to think rather than merely what to think.

Knowing how to think is a crucial skill for survival in these times and for the future. The world is full of diversities, and your success in life may well be predicated upon your ability to think and discern for yourselves what is best for you, rather than relying on what others may design for you.

Recalling W.E.B. Dubois' attempt to define why we need college, he stated that college develops "that fine adjustment between life and the growing knowledge of life, an adjustment which forms the secret of civilization." As you set out to achieve your future goals, remember that education is a never-ending process in which one strives to make a fine adjustment, or a refitting of a body of knowledge in a world where real life is forever changing.

Your stay at Hampton University has been preparation for the future which requires you to be a humanitarian, an intellectual, and a utilitarian. I challenge you to maintain honor, dignity, decency and concern for mankind, as you leave these hallowed halls and strive to live up to the demands of one who is educated.

It is my hope that here you have been inspired to participate in lifelong learning; to be concerned about shaping the future and not be dull and drab practitioners of what is or has been. I challenge you to be change agents and catalysts who will provide strong moral leadership and create a world of greater justice, beauty and goodwill. Fight bigotry and racism whenever and wherever it raises its ugly head. Remember that it comes in all shapes, forms and fashions * * * sometimes even disguised as a friend.

Promote economic development and economic independence. Develop the habits of saving and investing. Economic prosperity will take you farther than a political, social or other agenda.

Remember to always support your alma mater. Support the programs and people of the university, for these people provided you with the tools to be all that you can be.

As you leave our home by the sea, remember that you are responsible for sustaining the legacy of the Hampton Dynasty. So I now charge you, members of the class of 1991, to don your shield of power, strength and unity, and let your lives do the singing through the service that will reverberate for centuries to come.

SPEECH BY CARVEL LEWIS, PRESIDENT OF THE SENIOR CLASS—RESPONSE TO PRESIDENT HARVEY'S CHALLENGE

Dr. Harvey, the graduating class of 1991 cheerfully and confidently accepts your challenge to achieve excellence in its highest forms. Hampton University, a standard of excellence, has prepared us to accept this great challenge.

We shall remain eternally grateful to the faculty, administration and staff for helping to prepare us for the opportunities and challenges that now beckon to us. We are also grateful to the employees of our buildings and grounds department for contributing to our comfort and security during our tenure here.

On this grand occasion and in this place, we gladly accept the full mantle of adulthood. Across America and around the world, we stand ready to continue to learn, to lead, and to serve. As artists, architects, engineers, educators, scientists, managers of businesses, and health care professionals, we seek the opportunities, challenges, and responsibilities that the world promises us.

As we leave this place of inspiration and learning, we will enter careers, eager to make positive contributions to the development of the peoples of the world. We now stand ready to educate the youth, to create great works of art, to advance the frontiers of science and technology, to promote ethics in business to preserve our natural environment, and to serve our government in peace and in war.

President Bush, you honor us with your presence at and your participation in our commencement. We shall remember this day—the occasion of our rite of passage—until we are "old and gray and full of sleep."

Mr. President, please consider us your "thousand points of light." The thousand members of this graduating class reaffirm our faith in "the land of the free and the home of the brave." Exercising our constitutional and civil rights as citizens of this great democracy, we shall always cherish and defend our rights of "life, liberty, and the pursuit of happiness."

We live in the world, and we shall make this world a better place to live.

Members of this dedicated and distinguished faculty, we shall always remember—we shall never forget—the great lessons we have learned about truth, goodness, and beauty. We shall continue to apply what we have learned as we depart for the hallowed halls of graduate and professional schools, in the science laboratories, in the executive offices of business and government, on the athletic and battle fields, in libraries and museums, in sacred places of meditation and worship—wherever we go and whatever we do, we shall continue to strive for excellence.

We will make Hampton University proud of us, and we shall always remain proud of "our home by the sea."

We deeply appreciate the support and love that our parents, relatives, and friends have given us through the years. Thank you for helping make our graduation possible.

We heartily accept the great challenge before us. Our time has come! This is the day the Lord has made. Let us rejoice and be glad in it!•

SCHEDULE FOR DISABILITY AND INDEMNITY COMPENSATION

• Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I have an announcement to make about reform of the Dependency and Indemnity Compensation [DIC] Program of the Department of Veterans Affairs. I have been working for several months to draft a bill to reform this survivors' benefits program. My proposal will address the present inequities in the system without reducing benefits for those already receiving DIC.

Mr. President, I had scheduled a hearing on DIC reform legislation for June 12 and a markup for June 26. However, I have not yet introduced a DIC reform bill because I feel that it would not be responsible to do that before I have a firm idea of the cost of the proposal. On April 2, Veterans' Affairs Committee staff, on my behalf, asked the Congressional Budget Office to provide a preliminary cost estimate for my draft bill. Unfortunately, data currently available from VA are not sufficient to allow CBO to make a reliable estimate, and VA advises that it could take months to collect sample data sufficient for this purpose.

Mr. President, I ask that there be printed in the RECORD at the conclusion of my remarks a letter I received from CBO about this problem.

Mr. President, for these reasons, I have decided to remove DIC reform from the agenda of our committee's June 12 hearing and June 26 markup. This will enable other legislation—most notably the COLA for service-connected compensation—to go forward in a timely manner.

I plan to schedule hearings on DIC reform proposals as soon as we receive the administration's bill and a cost estimate for my bill.

Mr. President, I want to assure my colleagues and all others with an interest in this legislation that I remain strongly committed to developing appropriate legislation in this area this year.

The letter follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 22, 1991.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Your staff has asked the Congressional Budget Office to provide you with an update on the status of our efforts to estimate the cost of legislation to reform the Dependency and Indemnity Compensation (DIC) program. The request pertained to the Committee's draft proposal that we received on April 2, 1991.

As we discussed with your staff, there were no data available on which to base a reliable estimate of the impact of this legislation. Therefore, on April 10, 1991, CBO asked that the Department of Veterans Affairs (VA) provide us with data on a sample of 1,200 DIC cases. On May 9, 1991, CBO received from VA limited information on a much smaller sample of cases. After reviewing the data, we determined that it is insufficient for our purposes, and on May 13 we resubmitted the original request. At this time, VA expects to have the full sample available within a few months.

Nevertheless, CBO is now examining alternative ways of estimating the DIC proposal based on data currently available. We would like very much to provide the Committee with an indication of the magnitude of this proposal's effects on the DIC population and on the budget, but our ability to analyze the proposal effectively will be constrained by the inadequacy of the available data. As discussed with your staff, we hope to provide a preliminary estimate to the Committee shortly after the Memorial Day recess. Once we receive the full sample data from VA, we will review our preliminary estimate in the light of new information.

We will continue to keep your staff informed of the status of this estimate.

Sincerely,

ROBERT D. REISCHAUER,
Director.•

A SALUTE TO FALLEN HEROES

• Mr. MACK. Mr. President, I rise today with strongly mixed emotions, and in a moment I am sure you will understand why. I hold in my hand a paper which I was given a few weeks ago on the somber occasion of a memorial service for 14 brave Americans who lost their lives in the skies over Iraq, when their AC-130 gunship was shot down. These men were stationed at Hurlburt Field, near Fort Walton Beach, FL, and this is where their families and friends came together to say goodbye.

The names of the men we gathered to honor have appeared in the papers. Most of us probably glanced at them before moving on to read the details of their final, fated flight. But here again are those names. Each belonged to a real human being. Each died a hero:

Maj. Paul J. Weaver, Capt. William D. Grimm, Capt. Arthur Galvan, Capt. Dixon L. Walters, Jr., 1st Lt. Thomas C. Bland, Jr., Senior M. Sgt. Paul G. Buege, M. Sgt. James B. May II, T. Sgt. Robert K. Hodges, S. Sgt. John L. Oelschlager, S. Sgt. Timonthy R. Harrison, S. Sgt. Mark J. Schmauss, S. Sgt. John P. Blessinger, S. Sgt. Damon V. Kanuha, and Sgt. Barry M. Clark.

The day was bright and cold, and those of us assembled filled a hangar. We heard a little bit about each man. We sang hymns. We heard a 21-gun salute. We felt our emotions dampened as taps was played. After we filed outside to watch several C-130's fly slowly by in formation, I had the honor to meet with the families of those heroes. My heart was heavy, and I was filled with the realization that for as well as the conflict in the Middle East has gone, the true story of war, its ultimate horror, was written on the faces of the people around me.

It was just then that I was handed this paper. It was written by a member of the aircrew—S. Sgt. Mark Schmauss, and given to me by a buddy of his, Michael C. Allysen. Mr. President, I wish to read it now:

MY FLAG

When I look at blue skies up above, they remind me of the color of my flag. Each star represents a state, the white is for glory and integrity, the red is for the blood that we gave in order that we may have life, liberty and the pursuit of happiness. My flag is a symbol of freedom. Forever may she wave. I am proud to be an American and live in the U.S.A.

When Sergeant Schmauss wrote this, he probably never thought it would be

read on the floor of the U.S. Senate. And had he not paid the ultimate price, it probably never would have been. But Mark Schmauss did give his life in the service of his nation, and we all stand to learn a little bit about why he was willing to do so from the words he wrote.

Mark Schmauss was a real American hero. May we always remember his courage, insight and strength.●

COMPETITIVENESS POLICY COUNCIL

● Mr. BINGAMAN. Mr. President, over 6 years ago, the President's Commission on Industrial Competitiveness issued its report "Global Competition: The New Reality." That Commission, ably chaired by John Young, CEO of Hewlett-Packard, stated "Americans must take on the challenge of competitiveness as the economic agenda for the next decade."

Sadly enough, this has not been the case. While the term "competitiveness" has entered the public policy lexicon, we have yet to confront the issue in a sustained and coherent manner.

One of the problems with the way this Nation has dealt with the question of our economic competitiveness has been the system's fragmentation. The current process is so splintered that there is no place where the broad issues of competitiveness can be effectively attacked. We have attacked the problem piecemeal. We talk of a trade policy, a technology policy, an education policy, a tax policy, a macroeconomic policy—but no coherent competitiveness policy to tie all the pieces together.

For this reason, I authored provisions in the 1988 trade bill to create the Competitiveness Policy Council [CPC]. The CPC is a high-level independent advisory committee to the President and the Congress on issues of competitiveness. It is essentially a follow on to the President's Commission on Industrial Competitiveness.

The CPC is intended to be a focal point for discussing the problems of economic competitiveness in the broad rather than narrow view. The council is a mechanism for solving those problems by bringing together leaders from business, labor, government, academia, and public interest activities. It is also designed to assure badly needed independent review of the competitiveness policies of the Federal Government.

As part of its functions, the CPC will recommend national strategies for improving U.S. productivity and international competitiveness. It may comment on private sector requests for Government assistance and evaluate the impact of Federal policy on the ability of U.S. business to compete internationally. The council will report annually to the Congress and the President on its findings. It has no executive powers: Its mission is only diagnosis, education, consensus building, and the development of policy options. Unlike some other advisory councils, the CPC will have the needed resource to conduct independent analysis of Government policy.

The heart of the council's task is the attempt to create a vision of what a competitive economy should look like and to build consensus around policies needed to move toward that vision.

The original appointments to the CPC were to have been made in the spring of 1989. Unfortunately, the then-new administration chose to ignore this important task. After 2 years of delay, we finally are at the position where all members have been appointed.

I have been impressed with the high caliber of the appointments to the CPC. The members are all superbly qualified for their posts and represent a good cross section of business, labor, and academia. I understand there has been some delay in scheduling the first meeting. I hope they will meet soon and begin their important task.

Sadly, the administration still does not understand the CPC and has zeroed its budget for fiscal year 1992. While the CPC has money left over from the past two fiscal year appropriations, this was meant as start-up money only. Now that the council is beginning its work, I hope the administration will not attempt to cut that work short. This lack of a budget request for the CPC is something I hope we will rectify during the appropriations process.

In summary, Mr. President, let me just state that I believe the work of the CPC is an important task which will help us focus attention both on the problem and on coherent solutions. I am pleased that the council is beginning its work and I hope that my colleagues would join with me in supporting the council.●

ARE HUMAN RIGHTS BEING RESPECTED IN KUWAIT?

● Mr. DECONCINI. Mr. President, I read with great concern an article in the Washington Post chronicling the trial in Kuwait of 12 individuals alleged to have collaborated with Iraqi soldiers during Iraq's illegal occupation of Kuwait. Now, I do not believe everything that I read in the Post or most any other paper. But this story, if true would give me great concern.

Here in Kuwait, a country which is a far cry from being viewed as a democracy, holding trials of citizens who may have worked with the Iraqis instead of focusing their attention on what this Senator believes to be some of the far greater problems it faces. If you read the story, you would have learned that one of those convicted was found guilty of wearing a T-shirt with a picture of Saddam Hussein on the front. He was sentenced to 15 years in prison—simply for wearing a T-shirt—so the story implied. If a person received a similar sentence from an Israeli court for wearing a T-shirt with Yasser Arafat's picture on it the United Nations would have passed yet another resolution condemning Israel. Instead, we are asked to forgive Kuwait because it is going through some difficult times.

Clearly, this is true. I went to Kuwait after the war and witnessed the devastation inflicted by the Iraqis. I could not recognize Kuwait City. It was not the same place I had visited less than 2 years earlier.

In the war, we were not fighting to defend "democracy"—Kuwait is not a democracy. But the United States mobilized its forces to liberate Kuwait—and lost over 370 American lives in the process—for the cause of standing up to aggression by a large nation against a small nation and for the cause of respect for the rule of international law. As a result, the United States has a right to expect certain things of those nations and people which we have rescued.

We have a right to exert our moral suasion and encourage Kuwait to respect the rule of law, the right of due process, the legitimate civil and political rights of its people. Thus far, we have only heard vague references to elections being held sometime next year. We have heard that Kuwait is "considering" expanding the franchise to women. But what about the issue of citizenship for the many people who have come to Kuwait to work, who have lived there for years, yet are denied the right to apply for citizenship?

I have spoken with our Ambassador to Kuwait, Skip Gnehm. He has expressed his hope that the Kuwaitis will be better stewards of their country since they almost lost their country forever. I hope he is right. He was here recently and spoke with some of my colleagues. He apparently assured them that more is happening in Kuwait than we are reading in the press.

Additionally I had the opportunity to discuss these issues at length in my office with the Kuwaiti Ambassador, Mr. Al-Sabah, on Wednesday. I raised my concerns about the specifics of the trials and about the need for Kuwait to more publicly move in the direction of democracy and respect for human rights. He clarified the trial for me.

He stated that 130 individuals were initially accused of various acts during the occupation of Kuwait. Of those individuals, evidence sufficient for going to trial was found for only 12. Each of those people had an attorney represent them—something which is rare in most Arab nations. Kuwaiti lawyers were even defending Iraqis. Some Kuwaiti attorneys refused to defend the Iraqis but all appeared to receive due process.

Seven of the defendants were acquitted. Only 5 of the original 130 were found guilty and convicted. The individual who wore the T-shirt had 17 other counts against him. The media appeared to take the one count regarding the T-shirt out of context.

I also raised this issue with Secretary of State Baker at yesterday's Foreign Operations hearing. He confirmed some of Ambassador Al-Sabah's comments and generally reiterated the Bush administration's expressions of concern about Kuwait's sluggish action on many of these issues. Secretary Baker also promised to provide the subcommittee with its report on these events. In the interim the State Department has provided me with transcripts from its press conferences on this issue from Monday and Tuesday. Also, at my request Ambassador Al-Sabah sent me a press release on the trials and the media comment. I ask that these statements be printed in the RECORD at the end of my statement.

I believe that it is important for balance and fairness that the complete record of these trials be made part of the public record. Amnesty International, Middle East Watch, the Red Cross, and even the American Bar Association were provided access to the trials. The public and the media were allowed to attend. I am certain that this access was provided at the urging of our Ambassador, Skip Gnehm. He is to be congratulated for pursuing this issue.

We have had problems with our friends in the Persian Gulf, just as we have had problems with Israel or with Great Britain. We must raise our concerns when they take actions of which we do not approve, but we must also defend them and clarify the facts if a distorted case is presented to the public as fact. Clearly, more needs to be done in Kuwait. The country is, after all, under martial law. But democracy must be allowed to blossom in the region if our actions in Operations Desert Shield and Desert Storm are not to have been in vain.

The statements follow:

KUWAIT (GEORGE BUSH STATEMENTS)

I haven't had a report on the trials themselves yet, and when I read about them, I tried to put myself in the place of the Kuwaiti citizens who were brutalized by Saddam Hussein. I tried to think back, and it wasn't hard, to the brutality and the terrible grief that the families that stayed in Kuwait had. And I can understand that there's a lot of bitterness from those Kuwaitis who saw their country raped and pillaged in an unconscionable way.

Having said that, I think it would be in Kuwait's interest to extend the fair trial to everybody and to be as compassionate as one can, given the outrages that they faced.

A: We are not going to comment on each specific case which comes to trial in Kuwait.

We are, however, concerned by allegations that due process may not have been fully observed.

Claims by defense attorneys that some defendants were not allowed access to counsel before the trial, or to see their accusers, cross-examine witnesses or know the charges against them in advance raise questions about the procedures under which these trials are being held.

The same is true about claims by some defendants that they were coerced into confessing to crimes that they did not commit.

Before the trials started, we stressed to the government of Kuwait the importance of respect for human rights, and principles of due process in addressing allegations of collaboration and abuses during the Iraqi occupation. This includes giving defendants effective right to counsel, and to present and have witnesses cross-examined.

KUWAITI TRIALS AND JUSTICE

These trials are being conducted under martial law.

There is one court. It has five members, made up of two military and three civilian judges.

Our ambassador has talked to the government in Kuwait about the whole question of trials and the steps needed to comply with international human rights standards.

The Kuwaits have a right to bring people to trial including those who violated Kuwaiti law. They need to do that in full compliance with basic human rights.

We urged open trials. They were open.

We urged that international monitors be permitted to attend. The press, the International Red Cross, U.S. and other embassy representatives attended.

It is our understanding that amnesty international plans to attend future trials.

We urged that defendants have a right to counsel. They did.

We will continue discussing these issues with the government of Kuwait.

The secretary discussed this issue when he was last in Kuwait.

Specifics?

Some people were acquitted in the trials yesterday. In addition, more than 130 cases have already been dismissed before trial according to the ministry of justice.

Of the twelve cases taken up yesterday, five were deferred, two defendants were acquitted, and five were given sentences ranging from three to fifteen years.

The sentences are subject to review by the amir and the crown prince.

As for the sentencing, we understand that in the one case widely reported there was more to the charges of collaboration than just the wearing of a Saddam Hussein T-shirt. I'm not going to get into each case—but it's a little steep.

We have been in close touch for more than one month with the group of Kuwaiti attorneys who organized to provide defense counsel.

We are seeing Kuwaiti lawyers standing up openly on behalf of defendants. We asked for all of this.

Kuwaitis themselves are demanding a fair system of justice.

Our own strong position remains that due process must be observed.

Our principles regarding due process of law are consistent all over the world.

The concerns we have expressed in the case of Kuwait are similar to those we have expressed in many other cases.

I would refer you to our human rights reports for examples.

Overview?

It has been 81 days since liberation. Power, water, the police force have been restored.

114 oil fires have been put out.

Of the two million people in Kuwait before the invasion, the population is now about 400,000—people are just now coming back.

Q: Were these trials more or less fair than usual in Kuwait?

A: Kuwait's preinvasion judicial system was independent and generally fair, in our opinion. I would invite you to review our 1990 human rights report on Kuwait for an assessment of that system.

These trials were held under martial law, which has different procedures.

Nonetheless, it has certainly been our opinion that the accused in any system should be accorded due process.

Q: Don't you think that Palestinians were unfairly treated in these trials?

A: Most of the defendants were Iraqis.

I understand that Palestinians were included among those acquitted and among those sentenced, as well as among those whose trials were deferred.

FURTHER ON KUWAIT TRAILS

Q: Do you have anything more to say on the trails in Kuwait?

A: Twenty or so individuals scheduled for trial this morning on charges of collaborating with Iraq by working with a Pro-Iraqi newspaper in Kuwait have had their trial postponed until June 1 in order to allow more time for the defense to go over the evidence.

This shows a willingness to respond to some of the concerns and allegations raised by defense lawyers in regard to Sunday trials.

As our statement indicated yesterday afternoon, we are concerned by the allegations being made by defense lawyers that due process is not being observed.

The defense lawyers in Kuwait have been outspoken about what they see as shortcomings in the system. That they can do this openly is a strength and should be encouraged. It is up to the government to respond.

President Bush said yesterday that it would be in Kuwaits interest to extend a fair trial to everybody, and to be as compassionate as they can.

That says it about as well as it can be said.

Q: Do you think that Kuwait's decision to postpone today's trial was in response to the criticism leveled at them yesterday from State and from the media?

A: You'd have to ask them what motivated them, but it was a step in the right direction.

Q: Why did the State Department change its tune and issue a stronger criticism of the trials in the afternoon?

A: I gave you an initial response to the first accounts of the trials yesterday morning. The afternoon statement reflected a judgment based on continued study of the information available.

You should understand that the trials will be going on for some time. Our assessment of them will be affected by how the process is carried on, including how the government there responds to any criticism that may arise.

EMBASSY OF THE STATE OF KUWAIT,
Washington, DC, May 22, 1991.

Pursuant to what has been reported in the Media regarding official and nonofficial reactions to the on-going trials in Kuwait for a number of people accused of collaborating with the Iraqi occupation forces, the Minister of State for Cabinet Affairs Mr. Dhari Al-Othman made the following statement:

1. The Government of Kuwait reiterates its commitment to the rule of law and its un-

equivocal belief in human rights regardless of race, citizenship, or belief. It follows, therefore, that all measures against the accused were taken with full consideration of the rights of the defendants as specified under the due process of law.

2. The principle to which Kuwait is committed and which is reaffirmed in the Constitution and the *Sharia* is that a defendant is presumed innocent until proven guilty. Kuwait's commitment to this rule of law in all matters of jurisprudence before the Iraqi occupation has won our country worldwide respect of agencies and organizations concerned with human rights.

3. The trials currently taking place are conducted publicly within the framework of the law and provide all the necessary and sufficient legal rights to the defendants, within the supreme independence of the Judiciary system.

4. Unfortunately, some members of the press have deliberately attempted to misrepresent and distort the truth by failing to mention the numerous acquittals handed down for some of the accused and failed to include in their reporting the other counts in the indictments. Instead, they chose to concentrate solely on the convictions and focus on specific charges, with the intention of spreading doubts on the justness of these trials.

5. The State of Kuwait was subjected to a brutal Iraqi occupation in which the occupier inflicted against the peaceful people of Kuwait unprecedented means of torture and total violations of human rights. Despite the bitterness the people of Kuwait feel towards that heinous occupation, they nevertheless did not forget or forsake the forgiving nature of their religion, principles, ideals, or laws, all of which insist that no one may be arraigned except under circumstances specified by the law. Furthermore, no man shall be judged for the crimes of others.

6. While the State of Kuwait reaffirms its stand, identical with those of its friends regarding the importance of making available the basic and necessary legal rights extended to those accused, it expresses its thanks and appreciation for their support and their recognition of its legitimate right to try anyone of the accused before the Kuwaiti Judicial system.

Finally, Kuwait, which has become a model of international cooperation in the defence of legitimacy, truth, and justice, will become once again a secure and peaceful home to anyone of any nationality who wishes to reside in its territory.

OPERATION SOLOMON

• Mr. CRANSTON. Mr. President, the White House has just announced that Operation Solomon, the airlift of Ethiopian Jews from Addis Ababa to Tel Aviv, is on its way. Ten planes with 3,000–4,000 Ethiopian Jews have arrived in Tel Aviv today and another 16,000 are being prepared for departure on Israeli and Ethiopian planes.

The situation in Ethiopia is very fluid right now. Peace talks are to begin in London on Monday. None of the rebel groups have said they will attempt to block this airlift which is to be completed in the next 36 hours. We continue to work so that all goes smoothly.

As the cochair of the Congressional Caucus for Ethiopian Jewry, I have been working behind the scenes for many years to keep this issue on the front burner to ensure that the Ethiopian Jewish community could be reunited finally. The diligent work of the members of the caucus—there are 44 Senators in the caucus—the administration, the Israeli Government and the American Association for Ethiopian Jewry and, now, the departure of Mengistu has made this modern-day miracle possible.

In March, when the flow of Ethiopian Jews was most recently interrupted, 27 of my Senate colleagues who are members of the caucus joined me in sending a confidential letter to Secretary Baker urging him to take an active role in planning this airlift. Earlier this month, a former cochair of the caucus, Rudy Boschwitz, traveled to Ethiopia to help lay the groundwork for Operation Solomon.

Mr. President, this is fantastic news. I celebrate with the Ethiopian Jews who have waited for so long to go home.

I ask that this letter from 28 Senators to Secretary Baker appear in the RECORD following my remarks.

The letter follows:

U.S. SENATE,
Washington, DC, March 15, 1991.

Hon. JAMES E. BAKER III,
Secretary of State of the United States, Department of State, Washington, DC.

DEAR SECRETARY BAKER: We are writing to you as members of the Congressional Caucus for Ethiopian Jewry. We support the priority you have placed on the improvement of the overall human rights situation in Ethiopia, and we commend the efforts you and the Administration have taken to ensure that the plight of Ethiopian Jewry has been raised at the highest levels.

Although we have witnessed a steady flow of Ethiopian Jews to Israel in the last months, and we are pleased to see that there are legal mechanisms for the orderly processing of those wishing to join their family members in Israel, we are deeply concerned about recent developments in Ethiopia.

There are more than 15,000 Ethiopian Jews who have left their villages in the Gondar province and who are now waiting in Addis Ababa for flights to Israel. Even if approximately 1,000 leave each month as was the case until recently, it will take at least another year for the Ethiopian Jews in Addis Ababa, many living in desperate conditions, to be reunited with their loved ones.

Unfortunately, time is of the essence. There is increasing concern about the fluid military situation created by the rebel offensive which began in February, and the Ethiopian government has temporarily suspended flights for Ethiopian Jews out of the country. We urge you to raise this matter with the Ethiopian government and seek assurances that flights will resume immediately.

Our government was active in facilitating the large-scale airlifts of the 1980s. If such an opportunity arises in the coming weeks, we hope you will take an active role in ensuring that such flights can begin again.

We look forward to continued cooperation on this matter.

Sincerely,

Alan Cranston, Bill Bradley, Dennis DeConcini, Christopher J. Dodd, J. James Exon, Bob Graham, Frank R. Lautenberg, Joseph R. Biden, Jr., Alfonse M. D'Amato, Alan J. Dixon, Dave Durenberger, Wyche Fowler, Jr., John F. Kerry, Carl Levin.

Joseph I. Lieberman, Connie Mack, Daniel Patrick Moynihan, Donald W. Riegle, Jr., John D. Rockefeller, Arlen Specter, Paul Simon, Richard G. Lugar, Howard M. Metzenbaum, Larry Pressler, Charles S. Robb, Paul S. Sarbanes, Timothy E. Wirth, William S. Cohen.•

EVENTS IN THE SOVIET UNION AND CAMBODIA MAY 24, 1991

• Mr. KERREY. Mr. President, as we prepare to leave Washington for the Memorial Day weekend, most of us will take some time to reflect on the sacrifices which Americans have made on behalf of freedom. We will try to quietly remember the bold disregard of personal safety which has characterized those great moments when liberty was advanced. We will remember when friends conquered the fear of suffering and made a commitment to something larger than their own lives.

In the past 2 years we have witnessed unimagined events where the dark, lonely march of freedom ended in the bright and hope-filled moment of liberation. Any remnant of skepticism about the value of America's willingness to resist tyranny must certainly have vanished in us all as we listened to the words of Lech Walesa, Vaclav Havel, and Nelson Mandela. They simply and movingly thanked America for her resolve, her values, and her vision.

This battle for freedom is not over. Our work is not done. The need for risk and sacrifice is still with us.

Among many there are two opportunities to stand and strike a blow for freedom which I hope and pray America will seize. The first is on behalf of the people of the Soviet Union—a nation which is still our nuclear adversary. The second is on behalf of the people of Cambodia—a nation of little strategic value but great moral importance.

The opportunity I see with the Soviet Union is for America to lead a coalition of industrial, democratic nations to help the Soviet people achieve the objective of liberal democracy and free enterprise. We need to do much more than extend an offer of help. Our decision is much more risky than whether we extend an invitation to Gorbachev to attend the July G–7 meeting in London.

As this nuclear superpower spins downward economically, we must not miss the opportunity of changing the nature of our relationship. I believe the opportunity is both historic and fragile.

We must not allow the events in the Soviet Union to become just another current issue to be discussed on weekly news shows. We must resist the temp-

tation to answer the clinical questions of today's commentators: Will Gorbachev survive? Are the hardliners on the ascendancy? Should we provide loans for food purchases?

In the midst of these very relatively minor concerns we are not able to see or hear the struggle and the cries for freedom coming from within the Soviet Union. Now that the cold war is over, now that the concern for limited emigration has been replaced with a fear of unlimited emigration, now that the threat of the Soviet advance in Europe has disappeared, the cries for freedom seem to be falling on deaf ears.

If we listen to the Soviet leaders who are asking us to help them become free, I believe we will see that we have a fundamental decision to make. We will see that the decision which lies before us is whether we establish a new relationship with the Soviet Union based on partnership rather than nuclear rivalry.

Mr. President, I am proposing that we should, and that we do so in the cause of freedom as well as our own security. It will require sacrifice and risk on our part as well as the Soviet Union, but they are sacrifices and risks that we must take.

We will be forming this partnership for a purpose. Allow me to restate it: To assist the Soviet Union in their transition to free enterprise and democracy.

I envision three objectives for this partnership. The first is an immediate commitment to reduce the levels of nuclear weapons even further than the START Agreement. The second is an economic strategy which assumes an immediate and radical transformation of the Soviet economy from communism to free enterprise. The third is to agree to help the Soviet Union accomplish an equally radical transformation of their political system so that it is a Government of, by, and for the people.

The Soviet Union is the largest unexplored frontier for free enterprise and democracy. The people of the Soviet Union—who have suffered the terror and the tragedy of communism's failure—want freedom. They are understandably frightened by the prospect of great economic and social turmoil which will follow if their political leaders do the right thing.

In America we were bequeathed a system where the fundamental arguments and battles over the nature of an accountable Government have already been waged. In America we no longer worry about the possibility of a violent revolution from the left or the right. We have mature institutions which allow us to resolve our conflicts peacefully.

In the Soviet Union there is no such security. The moment they enact the laws which provide for free enterprise and an accountable democracy, their short-term troubles will grow worse. The moment their leaders do what is right there will be cries of sell out and predictions of failure from hard liners.

All the speeches about the cold war being over which tell us we are beyond containment are misleading. They suggest the moment of peril has passed. They suggest Soviet threats to our security are gone. They suggest that the Soviet Union, still a formidable nuclear and conventional power, can merely be shrugged aside with halfhearted sighs of relief.

True genius in foreign policy does not show itself merely by responding decisively and forcefully to crises. It also shows itself by foreseeing and preventing them. More impressive than our military victory in the gulf would have been a policy that prevented Iraq from amassing the world's fourth largest military, or a policy that early on declared we would not tolerate Saddam Hussein's human rights abuses and threats against its neighbors.

The compounding pressures building within the Soviet Union will not stay within the Empire's borders if they expand to the point of explosion. The potentially violent dissolution of a superpower is and must be foreign policy concern of the first order, for our Nation and for all nations. We cannot afford to take comfort at the decline of the Soviet star when it could instantly become a supernova that might scorch the earth.

That is why an American decision to make a commitment to help the Soviet people achieve economic and political freedom by leading an international coalition of support is not just another foreign policy decision. It is the foreign policy decision of the latter half of this centruy.

In Cambodia the situation is much different though the opportunity to work for freedom is the same. Here is a people who represent no military threat. Their country has little strategic value. Here is a people whose cause we have intermittently carried, who may have suffered most when we turned our backs on Southeast Asia in 1975. They suffered the killing fields of the Khmer Rouge who murdered and starved to death at least one million Cambodians in 3 horrible years.

In Cambodia we are approaching a watershed moment: A June meeting of the four Cambodian factions where we hope to get all parties to agree to a United Nations peace agreement. Our objective in Cambodia is simple: A democratically elected Government which has the strength to prevent the Khmer Rouge from returning to power.

My hope is that the June meeting will be successful. However, if it is not, we should also be prepared to take bold action. We should not wait for something good to happen. We should make it happen by dropping our trade sanctions, by redirecting our aid to our non-Communist allies from a military insurgency to a political campaign, and by mobilizing an international effort to guarantee free elections.

The fear of getting involved again in Southeast Asia must be overcome. Our intervention will not lead to a quagmire, just as our intervention on behalf of the Kurdish refugees has not. Instead it will lead to freedom and peace for a people who desperately want and genuinely deserve both.

Both of these proposals appear to require new thinking on the part of the United States. In a very limited way they do. In a more important and lasting way it is the same kind of thinking all of us will honor with our remembrances in just a few days.•

TRIBUTE TO GEORGE WALKER

• Mr. LAUTENBERG. Mr. President, I rise to pay tribute to George Walker, a composer and pianist of Montclair, NJ. On June 9, 1991, at the Newark Museum in Newark, NJ, Dr. Walker's works will be featured in the first major concert entirely devoted to his compositions.

Dr. Walker's musical career has spanned 50 years. After graduating from Oberlin College, he traveled to Europe to study music in France. He won a Fulbright fellowship. He was encouraged to pursue composition by his instructor Nadia Boulanger. He then toured throughout Europe, performing in Sweden, Denmark, Holland, Germany, and Italy.

Later, Dr. Walker settled in New Jersey, where he has served as a professor at Rutgers, the State university, for 21 years. Over a period of five decades, Dr. Walker has won numerous commissions and awards in recognition of his special talents. His works have been recorded by such renowned orchestras as the London Symphony, the Royal Philharmonic, the New York Philharmonic, the Boston Symphony, the Philadelphia Orchestra, and the New Jersey Symphony. The Eastman School of Music and the Kennedy Center for the Performing Arts, among others, have commissioned his works.

Mr. President, I join in recognizing this talented New Jerseyan, who has lived a life of accomplishment in music. I extend my warmest wishes to him on the occasion of this special concert, and wish him continued good health and success.•

SARIT BAR AM WINS AAA SCHOOL SAFETY PATROL LIFESAVING MEDAL

• Mr. LAUTENBERG. Mr. President, I rise today to commend a 10-year-old girl from New Jersey for her bravery and courage. Sarit Bar Am is a safety patrol guard at Tuscan Elementary in Maplewood. Last September, when Sarit was on duty, she saw two sisters step into the path of an oncoming van.

She quickly reacted by shouting to the girls and running after them to pull them to safety. Her decisive and speedy actions prevented a possible tragedy.

Sarit's selfless action has won her an American Automobile Association Lifesaving Medal. This award is given to crossing guards who have exhibited dedication to the safety of other schoolchildren. Safety patrol guards work to make the route to school safer for children.

I applaud Sarit for her quick thinking and commitment to her duties. It is most fitting that she is receiving this medal for her actions.●

UNANIMOUS-CONSENT REQUEST

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on H.R. 991, the Defense Production Act.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MITCHELL. Mr. President, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

EXECUTIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the executive session.

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

CONVENTION FOR THE PROTECTION OF THE NATURAL RESOURCES AND ENVIRONMENT OF THE SOUTH PACIFIC REGION—TREATY DOCUMENT NO. 101-21

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to consider the Convention for the Protection of the Natural Resources and Environment of the South Pacific Region, reported favorably by the Committee on Foreign Relations, that the treaty be considered as having been advanced through the various parliamentary stages up to and including the presentation of the resolution of ratification, that the two recommended understandings be considered as having been offered and agreed to, that no other amendments, understandings or reservations be in order, that any statements appear, as if read, in the RECORD, and that the Senate vote on the resolution of ratification without intervening action or debate.

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

Mr. PELL. Mr. President, today the Senate has before it for its advice and consent the Convention for the Protection of the Natural Resources and Environment of the South Pacific Region—commonly known as the SPREP Convention—and the Protocol for the Prevention of Pollution of the South Pacific Region by Dumping. I urge my colleagues to support these measures.

The SPREP Convention establishes general legal obligations to protect the marine environment in the convention area from pollution from various sources. Specific obligations regarding pollution or environmental management can be established in protocols to the convention as the parties deem necessary. The convention requires parties to take all appropriate measures to prevent, reduce, and control pollution in the convention area emanating from vessels, land-based sources, seabed activities, the atmosphere, waste disposal, toxic waste storage, and nuclear testing. It also requires parties to prevent, reduce, and control environmental damage in the convention area, in particular coastal erosion caused by coastal engineering, mining activities, sand removal, land reclamation, and dredging.

Parties are also required to protect and preserve rare or fragile ecosystems and depleted, threatened or endangered flora and fauna as well as their habitat. Moreover, parties are required to cooperate to deal with pollution emergencies, to exchange scientific and technical information and to provide assistance in field relating to pollution and sound environmental management.

Although the convention does not prohibit nuclear testing in the convention area, it does require parties to "prevent, reduce and control pollution in the convention area which might result from the testing of nuclear devices."

Further, the convention does not affect parties' claims regarding the nature and extent of their maritime jurisdiction, nor does it limit states' rights to exploit and develop their natural resources, so long as this is done in a manner consistent with the environmental obligations of the convention.

The convention and protocol apply to the 200 nautical mile zones of the countries and administrations of the region and the areas of the high seas enclosed by these zones.

The administration has requested that the convention be ratified with two understandings and these are incorporated in the resolution of ratification. The first understanding relates to the definition of nonradioactive substances in the convention. It clarifies that substance considered nonradioactive by the International Atomic Energy Agency shall be considered nonradioactive for the purposes of the convention. This understanding resonds to concerns that the treaty text was not clear on this point.

The second understanding makes explicit the United States understanding that the convention does not impinge on the sovereign immunity of vessels or aircraft operating in the convention area. This understanding merely makes explicit a point that is made only implicitly in the convention.

The Protocol for the Prevention of Pollution of the South Pacific Region by Dumping, and its four annexes regulate the deliberate disposal of wastes at sea in the convention area. The Protocol prohibits the dumping in the convention area of certain highly toxic substances, identified in annex I to the protocol. Annex II to the protocol lists those substances which may be dumped in the convention area so long as a special permit has been obtained.

Mr. President, there is some urgency in having the Senate act on the convention and protocol today. In July, the parties to the convention will meet to establish rules of procedures for their future meetings. If the United States is to participate in those meetings as a party, the treaty must be ratified by June 1. The administration wishes to demonstrate its commitment to environmental protection in the region and to ensure that U.S. interests at the meeting are protected. Accordingly, the administration attaches great importance to participation as a full party to the convention.

The convention and protocols were adopted in Noumea, New Caledonia, on November 24, 1986, and closed for signature in November 1987. The convention and its protocols entered into force on August 22, 1990—20 countries have signed the convention and 10 countries have ratified or acceded to the convention.

I would note here that the U.N. Environment Programme played a catalytic role in the development of this convention through its regional seas programme. I believe this highlights once again the value of UNEP in promoting environmental protection around the world.

As the committee's report notes, the committee has received several letters urging that the convention be ratified. The committee has received no expression of opposition to the convention or protocol. Further, on September 17 of last year, the House of Representatives passed House Resolution 398 urging that the United States ratify the convention as quickly as possible.

Mr. President, I urge my colleagues to support the convention and the protocol.

Mr. MITCHELL. Mr. President, does the understanding reported by the Foreign Relations Committee under SPREP regarding regulatory exemp-

tions for low-level radioactive waste have any impact on domestic U.S. low-level waste deregulation, the "below regulatory concern" policies?

Mr. PELL. The terms of the understanding provide that low-level radioactive waste that is exempted is treated as nonradioactive for the purposes of the convention only and, therefore, would not affect domestic U.S. low-level waste deregulation policy.

Further, I ask unanimous consent that a letter from the chairman and ranking member of the Energy and Natural Resources Committee be printed in the RECORD.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC, May 16, 1991.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR SENATOR PELL: We are writing to urge your support for ratification of the Convention for the Protection of the Natural Resources and Environment of the South Pacific Region (the so-called SPREP Convention). This convention is the South Pacific region's most significant environmental agreement; setting forth objectives for the prevention and control of pollution in the South Pacific, for sound management of the environment, and for responsible development of natural resources.

The Convention entered into force last year and a meeting of the Parties must be convened before August of 1991 to initiate implementation of the Convention and its protocols. We believe that it is essential that the United States act quickly to ratify the Convention, and thus avoid losing the opportunity to participate in this program; a failure that would undermine U.S. influence and interests in the region.

As Chairman and Ranking Republican Member of the Committee on Energy and Natural Resources we are particularly sensitive to the concerns of the governments of the U.S. affiliated islands of the Pacific: American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands. Prompt ratification of this Convention will demonstrate our Nation's commitment to the Pacific Islands, particularly our commitment to the Pacific Island members of the U.S. political family. Ratification will also affirm our Nation's commitment to environmental protection and will assure the Nation of a role in Pacific environmental affairs.

We look forward to your consideration and support of the Convention for the Protection of the Natural Resources and Environment of the South Pacific Region.

Sincerely,

J. BENNETT JOHNSTON,
Chairman.

MALCOLM WALLOP,
Ranking Republican Member.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification.

Mr. MITCHELL. Mr. President, I ask for consideration of the resolution before the Senate by a division vote.

The PRESIDING OFFICER. A division is requested. Senators in favor of the resolution of ratification will rise and stand until counted. (After a pause.) Those opposed will rise and stand until counted.

On a division, two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention for the Protection of the Natural Resources and Environment of the South Pacific Region, with Annex, and the Protocol for the Prevention of Pollution of the South Pacific Region by Dumping, with Annexes, done at Noumea, New Caledonia, on November 24, 1986, subject to the following understandings:

(1) In ratifying the Convention, the United States understands that wastes and other matter which would be recommended for exemption from regulatory control as radioactive waste by the relevant recommendations, standards, and guidelines of the International Atomic Energy Agency shall be treated as non-radioactive for the purposes of the Convention; and

(2) It is the understanding of the United States that as the Convention does not apply to any warship, naval auxiliary, or other vessels or aircraft owned or operated by a state and used, for the time being, only on government non-commercial service and therefore entitled to sovereign immunity under international law, each state shall ensure, by the adoption of appropriate measures not impairing operations or operational capabilities of such vessels or aircraft owned or operated by it, that such vessels or aircraft act in a manner consistent, so far as is reasonable and practicable, with this Convention.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the motion to reconsider the vote be tabled and that the President be notified of the Senate's action.

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

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to consider the following nominations from the Executive Calendar:

Calendar 159. Linda Allison, to be a member of the National Council on Disability;

Calendar 160. John A. Gannon, to be a member of the National Council on Disability;

Calendar 161. Robert W. Naylor, to be a member of the Board of Trustees of the James Madison Memorial Fellowship Foundation;

Calendar 162. Kay W. Riddle, to be a member of the National Commission on Libraries and Information Science;

Calendar 166. Emilio M. Garza, to be U.S. circuit judge;

Calendar 167. Louis J. Freeh, to be U.S. circuit judge;

Calendar 168. Sharon L. Blackburn, to be U.S. circuit judge;

Calendar 169. Richard T. Haik, Sr., to be U.S. circuit judge;

Calendar 170. Ira H. Raphaelson, to be Special Counsel, Department of Justice;

Calendar 171. Edward G. Bryant, to be U.S. attorney;

Calendar 172. Donald R. Brookshier, to be U.S. Marshal;

Calendar 173. W. Bruce Beaty, to be U.S. Marshal;

Calendar 174. Lt. Gen. Bradley C. Hosmer, to be lieutenant general;

Calendar 175. Lt. Gen. Howard C. Graves, to be lieutenant general;

Calendar 176. Maj. Gen. Harold T. Fields, Jr., to be lieutenant general;

Calendar 177. Bruce S. Gelb, to be Ambassador of the United States to Belgium; and

All nominations placed on the Secretary's Desk in the Public Health Service.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

NATIONAL COUNCIL ON DISABILITY

Linda Allison, of Texas, to be a member of the National Council on Disability for a term expiring September 17, 1993.

John A. Gannon, of Ohio, to be a member of the National Council on Disability for a term expiring September 17, 1992. (Reappointment.)

JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION

Robert W. Naylor, of California, to be a member of the Board of Trustees of the James Madison Memorial Fellowship Foundation for a term of 4 years.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

Kay W. Riddle, of Colorado, to be a member of the National Commission on Libraries and Information Science for a term expiring July 19, 1995.

THE JUDICIARY

Emilio M. Garza, of Texas, to be U.S. circuit judge for the Fifth Circuit vice Thomas M. Reavley, retired.

Louis J. Freeh, of New York, to be U.S. district judge for the Southern District of New York vice Richard J. Daronco, deceased.

Sharon Lovelace Blackburn, of Alabama, to be U.S. district judge for the Northern District of Alabama vice a new position created by Public Law 101-650, approved December 1, 1990.

Richard T. Haik, Sr., of Louisiana, to be U.S. district judge for the Western District of Louisiana.

DEPARTMENT OF JUSTICE

Ira H. Raphaelson, of Illinois, to be Special Counsel, Financial Institutions Fraud Unit, Department of Justice. (New position.)

Edward G. Bryant, of Tennessee, to be U.S. attorney for the Western District of Tennessee for the term of 4 years vice William H. Ewing, Jr., term expired.

Donald R. Brookshier, of Illinois, to be U.S. Marshal for the Southern District of Illinois for the term of 4 years. (Reappointment.)

W. Bruce Beaty, of Texas, to be U.S. Marshal for the Northern District of Texas for the term of 4 years.

IN THE AIR FORCE

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Bradley C. Hosmer, xxx-xx-xxxx U.S. Air Force.

IN THE ARMY

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, section 601(a):

To be lieutenant general

Lt. Gen. Howard D. Graves, xxx-xx-xxxx U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Harold T. Fields, Jr., xxx-xx-xxxx U.S. Army.

DEPARTMENT OF STATE

Bruce S. Gelb, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE PUBLIC HEALTH SERVICE

Public Health Service nominations beginning Alan H. Arbuckle, and ending Michael G. Wilcox, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 11, 1991.

Public Health Service nominations beginning James R. Allen, and ending Beverly A. Roth, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 11, 1991.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

DEFENSE PRODUCTION ACT AMENDMENTS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on H.R. 991, the Defense Production Act; that the Senate insist upon its amendments to the House bill, agree to the request for a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I am constrained to object to the request on behalf of a Member on this side. I object.

The PRESIDING OFFICER. Objection is heard.

MAGNA CARTA DAY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 150, designating June 15 as Magna Carta Day; that the Senate then proceed to its immediate consideration; that the joint resolution be deemed read a third time and passed; that the motion to reconsider be laid upon the table; and that the preamble be agreed to.

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

The joint resolution (S.J. Res. 150), was deemed read the third time and passed.

The preamble was agreed to.

The joint resolution, with its preamble, read as follows:

S.J. RES. 150

Whereas June 15, 1991, marks the 776th anniversary of the signing of the Magna Carta at Runnymede by King John of England;

Whereas the Magna Carta was exceptional in its prolonged influence on legal and constitutional thought in England and among the English-speaking nations as a statement of fundamental law, enshrining principles of human freedom and liberty;

Whereas the Magna Carta subsequently provided historical precedent for the powerful stream of thought emphasizing the natural rights of the individual that is expressed in the United States Constitution;

Whereas in 1965 Secretary of State Dean Rusk traveled to Runnymede to receive an acre of its ground from Her Majesty the Queen as a gift to the American people in memory of John F. Kennedy; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That June 15, 1991, is designated as "Magna Carta Day" and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

ORDERS FOR MONDAY, JUNE 3, 1991

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate adjourns today, it stand in adjournment until 2 p.m. on Monday, June 3; that when the Senate reconvenes on Monday, June 3, the Journal of the proceedings be deemed to have been approved to date; the call of the calendar be waived; no motions or resolutions come over under the rule; and that the morning hours be deemed to have expired.

I further ask unanimous consent that following the time for the two leaders, there be a period for morning business not to extend beyond 3 p.m. on Monday June 3, with Senators permitted to speak therein for up to 5 minutes each.

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

SCHEDULE

Mr. MITCHELL. Mr. President, there will be no rollcall votes on Monday, June 3. The Senate will proceed to consideration of S. 173, the modified final judgment bill, pursuant to consent previously obtained. Senators should be prepared for votes beginning on the morning of Tuesday, June 4.

As is my practice, I have discussed with the distinguished Republican leader and other interested Senators the proposed schedule of legislation that may be considered by the Senate in June, following the Senate's return to session on Monday, June 3.

I now ask unanimous consent that there be printed in the RECORD a list of legislation which may be considered, along with any other legislation that the majority leader may propose for the Senate's consideration during that period, this being a nonexclusive listing.

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

LEGISLATION THAT MAY BE CONSIDERED BY THE SENATE IN JUNE

Surface Transportation Efficiency Act, S. 965.

Motor voter bill, S. 250.

Cable Television Consumer Protection Act, S. 12.

Federal Facilities Act, S. 596.

National Energy Security Act, S. 341.

Modified final judgment (Baby Bell) bill, S. 173.

Corporate average fuel economy improvement bill (C.A.F.E.), S. 279.

Crime bill, S. 618.

Education Improvement Act, S. 2.

Family and Medical Leave Act, S. 5.

Appropriations bills as well as any other legislation that the leader may propose for the Senate's consideration; this is a nonexclusive listing.

Mr. DOLE. Will the majority leader yield?

Mr. MITCHELL. Yes.

Mr. DOLE. Mr. President, I have reviewed the list. I have no problem with any of the matters on that list. It will take a lot of work to get that done in the 4-week period, but I notice one missing item that I have an interest in and I know the Secretary of Transportation, Secretary Skinner, has a deep interest in. That is the Montreal Protocals. Would there be a possibility of considering that legislation in the month of June before the July 4 recess?

Mr. MITCHELL. Mr. President, as always, it will be my pleasure to consider this request by the distinguished Republican leader. I will do so and will respond to him at an appropriate time in the near future.

I thank him for the request. I will, as I indicated, as always take it under consideration.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AUTHORIZING SENATOR CRANSTON TO TAKE CERTAIN ACTIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator CRANSTON be authorized to sign enrolled bills and joint resolutions during the adjournment of the Senate, prior to June 3.

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

ADJOURNMENT UNTIL 2 P.M., MONDAY, JUNE 3, 1991

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate adjourn, as provided for in House Concurrent Resolution 157, until 2 p.m. on Monday, June 3, 1991.

There being no objection, at 2:34 p.m., the Senate, under the provisions of House Concurrent Resolution 157, adjourned until Monday, June 3, 1991, at 2 p.m.

NOMINATIONS

Executive nominations received by the Senate May 24, 1991:

DEPARTMENT OF AGRICULTURE

ANN M. VENEMAN, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF AGRICULTURE, VICE JACK CALLIHAN PARNELL, RESIGNED.

ANN M. VENEMAN, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION, VICE JACK CALLIHAN PARNELL, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 24, 1991:

NATIONAL COUNCIL ON DISABILITY

LINDA ALLISON, OF TEXAS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1993.

JOHN A. GANNON, OF OHIO, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1992.

JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION

ROBERT W. NAYLOR, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION FOR A TERM OF 4 YEARS.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

KAY W. RIDDLE, OF COLORADO, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 1995

DEPARTMENT OF JUSTICE

IRA H. RAPHAELSON, OF ILLINOIS, TO BE SPECIAL COUNSEL, FINANICAL INSTITUTIONS FRAUD UNIT, DEPARTMENT OF JUSTICE.

DEPARTMENT OF STATE

BRUCE S. GELB, OF NEW YORK, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BELGIUM.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

EMILIO M. GARZA, OF TEXAS, TO BE U.S. CIRCUIT JUDGE FOR THE FIFTH CIRCUIT.

LOUIS J. FREEH, OF NEW YORK, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK.

SHARON LOVELACE BLACKBURN, OF ALABAMA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ALABAMA.

RICHARD T. HAIK, SR., OF LOUISIANA, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF LOUISIANA.

DEPARTMENT OF JUSTICE

EDWARD G. BRYANT, OF TENNESSEE, TO BE U.S. ATTORNEY FOR THE WESTERN DISTRICT OF TENNESSEE FOR THE TERM OF 4 YEARS.

DONALD R. BROOKSHIER, OF ILLINOIS, TO BE U.S. MARSHAL FOR THE SOUTHERN DISTRICT OF ILLINOIS FOR THE TERM OF 4 YEARS.

W. BRUCE BEATY, OF TEXAS, TO BE U.S. MARSHAL FOR THE NORTHERN DISTRICT OF TEXAS FOR THE TERM OF 4 YEARS.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. BRADLEY C. HOSMER, [redacted] U.S. AIR FORCE.

ARMY

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. HOWARD D. GRAVES [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A)

To be lieutenant general

LT. GEN HAROLD T. FIELDS, JR. [redacted] U.S. ARMY.

IN THE PUBLIC HEALTH SERVICE

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING ALAN H. ARBUCKLE, AND ENDING MICHAEL G. WILCOX, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 11, 1991.

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING JAMES R. ALLEN, AND ENDING BEVERLY A. ROTH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 11, 1991.