SENATE—*Thursday, December 1, 1994*

(Legislative day of Monday, September 12, 1994)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore.

The PRESIDENT pro tempore. The prayer will be led by the Senate Chaplain, the Reverend Dr. Richard C. Halverson.

Dr. Halverson, please.

PRAYER

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

Let us pray:

And we know that God works in everything for good to those who love Him and are called according to His purpose.—Romans 8:28.

Gracious God our heavenly Father, on this last day of the 103d Congress we want to thank You for all of its achievements and for faithful Senators who will not be with us in the 104th. We ask Thy blessing upon them and their loved ones, and we pray that Thou wilt surprise them with the good things You have planned for them, for which their time in the Senate was preparation. Fill them with a sense of Your love and the plans You have for them in the future.

Loving Lord, You know how traumatic an election can be for staff people whose Senators were not reelected. We thank You for those who have found work, and we pray for those who are hurting because, up to this time, they have not found a place in which to serve. May Thy grace fill their hearts as they remember that they have not been forgotten, either by God or by those for whom or with whom they labored so faithfully. Encourage them in the confidence that You have a plan for their lives and will guide and protect and fulfill. Let Thy blessing rest upon all who experience the many changes that are inherent in a new Congress.

In the name of Him who is the Way, the Truth, and the Life. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. The Senate will be in order.

Under the previous order, leader time is reserved.

URUGUAY ROUND AGREEMENTS ACT

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 5110, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5110) to approve and implement the trade agreements concluded in the Uruguay round of multilateral trade negotiations.

The Senate resumed consideration of the bill.

The PRESIDENT pro tempore. Under the order, there shall be 9 hours of debate remaining under the statutory time limitation with 2 hours under the control of the Senator from New York [Mr. MOYNIHAN], 2 hours under the control of the Senator from South Carolina [Mr. HOLLINGS], and 5 hours under the control of the Senator from Oregon [Mr. PACKWOOD].

Mr. MOYNIHAN addressed the Chair.

The PRESIDENT pro tempore. Mr. MOYNIHAN, the Senator from New York, is recognized.

Mr. MOYNIHAN. Mr. President, I yield myself such time as may be required to make an opening statement on, as Reverend Halverson said, this last day of the 103d Congress and the momentous—as I see it and many do—decision we will make at the end of this day and at the end of this Congress, which is the decision to ratify or not the legislation that will put into effect the Uruguay round of the General Agreement on Tariffs and Trade culminating 60 years of American trade policy that began with Cordell Hull in 1934.

The Washington Post has an editorial this morning which, in the view of this Senator, sums up the case with great clarity and force. I would take the liberty, sir, of reading it to the Senate.

It says:

Until the Soviet Union collapsed, the military threat was the glue that held the rest of the world together and enforced political cooperation. Currently, it's beginning to look as though trade is going to be the next organizing principle, with trading relations and institutions becoming the transition lines of political influence. Americans can take great pride in the work that their country has done in the past 50 years to bring stability and prosperity to a dangerous world. Some dangers have now vanished with the end of the Soviet Union, but others are appearing. Both for its own interest and the world's, the United States has to remain the central force in the world's trading system.

I think we would all agree on that, even if we disagree on the particulars of the arrangements of the institutions, the facilities, that we put in place. But the great point about our decision today is to consult our experience as well as our hopes and not simply our feelings.

Trade is always an area that arouses concern among citizens, and ever has done as far back as our Republic goes. In 1791, Alexander Hamilton, in his report on manufacturers, made a powerful case but a case that had to be made that, no, it would not be enough for the United States simply to remain a rural agricultural nation; that we had to be a manufacturing and trading nation. We have been so ever since, never more so than now.

This is the expanding sector of our economy, the one that brings—and I think it is fair to say, as the Washington Post observed it—not necessarily more jobs, but a lot of better jobs, jobs with higher value added, higher wages, and better, longer term prospects.

That, sir, is what brings us here on this final day, an era which we can see as having begun in the depths of the Depression, with the recognition of strong, able leaders—Franklin D. Roosevelt, Cordell Hull—that we had to change what had been a pattern set for many years of protectionism and take the gamble which in the end has succeeded. And, having done so, I say this is the moment of decision.

I met today with my colleague and dear friend, the Senator from Oregon [Mr. PACKWOOD], who is necessarily delayed for a few moments.

I saw my friend from South Carolina visit the Chamber. He is here now. I cannot believe that he will not return in force and with great vigor.

But, for the moment, it falls to me to welcome him this morning. I made some opening remarks, and perhaps the Senator from South Carolina would like to do so the same.

I yield the floor, Mr. President.

Mr. HOLLINGS addressed the Chair.

The PRESIDENT pro tempore. The Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Mr. President, I always enjoy the comments and expression, and literally the education, I receive from the distinguished Senator from New York. He has a profound sense of history.

What happens is that America should continue to lead in the trading system. Therein, in and of itself, is our difficulty. We are not leading; we are losing. Yes, we set the example in a losing fashion over 45, almost 50 years. It was almost like the Golden Rule: "Do unto others as they would do unto you."

And we tried to set the good example of Adam Smith and David Ricardo of comparative advantage, open markets and free trade, which we all believe in.

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

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This Senator voted for free trade with the Free Trade Agreement with Canada. I strongly support the proposed free trade agreement with Chile, which we will be visiting in a few weeks, because we have relatively the same standards of living, the same systems of open markets—David Ricardo—comparative advantage. But the competition, according to Alexander Hamilton or Friedrich List, is measured not by a cheap shirt or what you can buy but what you can produce. Decisions are made that weaken or strengthen the economy.

Interestingly, Mr. President, that is the example being followed today in Eastern Europe. You only have to read this week's special edition of Business Week. Romania, Hungary, and all the rest of these Europeans now are not going for old David Ricardo and Adam Smith. They are going for Friedrich List, as the Germans long since have with their interlocking directives and Japan with the Keiretsu, of course, out in the Pacific rim. And so now, after the 60 years, which the distinguished Senator points out, the change that has taken place with the fall of the wall is that we should no longer sacrifice our economy to keep the alliance together. Yes, the editorial is correct, we kept the alliance together. It worked and it deserves praise. But with this change, now is the time to rebuild the economy of the United States; and the reality is that we are in decline. Everyone knows that. Everyone knows that. That is, the people of America know. That is what the election was about, and the stupid politicians here in Washington—we politicians—cannot recognize it. That is the frustration of the American voter.

The American worker, yes, the most productive American worker, who is the most productive in the world, is taking home 20 percent less pay than what he was 20 years ago. His wife is having to go out and work to make up for that loss of income. And then you have the latchkey children, and we politicians run around saying, "I am for the family, and we have to get the children and mothers back together." We are separating them with this GATT. Can they not see it? Can they not understand where the crime begins in the inner city of New York, with 93,000 garment workers down there who will now lose their jobs, which will flee to the Pacific rim? Everybody knows. Rather than creating enterprise zones, what we are doing here today at 6 o'clock is taking the enterprise out of the zone. Leading? That Americans should continue to lead the world's trading system—I wish they had politicians and newspapers made overseas. Washington would be out of business and long gone. They make everything else offshore. If we could only get politicians and newspapers manufactured offshore, this crowd would learn quickly.

Mr. President, the President went out there just a couple of weeks ago to Indonesia, and every one of those countries in the Pacific rim was at the meeting. We have a deficit in the balance of trade. Who is leading? Is the United States leading? They rebuffed us. The head of trade in Malaysia and the head of trade in Indonesia said, "We are not going along with this." To keep face, they want, of course, this particular GATT, because this opens up the United States, as Senator BROWN from Colorado pointed out. This opens us up entirely, but it does not open up the Keiretsu or the closed markets of the Pacific rim. None whatsoever. The GATT proponents defend the WTO rules. Do not worry about the WTO rulings, they do not have to be obeyed, they say. But if nobody changes the laws in the United States, in the debate, ergo, they do not change the laws of Japan or the Keiretsu. They cannot have it both ways.

So the President is out there with a $150 billion deficit. They keep talking exports, exports, exports. Fine. I export regularly from South Carolina. We built the ports there and we are proud of it. But look at the entire picture, not like a CPA coming in and looking at your expenses and not your income. You are faulty on income here in this case. Your imports far overshadow—$150 billion worth—your exports. There is the President with a $150 billion hole in his pocket and a tin cup begging the Japanese. Tell me about the fears of inflation. They keep writing all those articles about inflation. But I asked Mr. Felix Rohatyn at the GATT hearings that we had in the Commerce Committee and he said, "Yes, that is a good part of it."

I said, "Mr. Rohatyn, is it not a fact that we have depended on the Japanese, until recently, to buy 30 percent of our Treasury instruments to finance our debt? Is that not a fact? Now, is it not a fact that they are threatening us every time we go there and tell them to open the markets?"

Who is the Trade Representative? Ambassador Kantor or Secretary Bentsen? Everybody with common sense knows it is Secretary Bentsen, because he has to finance our debt. So we give in and we have meetings with the Japanese and praise each other and agree to negotiate, as with financial services, and we will come back again. Just like services themselves. We have to negotiate those still. You have to go back to the WTO. Senator BROWN read the agreement.

But the reason for that tin cup in the hand is we have now subjected our economy and economic future to the whims of the Pacific rim financing our debt. We are in decline.

Heavens above, wake up, Washington. My friend John F. Kennedy wrote the book, "Why England Slept." They all say, "HOLLINGS is just for textiles." I have been in textiles, yes, but I have been in an entire picture for 28 years up here. I testified before I got here in the fifties before the International Tariff Commission. I want to write the book called "Why America Continues To Sleep."

Yes, we have a special session. I never intended it. I never thought the President, not calling us back for a lame duck for health care, or for welfare reform, and not calling us back for all the other issues we are interested in, such as the information superhighway, would call us back for GATT. We have until July 1995 on this one. No industrial country has adopted it, none. So we could easily debate it next year. We debate complicated treaties. SALT I, SALT II, the ABM treaties. We can put in reservations. We cannot do the same with this one, except, of course, for the distinguished minority leader, soon to become majority leader, who goes to the White House and, as we read in a newspaper, in a dignified fashion got his amendments. The Finance and Ways and Means Committees have a right to amend. We will look at the gift to the Washington Post later.

We will look at these other things later. We will get like 10 New York doctors on Carter's little liver pills. Under the agreement between the President and the future majority leader, we will get four or five court judges to make up their minds for us to see whether or not we will have reservations.

They get amendments. I do not know what amendments they agreed to. We do not. It is scandalous the way this Congress operates and this Government in Washington. Nothing has changed. They are wheeling and dealing. They are saying: I will take your budget-buster for GATT. You take mine later on for capital gains. Do not be telling me about a veto on capital gains, Mr. President, because it loses $25 billion. I am taking a loss of $31 billion for you today to save your political hide.

Nothing has changed. Come on. And our country is in decline and better wake up and not lose. Start leading by rejecting this agreement and getting a good competitive trade policy.

I retain the remainder of my time.

The PRESIDENT pro tempore. Who yields time?

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be allocated to either side.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. DOMENICI. Is there time allotted for the Senator from New Mexico?

The PRESIDENT pro tempore. There is time under the control of the Senator from New Mexico. If the Senator opposes the point of order the time is under the control of Mr. PACKWOOD.

Mr. MOYNIHAN. Mr. President, I am sure that the Senator from Oregon [Mr. PACKWOOD], would wish the Senator from New Mexico to have as much time as he requires.

The PRESIDENT pro tempore. How much time does the Senator require?

Mr. DOMENICI. About 15 minutes, Mr. President.

The PRESIDENT pro tempore. The Senator will be recognized for not to exceed 15 minutes.

Mr. DOMENICI. I thank the Chair, and I thank Senator MOYNIHAN.

Mr. President, for some it must have seemed like this day would never come. Hundreds of people, both here and abroad, have worked on the Uruguay round of multilateral trade negotiations for the past 8 years; 125 nations began the negotiations in Punta del Este in September 1986. On April 15, 1994, 111 signed the final act in Marrakesh, and thus we are here. By signing that final act those 111 nations committed to bring the results before their respective legislatures for ratification.

Several countries have ratified this agreement, the United Kingdom, Greece, and Belgium among them. France and Canada are very close and will ratify this agreement this year. Japan will soon follow. The United States through the U.S. Senate in this Senator's humble opinion should also vote to ratify this agreement.

My colleagues from the Finance Committee have ably spoken to the U.S. Senate and the Senators herein regarding the benefits to trade and national welfare that the GATT agreement will afford to our country and our people, and I concur with those remarks.

I especially congratulate the soon-to-be chairman of the Finance Committee for his eloquent remarks. I have listened to them. I openly commend him for his explanation of what trade means to American jobs and what GATT could mean to American workers and American prosperity.

That is not to detract from other excellent statements to the American people and to the Senate that have been made here on the floor.

The merits of the Uruguay Round Agreement have not been nearly so controversial as the issue that I will speak about here today—how the agreement affects the Federal budget. By far the largest budget effect is the loss of revenues from reduced tariffs. The Congressional Budget Office has estimated that the net revenue loss amounts to $11.5 billion over the first 5 years and $31.8 billion over 10 years.

This Uruguay Round Agreement cuts overall U.S. tariff collections by 15 percent from what they otherwise would be. Everyone should understand, because of Budget Act points of order, consideration of this implementing legislation requires 60 votes in the U.S. Senate. I will explain this shortly.

It has been very difficult for the U.S. Congress to wrap its arms around the deficit. We tried at the 1990 summit conference, but at that time we did not have a GATT agreement in mind. The Chair, the distinguished Senator from West Virginia, was an active member of that budget summit.

We came up with a concept, aside and apart from GATT, and it is called pay-as-you-go. It says, if a policy results in lower revenues, you must make up the loss somewhere else with new revenues or with entitlement cuts. Now, frankly, that is very new, that 60-vote point of order for pay-go. It is very new to American legislation and certainly to the body of the Senate and our processes.

I, for one, believe it is among one of the five or six good new concepts for budget control. It is easy to understand. It resonances nicely—pay-go. Everybody thinks that is right. You ought to pay as you go. But the truth of the matter is that it is all based on estimates and all based on assumptions. What paygo does, in a sense, is put a big picket fence around the deficit.

But I must suggest we left a nice gate in the fence. There is a little gate in this fence. And the gate is a hard gate to get through—60 votes, supermajority. I submit that is precisely why we put that in and it finds itself right here on the floor.

When there is something of paramount American importance, you open the gate and you say, "Look, these rules are good, but these rules are not impeccable. These rules are not things that cannot be violated." And if the GATT agreement is good for America, it appears to this Senator that you ought to open that gate in the fence. And that is why I support waiving this point of order and opening that gate in the fence.

Now I want to continue on to make sure that my constituents and those who are interested in the views of somebody who has been working on the budget for a long time and understands all this estimating, understands the big current argument about dynamic evaluation of activities versus static. I am not one that jumps to the tune of either one, as if the rhythm is absolutely mandatory.

From my standpoint, I am looking for accuracy in these two apparently opposite systems of static versus dynamic. And that is at play here today. For those who would like me to say you do not need a waiver because if this was estimated with a dynamic model there would not be any revenue loss, I am not prepared to do that yet. We are going to have a joint hearing with the House and Senate Budget Committees on the dynamic versus static issue. For the first time in the history of both bodies, both budget committees are going to have hearings to let the public understand that.

But for now, I do not choose to say there is no effect on the deficit, but I do choose to say it is rather minimal. And let me proceed to discuss that, having discussed that opening in that fence with the gate that requires 60 votes to get around this wall.

The Congressional Budget Office has estimated that, as a result of this agreement, there will be following the results: In agriculture, there will be a savings of $1.5 billion over the first 5 years and $5.2 billion over 10 years. Now that means we will spend less on agriculture because of this agreement.

The overall net cost of the agreement to the Treasury before any offsets is $10 billion over the first 5 years under the current way of estimating. Over 10 years, the cost is $26.6 billion. However, the administration and Congress worked together to structure a package of offsets. The entire agreement, offsets included, increases the deficit by $1.7 billion over 5 years, I say to Senator MOYNIHAN, $1.7 billion over 5 years and $12 billion over 10 years.

Now I am not one that excuses spending because it is a small amount. But I must put this one in perspective. This increase in the deficit represents two-tenths of 1 percent, I say to Senator PACKWOOD, two-tenths of 1 percent of the total projected deficit for the next 5 years, five-tenths of 1 percent of the total projected deficit for the next 10 years—if, in fact, the numbers are right; if, in fact there is no positive influence on America starting out in the 6th, 7th, 8th year by getting rid of tariffs which have to work in our favor. I have heard everyone speak to that. It is unequivocal that getting rid of tariffs works to our advantage.

So last May, Congress wrote a budget for this country by the adoption of a budget resolution which set a floor for revenues and a ceiling for outlays. The GATT implementing legislation, on its own, reduces revenues below that floor and, therefore, as I indicated heretofore, violates the budget resolution. The Budget Act defines this in section 311(a) and talks about a point of order. It takes 60 votes to waive, as I have just indicated in my general explanation of the pay-go provisions, which I think have generally been very good.

This same budget resolution modified the pay-as-you-go point of order established last year. Our pay-go enforcement makes it out of order to consider legislation that, combined with all legislation enacted since August of 1993, would increase the deficit for any one of the following three periods: 1995, 1995

to 1999, or 2000 to 2004. So I say to my friends in the Senate, we are now out there in the 2000 and 2004 part of this.

Incidentally, that was not even the law a year and a half ago. We went out 10 years, I say to Senator MOYNIHAN, and heretofore we had only gone out 5. So, in a sense, we are burdening GATT with a very, very stern test when we are very tough on the evaluation of these activities in terms of estimates.

So, based on the CBO scoring, it is obvious that GATT violates this pay-go point of order, this fence around expenditures or loss of revenues for the last two thresholds and is subject to this point of order.

I urge that the Senate vote to waive this point of order. And, as I have indicated, generally I do not do that lightly but I believe the 60-vote point of order was there clearly intended to give us the opportunity to not have to comply with pay-go when we find it is in the national interest to do otherwise.

The administration knew the budget effects of this agreement and knew precisely what they would be. They proceeded to try their hardest, as I can determine, to find ways to offset the costs and it was not their wish to run into points of order over GATT. People worked tirelessly here in the Congress and in the administration for months to work out a funding package for this agreement.

I can remember 8 months ago talking to both Senator MOYNIHAN and Senator PACKWOOD about that. So we have been all busy doing it. We could accomplish it mutually and we had to do it with the administration and the Congress.

Since the agreement with all the offsets will still increase the deficit, this point of order lies. And so we are confronted with the facts as I have described them with this rather small effect if it all works out that way, and do we have a GATT or do we not based upon those rather small and almost insignificant budget effects.

Mr. President, our budget rules are tough. They are very tough. They were meant to be. And I think of the rules, as I have indicated before, are like a fence with a gate. We have this small gate, but we are penalized when we use it and we have to get 60 votes. I support waiving this Budget Act for purposes of considering the GATT implementation language and we simply have too much to lose if we miss this opportunity.

In the field of economics that is known for diverse answers to the same question, there is a remarkable agreement on the benefits of GATT to our people. So where economists differ on many things there is almost a unanimous concurrence that GATT is good for American workers and for our future. So, if we fail to waive, we are letting all that go down the drain because of a 60-vote point of order that I have done my very best to describe in terms of its impact.

Incidentally, the United States is not the only winner. Reducing trade barriers is not a zero sum game where some countries benefit at the expense of others.

The positive, overall effects of GATT are long term and accrue to all countries participating. With free trade—and free trade causes investment and capital formation—workers become more productive, the economy grows, and jobs increase. Household incomes rise.

While we do not score the future expected economic growth for budget purposes, in this case we can be pretty sure it is going to happen. This is one of the cases where we need to crack the gate open, as I have indicated, and fit this legislation through it and waive the pay-go.

In my mind, this is not a vote on whether we increase the budget deficit. It is a vote for free trade. So for those who are using the budget waiver as an excuse, or for their justification, the truth of the matter is this is not a budget vote. It is a free-trade vote. Those who oppose free trade clearly can use any reason they like. But I believe the view is very shortsighted that predicates a vote against GATT on budget and budget activities.

Mr. President, I ask for 5 additional minutes.

Mr. PACKWOOD. I yield the Senator 5 additional minutes.

The PRESIDING OFFICER (Mr. DORGAN). The Senator may proceed for 5 additional minutes.

Mr. DOMENICI. Frankly, this GATT agreement will do more for the long-term economic growth and for our people's prosperity than anything else passed in the 103d Congress. And I believe that. Most of what we did has some very measurable impacts and much of it has both negatives and positives. GATT, as an instrument of change in the way the world markets work, is the most significant legislation that we will pass here in the whole 103d Congress, and I stand on that and I believe that.

Before I conclude, I would like to briefly address a couple of important issues that citizens in my State and many others have brought to our attention. They are legitimate, valid concerns and deserve attention.

First and foremost, the GATT agreement does not threaten U.S. sovereignty. Let me repeat. I know people in New Mexico, many of them good, solid friends of mine, have been talking about sovereignty. In this Senator's opinion, the GATT agreement does not threaten U.S. sovereignty. All living Presidents, former Secretaries of State, all former Trade Representatives of the United States, as well as many constitutional scholars, including Robert Bork, are convinced that this agreement does not impede U.S. sovereignty.

Among all of those people, would any of them want to deny our sovereignty? I do not believe so. I do not believe this Senator wants to, and I do not believe the 61 Senators who hopefully are going to vote for waiver really want to deny our sovereignty.

Simply put, the World Trade Organization cannot change U.S. law. The WTO cannot change a U.S. law because only the U.S. Congress can change a U.S. law. Therefore, even if the World Trade Organization made a ruling that would go against an existing U.S. law, the U.S. law could not automatically be changed to conform to the World Trade Organization ruling. A U.S. law can only be changed if the U.S. Congress votes to change the law.

A final safeguard to U.S. sovereignty is that if at any time the United States becomes dissatisfied, it can withdraw from the World Trade Organization after giving 6 months' notice. That is a pretty good escape hatch. In the event the WTO becomes arbitrary or capricious, we get out.

Another important concern has to do with why should we do this in this session; why should it not be delayed? Many of my constituents are asking that. The answer is, this is not a "rush" to approve an agreement. The GATT has been negotiated for over 8 years by Presidents Reagan, Bush, and Clinton. The Congress has had ample time to review carefully the specifics of this multilateral trade agreement, and it is time to make a decision one way or another.

There are Senators who have read much of this. There are some who have read every word in it. And one of the overriding reasons why we need to make this decision sooner rather than later is that delay in approving this means that other nations will continue to impose high tariffs on U.S. goods. This is costly to each and every American. The United States should protect its valued business interests and jobs. According to some estimates, a belated passage of GATT implementing legislation could cost us as much as $7 billion in lost production over 1 year alone, as well as thousands of jobs. Given these onerous costs, I believe the time is now. I submit to people around the country and people in the State of New Mexico that we have had plenty of time, over three Presidencies, to work on this and get it where it is. I do not believe it needs to be delayed any longer.

Another important concern some have in our country, and in my State, is that this agreement appears to be a treaty and, thus, requires a two-thirds vote by the U.S. Senate. It is important to point out this is not a treaty. It was not negotiated as such. It has always been considered an executive agreement by all parties involved. As such, GATT is about the issue of commerce with foreign nations, and under

Article I of the Constitution, the Congress has the power to regulate commerce with foreign nations. Hence, only a majority vote in both Chambers of Congress is required. If it were considered a treaty, then the U.S. Senate would be required under the Constitution to pass it by a two-thirds vote. However, this is not the case, and I believe the constitutionality of this kind of executive agreement is well established. I do not choose to go into the legal opinions, but I believe it is established.

A final question of special concern is that GATT requires that every United States citizen receive an identification number at birth, and that this matter is unrelated and irrelevant to matters of trade. The answer is that this requirement is included in the implementing language of GATT; it is not part of the GATT itself. This language was included in the implementing legislation because to ensure accurate assessments of income taxes, improper deductions on tax returns must be minimized.

Mr. MOYNIHAN. It is the Social Security number.

Mr. DOMENICI. The Social Security number, that is right. As a consequence, this section is designed to reduce tax cheating by people who claim children they do not have, which has the effect of reducing their taxes. This is important because it has a significant effect on the amount of tax revenue collected, which directly correlates with the overall net cost of the agreement to the U.S. Treasury. Therefore, the United States has decided that it is critical to maintain an accurate accounting of its taxable population.

Mr. President, as I stated earlier, I believe this legislation is extremely advantageous for our long-term economic growth and our American prosperity. It is as fiscally disciplined as it can realistically be. It is something we must pass to achieve better standards of living in our own country and around the world. I have reviewed this agreement carefully, and I am satisfied that it is in the best interests of our citizens. I am, therefore, confident that the GATT should be approved.

Mr. PACKWOOD. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Oregon, the Chair is informed, has 4 hours and 38 minutes remaining.

Mr. PACKWOOD. Four hours and 38 minutes remaining? I thank the Chair.

I ask that only for this reason. Senator GRASSLEY is here ready to speak. Does Senator HOLLINGS have any objection?

Mr. HOLLINGS. Go right ahead. No.

Mr. PACKWOOD. I am going to give him 15 minutes. But I will say this. I have 17 speakers left who have said they wanted to speak. I just know what is going to happen as they begin to get here in the afternoon. They are going to want 10 or 15 or 20 minutes with 2 hours to go, and I will say, for those who want to speak, if they will come over now they are more likely to get 10 or 15 or 20 minutes than they are this afternoon.

With that, I will yield 15 minutes to the Senator from Iowa.

Mr. MOYNIHAN. Mr. President, will my friend from Oregon allow me just one moment to say that in our case, we are in yet more straitened circumstances. We have 1 hour 55 minutes. The leader will have to have some time. Probably no more than 10 Senators, at most, can be accommodated. There will be a limit of 10 minutes. I hope those who wish to speak will let us know.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa for 15 minutes.

Mr. GRASSLEY. Mr. President, I rise today to urge my colleagues to waive the budget point of order and to support the GATT.

As my colleagues know, I yield to no one in this Chamber in my desire to cut spending and reduce the deficit. The National Taxpayers Union recently rated my voting record as one of the three most fiscally conservative in the Senate.

I believe it is important that we have the fiscal discipline to pay for tax cuts with reductions in spending or increased revenues.

That is why I joined several of my colleagues in signing a July 15 letter to President Clinton asking that the administration provide the necessary spending cuts and revenues to make up for the tariff revenues that will be lost under GATT.

The Congressional Budget Office [CBO] estimated at that time that implementation of GATT will mean a loss of approximately $12 billion in revenues over the next 5 years. The administration's proposed spending cuts and revenue increases would limit this loss to only $2.5 billion over the next 5 years according to CBO.

I am pleased that the July 15 letter was effective in forcing the administration to greatly limit the amount of lost revenues. I am disappointed that the administration did not show the leadership to provide the spending cuts necessary to avoid a budget point of order.

However, the $2.5 billion in lost revenues is dwarfed by the costs of delaying GATT and attempting to find the additional funds. The Department of the Treasury has estimated that postponing the implementation of GATT will cost the United States $70 billion in lost production over the next 10 years.

The Department of the Treasury also estimates that a 6-month delay in implementation will reduce U.S. employment by an average of 25,000 a year over the next decade. These costs greatly overshadow the $4.5 billion in lost revenue.

The Department of the Treasury numbers are supported by what I'm hearing from my fellow Iowans. In Iowa, many businessmen and women and especially farmers tell me that they need GATT now. It is my understanding from them that 100's of millions of dollars are at stake for Iowa companies and workers. Enormous grain sales could be lost to unfair EC subsidies if we fail to pass GATT now.

Due to this year's bumper crop, there are now mountains of corn in Iowa. It is imperative to Iowa's economy that this corn reach overseas markets. Iowa State University estimates that GATT will mean a net increase in farm income of $225.5 million in Iowa by 2002.

In considering my vote on this waiver, it was necessary to weigh the long-term impact. While the budget deficit is a top priority for me, there is no question that GATT will be a tremendous boon to our Nation's workers and the economy. GATT will especially benefit agriculture in our Nation—good news for farmers and for Iowa. A growing economy is crucial if we are going to successfully address the deficit.

The budget shortfall is half-a-billion dollars a year. While the budget aspect should be a serious concern, an even more serious concern is growth, prosperity and competitiveness. The flow of exports from Iowa and the United States to greater markets will help bring us these. We can't let half-a-billion dollars a year get in the way of that. It would be like building a beaver dam to stop up the Mississippi. It would do nothing but no good.

As my colleague Senator DOMENICI, the incoming chairman of the Senate Budget Committee, made clear earlier today, the authority to waive the Budget Act was put into the law by design to provide the Senate a gate to disregard the budget rules when it is in the best interests of the American people. GATT is certainly a case where we must crack open that gate in the budget rules. GATT is without question in the best interests of the American people.

I have voted in the past to waive the budget rules when I believed it was in the long-term interests of the American people. In 1992, I voted to waive the budget act to allow for an extension of emergency unemployment benefits. Given the state of our Nation's economy at the time, I thought it was important that we provide additional benefits to families in need.

Similarly, it does not make sense to me now to jeopardize the tremendous benefits to working families across America and throughout Iowa from free trade because of the administration's failure to provide sufficient spending cuts.

Mr. President, I urge my colleagues to join me in supporting the budget

waiver so we can pass this landmark, worldwide agreement.

Mr. President, very soon we will be voting on the GATT implementing legislation, one of the most important pieces of economic legislation since the end of World War II. It is also one of the most controversial.

Many opponents of the agreement have bombarded the American people with the claims that they have nothing to gain and a great deal to lose from implementation of this agreement: U.S. sovereignty will be sacrificed they say; our environmental and sovereignty will be scarified they say; our environmental and health standards will be endangered; and unemployment will soar.

These are frightening prospects, and if they were true I would be the first to oppose this agreement. But all the ranting from soapboxes doesn't make the opponents arguments true. In fact, these predictions are about as accurate as the one about the giant sucking sound NAFTA was supposed to produce, which has proven to be demonstrably false.

This is not meant to suggest that the concerns expressed by my colleagues during this debate are without merit. I share many of these concerns, such as the use of child labor in many countries, and will do whatever I can to correct these problems. But I believe we can address these problems more effectively as the most influential member of the international trading community, as opposed to rejecting this agreement outright.

For each of us however, the failure to secure certain more parochial concerns should have no impact on our decision whether to support GATT. Simply put, the removal of trade barriers generally will promise global competitiveness and greatly improve the standard of living both here and abroad.

A look at GATT shows it is an economic winner for the United States. Economists, both Liberal and Conservative, agree that ratification of the agreement will add $100 to $200 billion to the U.S. economy each year, and create thousands of jobs, particularly in the high value-added, high-productivity, high-wage industries that produce the types of jobs our economy needs.

Let's look at the sectors of our economy that will benefit from this agreement:

Foreign tariffs on telecommunications equipment and wood products will be lowered and tariffs on agricultural machinery, construction equipment, pharmaceuticals, toys, and furniture will be phased out, thereby bolstering exports of these products. High-Technology goods will be especially helped.

The aircraft industry will benefit from lower subsidies to its foreign competitors.

Stronger protection of intellectual property will help those industries that have suffered from piracy or product counterfeiting, costing us billions of dollars in lost revenue every year.

And especially important to Iowa, exports of agricultural products will rise because of reductions in export subsidies and tariffs in Europe, as well as requirements for minimum import access in all countries.

My colleagues have discussed the positive impact GATT will have on other sectors of the economy, so I would like to focus on the benefits of implementing the Uruguay round to Iowa agriculture. Perhaps the most significant accomplishment of the Uruguay round is the reduction in tariffs and export subsidies for agricultural products. The tariff reductions will lead to increased access to foreign markets for U.S. commodities—leveling the playing field in the world market for trading agricultural goods. The reduction in export subsidies will force our foreign competitors to cut their support for agricultural exports—again, leveling the playing field for U.S. producers.

How will these liberalized trade rules benefit agriculture? Although the United States is currently running a trade deficit, we enjoy a healthy trade surplus in agricultural goods. So even though our foreign trading partners erect high barriers to U.S. agriculture imports and heavily subsidize their own exports, the United States still exports more agricultural commodities than it imports. This is a result of the U.S. farmer being the most efficient producer in the world. Because of the wide advantage in productivity enjoyed by the U.S. farmer, we will be able to export even more agricultural products when worldwide barriers and subsidies are lowered.

The importance of exports to the agriculture sector and the individual farmer cannot be overstated. In any given year, the United States sells about 70 percent of its wheat, 40 percent of its corn and 60 percent of its soybeans in the world market. This year, exports take on increased significance. The harvest of 1994 has resulted in record supplies of corn and soybeans. According to the USDA, the U.S. corn crop could exceed 10 billion bushels for the first time in history and soybeans should set a record at about 2.5 billion bushels. There are literally mountains of grain in Iowa that need to be moved to market. However, the demand for grain in the United States is not sufficient to liquidate these supplies. Therefore, exporting this grain to foreign markets is essential to the viability of the family farmer.

Clearly the family farmer and farm-related workers will benefit from GATT. Consider some projections regarding Iowa farmers, for example. The center for agricultural and rural development at Iowa State University has concluded that Iowa producers of corn, soybeans, pork, and beef all benefit to a large degree under the Uruguay round. As a result of increased trade in these commodities, Iowa State economists project cash receipts of corn to increase $184 million, receipts from hogs will increase $110 million, soybean receipts will rise by $83 million and, finally, cattle cash receipts are expected to increase $92 million. The bottom line is that Iowa net farm income is projected to rise over $200 million per year from 1995 to 2002. I want to stress that these figures are just for Iowa farmers alone. The impact on the U.S. agricultural economy is just as dramatic. Cash receipts for agriculture products are projected to rise $5 billion by the year 2002 with net farm income rising $1.4 billion per year from 1995 and 2002. Although these figures are dramatic, my intent is not to befuddle the American public by citing a number of estimates and projections. The basis for these projections is simple: Increased access to the world marketplace will increase agricultural exports which, in turn, will increase the net income for the American farmer and those associated with farming.

And in regard to the budget issue that has been raised by some of my colleagues, in agriculture alone there are a number of budgetary consequences that are receiving little or no attention. For example without new export markets opened by GATT, U.S. surplus farm production will cost the Government more in storage costs, create higher deficiency payments and require export subsidies to continue the agricultural subsidy battle with the European Union. So rejecting GATT could hurt, not help efforts to reduce the budget deficit.

Let us not forget that the United States has the lowest tariffs in the world, so GATT will mean that tariffs of other countries will come down. So GATT is more in our interest than that of other nations. When foreign tariffs are brought down, the playing field will be level. And as the most productive nation on Earth, we can compete with anyone and win.

In the final analysis, my support for this agreement is based on the fact that GATT is good for America; GATT is good for Iowa; and GATT is good for world prosperity.

I would now like to deal with some of the arguments that have been filling the airwaves lately, that come close to predicting the end of the world as we know it if GATT passes. The bone of contention for opponents is the provision in GATT that creates the World Trade Organization and gives it the authority to arbitrate and settle disputes between international traders. Opponents claim the WTO would infringe upon U.S. sovereignty making the laws of the land subservient to an international tribunal. They have created

the impression that the WTO was foisted on the United States by countries who want nothing more than to invalidate our laws. The arguments ignore the plain facts. The WTO was suggested and fought for by the United States out of frustration with the weakness of, and delays in, GATT dispute settlement proceedings and enforcement. For example, U.S. farmers suffered greatly from the European refusal to abide by several GATT panel rulings on agricultural products and the lack of effective enforcement rules. Under the WTO procedures, countries that discriminate against U.S. products can no longer ignore adverse rulings. And it is worth noting that the United States has won 80 percent of the cases it has brought to GATT since 1947.

With regard to U.S. sovereignty, I can state without fear of contradiction that no Member of Congress is going to vote against the sovereignty of our Nation. This Senator certainly will not do that. But this argument is as false as all the others. Let me quote from the implementing legislation which states that "nothing in this act shall be construed to amend or modify any law of the United States, including any law relating to the protection of human, animal, or plant life or health, the protection of the environment, or worker safety." The legislation also provides in section 102 that "no provision of GATT * * * that is inconsistent with any law of the United States shall have any effect." So the implementing legislation emphasizes Congress' commitment to ensuring that the United States and not the WTO will determine the primacy of U.S. laws.

And the opponents conveniently overlook the fact that if we don't like what's happening with the WTO, we can withdraw at any time by giving 6 months notice. And thanks to Senator DOLE, we will have another withdrawal option, given to Congress, if a review panel decides that WTO decisions against the United States have been arbitrary or capricious. And if that is not enough, there is a provision in the agreement that gives Congress the right to review our situation under GATT after 5 years and if we don't like what we see we can withdraw at that time. With all these safeguards, it is hard to see how our sovereignty is at stake.

The plain truth is we are the greatest economic power on the planet, and our influence will be respected. In fact, the WTO will operate under the first rule of international trade: Do unto others as you would have them do unto you. If that principle is ignored, then the opposite rule will take effect: He who has the gold, rules. We will dominate the WTO by that simple fact alone. Simply our threat to withdraw will be enough, because who can imagine a WTO without the most prestigious and largest member of the International Economic Community.

Let us bear in mind that membership in GATT is not a lifetime commitment. It is, in fact, a voluntary association which we benefit from because it will require other countries to play by the same rules we have been playing by for years. There is simply no basis to the argument that our sovereignty is in danger, and I want my constituents to know that this argument is not valid.

Another argument that has people in an uproar is the one that says Congress should not deal with such an important issue during a lameduck session. Well, Congress has dealt with many matters of enormous importance to the Nation in post-election sessions.

Since 1950, there have been six post-election sessions. In those sessions, Congress has passed well over 150 bills, resolutions and conference reports involving matters of national security, economic policy, foreign policy, and Government spending. During these sessions Congress has ratified treaties, approved a budget and budget resolutions, approved major environmental measures, passed a mass transit bill and authorized numerous appropriations.

Every Member in this body was duly elected by his or her constituents to serve in the 103d Congress, so any suggestion that this post-election session lacks "standing" or "legitimacy" is not legally supportable. This is the argument one makes when he knows he can not win on the merits. It is simply a smokescreen for delay to give the opponents of GATT more time to appeal to people's fear and insecurity.

Americans have always had a high view of our Nation. We think we stand for something important, and that its worth offering the world. And the world is listening, as more and more countries try to emulate us. When you are No. 1, the only superpower, the only Nation with a globally appealing ideology, when you want to keep America first, that is the time to promote free trade to open markets to American products. GATT does that, and we should pass it now.

Mr. PACKWOOD. Mr. President, I yield 1 minute to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado, Senator HANK BROWN, is recognized for 1 minute.

Mr. BROWN. Thank you, Mr. President. I simply wanted to thank the distinguished chairman of the Finance Committee for entering into the RECORD yesterday, following my talk, the portion of the cost of GATT that the United States now pays which is a little under 15 percent. Our share of GATT's cost is based on our share of international trade. In my statement yesterday, I mentioned the U.S. contribution could be as high as 25 percent. This was from an understanding that we may shift to a formula used by the United Nations which is based on a member country's portion of the total world GDP, and from other proposed changes in the assessment of members' contributions to the World Trade Organization [WTO] that may take place soon.

According to the State Department, the size of a member country's economy will be a consideration in calculating its contribution to help pay for the new WTO. It is likely that some modifications will be made in the contributions to the WTO based on each member's portion of the total world GDP. Our current portion of the total world economy is 23 percent.

Also, beginning in 1996, each GATT member country's contribution will reflect its share in international trade in goods, services, and intellectual property. Thus, the U.S. contribution to WTO will significantly increase because we have the largest trade in service and intellectual property in the world.

The chairman's figures are exactly correct that we currently pay 14.6 percent of GATT's costs. I appreciate very much him taking the time to enter them into the RECORD to set it straight.

Mr. MOYNIHAN. Mr. President, may I express my great admiration for the graciousness and thoughtfulness of the Senator from Colorado, who is meticulous in these matters. If there is any one of us in this Chamber who has not had some statistics go awry from time to time, I do not know who that would be. I do very much appreciate his remarks.

I yield the floor.

Mr. PACKWOOD. Mr. President, I yield 5 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi [Mr. COCHRAN], is recognized for 5 minutes.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Oregon for yielding time to me.

Mr. President, after undertaking a careful review of the Uruguay round, I am convinced the GATT agreement provides an unprecedented opportunity to benefit the United States, create new high-paying jobs, and strengthen our economy. The Uruguay round is the most comprehensive trade agreement in history. It breaks down foreign trade barriers and opens markets to U.S. goods, services, and agricultural products. Since the United States already has the most open market in the world, this means more export opportunities for our side.

Mr. President, in looking at the agreement and being in meetings with colleagues, talking to administration and former administration officials, I have assimilated a body of information which I am pleased to share with the Senate in writing. I have labeled this information, that I ask be printed in the RECORD, "GATT Agreement Facts."

We have heard a lot of rhetoric, we have heard a lot of fears, we have heard a lot of arguments, and we have heard a lot of speculation. What the Senate needs to focus its attention on right now are the facts. I asked my staff to try to sift through all of this information that we have accumulated during this process and to put down on paper what the facts are. The facts are overwhelmingly persuasive, in my view, in favor of approval of this agreement, and in waiving the so-called "budget rule" to accomplish the approval of this agreement.

I am going to highlight just a few of these facts in the brief time that is available to me, and then ask it all be made a part of the RECORD.

The United States accounted for almost 12 percent of all world exports in 1992. We are the world's largest exporting country. We sell more of what we produce in the international marketplace than any other country.

Trade represents approximately one-fourth of our gross domestic product. Over the last 5 years, U.S. exports accounted for half of our total U.S. economic growth.

The reason these facts are important to me is very obvious. If we are able to lower barriers to our trade throughout the world, then those growth numbers are going to be even higher in the years ahead, above what are already projected to be opportunities for more growth in exports.

It benefits us more than any other country to lower barriers and to remove unfair barriers to our trade. This agreement will cut tariffs on manufactured goods by over one-third, the largest cut in history.

The agreement will bring important areas such as services, intellectual property, and agriculture under international rules for the first time. Why is that important? Because agriculture is one of our largest industries. If you add production agriculture with the food processing and transportation industries, almost one out of every five jobs in America depends upon agriculture, food processing, transportation, and the rest.

Being able to export more from this sector of our economy is a tremendous advantage to the United States, and agriculture subsidies are brought under GATT for the first time under this agreement. Increased agricultural exports will mean higher prices for U.S. farmers, along with increased export-related jobs.

At the conclusion of my remarks, Mr. President, I ask unanimous consent that a roster of the Agriculture for GATT Coalition be printed in the RECORD. This is a list of all of the members of this coalition.

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

(See exhibit 1.)

Mr. COCHRAN. To give you an idea, the Senate should notice there are three single-spaced pages of names of organizations and producer groups in agriculture that support this agreement.

Another fact that I am including is that in my State of Mississippi, just as an example, we recorded exports of $803 million in 1993, nearly 80 percent greater than the $354 million in 1987, just 6 years before. Exporting and sales in overseas markets is a growth industry in my State, as it is in many other States, and much of that is related to the exporting of food, food products, timber and timber products, and other manufacture products as well.

Mississippi boosted export sales of a wide range of manufactured products over the 1987–93 period. Rapidly expanding export categories included furniture and fixtures, up over 1,000 percent; rubber and plastic products, up 600 percent; food products, 502 percent; textile mill products, 330 percent; fabricated metal products, 154 percent; and transportation equipment, 123 percent.

The agreement contains important provisions to open foreign markets and reduce tariffs on many of Mississippi's largest and fastest growing export products, leading to economic growth and job creation for the State.

Mississippi expects rapid growth in overseas sales by Mississippi manufacturing industries such as furniture, rubber and plastics, fabricated metals, and transportation equipment.

Exports to the State's fastest growing markets—Latin America—stand to realize significant benefits under the GATT Agreement.

Stronger patent and intellectual property protection under GATT and harmonization of foreign tariffs at lower levels will benefit Mississippi's top export—chemical products.

The agreement's elimination of tariffs on paper goods, wood, and many furniture products will enhance the State's exports.

Under the agreement, the European Community nations will substantially reduce tariffs on many of the State's exports of industrial machinery and electronics.

The WTO does not endanger U.S. sovereignty.

The World Trade Organization would be the governing body of international trade disputes. It provides a forum to resolve trade disputes and investigate the issues of tariffs and other trade barriers. The WTO cannot directly override U.S. laws or require any action to do so. The United States will only be bound to obligations it has accepted and Congress has voted on. In comparison to the current situation, the WTO would have expanded powers. It would be able to exercise indirect powerful pressure upon countries to change its laws that contain more rigid requirements on foreign producers than domestic producers, regardless of whether the discrimination was intended or not. A panel decision will no longer be able to be blocked as under the existing GATT. WTO would allow counties aggressively to go after other countries through international trade measures.

According to R. William Ide III, president of the American Bar Association, and I quote:

> In particular, the Uruguay Round dispute settlement provisions leave U.S. domestic legal powers totally intact, just as they were under the old GATT rules. Likewise, the WTO simply provides an updated procedural framework for dealing with GATT trade issues. It gives the U.S. more, not less procedural protections than the old GATT. Finally, none of these changes permits GATT rules to override U.S. domestic law, so U.S. sovereignty remains intact.

Robert H. Bork concurs, I quote:

> In sum, it is impossible to see a threat to this nation's sovereignty posed by either the WTO (World Trade Organization) or the DSU (Dispute Settlement Understanding). Any agreement liberalizing international trade would necessarily contain mechanisms similar to those in the Uruguay Round agreements. The claim that such mechanisms are a danger to U.S. sovereignty is not merely wrong but would, if accepted, doom all prospects for freer trade achieved by multi-national agreement.

In considering the GATT implementing legislation, a budget waiver is justified.

Under congressional budget rules, the implementing bill must include provisions to offset the loss of tariff revenues under the trade agreements. Estimates of lost revenues are about $12 billion for the first 5 years and as much as $40 billion for 10 years. The bill includes about $1.7 billion in savings available from previously enacted legislation, another $2.2 billion in savings from nontax writing committees—including the controversial pioneer preference provisions—and $7.3 billion in a wide variety of relatively small, unrelated provisions. Most of the sections are tax provisions, but one on tax section pertains to reform of the Pension Benefit Guarantee Corporation. If a budget rules waiver is needed in the Senate, 60 votes will be needed to pass the waiver.

A study by the Joint Economic Committee Republican staff, using several independent estimates of economic growth under the agreement, found that on average, the agreement will raise nearly $30 billion in new revenue over the first 5 years. After accounting for the expected $12 billion revenue lost to tariff reductions, the agreement still comes out ahead on revenues by an average of nearly $18 billion. When the total fiscal impact is considered, every study of the GATT surveyed by the staff showed a net reduction to the Federal deficit.

According to Representative JIM SAXTON, of New Jersey:

> We are all aware of the PAYGO rules which threaten to hold up the GATT legislation. In

general, the PAYGO rules are helpful in preventing new and wasteful spending. However, in the case of free trade in general and the GATT in particular, such rules fly in the face of virtually all the available evidence. The purpose behind the GATT is to improve economic performance. Virtually all economists agree it will have this effect. * * *

There are some valid concerns about the GATT, but objections to this free trade agreement over its fiscal impact are hollow. The GATT will not reduce Federal revenues, and in all likelihood, it will substantially increase them. The Congress should start governing smarter, and the GATT presents a marvelous opportunity to do so.

BACKGROUND INFORMATION—HISTORY

The General Agreement on Tariffs and Trade [GATT] is a multilateral trade agreement, entered into force in 1948, to promote freer trade among member countries. GATT provides a forum for negotiating trade issues and a framework of principles guiding the conduct of trade. Central features of the GATT framework are: nondiscriminatory trade treatment; reliance on tariffs, rather than nontariff barriers, when it is necessary to protect domestic producers; adherence to negotiated tariff rates, at fixed maximum levels; and, settlement of disputes through consultation and conciliation. The membership of GATT includes 123 countries, accounting for over four-fifths of world trade.

Prior to the Uruguay round, signatory countries had conducted seven rounds of trade negotiations. Despite the significant accomplishments of these rounds in removing barriers to trade, many observers maintained that important reforms were needed to improve GATT rules and procedures, to strengthen the codes negotiated in the rounds, and to expand the coverage of the GATT to new areas of international trade. A conference in Uruguay in September 1986 launched a new round of multilateral trade negotiations.

Trade officials from over 100 countries signed the closing documents of the Uruguay round in Marrakesh, Morocco on April 15, 1994. They endorsed the Final Act, a 22,000 page document that includes rules on trade in goods, trade in services, intellectual property rights, and dispute settlement.

PROVISIONS

The agreement would produce significant changes in the world trading system.

World Trade Organization.—The agreement establishes a new structure for the administration of world trade rules. The umbrella body with oversight of this structure will be the World Trade Organization [WTO]. WTO will administer agreements on goods, services, and intellectual property rights, and will oversee the dispute settlement understanding. WTO will also administer the trade policy review mechanism, which will regularly examine countries' trade policies and practices. Countries will have to sign on to all of the new trade structure or none of it, thus eliminating the free rider problem where a country gains the benefits of an agreement without accepting the obligations.

Tariff reductions.—Developed countries agreed to cut tariffs on industrial products by an average 38 percent. Tariffs would be reduced to zero for the following: construction equipment, agricultural equipment, medical equipment, steel, beer, distilled spirits—not all kinds—pharmaceutical, paper, toys, and furniture. Tariffs would be reduced by 50 to 100 percent on electronic items, and they would be harmonized at reduced rates for chemicals. Most tariff reductions would be effective after 5 years, except for certain sensitive products, which would have tariffs reduced over 10 years.

Agriculture.—Countries agreed to cut export subsidy outlays by 36 percent and the quantities exported with subsidies by 21 percent—1986–90 base—over 6 years for developed countries and over 10 years for developing countries.

Nontariff barriers to imports, such as quotas, will be replaced by tariffs. All tariffs will be reduced by an average 36 percent—24 percent for developing countries—with a minimum cut of 15 percent; 10 percent for developing countries, for each tariff item.

Internal support programs, that distort trade will have to be cut by 20 percent—1986–88 base. Credit will be allowed for cuts already undertaken since 1986. Action will not be taken against export subsidies and internal support measures that meet the above reduction commitments. Imports, however, will be subject to countervailing duties except in certain circumstances.

Sanitary and phytosanitary measures.—Countries also agreed to several provisions on sanitary and phytosanitary measures; health and safety measures related to people, animals, and plants. They agreed that each country has the right to set its own standards. Standards should be based on scientific principles and can be more stringent than international standards. States and local governments are expected to abide by the Uruguay round framework, but do not have to lower their standards if the standards are scientifically based.

Textiles and apparel.—Countries agreed to a 10-year phaseout of the current quota system under the multifiber arrangement and full integration of textiles and apparel into the GATT. During the 10-year period, a safeguard mechanism will be allowed to protect domestic industries against import surges; special provisions on transshipments—shipments through a third country—are included. Quotas will be eliminated in three stages over 10 years, with the importing countries having wide discretion over which products are freed from quotas at each stage.

Developed and developing countries have agreed to market access commitments, both for tariffs and nontariff barriers. Trade remedies are allowed if a country does not meet its commitments.

Safeguards—protections against import surges that threaten to harm a domestic industry.—The safeguards section includes some incentives to use the multilateral safeguards process rather than unilateral measures, and it places tighter controls on how safeguard measures are used. For example, existing voluntary restraint agreements; agreements where the exporting country voluntarily limits its exports, will be phased out over 4 years, except for one allowed exception that will be phased out by the end of 1999. The reason for imposition of safeguards will be publicly explained, and any safeguards will be phased out over a maximum term of 8 years.

Antidumping.—The agreement consists mostly of relatively minor clarification and expansion of existing provisions. Changes include: a standard of review, greater transparency and due process in antidumping investigations, de minimis dumping and import volume margins, sunset of antidumping orders, cumulation of injury, and recognition of anticircumvention practices.

Subsidies and Countervailing Measures.—The agreement adopts substantive changes in the subsidies and countervailing practice. It (1) introduces modified subsidies disciplines for developing countries; (2) defines "subsidy"; and (3) categorizes subsidies as: prohibited—specific subsidies—to individual enterprises—and export performance-conditioned subsidies; actionable—countervailable—those causing injury, impairment of benefits, or serious prejudice, subsidies that exceed 5 percent; cover operating losses, or forgive debt; and nonactionable—provisions expire in 5 years—for industrial research, up to 75 percent of cost; precompetitive development activity, up to 50 percent; regional development, or one-time adaptation of facilities to new environmental requirements, up to 20 percent; and introduces modified subsidies disciplines for developing countries.

Trade-related investment measures.—The agreement establishes, for the first time, rules on investment measures that distort trade. It includes a list of measures that are prohibited, including local content and trade balancing requirements. The phaseout period for eliminating prohibited investment practices would be 2 years for developed countries, 5 years for developing countries, and 7 years for the least developed countries. As practices are phased out, a country can impose similar requirements on new entrants into their market in order to reduce any disadvantages on already established

firms. A review of this section will be required within 5 years.

Services.—For the first time, countries agreed to international rules and market access commitments to cover trade in services. These provisions are in the newly established General Agreement on Trade in Services [GATS]. Also for the first time, disputes concerning the trade in services will be covered by multilateral dispute procedures.

The GATS includes a broad framework of principles that include most-favored-nation [MFN] treatment, nondiscrimination among foreign services or service providers; national treatment, nondiscrimination between domestic and foreign services or service providers; transparency, publicly available information; and access to markets.

Intellectual property rights.—The agreement establishes, for the first time, rules for trade-related intellectual property rights [IPR] and brings these issues under a multilateral dispute process.

Countries agreed to observe the major copyright treaty, the Berne Convention, and they agreed to important copyright protections for computer bases, motion picture makers, and sound recordings. They agreed to greater protection under both process and product patents and to some limits on compulsory licensing of patents; however, U.S. pharmaceutical companies oppose the long lead-in time for developing countries to change their laws. Other protections in the agreement cover trademarks, trade secrets, integrated circuits, industrial designs, and appellation of origin—product names specific to a geographical region.

Dispute settlement.—The final act greatly strengthens the dispute procedures. It provides that dispute procedures shall apply to the areas of goods, services, and intellectual property rights, and allows cross-retaliation; that is, retaliation in one are to address a violation in another.

Several changes are expected to strengthen the dispute settlement process; establishment of a dispute panel upon request, automatic adoption of panel reports, a time limit on implementation of a panel finding, and automatic approval of retaliation if a country refuses to implement the finding, unless a consensus agrees otherwise. A country will not be forced to change its practices if it loses a case, but if it does not implement the panel finding, it might face retaliation by the other party to the dispute. It is uncertain how the use of unilateral U.S. measures, section 301, might change with this stronger dispute process, but many experts have said that there might be less need to use unilateral measures with stronger multilateral rules.

Government procurement.—The government procurement agreement provides for open information on bids, minimum deadlines for bids, notification of bid outcome, procedures for protest of bid decisions, and a tie-in to the multilateral dispute procedures. It covers, for the first time, government procurement in services. The agreement sets a threshold for procurement to be covered, and it expands the types of procurement covered by adding subfederal procurement, limited mostly in public utilities. There is some difference in concessions from country to country, depending upon the concessions offered by each country.

Other trade provisions.—Several other important provisions are in the final act. The section on import licensing procedures includes a minimum notification period if licensing procedures are changed, limits the time to process licensing applications, and requires that countries instituting new licensing procedures must provide detailed notification. The section on customs valuation includes changes related to investigation of customs fraud and developing country obligations. The section on preshipment inspection includes rules related to the use of preshipment inspection companies, which often are employed by developing countries for customs-related work, and dispute provisions. The section on rules of origin includes disciplines on such rules and requires that a 3-year work program be undertaken to try to harmonize the rules of origin among signatories. The section on technical barriers to trade deals with how counties set technical standards and how they determine conformance with those standards. Several provisions relate to miscellaneous GATT articles such as balance-of-payment problems, state trading companies, and preferential trading arrangements.

The environment.—Environmental issues were included in the final act as modifications to language in the preamble and sections on technical barriers to trade, sanitary and phyto-sanitary measures, and dispute settlement. An environmental work program was formulated and it was agreed that an environmental committee in the WTO will be established to carry out the work plan. Environmental groups are split on the outcome of the round: some support the increased participation that the environmental committee provides; others are concerned about the potential of the WTO to reduce environmental standards and want a full negotiation of environmental and trade issues. Attention will focus on how environmental goals and objectives might be outlined in the implementing legislation.

Worker rights.—The United States pushed strenuously for discussion of worker rights during the months between conclusion of the round and the Marrakesh signing. Although the United States was unsuccessful in having a permanent committee on worker rights established in the WTO, it did have the issue placed on the agenda for the preparatory committee. What this means is that worker rights will be one of the topics considered for possible inclusion on future agendas.

Mr. President, based on all of these facts and comments that I have been able to elicit from present administration officials, from the Bush administration and the Reagan administration officials, it is as clear as anything can be that the approval of this agreement and waiver of the budget rules are the things for the Senate to do today.

EXHIBIT 1

AG FOR GATT COALITION

NATIONAL ASSOCIATIONS

Agricultural Retailers Association, American Cotton Shippers Association, American Farm Bureau Federation, American Forest and Paper Association, American Hardboard Association, American Hardwood Association, American Hardwood Export Council, American Institute of Timber Construction, American Meat Institute, American Seed Trade Association.

American Society of Farm Managers and Rural Appraisers, American Walnut Manufacturers Association, APA, The Engineered Wood Assn., Coalition For Food Aid, Corn Refiners Association, Inc., Fast Food Merchandisers, Fine Hardwood Veneer Association, Futures Industry Association, Grocery Manufacturers of America, Hardwood Manufacturers Association.

Holstein Association USA, International Apple Institute, International Ice Cream Association, International Dairy Foods Association, Milk Industry Foundation, National Association of State Departments of Agriculture, National Barley Growers Association, National Cattlemen's Association, National Cheese Institute, National Corn Growers Association.

National Cotton Council, National Council of Farmers Cooperatives, National Dry Bean Council, National Food Processors Association, National Grain and Feed Association, National Grain Trade Council, National Hardwood Lumber Assn., National Oak Flooring Manufacturers Association, National Pork Producers Council, National Potato Council.

National Wood, Window, and Door Association, North American Export Grain Association, Pet Food Institute, Snack Food Association, Sweetener Users Association, Terminal Elevator Grain Merchants Association, The Fertilizer Institute, United Egg Association, United Egg Producers, United Fresh Fruit and Vegetable Association, U.S. Egg Marketers, U.S. Meat Export Federation, U.S. Sugar Industry, USA Poultry & Egg Export Council, USA Rice Federation.

STATE/REGIONAL ORGANIZATIONS

Agricultural Council of California, Arizona Department of Agriculture, Arkansas State Plant Board, California-Arizona Citrus League, California Department of Food and Agriculture, California Walnut Commission, Colorado Department of Agriculture, Connecticut Department of Agriculture, Delaware Department of Agriculture, Eastern United States Agricultural & Food Export Council.

Georgia Department of Agriculture, Hawaii State Department of Agriculture, Illinois Department of Agriculture, Iowa Department of Agriculture and Land Stewardship, Kentucky Department of Agriculture, Lake States Women in Timber, Louisiana Department of Agriculture and Forestry, Maryland Department of Agriculture, Massachusetts Department of Food and Agriculture, Mid-America International Agri-Trade Council.

Minnesota Department of Agriculture, Mississippi Department of Agriculture and Commerce, Missouri Department of Agriculture, Nevada Division of Agriculture, New York State Department of Agriculture and Marketing, North Carolina Department of Agriculture, Northeastern Loggers' Association, Northwest Horticultural Council, Ohio Department of Agriculture, Oregon Department of Agriculture.

Pennsylvania Department of Agriculture, Penn-York Lumberman's Club, Rhode Island Department of Agriculture, South Dakota Department of Agriculture, Southeastern Lumber Manufacturers Association, Southern Forest Products Association, Southern U.S. Trade Association, Tennessee Department of Agriculture, Texas Agricultural Cooperative Council, Texas Department of Agriculture.

Utah Council of Farmer Cooperatives, Utah Department of Agriculture, Washington State Apple Commission, Washington State Department of Agriculture, Western U.S. Agricultural Trade Association, Western Wood Products Association, Wisconsin Department of Agriculture, Trade and Consumer Protection.

COMPANIES/COOPERATIVES

Abenaki Timber Corporation, Affiliated Rice Milling, Inc., AgriBank, FCB, AGRIPAC, Inc., Allegheny Highland Hardwoods, Inc., American International Log, Appalachian Hardwood Manufacturers, Inc., Anderson-Tully Company, Inc., Archer Daniels Midland Company, Associated Rice Marketing Cooperative.

Augusta Logging Exporters, Inc., Austin Hunt Logs & Lumber International, Averitt Lumber Company, Inc., Baillie Lumber Company, Banks Hardwoods, Inc., Beaumont Rice Mills, Inc., Blaney Hardwoods, Inc., Blue Diamond Growers, E. Boyd & Associates, Inc., Bradford Forest Products.

Broussard Rice Mill, Bryan Forwarding Company, Inc., Buchanan Hardwoods, Inc., Bunge Corporation, CK International, C-Wood Lumber Company, Inc., Calico Cottage Candies, Inc., California Canning Peach Association, California Pacific Rice Milling, Ltd., California Rice Milling, Ltd.

California Tomato Growers Assn., Camden Hardwood Company, Cardinal Trading, Ltd., Cargill, Incorporated, Catlett Warehouse, Central Soya Company, Inc., CF Industries, Inc., Chicago Board of Trade, Chicago Mercantile Exchange, Coastal Lumber.

CoBank, National Bank for Cooperatives, Cole Hardwood, Inc., Colonial Craft (Rasmussen Millwork), ConAgra, Inc., Connell Rice & Sugar Company, Connor Forest Industries, Inc., Continental Grain Company, Cookie Investment Company, Cormier Rice Milling Company, Countrymark Cooperative, Inc.

David R. Webb Company, Inc., Diamond Fruit Growers, Inc., Duckwater Farms, Inc., Edwards Wood Products, Elanco Animal Health, El Campo Rice Milling Co., Energy Beverage Company, Inc., Falcon Rice Mill, Inc., Farmers Grain Terminal, Inc., Farmers' Rice Cooperative.

Farmers Rice Milling Company, Inc., Farmland Industries, Inc., Fitzpatrick and Weller, Inc., Florida Citrus Mutual, GDM Farms, Inc., Georgia-Pacific Corporation, Germain Timber Company, GROWMARK, Inc., Gulf Compress, Gutchess International, Inc.

Hardwood Plywood Manufacturers, Inc., Harvest States Cooperatives, High Mountain Associates, Incotrade, Inc., International Veneer Co., Inc., J.M. Jones Lumber Company, Inc., Kane Hardwoods, KBX, Inc., Kitchen Brothers Manufacturing Co., Langston Companies, Inc.

Lewis Brothers Lumber Co., Inc., Liberty Rice Milling, Linden International, Inc., Lo Brothers & Associates, Louis Dreyfus Corporation, Mackey's Ferry Sawmill, Inc., Matson Wood Products, MBG Marketing, Alan McIlvain Company, MFA, Incorporated.

MFA Oil Company, Midwest Lumber & Dimension, Inc., Frank Miller Company, Miller and Company, Monadnock Forest Products, Inc., Monsanto Company, Monticello Hardwood, Inc., Morgan Farms, Nicolet Hardwoods, Norbest, Inc.

NORPAC Foods, Inc., North Atlantic Timber & Shipping, Northland Corporation, Northland Forest Products, North Pacific Lumber Company, Oaks Unlimited, Inc., Ocean Spray Cranberries, Inc., Olive Growers Council of California, Owens Forest Products, P.W. Plumy.

Pacific Lumber & Shipping Company, Pierce Foods/Hester Industries, Pioneer Hi-Bred International, Inc., Port of Orange, Producers Rice Mill, Inc., Providence Bay Fish Company, RAM Export Sales, Inc., R.B. Farms, Rice Belt Warehouse, Inc., Rice Growers Association of California.

Rice-Tec, Inc., Riceland Foods, Inc., Richmond Lumber, Inc., Riviana Foods, Rossi Enterprises, Rue & Forsman, Salamanca Lumber Company, Inc., Schmid Lumber Company, Inc., Seafood Export, Inc., Shannon Lumber International.

Southern States Cooperative, Inc., Spellman Hardwoods, Inc., St. Paul Bank for Cooperatives, Stewart Lumber Company, Inc., Stimson Lumber, Stinson Seafood Company, Sun-Diamond Growers of California, Sunkist Growers, Inc., Supreme Rice Mill, Inc., T & S Hardwoods.

Taylor-Cross International, Taylor Lumber, Inc., Taylor-Ramsey Corporation, The Jolt Company, Tradewest Hardwood Company, Tradewinds International, Inc., Tree Top, Inc., U.S. Livestock Genetics Export, Inc., USA Woods International, W.M. Cramer Lumber Company.

W&W Rice Company, Walter H. Weaber Sons, Inc., Webster Industries, Inc., West Implement, Western Farm Credit Bank, Weyerhaesuer Company, Whitson Lumber Company, World Wood Company.

Mr. PACKWOOD. Mr. President, I yield 15 minutes to the Senator from Texas.

If I might, Mr. President, I have 16 speakers left, and if we go 15 minutes apiece, I will use up more time than I have. If we can hold it to 15, I would appreciate it.

Mrs. HUTCHISON. Mr. President, the debate we are having today is not new; it has raged in this century and those before—here and in the Parliaments of Europe. For most of the Victorian Age, England, the greatest economic power of the 19th century, held to a policy of free trade and prospered. At the turn of the century, an "Imperial Preference" plan was proposed to divide the world in two. Crown colonies would enjoy free trade with England, while all other nations would be walled off by stiff tariffs.

The Imperial Preference was as controversial then as GATT is today. England's greatest statesman, Winston Churchill, was then a back-bencher in the House of Commons. He had followed in his father's footsteps in support of free trade, and as a Conservative Party member. But on the Imperial Preference, Churchill refused to follow his party leaders towards protectionism; he crossed the aisle to join the free-trade liberals, stating that protectionism is a:

> Policy to shut the British Empire up in a ringed fence. Why should we deny ourselves the good and varied merchandise which the traffic of the world offers, more especially since the more we trade with others, the more they trade with us.

This week, as we debate whether our country should continue to be part of the economic community of nations, we should listen to what the lessons of history from abroad and from our own former Presidents teach us.

HISTORY

First, we need to remember Calvin Coolidge, a plain-spoken American. He said, "the business of America is business." Our national identity is not wrapped up in a historic monarchy. Our Nation is about freedom to pursue life, liberty, and happiness. To succeed in that pursuit, we need jobs—and the paychecks that follow. We need employers and workers, raw materials and factories, customers and suppliers.

With our abundant resources and educated work force, we produce more than we consume. We cannot have the business and jobs we have today without trade with other countries.

Shortly after President Coolidge left office, Congress passed the Smoot-Hawley Act of 1930. Under Smoot-Hawley, tariffs on imports rose to the highest level in history. In 1932, tariffs averaged 59 percent—nearly doubling the cost of imported raw materials and finished goods. Smoot-Hawley pushed us into the depths of the depression; we did not fully recover until after the Second World War. Under authority delegated from Congress, the Roosevelt administrations were able to reduce these tariffs through a series of international agreements.

Following the war, the United States and eight other countries agreed to a provisional GATT—15 other nations soon joined. Six rounds of negotiations and agreements followed the initial agreement—the first five concentrated on tariff reduction. Other rounds concentrated on reducing nontariff trade barriers and coordinating antidumping laws. The Uruguay round agreement is the latest step in a continuing series of agreements that have reduced tariffs and other barriers to international trade.

FORMER PRESIDENT'S CONTRIBUTIONS

As we debate the GATT bill, we need to remember the contributions to two former Presidents—Presidents Reagan and Bush. Under their leadership, the Uruguay round went from an idea—to expand trade agreements beyond tariff reduction to trade in services, trade in agriculture products, intellectual property protection, and reducing government subsidies—to near completion.

Without their unshakable belief in American competitiveness and the free market system, and their faith in the eventual resolution of the talks to the benefit of the United States, we would not be on the threshold of a new chapter in world economic growth. President Reagan said:

America doesn't need to hide behind trade barriers. Given a level playing field, Americans can out-produce and out-compete anyone, anywhere on earth. That's why it's the policy of this Administration to open markets abroad, not close them at home.

President Bush's leadership and understanding of North American economics probably did more for free trade than any other modern President. By successfully completing the North American Free-Trade Agreement, President Bush showed that freeing countries from trade barriers could do more than just create jobs and increase trade. Trade creates good neighbors and solidifies friendships.

TRADE POLICY

Despite the efforts of Presidents Bush and Reagan, the Uruguay round talks were a marathon. Internal politics in Japan and France prevented a resolution of agricultural issues, and delayed completion of the round for almost 2 years. Despite claims that foreign rice was unfit for consumption, the Japanese Government agreed to end its ban on imports of rice. By the year 2000, rice imports in Japan will be 8 percent of the market. French farmers also held up agricultural negotiations—and traffic in Paris—until a worldwide deal on oilseeds and other issues were reached.

We have delays here in the United States, too. After years of negotiations we made important new agreements with over 100 other nations. But the Clinton administration put passage of this legislation, and our participation in the WTO, at risk by delaying this bill in order to push new international environment and labor standards. Congress flatly refused to allow this by refusing to include new fast track negotiating authority for the President in this fast track bill. New negotiating authority should be fully considered on its own, in amendable legislation.

That brings us to the present. I have been in a dilemma over GATT because there are serious questions and serious consequences for voting either yes or no. I want to discuss a few of the serious issues.

WTO

Much of the concern over the agreement has focused on whether the WTO is a threat to the sovereignty of the United States. I have thoroughly reviewed this issue. I have concluded that the implementing legislation contains adequate safeguards against ceding our authority to a multinational body.

Under our constitutional system, no treaty or international agreement can bind the United States if we do not wish to be bound. At any time, Congress can override such an agreement by statute. Similarly, the WTO Agreement states that any amendment changing the rights or obligations of a member country is not binding unless it is agreed to by the member.

Changes in existing trade agreements—which will include the Uruguay round agreements if they go into effect—require a two thirds vote of the WTO. If a member refuses to accept a change, it can be asked to withdraw from the WTO by a three-quarters vote. But such a sanction could not reasonably be imposed on the United States—member countries would not eject their largest customer for their imports from the low-tariff trading community. but if it were imposed, ejection would simply put us where opponents want us—out of the WTO. So this argument is without foundation; in sum, it is "we shouldn't join the WTO because we could get thrown out."

No less a constitutional scholar than Judge Robert Bork has concluded that the sovereignty issue is a "scarecrow" raised by opponents of lowering trade barriers. Bork found that many of the safeguards in the WTO agreement are either the same or stronger than those already existing in the GATT, under which we have operated successfully for decades. Under the new agreement, changes to the WTO dispute settlement rules—the rules for challenges by one member to another's laws or practices—now require a unanimous vote of all members; under the GATT, they could be changed by a two-third vote.

The GATT has existed for almost 50 years as a multilateral trade agreement, and an ad hoc body to administer the agreements. But in order to make sure that the best interests of the United States are protected, Senator DOLE and the Clinton administration reached an agreement last week to pass legislation next year that will establish a "WTO Dispute Settlement Review Commission" of five Federal appellate judges.

Under the Dole agreement, if there are three commission determinations in 5 years that a WTO panel unfairly hurt the United States interests, any Senator or Congressman could introduce a privileged, expedited joint resolution disapproving of United States participation in the Uruguay round agreements. If the resolution is enacted by the Congress and signed by the President, the United States will commence withdrawal from the WTO.

Senator DOLE's agreement establishes a procedure for expedited consideration of withdrawal from the WTO if the WTO does not effectively serve the United States best interests. Because of the improvement made in the agreement, I believe that joining the WTO will not harm the sovereignty of the United States.

FINANCING

I remain, however, severely disappointed with the administration's financing plan.

While some of the revenue increases in the bill are good—I certainly support denying the earned income tax credit to prisoners and illegal aliens—others are irresponsible. For years, savings bonds have been the soundest, most accessible investment for many Americans. Why are we eroding the public's trust in savings bonds and the Government by repealing the mandatory 4 percent floor on savings bond interests?

Cuts in tariffs are tax cuts—they reduce tariffs on imports. Tariffs are unkowingly paid to the Government by consumers as part of the sales price at the check-out counter. Cutting tariffs reduces prices—not only on imports, but through competition on U.S. products, too. Lower prices mean consumers have more money to spend that goes to producers, instead of to the Government, which means more sales, more sales revenue, and more jobs. It also means that economic activity increases—which creates higher, not lower, total Government revenue.

Despite this, the administration insisted that the tariff cuts be offset for the first 5 years—they don't believe tax cuts change consumer behavior. OMB went so far as to say that "we do not believe it is necessary to sacrifice budget discipline" to pass GATT. But they fell $2.5 billion short in their offsets, and came up with a budget gimmick—counting past tax increases that were already used for deficit reduction—for a second time.

After insisting on a static model estimate for the first 5 years, the administration argued that Senators should vote to waive the Budget Act because cutting tariffs will raise revenue over years 6 through 10. So offsetting the first 5 years became unnecessary in the Senate—we need a Budget Act waiver anyway.

The administration could have: Used spending cuts as offsets; recognized that the static model does not compensate for consumer behavior; or fully offset the entire agreement instead of using budget gimmicks.

Instead, they ask us to believe one prediction method for the first 5 years, and a second for the second 5 years.

All I can say in response to such inconsistency is that when consumers

have money in their pockets instead of the Government's, they either save or spend it—and both help the economy and raise revenue more than higher taxes do. When Republicans are in the majority, I hope the administration will recognize that we expect honest accounting. We may not agree on methods, but there should be no more shell games of switching estimating models after 5 years or recounting past tax increases as an offset.

CONSEQUENCES

So that brings me to the consequences of passing or not passing this bill. Some have tried to pin jobs lost in America to trade agreements. That is wishful thinking on the part of Members of Congress looking for the trees and missing the forest.

Jobs have left America because Government regulation, litigation, and taxation makes it too expensive to do business in America. If our businesses can not compete, it is not because our workers are paid more. All the statistics show our workers make up for their better wages by being more productive and efficient than workers in foreign countries.

When our businesses can not compete, its because over-regulation and litigation drive up their production costs, and taxes drain their capital. GATT is a first step towards leveling the playing field because it reduces other countries trade barriers. We must take that first step now, and next year we must take another step towards leveling the playing field by passing regulatory and litigation reform here at home.

Over time, reducing trade barriers has benefited America. In the early 1950's, most countries tariffs on imports averaged 40 percent. Once the new agreements are fully implemented, tariffs will average less than 4 percent. Our gross national product in 1947—expressed in today's prices, for better comparison—was $231 billion. Today, our national economy is almost $7 trillion a year. This is more than a 30-fold increase since we first joined the GATT.

Obviously, GATT has been good for America, and for the world economy. Reducing tariffs from 40 to 4 percent has created jobs here, and jobs abroad. I am sure it has created more jobs in developing countries than any foreign aid money ever has.

GATT will also be good for my home state of Texas. The GATT agreement opens new foreign markets by lowering other countries' tariffs on chemicals, computers, semiconductors, construction equipment, and steel that is produced in Texas, and in many other States. Agriculture will benefit from increased access to world markets—feed grain, cotton, beef, and poultry exports are expected to increase.

Most important, GATT will benefit consumers; the Treasury estimates that lower prices from GATT will result in savings of $1,700 for every American family of four. That is a tax cut which provides needed help for every person—it will mean more food, clothing, books, and education savings for children all over America. People will choose where their money is spent, instead of being forced to fund bureaucratic spending programs from Washington.

Our experience with NAFTA is a resounding success. We're enjoying a "Surge in Trade," according to one recent newspaper article. Exports to Mexico are up 22 percent in 1994. These exports support thousands of jobs in the United States.

For example:

Because of cuts in tariffs under NAFTA, the Miles, Inc. chemical company has closed its plants in Mexico. Because the plants in Mexico are no longer protected with high tariffs, they cannot compete with the productivity, efficiency, and skills of American workers. Miles now exports to Mexico from its plant in Baytown, TX.

In El Paso, a new plant that manufacturers Wrangler jeans has created 450 new jobs this year to meet demand from NAFTA-related trade.

Even though newsprint tariffs do not go down until 1997, the improved business climate with Mexico has more than doubled newsprint exports to Mexico in the last year.

We can continue to increase our exports under GATT, and increase employment throughout America.

So to conclude, while I am troubled by part of this agreement, my choices do not include amending it. My choice is to vote yes—or no. Because of its benefits for American workers and American consumers, I will vote "yes" for the implementing bill, and for the motion to waive the Budget Act.

Winston Churchill said that the price of greatness is responsibility. It is our responsibility to act now for the benefit of American workers and for our country's future.

Mr. President, I yield the floor.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged against the three parties in charge of time.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. PACKWOOD. Mr. President, yesterday I used the example of agriculture as an industry, and I use the term "industry" in the best sense of the word, that is able to compete worldwide when given a level playing field.

In response, my good friend from South Carolina, the junior Senator, Senator HOLLINGS, said, well, what would you expect from an industry that is the most subsidized industry in the world and no wonder they can compete?

I would like to respond to that as follows: As far as my State of Oregon is concerned, wheat is our largest agricultural export. At the moment, we export about 85 percent of all the wheat we grow. At the moment, the export price in Portland is $4.50 to $4.60 a bushel. Which is above the target subsidy price set in the 1990 farm bill. Therefore, these wheat farmers are getting no GATT-illegal subsidy. They are competing on the worldwide market without a penny of any GATT-illegal subsidy.

In order of export, our next biggest crops are vegetables, principally processed vegetables, fruits, peaches, cherries, all kinds of fruits, and then grass and vegetable seeds. Oregon has become one of the largest seed-growing areas in the entire world, both grass seeds or vegetable seeds. Neither vegetables, fruits nor seeds are subsidized at all.

So we are competing throughout the world without subsidies and beating the world.

Yesterday I called John Deere to recheck my facts, and I said, what does a large combine cost? They said, $145,000 to $150,000. What does the large tractor cost? And this one surprised me—$120,000 to $130,000.

I guess I am old enough. I was thinking of the old-style tractors. These are immense new tractors that are pulling these combines.

You say to yourself, how can a farmer pay $150,000 for a combine and $140,000 for a tractor—and that is not all the equipment they need—and compete with the farmer someplace else that is using an ox and a wooden plow?

You know the argument that is raised—30 cents an hour, 30 cents an hour, clean conditions, child labor. How does a husband, wife and maybe a couple kids and maybe or maybe not a hired hand beat the world? And the answer is productivity.

At the turn of the century a farmer could feed seven people in the United States. Now, a farmer can feed about 80 people, and I will wager that by the end of this century a farmer will be able to feed about 100 people in this country.

Agriculture is the most stunning example, more than manufacturing, more than services, of our success in productivity. But we can do it in manufacturing and we are starting to. We can do it in services, and we are doing it. We have an immense surplus in our balance of trade in services.

I just wanted to set the record straight that at least as far as Oregon is concerned the products we are competing with throughout the world are

mostly agricultural products that are not GATT illegally subsidized, that are very, very capital intensive and that we are winning that war and we can continue to do it and GATT will make it even easier to do it.

I thank the Chair and suggest the absence of a quorum and ask unanimous consent that the time be charged equally against the parties.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. WOFFORD). Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I yield 10 minutes to the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I appreciate the chairman yielding and hope that I might have 5 additional minutes if I need it at the end.

Mr. President, I take no great pleasure in being on this floor on the opposing side of this GATT issue. I think it was Mark Twain who was once asked to debate and he said, "Fine, give me the opposing side. That will take no preparation."

I would prefer to be here on another side of this issue. But the fact is, we are presented with these trade agreements under a fast-track procedure and we are told that you cannot amend them. It is this way or no way. So we only have one option here. We either accept or reject these agreements.

I also take no pleasure in this because this President, President Clinton, and this Trade Representative, Ambassador Kantor, have exhibited real guts as compared to many others in the past 20 years. They have stood tall on bilateral negotiations with Japan and Canada and others, and they have done things other administrations would not even think of trying to do. So I support them very much in their initiatives on trade.

But our trade strategy, in my judgment, that brings this GATT agreement to the floor is a bipartisan failure and has been for a long while. It moves us in precisely the wrong direction.

This year our Nation's trade deficit will be the largest in American history. If you are not persuaded that the current trade strategy, which helped produce the largest deficit in history this year, is the wrong direction, what on Earth will persuade you?

We have accumulated a trade deficit of $1.2 trillion since 1980. What on Earth does it take to be persuaded that this is the wrong direction?

I just heard someone refer a moment ago to the United States of America as the dominant figure in world trade, leading the way. And I was thinking of reading to my son the other night about Gulliver's travels and this behemoth Gulliver laying there on the ground tied up by the Lilliputians. That is the way we are in trade.

Yes, we are large. We are the largest economy in the world. That is why we are the biggest market for cheap imports, displacing American jobs. There is no substitute for the American marketplace anywhere on this globe. And that is why in every corner of the Earth there are interests, and especially the international corporations' interests, who want to produce where it is cheap and then sell not in Libya, not in Nairobi, not in Kenya, but in the American marketplace.

Why? Because they can compete in the market with very cheap labor, displace American jobs, and injure this country's economy, and under the new GATT they can do so with no restrictions, no admission price at all.

Under the rules of the new GATT, companies are free to produce shirts somewhere overseas in some factory using 6-year-olds or 10-year-olds working 12 hours a day and making 12 cents an hour, and then ship them to Cleveland, ship them to Fargo, ship them to New York to be sold in a store under a designer label name and have the American consumer purchase the products of labor of 12-year-olds. The admission price to our marketplace should be higher than that.

Free trade is just fine, as long as it is fair competition. And the plain fact is, this trade strategy is not fair, it is not fair to our country, it is not fair to our workers, and it is not fair to our businesses who produce here and try to compete here and around the rest of the world.

This is supposed to be a time of change and new policy, a period of fresh air in public policy in Washington. And, do you know what? We come back to this Senate floor after the recent elections and engage in the same old, worn out, failed trade policies that have put this country deep in debt. The same old policies. There is no change here.

I read yesterday, and I think I will read again, some of the debate from our consideration of the Tokyo round trade agreements in 1979. That was the last time we debated a new GATT agreement here.

Here is what the proponents of the 1979 agreements said. Now, just close your eyes and imagine. Is it 1979 or 1994?

"These agreements offer new opportunities for all Americans. For American farmers, the agreement expands world markets for American farm products. For American workers, the agreement offers more jobs, higher incomes, and more effective responses to unfair foreign competition." That is the argument made here in 1979.

What happened? GATT was passed. Those were the promises. Well, U.S. agriculture exports did go up 5 percent. In 14 years, agricultural imports into this country went up 32 percent. Is that not something?

How about the American workers? Since the Tokyo Round Agreement, the United States has seen a net loss of 3.3 million manufacturing jobs.

Higher incomes? Oh, no. Most Americans out there in the American households understand that average household incomes has declined since 1979.

So how on Earth can the people who gave us the promises in the last round have any credibility at all?

The central point here is that U.S. living standards are being sacrificed to a bunch of failed policies and a slogan called "free trade."

I know that when you stand on this floor and speak as I speak, you are immediately categorized as some protectionist. Protectionist. Lord, it is an awful word, I guess, that you would want to protect the economic interests of our country. I do not know when that became unfashionable, but I regret that it did. I should think it would be fashionable for people to stand here and protect the economic interests of America.

Protect us against imports? No, not at all. I want our consumers to have the widest choice.

Protect us against unfair competition that would move our jobs elsewhere? You better believe I want to protect us against that.

Protect us against policies that will erode and have eroded the income of the American family? You bet I want to protect us against that. Just chalk it up and mark me down as a protectionist. If we are talking about protecting American income and protecting American jobs, you are darn right that is something I want to protect. If being called a protectionist is the price for doing that, then count me in.

But, do not ever confuse protecting the economic interests of our country with efforts to put a wall around America. A wall is not our intent. It will always be my intent to fight for a world in which we have broader, expanded trade but trade which is fair and trade in which there is an admission price to enter a developed marketplace. We fought for 50 years for safe working conditions and fair living wages and protection of air and water against dumping pollutants and chemicals and toxic waste into water and air, and the admission price into our marketplace must reflect our determination to maintain those accomplishments for the American people.

That is exactly what this debate is about.

Interesting. I had a debate yesterday with some people from the U.S. Trade Representative's office. They were alleging that these new agreements are

going to help us with Japan. Total bunk. Nonsense. This will do nothing with respect to Japan. We have a $60 billion trade deficit with Japan. It is a shame, a shame that we have that circumstance in our bilateral relationship between us and Japan.

Yes, Japan is a good friend but they have taken advantage of us for decades. We ought not have a $60 billion trade deficit with Japan, and this GATT agreement will do nothing to resolve it. The only thing that will resolve it is bilateral negotiations that are tough, assertive, strong, with some nerve, and will on our part say to them, "You cannot do that. If you expect to ship your goods to the United States of America, then you better expect to have your markets open for our goods to be shipped there. We are going to hold up a mirror and look in the mirror because what you see is what you get. You treat us fairly, we treat you fairly."

That is the way reciprocal trade ought to work.

China? China is not even a part of the new trade agreements; another outrage. Their trade deficit with us has gone from $9 billion, to $12 billion, to $18 billion—this year to $28 billion. Our trade strategy with China is not working. The deficit is draining American jobs. That should not be hard to understand.

I just heard a Member of the Senate talk about jobs leaving America, saying that the exodus is not because of cheap labor elsewhere, but because of Government regulation. I do not know how you could come to such a conclusion. You have a choice in this country if you are a producer. You can produce with the same money: Hiring one American, or, instead, 20 Filipinos; or 40 from India; or, 80 Chinese.

Under those conditions, producers go outside this country and use cheap labor to produce their products; ship American jobs there, and then ship their goods back here. That means we lose. It is a process of accessing cheap labor to injure our marketplace.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DORGAN. I ask the Senator for 5 additional minutes?

Mr. HOLLINGS. Two?

Mr. DORGAN. Two is fine. I had wanted to speak about child labor and about agriculture.

Regarding agriculture, the Senator from Oregon made the point about farmers. I support it fully. While we disagree on the end strategy here, I support his point about agriculture. But the fact is, you take a look at what happens in agriculture. We negotiate to reduce export subsidies and, guess what? We lose every single trade negotiation. The European Community will end up with three times as much allowable export subsidies on wheat, for example, as our country will be allowed to use. That is fair? Of course it is not fair.

Think of this as an Olympics. We have an Olympics and we put uniforms on Americans and we put "USA" on them. We all sit on the edge of our couch hoping that we win. This is an economic Olympics of sorts. The fact is the winners are going to be the recipients of new jobs, expanded opportunities, and economies that provide new growth.

The losers are misguided nations who believe what matters is not what you produce, but what your consume. It is called the British disease: a shrinking economy, shrinking base, shrinking job opportunities. The fact is, what matters is what you produce. That is the genesis of economic health, the genesis of jobs and income.

This is an international Olympics of sorts, and the fact is we have somehow been embarrassed to support our team. We have somehow not been concerned about our winning. The only important element at the end of this debate when all the dust settles on all the issues that are raised is this and only this: Have we done something that increases—no, not trade exports, not GDP—have we done something that increases the standard of living of people who live in America? If not, then we have lost. And, on that basis, this GATT trade agreement is a loser for this country.

There is a much better way, with open trade, expanded trade, and better opportunity for the entire world; a way that I support. That is free trade with fair competition between us and other countries of the world.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLINGS. Mr. President, I yield 10 minutes to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the Senator from North Dakota for his fine statement, and I appreciate his comments, especially about the importance of incorporating basic internationally-recognized human rights standards into our trade policy.

Let me start by quoting from the Calgary Herald of the other day.

> This past Friday the preparatory committee for the new World Trade Organization, WTO, rejected any formal institutional arrangement subjecting the new body to any human rights scrutiny whatsoever.

This was this last Friday. This was the last effort to have some kind of linkage to human rights in this trade arrangement, and it failed. I would like to just follow up on what the Senator from North Dakota said. He said he did not have a chance to go to child labor and human rights issues. I want to do so now. And if a picture is worth 1000 words, let me start out with a picture.

The first picture here is of three sisters, age 6 to 16, working in an incense factory in Nagpur, India. They roll 20,000 incense sticks per day for less than $1.65. Children working all day, for a total income of $1.65.

Next picture. Young children who work in a carpet factory in Nepal, for long hours under strict production quotas that they must meet to avoid abuse by their employers.

Next picture. Children who are forced to work because of debts owed by their parents, in India—in virtual indentured servitude.

Mr. President, while some on this floor have downplayed this issue, facts are stubborn things. There are an estimated 200 million children in the workplace worldwide, working under dangerous and unsafe conditions in violation of international human rights standards. In Bangladesh, children as young as 8 years old make up 25 percent of the work force in the garment industry.

In Brazil, 4-year-old children—4-year-old kids—work up to 10 hours a day harvesting cotton. Mr. President, here again we are talking about children who work for little pay and who are subject to abuse by employers when they do not meet their harvesting quotas.

I start out this way because I really believe that the promotion of internationally-recognized human rights standards should be a part of what the United States of America should be about in our foreign and trade policies. There should be some kind of linkage in our trade agreements. I felt that way in relation to most-favored nation status for China. I felt that way in relation to our policy toward Indonesia. I felt that way in terms of the North American Free-Trade Agreement. And I most definitely feel that way when it comes to the new WTO.

And I am concerned because I do not believe, despite the tireless efforts by international advocates for children, that enough is known about the horrible abuses in this area all around the world. I know that come this Christmas, when parents buy toys for their children, it may not occur to them that in many cases the toys they buy for their children were made by children in other countries even younger than their own kids, for $1.35 a day under the most harsh, exploitative, awful working conditions. I know that when people buy carpets for their living room they do not want to buy carpets that are produced by children working under these kind of conditions.

And let's not try to fool anyone that this issue is going to be vigorously pursued within the World Trade Organization. As I said earlier, it was just last Friday that we had the final formal rejection by the WTO preparatory committee of any kind of human rights scrutiny by the United Nations, any kind of linkage to child labor or other

social development issues under this agreement.

I have been in the Senate now for 4 years and I have learned a lesson. This is a respectful disagreement with other colleagues. That is the way we have to be, in respectful disagreement.

And one of the things I have learned is that if you do not have some kind of framework, some kind of intellectual and philosophical framework that you stay true to, you just sort of get buffeted about on the basis of who can yell the loudest, who can exert the most pressure and all the rest. Now some argue that in order for developing countries to become more democratic, and better able to extend basic civil and political rights to all of its citizens, you have to have the trade liberalization and the economic expansion first. And there is an element of truth to that argument. In some countries, it has worked out that way. But you are much more likely to get progress in human rights if pressure is maintained by major trading partners for such progress, and if everyone—all trading nations—have agreed beforehand on at least a few basic minimum standards.

If history has taught us anything, it is that the only way that happens is when the United States and other major countries take the lead and insist on some kind of linkage, and use our leadership as a democracy to encourage and pressure other countries to live up to these basic standards.

I wanted so much for there to be some kind of basic human rights formulation built into this agreement, and have pressed for that. I have not been able to support either the GATT or NAFTA, as much as I am an internationalist by birth, partly for these reasons. I am the son of a Jewish immigrant from Russia. My mother's family was from the Ukraine. My father taught me that we ignore the world at our own peril. But I believe from head to toe that human rights and child labor conditions must be a part of such an agreement. Instead, this linkage was formally rejected.

Mr. President, as we move forward in this debate, let's not forget that there is a linkage between the working conditions of these children in these pictures and this agreement. These kids' lives do matter. Commercial logic is not the only logic; they do matter. There is a linkage between the conditions of their lives and what happens to our work force as well. As Senator DORGAN said, it is very difficult for workers to compete, for citizens in our country to compete, against children who are getting paid $1.35 for a whole day.

When I take together the human rights questions, which are compelling questions to me, the child labor questions, which are compelling questions to me, and I realize that this agreement does not acknowledge these conditions and makes no effort to begin to address these conditions, it saddens me. Combined with concern that the WTO, which makes important trade decisions that crucially affect the quality of the lives of citizens in the United States of America, does not meet publicly and is not publicly or democratically accountable, it gets even worse. And then when you consider that some of the legislation my State and others have passed in consumer protection, in environmental protection, health and safety over the years might be put at risk by WTO decisions, this agreement does not make the grade. All of that legislation could be challenged as GATT-illegal and our country, therefore, made subject to economic retaliation.

Though I am an internationalist, and would have loved to have had an opportunity through amendments to have improved this agreement, that is not possible under the fast-track procedures. I would have loved to have had the opportunity through amendments to have built in some linkage to human rights and child labor, to have built in some protection for democratic procedures and decisionmaking, to have made this trade agreement more accountable.

But I do not have that opportunity. This is on fast-track procedure, which I voted against, and, therefore, I cannot in good conscience—and I emphasize the word "conscience"—I cannot in good conscience view this trade agreement as a step forward. I cannot view this trade agreement, though I want to, as one which will lead to the uplifting of the living standards of peoples in our nations. I believe it is a step backward.

I know some of my colleagues disagree. But that is my rigorous analysis, that is my honest assessment, that is my view and, therefore, I will vote no.

I yield the rest of my time.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 10 minutes to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, when we consider that over 20 percent of America's economy is dependent upon trade—when we consider that over the past four decades, trade-related jobs in our country have grown three times faster than overall American job creation—when we consider that open markets and free trade mean new jobs for American workers—we realize how important this debate is.

Not only are we considering an historic trade agreement—an agreement some 7 years in the making—but an agreement that can go a long way toward providing jobs and security for Americans.

Of course, Mr. President, I wish I could say that this is a perfect agreement—that it would be immediately and universally advantageous to all Americans. But such is not the case. The fact is that long-term growth seldom comes without change and change is sometimes disruptive and even painful. There will be real challenges in the short term.

Some will be less than others as this agreement is to be phased in over a number of years, but from the beginning we must be aware of those men and women and families whose lives and livelihoods will be affected by this agreement.

We must also be aware of concerns felt by others regarding the creation of the World Trade Organization. Personally, I am satisfied that—as Robert Bork and other distinguished scholars have said—the GATT and the WTO will not interfer with American sovereignty. America cannot be bound by an international agreement or treaty if it does not wish to be bound.

As Judge Bork has said, "Congress may, at any time, override such an agreement or provisions * * * by statute." Despite this assurance, we must continue to be vigilant and certain that now and in the future America remains first among equals in its international relationships.

The key to that future will be borders that are open for imports and exports—trade that is free and fair. As the great historian Will Durant pointed out, tariffs that restrict trade in the name of protectionism are little more than civilized piracy—piracy that strangles commerce and internationalizes poverty.

If we are to realize the potential of our future, we must have international agreements that break down these barriers. I believe the agreements that emerged from the Uruguay round of trade talks is a step in the right direction.

Let me tell you what this agreement can do for Delaware:

In my State, exports have grown 27 percent since 1987 to $3.5 billion in 1993. The Port of Wilmington and the longshoremen that work there, Delaware's farmers, our workers at chemical, pharmaceutical, and auto plants have all seen their exports grow. This agreement will further increase these exports and create even more jobs by reducing and eliminating tariffs and nontariff barriers to trade.

In Delaware, our farm sector is of vital importance, but our farmers are often on the short end of the stick when it comes to exporting to our trade partners like Canada. This agreement will move us toward correcting such inequity. Not only in Delaware, but across the Nation, our farmers, who exported over $40 billion last year, will finally see some relief from the subsidy and other unfair trade policies

that have plagued world agricultural trade for far too long. We are the world's largest agricultural exporter and will be a major beneficiary of liberalized trade in this critical area.

This agreement will also strengthen intellectual property rights and improve trade rules that protect Delaware and American industries against unfair trade practices. The intellectual property rules alone will be critical to eliminating the piracy of U.S. intellectual property that are essential to our pharmaceutical, software, and chemical industries, to name a few. Each of these industries is important to Delaware, and piracy of intellectual property costs our economy billions of dollars each year.

For these, and other, reasons, Mr. President, I will support this agreement. I encourage my colleagues to do likewise. With them, I understand that this agreement will not be completely painless to all Americans. Change is often difficult.

But if America is to maintain its leadership in the global community—if we are to have the bright and prosperous future that is possible—I believe we need this agreement.

We need it because our Nation's economic health is dependent upon the global economy. We need it because it is in our fundamental interest to have an international trade regime that is built on three pillars: openness and cooperation; predictable rules of fair play; and mechanisms to make sure the rules are upheld. Creating these conditions has been the essential purpose of the GATT, particularly this Uruguay round. That is why I will vote for this agreement.

Mr. President, I would like to now explain more in depth my analysis of the Uruguay Round Agreement and my reasons to support it.

Mr. President, we are now considering whether to approve an historic trade agreement—the Uruguay round. It was negotiated under the aegis of the General Agreement on Tariffs and Trade, otherwise known as the GATT, which has served as the foundation for global trade since 1947. The negotiations leading to this historic agreement were initiated by President Reagan, almost concluded by President Bush, and finalized by President Clinton. The agreement has been over 7 years in the making, and has had strong bipartisan support throughout.

Before us is the legislation that is needed to implement our obligations under the Uruguay round. It is a momentous decision in many respects. It will determine the future course of our trade relations with other nations. It will have a substantial impact on jobs and economic growth here at home. It will say a lot about our Nation's confidence in facing the economic challenges and opportunities ahead. There should be no illusions about if—this decision is a defining moment for America and the rest of the world.

The Uruguay round was concluded last December, and, over the past several months, Congress has worked with the administration on the legislation that is needed to implement it. What has emerged is not a perfect trade agreement, and some serious questions have been raised about it, such as those regarding the new World Trade Organization [WTO] and its affect on U.S. sovereignty.

Likewise, the implementing legislation is not perfect, and the implementation process has not gone as smoothly as it could, or should, have. The final legislation and the Statement of Administrative Action were introduced very late in the congressional session. Although, as a member of the Finance Committee, I had a chance to review most of the draft bill before it was introduced, many of my colleagues did not have such an opportunity, and they should have been given more time to review it. While the special session has afforded more time to examine the final details. A lame-duck session is certainly not the best congressional process for deciding the final fate of such an important issue facing the Nation.

Nevertheless, after careful examination of the trade agreement, the legislation to implement it, and the concerns that have been raised, I believe that, on balance, we must approve the Uruguay round. I am convinced that to do otherwise would be a grave mistake and a detriment to the people of Delaware as well as to folks throughout the country.

My decision to support the Uruguay round is based on the recognition that our Nation's economic health is dependent upon the global economy and that it is in our fundamental interest to have an international trade regime that is built on three pillars: openness and cooperation; predictable rules of fair play; and mechanisms to make sure the rules are upheld. Creating these conditions has been the essential purpose of the GATT, particularly this Uruguay round. In a sense, creating these conditions has been our Nation's objective. For this reason, the United States has been the prime mover behind the GATT's creation and evolution. For decades, we have viewed the international trading system as an opportunity, not as a threat, and I believe that this is a view our Nation should maintain.

IMPORTANCE OF GLOBAL TRADE TO DELAWARE AND U.S. ECONOMY

I have often said that whether we like it or not we cannot shut ourselves off from trading with the rest of the world; this is more true today than ever before. We are the world's largest trader. Last year we exported $465 billion in manufactured goods and agricultural products, $650 billion in you add services. Over 25 percent of our economy is trade-related and millions of our jobs depend on trade. In my State of Delaware, exports have grown 27 percent since 1987 to $3.5 billion in 1993. The Port of Wilmington and the longshoremen that work there, Delaware's workers at chemical, pharmaceutical, and auto plants, as well as poultry growers, just to name a few, have seen their exports grow. Over the last 5 years, in fact, 50 percent of U.S. economic growth has been due to exports.

SOME KEY BENEFITS FROM THE URUGUAY ROUND

The GATT has been a critical reason for the enormous expansion of world trade since the post-World War II era and the economic growth that has accompanied it. Through seven so-called rounds of negotiation, we have eliminated tariff and other barriers to trade in goods and have negotiated predictable rules to help facilitate this trade. And that is what is at the heart of the Uruguay round, the eighth round of trade talks held under the GATT. It is an integral part of our Nation's longstanding trade policy to open markets to our exports, and to establish a transparent, rules-oriented trading system which eliminates the law of the jungle.

The Uruguay round, in fact, goes much further than previous GATT negotiations in opening trade. it will cut tariffs worldwide by one-third, by almost $750 billion. Tariffs really are no more than a tax that is imposed at the border. A global tax cut of $750 billion will lower consumer and producer costs and will be a huge stimulus to economic growth here at home and abroad. All studies of the agreement have shown major economic benefits. According to some estimates, the agreement could add as much as $100–$200 billion annually to our economy once fully implemented, and create as many as 1.4 million new jobs.

Aside from this huge tariff cut, the Uruguay round improves existing GATT rules and principles, creates important new ones, and tackles nontariff trade barriers that the United States has been battling for decades. For the first time ever, we will have international trade rules to protect intellectual property rights, to reduce distortive agricultural subsidies, and to govern trade in services. Our workers, farmers, industries, and firms excel in each of these areas and we will reap enormous benefit from these new agreements. In one fell swoop, over 120 countries are expected to agree to these rules, something which would take much longer to achieve if we were to negotiate one-on-one with each of these countries.

The new rules on intellectual property rights, for example, will finally raise standards worldwide to protect U.S. copyrights, patents, trademarks, and other critically important intellectual property. We have, for years, been

trying to eliminate the piracy of our intellectual property, which costs the U.S. economy billions of dollars each year. Our computer software and pharmaceutical producers, among other industries, spend millions creating their innovative products and rely on strong intellectual property protection for their competitive survival. Anyone spending millions on R&D to create a new product obviously cannot compete for long against another company that has simply copied the product at little cost by stealing patents and ignoring copyrights. Few dare to do that in the United States because of our strong laws protecting intellectual property, but the same is not true in many markets overseas, particularly in developing countries. The Uruguay round will help reverse this situation.

In agriculture, our farmers, who exported over $40 billion last year, will finally see some relief from the subsidy and other unfair trade policies that have plagued world agricultural trade for far too long. The Uruguay round agreement on agriculture will move us down a path of fairer and freer trade. Although it does not go nearly as far as I would have liked, we are the world's largest agricultural exporter and will be a major beneficiary of liberalized trade in this critical area. The Department of Agriculture estimates that the Uruguay round could expand farm exports by as much as $8.7 billion, create as many as 190,000 farm-related jobs, and add as much as $2.5 billion in net farm sector income.

There is one area of the agricultural trade that must be further addressed by the administration as soon as the agreement goes into effect. This, of course, is making sure that Canada upholds its free trade commitments to us by eliminating all tariffs to trade, including poultry products. Now that the Uruguay round commits Canada to converting its very restrictive quota regime for poultry into tariffs, it must now agree to eventually eliminate them altogether. We have had a free-trade agreement with Canada since 1989, but in my opinion that free-trade agreement is not completely free until Canada eliminates the restrictions it places on United States poultry products. The time has come for our administration to start paying more attention to resolving this problem.

CONCERNS OVER SOVEREIGNTY

I would like to turn to two of the issues that have captured the most attention in the debate on the Uruguay round: The impact of the WTO and the strengthened dispute settlement rules on U.S. sovereignty. I have examined these important issues very closely and they have been an active part of the Finance Committee's implementation process. Based on my review, and the safeguards that Congress has required in the implementing bill, I have concluded that U.S. sovereignty remains intact under the WTO, the GATT's successor regime.

That is not to say that a major international cooperative agreement, such as the Uruguay round, does not entail obligations on our part. It certainly does, but it is an exercise in sovereignty in agreeing to adhere to them voluntarily because, on balance, we believe they are in our best national interest.

There are important safeguards in the actual implementing legislation that address the concerns that have been raised and clear up some of the misunderstandings about the agreement's effect on U.S. sovereignty. For example, the bill clearly states, in section 102, that if there is any conflict between United States law and a Uruguay round agreement, only United States law applies. The only changes to U.S. law as a result of the Uruguay round are those that are contained in the implementing bill we are now considering. After that, any future decision on whether and how to change United States law in relation to any possible inconsistency with our Uruguay round commitments can only be made by Congress. The WTO cannot change U.S. law; only the Congress can do that. What we are considering here is not a self-executing agreement which has the direct force-of-law.

The implementing bill also addresses the State-related concerns that were expressed earlier by establishing elaborate Federal-State consultation procedures regarding possible obligations and dispute settlement proceedings affecting State laws. Both the Governors and Attorneys General Associations, as well as other State organizations, have endorsed this approach as meeting their concerns. The Governors Association unanimously endorsed passing the GATT agreement this year.

In looking at the WTO and the new dispute settlement rules, it is very important to keep in mind that they essentially build on the existing GATT, which has been in place since 1947. Article 9 of the WTO explicitly provides that the decisionmaking process will continue the GATT practice of operating on the basis of consensus. The last time there was a vote on a policy issue was in 1959. As under the GATT, voting procedures can be used in the absence of consensus, based on a one-country, one-vote process, but they are now more protective of our interests than they were under the GATT. Most importantly, we do not have to accept any future amendment affecting our fundamental rights and obligations if we choose not to.

There are other important safeguards in the bill. One is that both Congress and the private sector will have a much greater role in providing input and oversight on the general operation of the agreement and on any future dispute settlement panel. There is also a built-in, expedited procedure for a congressional vote on whether to continue U.S. participation in the WTO 5 years after it goes into effect, and every 5 years after that. Our future majority leader, Senator DOLE, has also devised an earlier review process of the new dispute settlement rules, which could lead to our withdrawal from the WTO sooner than 5 years. We can, of course, withdraw voluntarily at anytime after 6 months written notice.

I believe these and other provisions will ensure that the new WTO's operations do not impinge on our sovereign powers. While no one can predict precisely how the new WTO will work in practice, if the new system does indeed harm our sovereign interests, I do predict that we will not remain as members for very long.

BUDGETARY IMPACT

Before concluding my statement, I would like to make just a couple of points on the budgetary impact of the agreement. The first point is that Congress gave little or no thought to major trade-liberalizing agreements when the latest budget rules were enacted, because if it had, I am convinced that these agreements would have been the exception to the rule. It is an historical fact that lowering tariffs and eliminating trade barriers have major positive, dynamic economic effects which ultimately lead to increased revenue. Lowering tariffs are not a cost to the taxpayer, they are a decrease in producer and consumer costs. This agreement goes much further than any previous GATT agreement in cutting global tariffs by almost $750 billion. It will put more money in consumer pockets and will be a boon to the United States and world economy.

That is what the economic studies of the agreement show. The Republican staff of the Joint Economic Committee recently surveyed eight of these studies and found that the GATT's total fiscal impact could lead to new revenue as high as $115 billion over 5 years.

Regardless of these economic and revenue benefits, the Uruguay round's tariff cuts do fall within current budget rules requiring that any lost revenue be offset, and the implementing bill includes funding provisions to offset the $12 billion in lost tariff revenue that is expected during the first 5 years of the agreement. Some of these proposals have been controversial, including the "pioneer preference" provision. But the recent agreement between Senator DOLE and the administration on this provision should eliminate the concerns that have been expressed about it. Unfortunately, however, the bill cannot be changed at this point and, while I do not support these extraneous and controversial funding provisions, the agreement should not be defeated because of them.

CONCLUSION

Mr. President, the time to move forward is now. It took 7 long years of negotiation to conclude the Uruguay round. The agreement itself was finalized almost 1 year ago. There has been ample time to examine its contents. The Finance Committee alone has held 25 hearings on one or more aspects of the agreement.

It is essential that we approve this precedent-setting trade agreement. Current GATT rules are antiquated and have not kept pace with the rapid changes in the global trading system. The GATT also does not cover many areas of critically important trade to the United States, such as services and intellectual property rights. And the current GATT leaves in place major tariff and nontariff barriers that slow down or prevent the expansion of U.S. exports. We export well over $600 billion of goods and services and we need the Uruguay round's trade rule improvements and greater worldwide market openings to further our export and economic growth. A stable, predictable and open global trade regime is in our Nation's best interests.

Failure to approve the Uruguay round through procedural points-of-order maneuvers or by voting against the implementing bill itself would be a blunder of historical magnitude and would set our Nation's trade agenda in a harmful, backward direction. I cannot believe that this body would choose that direction. I hope that it moves along the same path it did when it considered the last major GATT negotiation—the Tokyo round. It passed the Senate overwhelmingly by 90 to 4. I hope this latest agreement garners the same level of support, and I urge my colleagues to strongly support it.

I yield the floor.

Mr. HOLLINGS. Madam President, I yield 15 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER (Mrs. BOXER). The Senator from Ohio is recognized for 15 minutes.

Mr. METZENBAUM. Madam President, I rise in opposition to the passage of the GATT because I think it is a bad deal for America. I think it is a bad deal for American workers. I think it is a particularly bad deal for the children of America. Unquestionably, one of the most prodigious and well-respected magazines in all the world is the Economist. The Economist in its April 9, 1994, issue had a picture of a child carrying heavy cement blocks in India. The editorial is "Free trade or foul."

I believe the significance of that magazine, so totally well respected throughout the world, addressing itself to the subject to which I addressed myself yesterday is important for people of this country to know about.

I ask unanimous consent that the entire editorial be printed in the RECORD.

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

[From the Economist, Apr. 9, 1994]

FREE TRADE OR FOUL?

It was supposed to be a sunny coda to end years of discordant haggling. Now it seems that next week's gathering of world trade minister in Marrakesh, Morocco, may be a darker affair. They are meeting to sign the agreement hammered out during the seven-year Uruguay round of world trade talks. But the prospects for world trade have become clouded since the final negotiating session in Geneva in December. This cloud, no bigger yet than a man's hand, is growing fast.

In recent weeks America and France have been pressing for an addition to the declaration from Marrakesh. Their demands are unclear, but at a minimum they want a promise that the new World Trade Organisation (the successor to the GATT) will examine how labour standards and workers' rights ought to affect trade rules. The proposal sounds innocuous, even benign. Yet it has caused anger in the developing world. India's prime minister, P.V. Narasimha Rao (whose efforts to liberalise the Indian economy were difficult enough already, said this week that such moves could become "an alibi for raising protectionist trade barriers".

Peter Sutherland, the GATT's director-general, hopes that a compromise (Japan proposed a vague reference to "social conditions" in the Marrakesh communiqué) will allow the celebrations to go ahead. But the subject will not go away. The charge that developing countries are engaged in "social dumping"—competing unfairly by denying their workers basic rights and decent conditions—is potent. It appeals equally to rich-country self-interest and self-righteousness. The competitive threat from third-world exports is likely to increase over the next few years; as it does, social dumping will challenge environmental protection as the issue most likely to force radical change on the global trading system.

CRUDE DISGUISES AND FLYING PIGS

Some complaints of social dumping hardly deserve to be taken seriously. Those who regard it as "unfair" for Chinese workers, say, to be paid less than American ones, and who call for tariffs to redress the balance, are in truth opposed to all trade between rich and poor countries. This is extreme protectionism in the crudest possible disguise. When its advocates claim as well to have the best interests of developing-country workers in mind, they are surely hypocrites too. Countries cannot pay their workers more merely by deciding to do so. They must first produce more, and the best way to spur growth is to trade.

What goes for wages applies as well to other labour costs. To insist on a levelling of "working conditions"—closer equality in hours worked each week, standards of health and safety in the workplace, entitlements to holidays, health care, sick-pay, pensions and so forth—would be in every case to insist on a standard of living that poor countries, being poor, cannot afford. Legal rights over such terms of employment may exist in most industrial countries, but rights under the law (which are freely modified as circumstances dictate) should not be confused with more basic human rights (which are not).

Other concerns, however, cannot be so easily dismissed. Slavery, which is wicked, is still practised in some developing countries. Children should be educated, not sat at looms or made to carry bricks all day. Workers should have the rights of assembly and free speech—which, in some developing countries, they are denied. In cases such as these, basic freedoms are at stake. You do not need to be rich to outlaw slavery or grant the rights of free speech and assembly; education is costly, but curbing the cruellest sorts of child labour is widely affordable. Therefore, is it not right to put pressure on offending third-world governments to change their ways? If there is a reasonable chance that the pressure will work, and if it does not put other interests at risk, the answer is Yes.

Granting that pressure may sometimes be justified, why not let trade policy be the means? Free-traders, such as this newspaper, would like to answer that pressure of this kind never works. In fact, it often does. Against large countries and small, America has often got its way by threatening trade restrictions. The case against such a policy is not that it cannot achieve its narrow objective, but that it puts other interests—America's own, as well as those of the rest of the world—in jeopardy.

The difficulty can be stated simply enough: governments cannot be trusted with trade policy. If, as trade-policy activists implicitly assume, governments were competent and dedicated to the public good, there would be less to worry about. The case for trade policy in pursuit of basic human rights would be more persuasive (though low-flying pigs would be a terrible nuisance). The institutions that liberal democracies use to rule themselves are needed precisely because governments in the real world are often incompetent and always subject to demands from narrow, organised interests. The GATT is one of these needed institutions—an especially necessary one, because trade policy is an area in which governments, left to themselves, are especially unreliable. The GATT was created in the first place because its founders understood that the pressure to protect producers is intense; without an occasional exchange of multilateral trade concessions, governments would find liberal trade impossible to achieve.

They were right: only consider how close the Uruguay round was to collapsing last year, or the ferocity of opposition to the North American Free-Trade Agreement, or the sharp rise during the 1980s of new forms of non-tariff protection. Liberal trade is under perpetual attack. To beat it back, governments need to strengthen the GATT and at every opportunity undermine its enemies.

If industrial countries insist on bringing labour-related rights into the multilateral trade task, they will do the opposite. The GATT will be weakened because its agreement-by-consensus approach cannot accommodate such controversial issues. At the same time the GATT's foes will be strengthened by each new admissible ground for trade restrictions. For instance, a trade rule on child labour might keep countries in which that practice is common (whether or not legal) out of the WTO; on the other hand, if a country joined the WTO after signing up for the rule, but was then unable to enforce it, it would be prey to every species of rich-country projectionist, henceforth equipped with new grounds to seek trade sanctions. In the battle between liberal trade on one side and the protectionism that helps to keep poor countries poor on the other, the balance would have shifted decisively in the wrong direction.

Those who truly seek to advance the cause of human rights in the third world should weigh this carefully—and reluctantly conclude that the costs of pressing for new links between trade and basic human rights outweigh the likely benefits. They should call

for diplomatic pressure instead; and tell rich-country consumers about human-rights abuses, then let them make up their own minds about whose goods to buy. That is bound to strike many as inadequate. But in reality most lobbyists seek to use human rights as just another way to raise old-fashioned barriers against poor countries' exports, caring little for human right, caring nothing for the plight of the third world's poor, caring nothing for the freedoms of industrial-country consumers. The argument is ugly—but it will run and run.

Mr. METZENBAUM. Madam President, I had spoken yesterday at some length about the whole issue of child labor and products pouring into the United States. Today I will not repeat those arguments. But I will talk about my other concerns with GATT.

I am frank to say that I wish I could support the agreement. I believe in and I want to support expanded trade. I believe that international trade agreements can be beneficial both to America and to the entire world. But I believe that free trade must occur between equals. I do not believe that you can mix countries and markets of unequal status and unequal standards and expect all to benefit. Just look at our own trade deficit. The whole idea is that NAFTA has been such a wonderful thing. That is just not true. We keep entering into trade agreement after trade agreement and our trade deficit continues to increase. Last year our trade deficit was $130 billion. We are making a lot of progress. This year it is expected to exceed $160 billion, and GATT will only increase that deficit.

Our recent experience with the NAFTA agreement further confirms the problems of trade among unequals. Since the enactment of NAFTA, during the first 6 months of 1994, our trade surplus with Mexico has declined by 50 percent. Sixty percent of Mexico's new capital is coming from the United States to build factories in order to make products which will be sold back into the United States markets.

In addition, the jobs that NAFTA was going to create just have not materialized. The administration claimed that 100,000 jobs would be created by NAFTA. But so far only 500 have been created. Over 30,000 workers have already filed for trade adjustment assistance because they claim they lost their jobs by reason of NAFTA. Walk into any store in America, in any of the shopping centers or in the smaller communities of America, wherever, the larger communities. It is nearly impossible to find products made in America anymore. Shoes from Brazil, clothes from China, India, Bangladesh, Hong Kong, Taiwan, tools from Mexico and Taiwan, TV's and computers from Japan and Korea. Instead of entering into endless free trade agreements that help our corporate community but decimate our labor force, we should be investing in our own industries to create American products and American jobs.

The GATT agreement will only accelerate the demise of American production. The average American has not the slightest idea what this agreement is about. Walk down the streets of any town, be it Dayton, OH, or Cody, WY, or Natchez, MS, or Eugene, OR. Ask the first person you meet. "What is GATT about? Are you for GATT or against it? Explain to me in one sentence or two sentences or a paragraph." He or she does not have the slightest idea, but the professionals who are interested in our passing this bill have some idea what it is about.

But if the average citizen knew what was in this bill, they would be skeptical that American workers will benefit from some international trade agreement about which they know practically nothing. We have an obligation to explain this major international agreement to the American people. But we have no chance to do that. We must act within 2 days. Great. I am in favor of always moving forward as promptly as we can. But that means that the average American will not know what it is all about until he or she gets her termination notice. I am realistic enough to know that if this matter were debated for 2, 3, or 4 more days more, that would not change the facts.

Unfortunately, however, this agreement is flawed in many ways.

The biggest problem is what is not in this agreement.

This agreement contains no protections for workers.

We should be considering international working conditions together with trade.

It is basic common sense that if trade is based primarily on price without any other standards, America will lose out.

Labor, capital, and raw material costs determine the price of most goods and services. And if American labor receives on average $15 an hour, and Korean, Indian or South American labor receives only $1 an hour, it is obvious what is going to happen.

The only way for America to compete against dramatically different labor costs is to have significantly better quality. And some would argue that is the way we solve the problem. We produce better products. But many foreign products are not that inferior to American made products. Whether it is clothing, toys, games, radios, TV, tools, or a host of other products, it is difficult even without GATT to buy American made products. With GATT we will only exacerbate the problem.

Blindly opening up American trade to the cheapest price without any labor protections will only force countries to lower their labor costs, not raise them.

American wages in real dollars, have declined almost 10 percent over the past 20 years when adjusted for inflation.

In large part what Americans were worried about during this past election cycle was the problems they face in their working lives.

Most Americans do not see that their working lives are getting better.

Americans are working longer hours for less pay.

They are watching their standard of living erode.

There is a relationship between increased international trade and declining American wages.

We must look at these issues together.

Unfortunately, too many who negotiate trade agreements know nothing about wage and working conditions.

And I do not say that to slight any particular individual or group. Too many know about trade and trade only.

The only two places that working conditions are even mentioned in the GATT legislation are on pages 14 and 70. That is 2 pages out of more than 2,000 pages. And the words on these two pages do not help American workers.

On page 14 it states that—

> Nothing in this act shall be construed to amend or modify any law of the United States relating to worker safety unless specifically provided in the act.

American workers need help. They need protection. GATT does not do a single thing for them in that statement. It actually only addresses itself to worker safety.

There are a whole range of labor laws that protect American workers in addition to worker safety.

Does this mean that our minimum wage and civil rights laws are not protected under GATT?

Or our child labor laws?

Our labor relations laws?

Our antidiscrimination laws?

The sad fact is that this statement is stated the wrong way.

It should not just be that GATT does not undo other Federal laws.

We should affirmatively state that all of our labor laws are protected as part of GATT.

Pages 70 says the President shall seek the establishment of a working party to explore the relationship between internationally recognized worker rights and GATT.

It does not take a rocket scientist to figure out that this is meaningless mumbo jumbo. What is a working party? And what does it do after it explores this relationship?

The reality is the United States and France already tried to get a committee on workers' rights and were rebuffed by India and most of the South American countries.

A lot of Third World countries do not want to raise the wages of their workers nor improve their working conditions. Their ruling elites want to keep the benefits of trade for themselves.

But as long as we do not bring the working standards in these countries up, they will continue to bring American workers' wages down.

If we could not get a committee on workers rights before GATT, imagine trying to get a committee after GATT becomes a reality.

It is disgraceful that a 2,000-page trade agreement contains barely 2 pages even mentioning worker rights.

We need an international trade agreement but one that improves the lives of working men and women, not one that undermines it.

There is too much that we do not know about how this agreement will be applied and much to be feared.

And quite honestly, I cannot help but conclude that the GATT agreement will undermine our framework of environmental laws.

Last fall, when the European automakers such as Mercedes, Ferrari, and Jaguar objected to U.S. CAFE standards, a GATT panel recommended that the United States bring CAFE regulations into conformity with the treaty's free trade obligations.

The CAFE standards law had been on the books since 1975.

It was passed in the grips of an oil shortage, when auto emissions were rapidly deteriorating our air quality.

And in spite of that the panel concluded that this energy conservation law was a thinly disguised restriction on trade.

Quite frankly, this is just a shot across the bow for our environmental laws.

And I only wonder how other laws protecting the air, water, and environment will fare if the GATT treaty is approved.

Finally, too many of the financing provisions for this agreement smell of corporate pork.

This bill contains sweet deals for the Washington Post, Cox Enterprises, Omnipoint Communications, GM, Ford, and Chrysler as well as public utilities.

In 1986, I stood on the Senate floor exposing and stopping dozens of tax breaks hidden in the Tax Reform Act for individual American corporations.

Now the same type of shenanigans are going on again—only this time in an unamendable bill.

Why do good companies do this? They do not need these special breaks.

This agreement would raise even more revenues if it did not contain such special deals.

It undermines our credibility and that of these companies when they seek unnecessary special breaks.

It is especially shocking when the beneficiaries of these deals include some of the newspapers that generally editorialize against congressional pork and special perks.

I was shocked to learn that the final GATT bill included the so-called pioneer preferences deal for the Washington Post, Cox Enterprises which owns the Atlanta Constitution, the Dayton Daily News, and Omnipoint Communications.

The administration cut a deal with these companies. They will receive communications licenses for a total of $400 million even though the fair market value of the licenses is estimated at $1.2 billion.

Under the Dole negotiations, it is my understanding that there is something about they might be able to reopen and rediscuss the subject at some later point. Do not hold your breath.

The FCC had been planning to auction the licenses on the open market this December where they were estimated to sell for a total of $1.2 billion.

But at the last minute, the administration and the companies cut a back room deal to sell the licenses for a total of $400 million. Who pays?

The American taxpayer gets ripped off for $800 million.

There are other secret deals in this bill as well.

Senator DANFORTH extended an expiring provision to permit companies such as McDonnell Douglas in his State to transfer workers' pension moneys to pay for health benefits. The Danforth provision permits companies to drain their pension funds jeopardizing both the workers' pension and health benefits. What does this provision have to do with international trade? Nothing. And it does not belong in this bill.

The bill also contains a variety of pension law changes to speed up pension funding by underfunded pension plans.

These pension changes have no place in a trade bill. We should use pension reforms to provide better pension benefits to retirees, not to pay for a trade bill.

Furthermore, some companies got special exemptions from the new pension funding rules.

GM, Ford, and Chrysler negotiated special rules so that they do not have to fully fund their pension plans.

And Senator PACKWOOD put in a special deal for public utilities exempting them for 3 years from having to pay increased PBGC insurance premiums. He specifically provided that utilities need not pay increased pension premiums for 3 years unless the utility gets the money through a rate increase from taxpayers. Again, this provision has no place in GATT and was never included in previous pension bills.

It is outrageous to include these deals for big business in an unamendable trade agreement that will shortchange the American worker.

This is not what the fast-track process was meant to be about.

These are exactly the types of insider deals that give the administration and us our bad reputation. It amounts to buying votes with taxpayer dollars.

In closing, I regret that I cannot support this agreement.

A vote "no" on the budget waiver is right—right for America, right for balancing the budget, right for our economy, and right for millions of children around the world.

Mr. PACKWOOD. Madam President, I want to respond to two things the Senator from Ohio said. I have talked with Senator MOYNIHAN, and he has a response, and Senator NICKLES will be speaking next for about 15 minutes.

The Senator from Ohio mentioned two issues. One was the so-called pioneer preference and the other was the regulated utilities and Pension Benefit Guaranty Corporation [PBGC]. I will explain what happened on both of those, the Pension Benefit Guaranty Corporation first.

About 20 years ago, we set up the Pension Benefit Guaranty Corporation. We were worried about companies promising pensions to workers and going bankrupt or going out of business and leaving the pension plans underfunded. Workers of 20, 30 years of experience suddenly had no pension. The PBGC was to collect premiums from companies, put them into a fund, so that if some company went bankrupt and could not pay, the Government the—PBGC—would have a fund to pay from. This is similar to the Federal Deposit Insurance Corporation for banks which has by and large worked well over the years.

We are aware that any number of companies have underfunded pension plans. The Pension Benefit Guaranty Corporation advised us from time to time that not enough money is going into the fund to pay the promised benefits. So in this bill the administration suggested, and we agreed, to revamp that so that the companies with the highest level of underfunding will pay more to the PBGC fund. None are going to pay less. They would pay more into their funds to guaranty the solvency of their pension funds.

Among the companies that we directed to increase their payments were a number of regulated utilities—electric, water, transportation, and sewage companies. The one problem with many regulated utilities is that their prices are regulated by State law. So that if we increase a cost to the utility, they cannot immediately collect the money to pay it. They have to go to the local public utility commission and say: The Federal Government said we have to pay more money into the PBGC, and we petition you to raise the rates to get the money to pay.

That is why we gave a 3-year grace period to the regulated utilities. They are different from other companies because they cannot go out and automatically increase their rates to recoup the premium costs. There is a company in Oregon that is so affected, and this came from a list that the Pension Benefit Guaranty Corporation gave us. There were five in Ohio on the list that were similarly affected. There are several scores of these companies around the country that also benefit

from this provision. It is not a rifle shot for a company in Oregon.

Second, there is pioneer preference. This is an unusual situation. I can understand the frustration of the Senator from Ohio. But let me explain what happened.

Up until a few years ago, the Federal Communications Commission used to issue licenses on comparative applications, and if they had a radio frequency to give out—and nowadays there are wireless communications—they would give a frequency that your company could have to use for wireless communication, and you had what you called comparative applications. A number of companies would apply for a frequency. And these applications were very expensive. You had to be a pretty well-financed company to even apply, by the time you got all of your technical experts and lawyers and say why you are better than some other company to get this. The Tom, Dick, and Harrys of this world simply could not afford to get into the competition.

So after a number of years at congressional direction, we said this is not fair. We are getting into the area of wireless communication, and only the giants should be able to afford to even compete. So we said, instead of doing that, we want you to give these licenses by lottery, so everybody could apply. It does not cost much to apply if you do not have to prove you are fit or unfit. Minimal qualifications. If you win the lottery, you get a license. One unusual thing happened that we did not foresee. Actually, there were two. A lot of very clever lawyers in this country, who were knowledgeable in the ways of the Federal Communication Commission, began to prepare scores of applications for the licenses. It did not cost a lot to file. They actually began to syndicate a piece of the application. Say you are a mechanic, a garage mechanic in Steubenville, you can put up $50 or $100 to get a piece of the application. If the lottery hit your number, there is a big payoff. But the little guy did not get it anyway. As soon as somebody won the lottery, one of the big giants went and bought it up from the person. So the mechanic who put up $50, $100, or $150, hit the jackpot. The big company bought it up. There was an after-market in these licenses.

So the Congress said this is ridiculous. If the big boys are getting it anyway, why do not we at least go back and have them auctioned off by the FCC and we will get the money?

Now, while this process was going on, before it got to Congress saying we think we do not want these lotteried off anymore, we want them auctioned off, a number of large companies came to the FCC and said, "We have some very innovative ideas that are going to cost us millions of dollars to develop. We are prepared to put up millions of dollars of research and innovation if our chances of getting a license are not based on lottery. Why should we put up $40 million to come up with something innovative and no hope at all other than winning the lottery of getting the license?"

So the FCC said, all right. We will make you a deal. We will have a pioneer preference and here are the standards. The FCC set up a bunch of standards, and there were competitive applicants for these pioneer preferences. A lot of companies put up a lot of money on research. And the FCC picked three and they said: We think what you have shown is justifiable, and research is good, and we think it is innovative and is going to advance the communications of this country, and we award these.

Three licenses. Interestingly, some people did not like the process. Their application did get picked in pioneer preference. They are now complaining.

At this stage there was never any talk of paying for these licenses because if you won a license in the lottery, you did not pay for it either. You got it for nothing.

So when we said to pioneers, if you put up millions of dollars and if you will come up with something innovative, you get a license, we did not think of charging them. We were not charging anybody for any license, whether they won in the lottery or otherwise.

But then Congress said to the FCC, change your practice, do not lottery them off anymore; auction them off. At that stage the Federal Communications Commission had already said to these pioneers, if you put up a lot of money and do research and meet our standard as to what is innovative, we will give you a license even though Congress said auction.

Then, the Federal Communications Commission felt somewhat honor bound to go ahead and award some of the pioneer licenses. The FCC awarded three even after Congress told them to auction the licenses off. And one of them happens to be a company that is 70 percent owned by the Washington Post and another is Cox Communications and another is Omnipoint.

The big flap came around the Washington Post. Why does the administration cut a deal with the Washington Post, and what is going on?

The administration did not cut the deal. Think of the sequential situation. We lottery off all these licenses and you pay nothing for them. We say to the pioneers, well, the chance of winning the lottery is not very great. If you put up a lot of money we will give you a license. We do not charge anybody for licenses anyway. So we will not charge you. Then Congress says charge and the Federal Communications Commission says it is not fair. These companies put up all this money, we will give them three free licenses. This occurred on about December 1993.

A couple months later the Federal Communications Commission, after a lawsuit was filed, changed its position and said, no, we are not going to give or even let these pioneers have these licenses for nothing. We are going to charge them a certain amount.

At this stage one of the three companies sued and said, "You violated the contract. You promised this. We relied on it. We put a lot of money in for research. Now you are changing the rules for us."

The case is in the court of appeals. It has not yet been decided. For the moment the court has simply remanded it to the Federal Communications Commission and is holding it to see what Congress and the Federal Communications Commission are going to do because as of yet the Federal Communications Commission has not charged them. They said we are going to charge you, they have not done it yet. So from the standpoint of the court, the case is not what you call ripe. It is not quite ready for decision.

But if this company wins the case in court, then the Government gets nothing, and none of the three companies will have to pay us anything—if they win. This case has not been decided.

This is a common situation with lawyers in court. Do you go ahead, take your case to the jury and take your chances, win or lose, zero or a hundred, or do you settle and not take the chance of possibly losing everything?

So the administration worked out arrangements with these three companies and said, all right, let us reach a settlement. You pay us a minimum of $400 million plus interest, a minimum. It may be more than that because it is going to be based upon a percentage of the auction price of these new licenses. And the auction starts on December 5 and goes for about a month. It is going to be based upon a percentage of that auction price, but in any event they will pay $400 million plus interest. And if they accept that offer they have to drop the lawsuits.

They accepted the offer. So now the Government is guaranteed at a minimum of getting $400 million plus interest. We might get more if the auction price is a lot more, but no one knows what the auction price is going to be. That is the trouble with pioneer licenses.

You can argue whether we ever should have had the policy, or the Federal Communications Commission was right or wrong in what they did. You can argue whether standards were correct or not correct. But at the time they set it up, they set it up because people were not going to put up millions of dollars for research and innovation in communications if the chance of getting a license was based upon the lottery with 60,000 or 70,000 applicants in the lottery. That is it.

Was this a sellout to the Washington Post? No, it was not a sellout. It was a

settlement, a settlement in the hopes of getting some money, and a settlement of avoiding the risk of getting no money and having to justify these three licenses anyway.

The administration has now agreed, and Senator DOLE got them to agree, that after the new Congress comes in they will reconsider this, and the Federal Communications Commission may have the power to undo this. I am not quite sure what happens to the lawsuits in that case, but we have to see when we get there. Apparently it is going to be reconsidered in the next Congress. There certainly was not any malice by the Federal Communications Commission or by Ambassador Kantor or President Clinton or the Washington Post or anyone else in how this arrangement was arrived at.

I thank the Chair. I believe Senator MOYNIHAN wanted to say something and we will then go to Senator NICKLES.

Mr. MOYNIHAN. Madam President, I thank my friend and future chairman.

Madam President, I yield myself such time as I may require, and it is not much.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. I regret the tone in which I will have to speak, but it is one of sincere regret.

There is not a more honorable Member of this body than the Senator from Missouri, Senator DANFORTH. The idea that there is any provision in this measure that is put there as some kind of backroom deal for Senator DANFORTH is completely unfounded. Senator DANFORTH has been interested for some time in the use of excess pension assets to fund retiree health benefits. It is a perfectly logical, reasonable case to make—that where moneys are not needed for this employee benefit, they may be used for this other employee benefit. He persuaded us completely, and it stands, in my view, and I am sure the Senator from Oregon shares it—it was the entirely proper proceeding as open as the morning sky.

I am sure the Senator from Ohio did not mean anything personal in this regard. I see he is standing, and I yield to him.

Mr. METZENBAUM. Madam President, the Senator from Ohio pointed out the deals not as a reflection upon either Senator PACKWOOD, Senator DANFORTH, or any individual Member. I think everybody's conduct is entirely above board and I have no fault with it at all.

My point of reference is that these measures do not belong in the GATT treaty, and it is in that respect that I criticized.

Mr. MOYNIHAN. That is a perfectly legitimate argument, Madam President, and yet the paygo provisions required us to pay. The provision in question raises substantial revenue.

May I also say with respect to the idea there was some backroom deal with respect to the Washington Post or such, in no sense can it be so described in my view.

My friend from Oregon, the future chairman—who has the distinct advantage of having attended the New York University law school, and therefore is a far more formidable man in this regard—spoke that the Government was faced with the prospect losing a court challenge and getting no money at all.

I wonder if he would not agree from the point of view of a lawyer, because I have distinguished attorneys here, we have many of them with the Finance Committee—Mr. Joseph Gale, our chief tax counsel—I know what his view is, that it was not a risk. It was a probability about how a court would decide.

Mr. PACKWOOD. Whether it was a probability, a possibility or a risk, there is no question but what the court of appeals was sitting on this case and was going to wait to see what we did or what the Federal Communications Commission did. But had that case gone to conclusion I am not sure but what a court would not have said, "If the FCC said you do ABC you get a license for nothing," and you did ABC-plus, you might have a pretty good case.

Mr. MOYNIHAN. Now we have, if there is anything—I hesitate to say this at this point in the debate—if there is anything involved here, it might just possibly be an abuse of Government authority. It is certainly not a backroom deal.

Madam President, I yield the floor.

Mr. METZENBAUM. Will the Senator from Oregon yield for a question?

Mr. PACKWOOD. Yes, I yield for a question.

Mr. METZENBAUM. Who won in the lower court?

Mr. PACKWOOD. There was no lower court decision because you appealed directly from the Federal Communications Commission to the court of appeals, so there has been no decision yet. The court of appeals is just holding it pending further action by the Federal Communications Commission, because as yet the FCC has not charged them. So they do not really, exactly, have a pending case.

Mr. METZENBAUM. Would the Senator from Oregon, who I know is a fair man and scholar, agree that this matter, as well as some of the other matters that are in the bill, do not really belong in a GATT treaty?

Mr. PACKWOOD. Let me answer this question this way. They are not exactly in the GATT treaty.

In other words, the pioneer preference was not negotiated in Geneva in the GATT treaty. The administration and Congress will come up with money to pay—and we have a number of provisions in here—by raising money. And I think anybody can probably say that most of the things that are in here to raise money really have no relation to trade.

So, are they related to trade? No. Are they in the treaty? No. Did we have to come up with some money under our scoring rulings to pay? Yes, we did. And this was one of the ways we come up with some money.

Mr. METZENBAUM. I thank the Senator.

Mr. PACKWOOD. Before turning to Senator NICKLES, Senator WALLOP has a statement. I think it is about 1 minute long.

Mr. WALLOP. Madam President, I thank the Senator from Oregon. As he will recall, last summer during the Finance Committee consideration of the administration proposals for changes to antidumping and countervailing duty law, we considered an amendment to deal with situations of "no supply." This amendment would have created a procedure to allow for temporary and quantity-limited relief from orders where a particular product needed by U.S. industry is not available domestically.

The amendment did not pass. However, during the consideration of the amendment the Department of Commerce submitted to the Finance Committee an explanation of authority to consider the lack of domestic availability in deciding issues that would come before the Commerce Department and the International Trade Commission in antidumping and countervailing duty cases.

Madam President, I ask unanimous consent that the letters be printed in the RECORD at the appropriate point.

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

U.S. SENATE,
Washington, DC, November 17, 1994.

Hon. MICHAEL KANTOR,
U.S. Trade Representative,
Washington, DC.

DEAR AMBASSADOR KANTOR: During the Finance Committee's consideration of the GATT implementing legislation this summer, I proposed an amendment to the antidumping and countervailing duty laws to establish a procedure for "no supply," under which the Commerce Department could selectively waive the application of dumping or countervailing duties in cases where domestic producers were unable to meet domestic demand for a particular product. A considerable coalition of American manufacturing companies strongly supported this amendment. The Administration, for reasons that are still unclear to me, vigorously opposed the amendment. As a result, it did not pass.

However, during consideration of the amendment, the Department of Commerce submitted to the Finance Committee a carefully worded explanation of its current authority to consider the lack of domestic availability in deciding issues that come before the Commerce Department and the International Trade Commission in antidumping and countervailing duty cases. A copy of this explanation is attached.

I would very much appreciate your consulting with the Secretary of Commerce, and others whom you consider appropriate, to inform me if the Administration concurs that the Commerce Department has the authority to consider lack of domestic supply in proceedings under the antidumping and countervailing duty laws, as outlined in the attached paper from the Commerce Department. I would greatly appreciate a response prior to the Senate's vote on the GATT, given the relevance of this issue to my consideration of the GATT implementing legislation.

Sincerely,

MALCOLM WALLOP,
U.S. Senator.

THE U.S. TRADE REPRESENTATIVE,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, November 30, 1994.

Hon. MALCOLM WALLOP,
U.S. Senate,
Washington, DC.

DEAR SENATOR WALLOP: Thank you for your letter of November 17, 1994 concerning the "no supply" amendment that you proposed during the Senate Finance Committee's consideration of the Uruguay Round Agreements Act. Your letter asks for confirmation of the statement provided by the Department of Commerce on the exclusion of products from an investigation or order.

After consulting with the Department of Commerce, I can confirm all of the information provided in the statement. In particular, I can confirm that the lack of domestic supply may motivate interested parties to request that Commerce consider the scope of an investigation or order or conduct a changed circumstances review. The Department has the authority to define the scope of an investigation and to clarify the scope of an order to exclude products where coverage would not serve the purposes for which the petition was brought. In a changed circumstances review, the Department has the authority to revoke an order in part if maintaining the order as issued is no longer of interest to the domestic producers.

The lack of domestic supply is relevant to the International Trade Commission's injury determinations in initial investigations as well as sunset reviews. As noted in the Department's earlier statement, the fact that a product is not made in the United States is reflected in the Commission's determination of whether the imports are a cause of injury to the domestic industry.

The Clinton Administration recognizes the importance of the upcoming vote on the Uruguay Round Agreements Act to you and your constituents. We are fully prepared to answer any further questions about the proposed implementing legislation as quickly as possible.

Sincerely,

MICHAEL KANTOR.

EXCLUSION OF PRODUCTS FROM AN INVESTGATION OR ORDER

There are mechanisms under current law by which a product can be excluded from an order without undermining the overall effectiveness of the antidumping and countervailing duty laws. Proposals have been made from time to time to depart from this structure to create discretion to waive application of antidumping and countervailing duties. It is the Administration's view, given the existing provisions, that such authority is inappropriate, would undermine the effectiveness of the law, and would result in undue discretion to favor different industries.

INVESTIGATION PROCEDURES

Throughout the investigation, the administering authority has the ability to define and clarify the scope of the case to exclude products where coverage would not serve the purposes for which the petition was brought. In addition, in making the injury determination, the ITC must define "like product" based on consideration of whether the characteristics and uses of the domestic production are similar to those of the imported product. The fact that a product is not made in the United States will be reflected in the ITC's determination of whether the imports are a cause of injury to the domestic industry. If petitioning companies are not producing a competing product, there will be no lost sales, or adverse price impact with respect to the particular merchandise and this will be a factor taken into account in making the overall injury determination.

POST ORDER PROCEDURES

After an order is in effect, the administering authority can clarify the scope of an order. If a product has substantially different characteristics or uses than the merchandise covered by the order and it is unclear whether the order included the specific product at issue, it can be declared outside the scope of the order. Furthermore, the Department will continue to have the authority, based on a changed circumstances review, to revoke an order in part when maintaining an order as issued is no longer of interest to the domestic producers.

Finally, an order will not continue indefinitely if it is not continuing to provide a needed remedy to the domestic industry. Under the new sunset review procedures required by the GATT, if injury is not likely to continue or recur, the order will be revoked. The goal of defining the scope and duration of orders through these procedures is to ensure that the petitioning industries are provided an adequate remedy while not unnecessarily inhibiting trade.

Mr. WALLOP. Based on this information, a number of Senators may have concluded that the current authority of the Commerce Department and the International Trade Commission to address no supply situations was adequate and that further authority was unnecessary. Specifically, under that antidumping and countervailing duty law, the nonavailability of a product from a domestic source is a relevant factor that the Commerce Department may consider in defining the scope of an investigation, in clarifying the scope of an order, and in deciding whether to revoke an order, in whole or in part. The fact that the domestic industry is unable to supply a particular product is a good indication of lack of domestic interest in including that product in the scope of an investigation or order. In addition, nonavailability is a relevant factor in situations such as the International Trade Commission's like product, injury causation, and revocation determinations.

So my question, Senator PACKWOOD, is, do you concur that the Commerce Department and the International Trade Commission possess the authority to consider the nonavailability of merchandise and antidumping and countervailing duty investigations and orders?

Mr. PACKWOOD. I confirm, Senator WALLOP, that the antidumping and countervailing duty statute authorizes the Department of Commerce to consider a number of factors in deciding the issues you have had described, and that among these is whether a product is available from a domestic producer. For example, the Department of Commerce or the International Trade Commission may consider unavailability of a product in clarifying the scope of an investigation or order in making like product and causation determinations and considering whether an order should be revoked in whole or in part. There is little sense including within an antidumping or countervailing duty remedy products that U.S. users cannot get from domestic producers. I expect that the Commerce Department will exercise this authority when appropriate.

Mr. WALLOP. Madam President, I thank the Senator for his response.

I point out one last thing: That even the greatly protectionist European Union included the no supply provision in its application.

Mr. PACKWOOD. I now yield 15 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 15 minutes.

Mr. NICKLES. Madam President, first I wish to congratulate Senator PACKWOOD, the future chairman of the Finance Committee, and also Senator MOYNIHAN, the chairman of the Finance Committee, for an outstanding job on this piece of legislation. And also my friend and colleague, Senator WALLOP, who will be casting his last vote later tonight in the Senate. His service for the last 18 years to the Senate has been a real asset, not only to the State of Wyoming, but also to this country as well.

Madam President, I rise today in support of GATT. But first let me say I do not rise in support of a lot of things that are happening in this process. I strenuously object to the fast-track process. I object to the fact that we are having implementing legislation that we are not able to amend. It is 600-some-odd pages and it touches several things. The Senator from Ohio raised some of those issues and I think Senator PACKWOOD addressed them very well. But I would like to have the opportunity to amend them. We do not have that opportunity now but we will next year. I have some problems with some of the provisions in the implementing legislation.

I might mention, too, Madam President, as far as the GATT, the trade agreement itself, that is not amendable. I know even one of our major newspapers in my State said, "Let's put it off until next year. Congress can amend it next year."

Well, that is not possible. We signed an agreement with 123 nations, a trade

agreement to reduce tariff and nontariff barriers. I think that is positive. It is probably not perfect. Anything that is thousands and thousands of pages long leaves a lot to be desired. The fact that it has a general reduction in tariff and nontariff barriers I think is very positive. But I do not like the process.

Also, I compliment the Senator from South Carolina, Senator HOLLINGS, who delayed this somewhat and caused some concern amongst the administration. I think he is to be complimented. Because of his action we did have more hearings. I think we needed those hearings.

I am also critical of the administration, because this trade agreement was agreed to on December 15, 1993. It took the administration until the last week that we were in session to say we want to pass it this year. I think that is one of the reasons GATT has had some trouble. It is one of the reasons it had some trouble with this Senator. I do not like this process. I do not like being told that we cannot amend the implementing agreement, and I do not like being told we have to pass something very quickly. As a matter of fact, I probably would have voted against it if they had tried to pass it in the last 3 or 4 days of the session, just because I do not like being railroaded. I do not like being forced into action without having a chance to review it.

Well, we have had a month or so and Senator HOLLINGS has had significant hearings that, I think, exposed some of the strengths and some of the weaknesses of the underlying agreement.

I also think it has taken too long to get here. The GATT process started in 1986. Basically, it started under the Reagan administration and continued during the Bush administration. I compliment the Bush administration because it made significant gains. They included agriculture. Many countries did not want agriculture to be included in GATT, and it had not been in the past. They had all kinds of restrictions. But they were successful in November 1992 in including agriculture in the GATT agreement. I think it is a very positive thing for agriculture, and any agriculture State needs to look very closely at this. It has a lot of positive things. So I compliment the Bush administration for its success in that.

But that was in November 1992. This administration took another year to finalize the agreement, all the way to December 15, 1993. Then it has taken us now almost a full year to get to where we are voting on it. I think that is too long, and I regret the fact that the Clinton administration waited until the last few days of the session.

But it does not change the fact we are voting on GATT. And we are also voting on the implementing legislation. We cannot separate the two. Some of us may not like some of these provisions, either, to finance this package, as was mentioned. Special provisions dealing with pioneer preferences; we can reopen that. Senator DOLE has already made mention of that, and has an agreement with the administration to do so if it is determined that those prices were too low. I think that was a step in the right direction. I was concerned about that, so I agree.

But I look at the overall thrust of the agreement of GATT, a reduction in tariffs and nontariff trade barriers, and I support that. I support that wholeheartedly. I think that is a positive move for our country. I think it is a positive move for other countries.

Some people say, well, other countries will benefit more than the United States. I disagree. Trade is a two-way street. We do not compel anybody to trade in this legislation. Trade is a voluntary effort. If somebody wants to sell a product, they can sell it. If somebody else wants to buy it, they will buy it. It will be mutually beneficial. It is not one winner and one loser, or somebody wins and somebody loses.

That is not the case in trade. Trade can be and should be mutually beneficial. If you get Government barriers and tariffs out of the way, then you are allowing free individuals to be making those decisions and I think that is positive.

I also think it is real positive that agriculture now has access. I notice in my State—the cattle industry is probably our biggest agriculture commodity—the National Cattlemen's Association supports GATT, the Farm Bureau associations support GATT, the Wheat Growers and the Grain and Feed Associations support GATT, mainly because they see this as increasing markets. And that makes sense. We produce a lot more than we can consume in my State and in this country. We are a very productive country in agriculture, and we should be proud of that. We can compete with anybody in the world.

So this general agreement with 123 countries says we are going to tear down some of those barriers. The barriers are a lot higher in those countries than they are in our country, so they have a lot more to reduce. That is to our gain, and I think it is to the gain of the other countries as well. I think it is mutually beneficial. And that means that people in the cattle industry, the wheat industry, or people in the high-technology industries in my State, California, or Oregon, are going to be able to sell more. And that creates jobs, and those are good jobs. Exports do create thousands of jobs. GATT is estimated by some to create 700,000 jobs; some estimate 1.4 million jobs. I do not know which is correct, but I do know increased trade will increase jobs. This will increase jobs, and I think that is positive. The reduction of tariffs is positive.

Some people say they have had reservations about it. I have had reservations about it. I have had reservations about the sovereignty provision because many people said this infringes on our sovereignty. I do not want to do that. I will not do it. Am I an expert in that area? No.

I did notice this letter by Robert Bork. I will just read the first sentence or two. He writes:

> This letter is in response to opponents of the ratification of the Uruguay round agreement, the General Agreement on Tariffs and Trade, who argue that GATT undermines U.S. sovereignty by creating the World Trade Organization. The opponents' charge is simply false.

I respect Judge Bork.

I also look at the implementing legislation, and on page 14 it says:

> United States laws to prevail in conflict. No provision of the Uruguay Round of agreements, nor the application of such provisions to any person or circumstance that is inconsistent with any law of the United States, shall have effect.

That is pretty plain. It is pretty simple. They cannot overturn U.S. laws or State laws in GATT.

Some people have alleged that, and I even read it in one of the newspapers today. That is not the case.

Again, maybe the implementing legislation will be changed, but I know that is one provision that will not be changed, so I feel comfortable with that.

Some people said, well, they are going to support the agreement but they do not support the budget waiver because they do not want to increase the deficit. I respect that statement a lot. I probably voted to object to waiving the budget as many times as anybody on the floor. I do not want to waive the budget order that allows us to increase deficit spending. But, likewise, Madam President, I think we should take into account the economic consequences of our decisions.

Some people have estimated that we are going to be increasing trade by GATT. Again, I do not know if this is factual or not. I have not run this through computers and so forth. But they estimated that by passing GATT, we are going to be increasing trade, to the benefit of the United States, by a $100 billion to $200 billion increase in economic activity every year. That is going to create jobs. That is going to have people paying taxes. There will tax revenue generated.

I think we should take that economic effect into consideration, and at least give it some credit. We do not give it any credit right now. We analyze budgets with a static model instead of a dynamic one. And I think GATT will have a positive impact and probably produce far more revenue than it would lose by a small reduction in these tariffs.

Again, keep in mind our trading partners are reducing their tariffs much, much more than we are. So I think that is positive.

Some of the other provisions that were mentioned—Senator METZENBAUM

mentioned one concerning pioneer preferences. I listened to Senator PACKWOOD's analysis of that. He has done a lot of homework on it. I compliment him. Maybe what is in the implementing legislation is just right but it may not be right, so maybe we will have to take a look at that next year. We are willing to do that. We can do that. We cannot reopen GATT and rewrite GATT. We cannot call the 123 countries that have been working on this since 1986 and say let us do this all over again, we do not like one provision. That is not possible. Several countries have already signed on. But we can review the implementing legislation and if we do not like something in it, or if it is not enough, or if it is not fair, let us review it. We can do that. We will review it and Congress can do that and hopefully we will.

Madam President, I think it is important that we pass GATT. It is also important we do not fail to pass it. What would happen if we fail to pass it? Some people say wait until next year. I do not think we can. I do not think we can rewrite GATT. We can rewrite the implementing legislation. We cannot rewrite GATT.

What would happen if we do not pass it? All the other countries have been looking to the United States to be the leader of the free world. We have been espousing free trade for decades, and especially during the Reagan-Bush years. They were the leaders. They were the ones. Reagan and Bush were telling everybody we want to tear down barriers. So we passed the Canadian-Free-Trade Agreement, we passed a free trade agreement with Israel. Now we passed NAFTA. In every case we have increased trade. It has been to the mutual benefit of all countries to do that.

If we do not pass GATT I am afraid the opposite will happen. A whole lot of those countries that have been looking to the United States for leadership will start moving back and say, "Wait a minute, we are not going to do that. We are going to close our doors to agriculture." So South Korea is not going to allow us to sell beef or rice there, or into Japan. Or in France, where they have made restrictions time and time again on various agriculture exports, they would start building those walls. You can see this happen, country by country. Again, that would happen because the United States, which is supposed to be the leader in world trade and free trade, failed to ratify an agreement that we have been negotiating for 8 years. I think it would be a serious mistake.

So for the above reasons I hope my colleagues, one, will vote to waive the budget and, two, vote to pass the GATT agreement.

Mr. MOYNIHAN. Madam President, I yield to my friend, the distinguished Senator from Arizona, 10 minutes to speak to the momentous question before us.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 10 minutes.

Mr. DECONCINI. I thank my colleague and friend, Senator MOYNIHAN, the chairman of the Finance Committee, and Senator PACKWOOD, ranking member, and compliment them on the work they have done on trade matters over the many years I have been here with them.

Madam President, I followed the Uruguay round negotiations of GATT over the past 7 years with great interest, and I have been very pleased with some results, and very displeased with others. I have carefully considered the implementation legislation before us today. This is a vote which will have great implications for the future of our economy. Though there are many areas which trouble me, in weighing the pros and the cons, I have to come down in favor of voting to waive the Budget Act and vote in favor of the legislation to implement the Uruguay round agreement.

I believe the GATT has served our Nation and the international economy well since we became members in 1947. It has opened up international markets, brought down trade barriers and reduced tariffs, from an average of 40 percent in 1947 to an average of 4.7 percent before the Uruguay round. In short, by bringing rule and order to the international trading system it has allowed international trade to flourish. It is not a perfect system. There have been rulings against the United States with which I did not agree and which deeply troubled me. But as the largest economy in the world, I believe the United States has benefited greatly from the GATT.

One of the failings of the current system is that, prior to the Uruguay round, sectors greatly important to the United States, such as services, agriculture and intellectual property, were not included in the GATT rules. While there are provisions in the Uruguay round where I had hoped the United States would get a better deal and there are provisions in the implementing legislation which deeply concern me, overall I believe being a member of the World Trade Organization and implementing the Uruguay round agreement is far more beneficial to the United States than remaining outside this system.

Failure of the United States to join the WTO and the unraveling of GATT would have disastrous consequences. An international trade environment not governed by comprehensive agreements would leave individual countries to put up trade barriers at will, set tariffs arbitrarily and force individual industries to scramble around the globe to cut deals with every country in which they wanted access. This would be a chaotic system which, I fear, would bring international economic growth to a grinding halt.

I am supporting the implementing legislation not because I believe the Uruguay round agreement is perfect in all respects but because overall I believe this trade agreement will lead to economic growth for our country by opening foreign markets to American goods and lowering tariffs on American goods sold abroad. The agreement will be good for American workers whose products will be more accessible overseas, will help U.S. exporters compete for Government infrastructure projects overseas and will help American consumers by lowering the tariff on goods they purchase.

Lower tariffs is one of the significant achievements of this agreement. Tariffs will be reduced to zero on many important items such as construction, agricultural and medical equipment and pharmaceuticals and will be reduced 50–100 percent on electronic items. Overall, tariffs will be cut by one-third. In essence, this is a huge tax cut which will stimulate new opportunities for American products abroad and will allow American consumers to pay less at home for goods and services.

One tariff in which I had a particular interest during the Uruguay round negotiations was on refined copper products, in which Arizona is a world leader. I pushed for zero tariffs on refined copper products. While Ambassador Kantor worked hard to get zero tariffs, the Japanese were unwilling to go to zero on this product. In the end, however, significant tariff cuts were made which will allow expanded access to the Japanese copper market which will benefit Arizona and United States copper in general.

In agriculture, another area important to my home State, this agreement does much to allow American farmers to compete globally as the GATT for the first time addresses trade in agriculture. U.S. farmers have long been hurt by countries which limited imports and subsidized exports. This agreement cuts export subsidies and internal agricultural supports, both of which distort trade and have hurt American farmers as the Europeans have subsidized their farmers higher than the United States. This cut in subsidies, along with provisions which will allow the use of funds for the Export Enhancement Program to enhance exports, will greatly help American farmers including Arizona cotton growers. Arizona citrus growers will greatly benefit by lower tariffs by Japan and Thailand, among other countries and by the reduction in export subsidies by the European Union.

In addition to agriculture, another important element of this agreement is the fact that it covers trade in services for the first time. The service sector represents 60 percent of U.S. output and 70 percent of U.S. jobs.

It is enormously important that the service sector was brought into GATT for the first time with the Uruguay round.

The agreement provides that countries not discriminate among foreign service providers, and that foreign service providers be treated the same as domestic providers.

As I mentioned, there are areas of the agreement which concern me. I share the concerns of some about the World Trade Organization. In particular, I am troubled by the meetings of dispute panels in closed sessions and that the panel deliberations will be confidential.

In addition, I am troubled by the idea that U.S. laws designed to address environmental concerns or child labor concerns could be challenged—and I say could be—as trade barriers by the WTO members. At the same time, however, I believe that the WTO also improves upon previous dispute settlement practices by achieving a more effective and expeditious dispute settlement mechanism. Furthermore, no WTO decision can affect U.S. law unless the Congress of the United States changes the law.

Since historically the United States has brought more cases to the GATT than any other country and we have seen many rulings favorable to the United States be blocked, the WTO procedures could well work to our advantage.

Another area where I have had strong concerns is in the area of intellectual property. My concerns are the lack of national treatment and recognition of contractual rights with certain copyright revenue, exclusion of plants and animals from patents, pipeline protection for pharmaceuticals and agricultural chemicals and shortening the transition periods. Certain countries, especially in Europe, impose levies on the sale of blank audio and visual recording media and equipment which can be used to make private, unauthorized copies of motion pictures and sound recordings and they do it for millions and hundreds of millions of dollars each year.

The problem is that the U.S. right holders do not share fully in the revenue distribution. This is not a fair deal for the United States copyright industries. However, having said that, there are benefits for the United States in this agreement in that area. These include establishing minimum standards for the protection of intellectual property rights which was not there before; ensuring procedures to enforce those rights; procedures for dispute settlement regarding members' obligations to establish minimum standards and mechanisms to enforce those procedures.

While I am concerned about those areas I mentioned above, the agreement does address the $15 to $17 billion loss in 1993 by the U.S. computer software, motion picture, music, recording, and book publishing industries due to piracy worldwide. This is a big black market which needs to be shut down.

While the TRIPS measures are not perfect, they will reduce the piracy now devastating American companies. And these companies are vital to the United States. In value added to GDP, the copyright industries contribute more to the U.S. economy than most any other industrial sector.

I also have concerns about the revenue provisions of the implementing legislation. I am troubled by the fact that the implementing legislation does not contain offsets for the loss in tariff revenues for the full 10 years.

I am troubled by the fact that the implementing legislation does not contain enough revenue but I have been around here long enough—for 18 years—to realize what has to be done to pass this trade agreement, and I am willing to do it. It is not something that I do easily, because I have been out on this floor arguing for a balanced budget amendment and other reductions in Federal expenditures. I am confident that in the long run the agreement will result in gains to the Treasury, not losses.

I am also concerned about the inclusion of the so-called "pioneer preference provisions" in the GATT implementing legislation that was argued a few minutes ago. I do not believe these provisions concerning FCC licenses belong in this legislation.

Other financing provisions which concern me are the pension provisions, which have also been discussed here this morning. Why this is part of the implementing legislation is just beyond me and almost brought me to the conclusion not to vote for it. I hope that in the future we would not have these kind of things put in a trade agreement.

But despite these concerns which I cannot minimize, I share the view of leading economists that in the long run, implementation of the agreement will bring much more to the U.S. Treasury than reduction in tariffs will cost the Treasury. It is estimated by the Treasury that the Uruguay round will raise money and hold down the deficit by $60 billion over the next 10 years and the agreement will add $100 to $200 billion to the U.S. gross domestic product when fully implemented. That is impressive, and I think that is the most important part of this debate.

Madam President, I weighed this decision carefully. This agreement is not perfect. Nobody will stand here and say it is, but our economy, our workers, and our consumers will be much better off with the Uruguay round agreement than without it. The Uruguay round helps us to continue to open markets for U.S. goods, stimulate economic growth at home and create jobs for Americans.

It is for these reasons that I will vote for waiving the Budget Act and vote for the implementing legislation and the agreement this evening.

I thank the Senator from New York.

Mr. HOLLINGS addressed the Chair.

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

Mr. HOLLINGS. Mr. President, I yield 10 minutes to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator is recognized.

Mr. LEAHY. I thank my friend. Mr. President, I should note, in listening to the distinguished Senator from Arizona, how much I have enjoyed serving here with him. Senator DECONCINI and I have ancestors from the same part of northeastern Italy, we have served as prosecutors in our States before coming here. We both came from the prosecutor's office to the U.S. Senate. We were good friends before we were in the Senate. We remained good friends throughout our Senate tenure and will continue to be in the years to come. He has been a voice of reason and concern for his part of the country and the country itself in service as a Senator from Arizona, as chairman of the Senate Intelligence Committee, and all the other areas that he has served. I have been proud to be associated with him in the U.S. Senate, and I am going to miss him when he leaves.

Mr. President, as the Senate prepares to vote on implementing the Uruguay round of the General Agreement on Tariffs and Trade, I do have grave concerns about this agreement. I said in October that I expect that I would have to oppose it, and I will oppose it.

I have also listened carefully to the Senate debate on whether to waive the Senate budget rules. I had grave concerns about the budget waiver and after listening to the debate, I feel it is inappropriate to vote in favor of the budget waiver to assure the passage of the Uruguay round agreement. I believe it is going to add billions of dollars to our deficit.

I am concerned because in the past 2 years, President Clinton and the Congress have made great strides in getting our fiscal house in order. In fact, President Clinton is the first President since Harry Truman to preside over a budget that 2 years in a row has decreased the Federal budget deficit. In fact, as a share of our gross domestic product, the deficit has been cut in half from 4.9 percent in 1992 to a projected 2.4 percent in 1995.

Our strict Senate budget rules have helped in that, and that is why I cannot vote to waive the Budget Act in this matter. If GATT passes, as many now predict it will, it will have some benefit on the U.S. economy. I am going to be the first to admit that. By lowering tariffs worldwide, the agreement should allow U.S. companies to

compete and win anywhere in the world. These tariff cuts should stimulate U.S. exports by making U.S. goods more competitive, and they are going to add high-wage jobs here at home. I also hope that the minimum in intellectual property protection that has been included in this agreement can benefit our computer, entertainment and other copyright industries, although I continue to have concerns in those areas.

But despite these benefits, despite the work and the herculean efforts by Ambassador Kantor, one of the finest trade negotiators I have ever seen in any administration, Republican or Democrat, I am convinced that this is a fatally flawed agreement. I believe that GATT is fatally flawed for a number of reasons, and I say this as one who believes in free trade, as one who has encouraged international trade to create jobs in the United States.

I am one who believed in NAFTA and strongly supported NAFTA. But I do not believe in GATT. It is not what GATT does, it is what it fails to do that creates a problem.

GATT fails to provide fair rules for our dairy exports—a billion-dollar industry in my home State of Vermont. Under this agreement, we will export fewer dairy products, and import more subsidized dairy products. I am unwilling to expose Vermont dairy farmers to these risks. We could have worked that out. Senator JEFFORDS and I made every effort to work with the administration to provide U.S. milk producers with the tools they need to be successful in a post-GATT world. But the administration decided it did not want to, and an agreement that does not provide increased access to foreign markets for Vermont dairy farmers is not free trade for Vermont.

As I stated, I believe in fair trade. I voted for the North American Free Trade Agreement, and I did it willingly and with enthusiasm. It has been an overwhelming success across the country and in Vermont. In fact, in the first 9 months since NAFTA went into effect, United States exports to Mexico jumped 22 percent. NAFTA has been an economic boon to Vermonters. It opened up markets and spurred Vermonters to add more high-quality jobs to their payrolls.

I wish GATT was more like NAFTA, but GATT is not NAFTA. The two are totally different. GATT, unlike NAFTA, does not adequately address labor, environmental and food safety concerns. I am one Vermonter who is concerned about these areas, and in today's global economy, the interaction between trade and these issues cannot be ignored. We can never ask U.S. citizens to jeopardize their standard of living in the name of free trade.

Unfortunately, GATT moves away from the crucial link between trade and the labor environment and food safety issues we fought so hard to forge in NAFTA. We were able to do it there. We were unable to do it in GATT. I am unwilling to support this trend. We need to go back, learn the lessons from NAFTA, and incorporate them into GATT.

President Clinton and others have hailed GATT as an engine for our economic growth for the rest of this decade and into the 21st century. I hope they are right. I know that President Clinton has been more dedicated than any President I have known in his efforts to create jobs and encourage our trade worldwide. I believe GATT's tariff cuts should stimulate U.S. exports and add U.S. jobs. But there are still too many unanswered questions. I really wish we could go back and close the gap in these areas. Then I could support this agreement. Unfortunately, the gaps are still there.

So I must oppose this agreement not for what it is, but I oppose it for what it is not.

I also ask unanimous consent that a statement of mine given as a member of the Judiciary Committee be printed in the RECORD.

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

STATEMENT OF SENATOR PATRICK LEAHY ON SECTION 514 OF THE URUGUAY ROUND AGREEMENTS ACT

As a senior member of the Judiciary Committee, I have been involved with Senators DeConcini, Biden, Hatch, and others in working on the intellectual property provisions contained in title V of the bill. Among the more controversial provisions is section 514 of the bill, amending section 104A of the Copyright Act, which "restores" copyright protection for foreign works that are not in the public domain in their country of origin but not currently protected in the United States.

Ownership of the restored copyright vests first in the author or in the initial rightholder of the work as determined by the law of the country of origin. Such initial rightholder could be, for example, the producer of a sound recording or the producer of a motion picture where rights are vested therein by foreign law. Those that had acquired these rights through contract would also be recognized as rightholders.

In attempting to achieve a degree of fairness, we include protection for reliance parties, those who have relied on the foreign works having fallen into the public domain. These protections extend to those who are successors, assignees or licensees of "significant assets" of a reliance party which assets could include multiple copyrights, several titles, a back list, imprints or tangible inventory, even if less than all of the holdings of the company or of a division of the initial reliance party.

We have also tried to ensure fairness for those who continue to exploit "derivative works"—as that concept is used elsewhere in the Copyright Act and its case law—based upon foreign works subject to restored copyright protection.

Section 514 of the bill also makes clear that section 412 of the Copyright Act applies to actions for infringements of restored works. The meaning of "commenced" is intended to be governed by existing case law under section 412 without the addition of any new element or test.

This is among the more complicated set of changes to our law. It is being proposed in order to ensure that others will treat U.S. works similarly within their countries and grant them the copyright protections to which they should be entitled.

Mr. PACKWOOD. Mr. President, I yield 15 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 15 minutes.

Mr. GRAMM. Mr. President, if someone had asked me a year ago what my feelings would be in debating the GATT Uruguay round agreement and looking toward its potential passage, my guess is I would have said that this would be one of the high points of my career in the U.S. Senate. I am a firm believer in trade. I believe trade is critically important to job creation and to freedom and independence.

While I am going to vote for GATT today, and while I am going to vote to jump the procedural hurdle that stands in the way of GATT today, I would have to say that the irresponsibility of this administration, the arrogance and irresponsibility of the Clinton administration in the way it has structured the debate, the way it has written the enabling legislation, and the way it failed to deal with budget requirements, has made it very difficult for me, and very difficult for a lot of other people who normally would have been for GATT, to be strongly supportive and to be excited about it.

The bottom line of the debate is, however, that despite what I believe has been the arrogance of the administration and the irresponsibility of the administration on GATT, the GATT agreement is critically important to the future of the people who do the work and pay the taxes and pull the wagon in Texas and in America. And while you can find a lot of reasons to be against it, there is one overriding reason to be for it. That reason is that it is the right thing to do for America and for its people.

I want to try to address very briefly some of the issues that have been raised. Let me start with the whole sovereignty issue. It is a fraudulent issue. Anyone who understands the American constitutional system understands that the Congress of the United States, even in concert with the President, cannot give up sovereignty. The Constitution is very clear on this point. Nothing we can do, alone or in concert with the President, can change the Constitution or can limit American sovereignty.

If anything, based on a study of the whole World Trade Organization provisions of the Uruguay round agreement and looking at the existing GATT agreement, the new agreement has more built-in protections of American

sovereignty than the current trade agreement we are operating under. If you are driven only by concerns about sovereignty, this new agreement is an improvement over the current GATT, an improvement over the trade agreement that we have operated under since the Second World War. Not only am I saying this, but no less of a constitutional authority than Judge Bork has concluded the same thing.

I also want to thank Senator DOLE. As I have said, I personally believe that there is not a sovereignty problem with GATT. But there are many Americans who are concerned about it, and I think an important step to take in dealing with an agreement like this is to allay people's concerns. Senator DOLE sought to do that. He has reached agreement on a mechanism involving a panel of Federal judges to monitor the process and to report to the Congress. And he provided for triggering mechanisms. I think in terms of guaranteeing Americans that they are not going to lose sovereignty in this agreement, that is a good proposal.

I will have to say that, like any other proposal, it holds out some potential for mischief. That is something that we are going to have to watch very closely. Every greedy special interest in America that wants to steal from the American consumer is going to come here and argue that somehow America is being hurt because Americans are being allowed to buy goods competitively and under price competitive conditions.

So I want to thank Senator DOLE. I am going to watch the mechanism to see that it does what we set out for it to do. But I think, again, if your concern is sovereignty, this agreement, especially with the Dole provision, is a dramatic improvement over current procedures and practice.

Second, in terms of the budget waiver, let us be very clear what we are talking about here. We are talking about an agreement that every reasonable budget authority, every financial planner, and every economist in the country that is not on the payroll of some special interest group has concluded is going to promote more trade, more job creation. And, since the Government, like a leech, can draw more blood out where the heart is pumping strongly, this agreement is going to mean more revenues coming into the Federal Treasury because it will mean a stronger economy.

We are debating a budget waiver here only because OMB, in its projections, and our Congressional Budget Office, act as if trade, job creation, and consumer behavior have nothing to do with the revenues of the Federal Government.

Second, in their initial estimate, the administration did pay for the provisions of the bill for the first 5 years. Moreover, if we were voting on lowering the capital gains taxes, if we were voting on repealing the earnings test for Social Security, I would vote to waive the Budget Act on those issues. I will vote to waive it today because basically it is the same fundamental issue.

In terms of extraneous matters, let me say the Clinton administration has been totally and absolutely irresponsible on this bill. I am not aware that in the past has an administration ever included matters in a trade bill that clearly had absolutely nothing to do with the trade bill. I believe that in the process that the Clinton administration has probably killed the fast-track process as we know it. I think we are going to have to write a new fast-track process that will have a clear rule against extraneous matters and that will set out in the most minute detail the requirement that never again will a President put extraneous matters in a bill that is dealt with under special procedures where those extraneous provisions cannot be changed.

I think the fact that in this bill we are extending Super 301 of the trade bill, which is a rotten provision and which has absolutely nothing to do with GATT, is outrageous. I think the fact that we are even getting into a question about settling a court case on licensing fees for communications is something that has nothing to do with GATT and should have never been in this agreement and should have been dealt with in legislation next year or dealt with through the courts.

The provision on rules of origin on textiles was nothing more than a provision that was meant to buy votes for this agreement. It is an outrageous provision which is going to steal billions of dollars from working families in this country who are going to pay more to put clothing on the backs of their children. That extraneous provision was put in this bill which should never have been in here. Under no circumstances would I ever support it if it were a freestanding measure.

Let me tell you why today I am going to take a deep breath and look beyond the outrageous and irresponsible manner with which the administration has dealt with GATT. I am going to do that because we are talking about something that is vitally important. I take trade very seriously. The growth of world trade, which we promoted as a matter of American foreign policy beginning in earnest under Eisenhower and Kennedy and under every President, Democrat or Republican, since that day, was the great engine which tore down the Berlin Wall, which won the cold war, which liberated Eastern Europe, which transformed the Soviet Union, and which freed more people than any victory in any war in the history of mankind.

We created a wealth machine with trade that rebuilt Europe and rebuilt Japan after the war. We created a wealth machine that created vast amounts of productive capacity in places like Taiwan and Korea that had never known prosperity. And America benefited every step of the way. No country in the world has benefited more by the growth of trade than has the United States of America.

We are talking about more than jobs, more than growth, more than opportunity. We are talking about freedom. Does it not abridge my freedom when my Government, in protecting a special interest, imposes a tax or sets a quota that stops me from buying goods which are better than the goods I could buy on the domestic market, or cheaper? If the objective is not to raise revenues to pay for essential Government but instead to limit my right to buy goods because some politically powerful special interest in America is for limiting that right, does that not infringe on my freedom? I say it does.

So there are not many issues, Mr. President, I say in conclusion, that are important enough that they would induce me to accept all of these extraneous add-ons, the arrogance of the whole approach that has been followed by an administration which does not support trade as much as I do. There are very few issues that are important enough that I would look beyond all these problems in this bill, but trade is one of those issues.

Let me say to the few colleagues that are undecided on this. This is one of those issues that comes along once in awhile where all the politics is on one side and all the right is on the other. It would be a great tragedy for America if this bill failed today.

We could blame Bill Clinton. We could point out all this stuff he put in this bill. We could point out his arrogance in the whole process. We could do all those things. We could dump this baby right at his doorstep. But the baby would be dead, and we love the baby ourselves.

In fact, it is our baby. We created this baby. Six of the 8 years of negotiations occurred under Republicans, and except for this one provision that the Clinton administration put in on green-light subsidies—which again is a bad provision, which I am not for—this is a good agreement.

So I want to urge my colleagues when they are getting all these telephone calls about sovereignty, when they look at all the politics, when they are outraged about the way the Clinton administration has handled all these issues, I simply ask them to look at what would happen if we rejected the GATT Uruguay round.

If I thought we could reject this agreement, kill all these extraneous matters, get rid of these green-light subsidies, and do this bill again 2 years from now when there is a Republican in the White House, I would do it in a

heartbeat. But I do not think we can get Humpty-Dumpty back together again. I think if we reject this agreement, no other major country in the world will approve it.

We all know how much protectionist sentiment we have right here in this body, in our own country. It is strong all over the world, and it is something that people who understand trade, on a bipartisan basis, have to stand up to. Today I am joining those who have stood up to it. I am going to vote for this agreement. It is important that it be adopted.

I say to my colleagues that, in the next few days, the next few weeks, a vote for this bill will probably be unpopular, but I believe that a year from now or 5 years from now or 10 years from now you will be able to look back and say, "I did the right thing." I do not want my children, 20 years from now, to be looking through some CONGRESSIONAL RECORD and see my name down as voting against trade and say, "I wonder why my dad was such an ignoramus."

Let me tell you, this is important to the future of America and to a free people, and that is why I am for it.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from New York.

Mr. MOYNIHAN. May I first express to the Senator from Texas my admiration for what he said, and to say that the Senator from New York has nothing like the competence as a economist that he has. But I share more of his reservations than he might know, or I might be willing to admit. But I am absolutely, firmly with him. It would be a tragic mistake.

Sixty years of American trade policy—which really got energized under Eisenhower, but it began with Cordell Hull—is at issue and will be resolved at 6 o'clock tonight. This is a momentous vote. It is a great way to end up the century.

Now I have the great pleasure to yield 10 minutes to my friend from Mew Mexico, Senator BINGAMAN.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. BINGAMAN. Mr. President, thank you, and I thank the Senator from New York for his leadership on this issue as well as on many others and for yielding me the time.

Mr. President, the main goal we should have in considering the GATT is maintaining and increasing the number of high-wage jobs in the United States. Increased trade with other countries can help us to do that. But in order for us to grow new high-wage jobs, we must be able to maintain some balance in our trade relationships with the rest of the world, and we must be allowed to export to other countries the products and services in which we have a competitive advantage.

The question is whether going forward with GATT at this time helps us or prevents us from maximizing the high wage job creation that we want in future years.

Our trade deficit is the largest in the world. It appears to be on the rise and primarily it is caused by two large unaddressed problems:

The first is imported oil, and the second is imported manufactured products from the Far East, which are not offset with sufficient exports by us to those Far Eastern countries.

The imported oil problem is of our own doing. We have lacked the national will to pursue energy independence and the chronic deficit that we carry in oil and petroleum products is the obvious result of that lack of national will. GATT will not address this problem.

The imbalance in trade with the industrializing countries of the Far East—Japan, China, Taiwan, Korea, Malaysia, Thailand, and Indonesia—is both our own fault and the fault of those we trade with. It is a direct result of those countries pursuing policies of export promotion and import restraint and also the direct result of our own country's maintaining a policy of relative free trade while those countries are engaged in this persistent import restraint. In my view GATT will only marginally address this problem as well.

Under U.S. law today there are tools available to the administration to achieve more equitable trade treatment from these countries; antidumping laws, countervailing duties, section 337, section 301. Unfortunately, however, either those tools are inadequate or no administration in the 12 years I have been in Washington has been willing to use them effectively. The consequence has been the continued unfair treatment we receive at the hands of these governments and their key industries and the growing trade deficit we suffer with these countries.

Mr. President, I understand that we should not expect to have perfectly balanced trade with each country, but we cannot allow the imbalances with certain countries to become so great that they cannot be offset for by trade elsewhere. That is precisely what we have allowed to happen with these Asian countries.

The proponents of GATT are running television ads which say that GATT will require over 120 countries to trade by the same rules we do. My own reading of GATT indicates that it will reduce tariffs but that it will not prohibit other countries from continuing to play by their own rules in most important respects. For example, it will not prevent Japan from maintaining a distribution system for its domestically manufactured cars that is closed to foreign manufactured cars. Similarly, it will not prevent cartels of foreign manufacturers from remaining in effect, and it will not prevent foreign governments from providing generous financial support to their domestic companies to support their efforts to export.

Those countries have made it clear they will not play by our rules, and GATT does not require them to. Rather, the real question for us as a country is not whether other countries will play by our rules; whether we will have the clear-headedness, the pragmatism, and the courage to begin playing by some of the rules which the rest of the world has adopted and still insist on. Those rules include creating tax incentives for domestic manufacture of products to be sold in domestic markets, supporting government industry partnerships in strategic and targeted industries, aggressively supporting efforts by domestic firms to export, and most importantly, taking any and all steps necessary to produce reasonable balances of trade with other huge world economies.

That is the real challenge we face in a post-GATT world and I conclude that the adoption of GATT will do little to help us in meeting this challenge.

Whether the adoption of GATT will prevent us from maximizing the high-wage job creation we want in future years is another question altogether. In fact, subject to key assurances and assumptions, I agree with proponents of GATT who say that it will not prevent us from achieving our job creation goals.

Mr. President, on balance I have concluded that adoption of GATT at this time by the Congress is the responsible thing to do. The 10 years of preparation that have gone into this agreement and the leadership role this country should play in world trade make it imperative that we move ahead.

On balance, I believe that GATT is also a responsible choice for New Mexico. Like the Nation as a whole, New Mexico will have losers and winners. I believe, however, that the potential for increased exports is great in New Mexico. In 1992, New Mexico exported $247 million in goods. In 1993, this figure jumped to $397 million, an increase of approximately 60 percent. GATT can help sustain this trend in exporting, and support good, high-wage jobs in New Mexico. Our leading export industries, which include electric and electronic equipment, industrial machinery and computers, and refined petroleum products, are all likely to reap the benefits of lower tariffs abroad.

In reaching this conclusion I believe that certain assumptions and assurances are critically important. My vote in favor of GATT today is only being cast based on assumptions and assurances in four major areas:

First, my vote is based on the assumption that the United States will still have the ability to retaliate

against unfair trade practices for activities not specifically covered by a rule in GATT;

Second, my vote is based on the assumption that the United States will continue to resist the admission of China to GATT until China agrees to be bound by the rules that apply to other industrialized nations; and

Third, my vote is cast with the expectation that if the new World Trade Organization operates in ways that are inimical to U.S. interests we can, and in fact will, exercise our right to withdraw.

And finally, my vote is based on assurances from the President that he shares my concern about the enormous trade deficits we currently have with Japan, China, Taiwan, Korea, Thailand, Malaysia, and Indonesia and that he will work with me over the coming days to find an effective way to review the cause of those deficits and their impact on the retention and creation of high-wage jobs in this country, and to come up with specific action steps we can take to deal with that very real problem.

Mr. President, let me just show one chart to my colleagues here to make the point which I have tried to make here in my statement about the growing imbalance in trade deficits with Far Eastern countries.

This chart shows in 1983 the combined trade deficit we suffered with the seven nations that I have cited was $32 billion. Ten years later, in 1993, it was $105 billion. This year it is anticipated to be $117 billion.

I point out to my colleagues that the ability of China to manufacture for export is just now developing.

We have a serious problem in this area, Mr. President. I have discussed it with the Trade Representative and I have discussed it with others in the administration, and I believe strongly that after GATT is adopted—and I believe it will be adopted today by the Senate—we need to give attention to this growing trade imbalance with Asian countries.

This is a problem that is not going to fix itself. It is not one that is going away. It does impact on those working families in this country which are trying to maintain their standard of living and hope for better wages in the future.

First, my vote is based on the assumption that the United States will still have the ability to retaliate against unfair trade practices for activities not specifically covered by a rule in GATT.

One area of concern which I share with many others relates to the ability of signatories to GATT to pursue unilateral retaliation for trade practices not required by a GATT rule to be handled by a dispute settlement body. According to a July GAO report, the European Union takes the position that governments that subscribe to GATT commit not to use trade retaliation except as authorized through the WTO legal system.

I have raised this issue directly with Trade Representative Kantor, and he assures me that the GAO report does not reflect the correct EU position on the issue. He further assures me that this administration's position is solidly to the contrary, that is, the administration's view is that practices and policies of other GATT members which are not specifically covered by a GATT rule can be retaliated against by the United States and that all U.S. trade laws remain in effect even under GATT.

In my opinion the main trade obstacles we face are not covered by any GATT rule, and accordingly it is vitally important that we maintain the ability to act unilaterally against unfair trade practices which we believe require retaliation.

Second, my vote is further based on the assumption that the United States will continue to resist the admission of China to GATT until China agrees to be bound by the rules that apply to other industrialized nations.

Although the chronic trade deficit we run with Japan is clearly the largest single country component of our overall trade deficit, another cause for alarm is the enormous increase in our trade deficit with China in recent years. In 1989, the first year of the Bush administration our trade deficit with China was $6.24 billion. By 1992, at the end of President Bush's term it had risen 193 percent to $18.26 billion. Last year in 1993, it grew to $22.77 billion and this year it is expected to reach over $28 billion.

Experts point out that the cause for these increases are many, however, it is indisputable that one of those causes is the conscious policy of the Chinese Government to limit imports, and promote exports. The growth of Chinese exports in excess of imports is primarily into the United States market. And a particularly troubling fact is that even with those large exports, only a small fraction of China's GDP is devoted to exports today. To put it bluntly, we are on our way to importing even more from China than we import from Japan by the end of this decade.

Again, this is a concern that I have raised with Trade Representative Kantor. He has assured me that he shares this concern, not only about the size of our trade deficit with China but also about the Chinese policies and practices that have partially caused that deficit.

He has also assured me that this administration will block the admission of China to GATT until China has shown credible evidence of its willingness to abide by the rules that apply to other industrial nations. Blocking China's admission to GATT will not solve the problem we have today in trade with China, but it will help to maintain a focus on their unfair trading practices, until those practices are corrected.

Third, my vote is cast with the expectation that if the World Trade Organization operates in ways that are inimical to U.S. interests we can, and in fact will, exercise our right to withdraw.

Many have pointed out the potential problems that exist in the structuring of the WTO. The U.S. economy accounts for about 25 percent of world trade today, but under the proposed WTO we will have the same voting weight as those countries with the least amount of world trade. This is a serious problem which will only be alleviated if, in fact, the WTO can operate on a consensus basis as the GATT has in recent years. Time will tell whether this arrangement is a fatal flaw in the WTO which will require us to withdraw. But we need to put all countries on notice that the possibility is real, and I may well support such withdrawal if the need arises.

Finally, my vote is based on assurances from the President that he shares my concern about the enormous trade deficits we currently have with Japan, China, Korea, Thailand, Singapore, Malaysia, and Taiwan and that he will work with me over the coming days to find an effective way to review the cause of those deficits and their impact on the retention and creation of high-wage jobs in this country, and to come up with specific action steps we can take to deal with that very real problem.

Mr. President, it is my view that the approval of GATT will not dramatically improve our ability to export, although it will result in tariff reductions over a period of time. GATT neither solves our major trade problems nor significantly impedes our ability to solve them in coming years. Without trying to criticize or demean the importance of GATT, I see it largely as secondary to the central trade issue which we confront.

The central trade issue which cries out for attention is this large and growing trade deficit with Asian countries. In 1993 when you add up the cumulative trade deficit the United States ran with the seven Asian countries of Japan, China, Taiwan, South Korea, Malaysia, Thailand, and Indonesia, it exceeds $105 billion. Our trade deficit with all nations by contrast was only $116 billion. American workers see downsizing and streamlining and plant closings and they see more and more of the manufactured products bought by Americans being produced abroad. That increase in imports from abroad can be accepted as long as the jobs we lose are being replaced with jobs of equal worth in sectors of our economy which are exporting. But the existing

trade imbalance reflects a job creation imbalance as well. And even though the U.S. economy has been successful at creating many new jobs in the last few years, too few of those jobs are high-wage jobs committed to export.

Japan has built the world's second largest economy by pursuing a policy of manufacturing for export. This has worked to Japan's benefit but has harmful effects on our own ability to retain manufacturing jobs. And now other Asian countries are following the model of Japan. The United States cannot remain strong and U.S. workers cannot maintain their standard of living if we continue indefinitely as the one truly open market for Asian manufactured goods, and Asia retains a maze of impenetrable barriers to our own exports.

My concern about this crucial trade problem has prompted me to urge the President to work with me over the coming days to find an effective way to review the causes of these deficits and their impact on the retention and creation of high-wage jobs in this country. That review would result in recommendations of specific steps we should take to reverse the adverse trends in our trade relations with these countries and to bring our trade relations into reasonable balance by the turn of the century in such a way that we maximize the creation of high-wage jobs in the United States. It is my hope that this review could provide the basis for real progress in the 104th Congress in dealing with the challenge we face of making trade support our efforts to create a high-wage economy here in the United States.

Mr. President, before concluding, let me also address the arguments that U.S. ratification of GATT will cede U.S. sovereignty to others or will inundate U.S. laws in the areas of environmental and consumer protection. My reading of the agreement and the implementing legislation lead me to conclude that these arguments are soundless. If an adverse decision is rendered against the United States under GATT, this does not invalidate any Federal, State, or local laws. The result is rather that the successful complaining country will be authorized to take retaliating action against us. Of course any country has that same option at the present time.

In conclusion, based on the assumptions and assurances I have just outlined, I will support the GATT with my vote today. But the approval of GATT by the Congress should not be interpreted as an indication we believe that all is well in world trade. I believe the trade deficit we are experiencing as a nation are intolerable and I hope that the approval of GATT and the other steps I refer to above will lead us toward a resolution of this problem. For only a reversal of these trade deficit trends will allow the working men and women of this country to hope once again that they will have access to the high-wage jobs that can produce more prosperous and economically secure lives than they have today.

So in conclusion, Mr. President, I will support GATT with my vote today. But the approval of GATT by the Congress should not be interpreted as an indication that we believe all is well in world trade. I believe the trade deficits we are experiencing as a nation are intolerable. I hope that the approval of GATT and the other steps I have referred to will lead us toward a solution to the problem. For only a reversal of these trade deficit trends will allow the working men and women of the country to hope once again that we will have access to the high-wage jobs that can produce more prosperous and economically secure lives than they have today.

Thank you, Mr. President. I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the Senator from New Mexico for a compelling case. May I say that the caveats he suggested about would the United States be able to retaliate for trade practices not covered in the GATT, the answer is yes. We have section 301 and we will continue to do so.

But I note that 60-percent increase in exports over 1 year. That is the prospect we have in America. And those are good jobs.

Mr. BINGAMAN. I certainly agree. Again, I thank the Senator from New York for yielding me the time.

SUBSTANTIAL UNDERSTATEMENT PENALTY AMENDMENT

Mr. RIEGLE. I would like to ask the distinguished Chairman for a clarification on section 744 of this legislation, which amends section 6662(d) of the tax code. Am I correct, Mr. Chairman, that this amendment is not intended to alter the definition of a tax shelter for purposes of the substantial understatement penalty?

Mr. MOYNIHAN. The Senator is correct.

Mr. RIEGLE. And is it the understanding of the Chairman that, under current law, only those entities or other arrangements that have as their principle purpose the avoidance or evasion of Federal income tax are considered tax shelters?

Mr. MOYNIHAN. That is my understanding.

Mr. RIEGLE. Am I therefore correct that an entity, plan, or other arrangement that has as its purpose the claiming of tax benefits, such as the low-income housing tax credit under section 42 of the Code or the credit for producing fuel from nonconventional sources under section 29, in a manner consistent with the statute and Congressional purpose is not considered a tax shelter for purposes of the substantial understatement penalty and will not be affected by the proposed amendment?

Mr. MOYNIHAN. The Senator is correct.

Mr. RIEGLE. I thank the Chairman for this clarification.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield 15 minutes to the Senator from Idaho.

The PRESIDING OFFICER (Mr. BRADLEY).

Mr. KEMPTHORNE. Thank you very much, Mr. President.

Mr. President, I rise today to express my strong support for free trade and the proposed $750 billion reduction of tariffs around the world. I know that the American worker, the American farmer and professional, can compete with anyone in the world, and I am confident that the General Agreement on Tariffs and Trade would make a major contribution to economic growth in the United States and around the world.

If I could vote for the General Agreement on Tariffs and Trade without voting for the budget waiver and without voting for the World Trade Organization, I would do so without any hesitation. But I cannot do that.

While I strongly support free trade and a reduction in world tariffs, I am also determined to do everything I can to protect the sovereignty of the Federal Government and our 50 States. Despite the acknowledged economic benefits that will result from GATT, I have carefully weighed the evidence and I have come to the inescapable conclusion that the WTO threatens to do more harm than good. Let me be specific. I am convinced the voting arrangements for the World Trade Organization will jeopardize the sovereign right of our State governments and the Federal Government to affect the lives of Americans. While the agreement will not change our governments' right to make laws, it will, in my view, create a situation that puts pressure on State governments to change or repeal their laws and regulations to abide by WTO mandates. And within the WTO, our vote will be equal to the vote of Rwanda, Cuba, or Fiji. This voting arrangement and the enforcement powers given to the WTO lead me to the conclusion that this agreement poses far more risks than benefits to the American way of life.

Under the current GATT procedures, trade disputes are settled by consensus among the relevant parties. While this system has not worked well every time, it has preserved the U.S. ability to veto GATT decisions contrary to our interests. Under the Uruguay round of GATT now before the Senate, this veto power will be lost.

If passed, the World Trade Organization would replace the current GATT consensus structure. In a letter to President Clinton, Harvard Law Prof. Lawrence Tribe stated "the proposed WTO would have authority to impose major financial sanctions on jurisdictions whose laws, either national or local, are found by WTO tribunals to restrict trade in unacceptable ways." The WTO is clearly difficult from the current GATT structure.

More specifically, under the dispute resolution powers given to the World Trade Organization, a WTO panel will meet, in secret, to settle trade disagreements. During the panel's deliberations, the U.S. Government will be represented by an official from the U.S. Trade Representative's office. Although a State law may be challenged by the WTO panel, the affected State will not be allowed to defend itself before the WTO panel. In addition, the decisions of the WTO panels will be binding and the United States has no ability to veto these decisions. In the event that a WTO panel rules against the United States we are left with three options: change the offending law, reject the WTO ruling and suffer trade retaliation or pay compensation to the offended parties. Under this system it seems likely that the certainty of trade retaliation or penalties will lead the U.S. Government to pressure a State to change a law that the WTO considers an impediment to trade.

Concerned about the ability of the WTO to pass mandates onto the States, 42 State Attorneys General contacted President Clinton, in July, about GATT. They stated that they had concerns about how some of our State laws and regulations would fare under the WTO and its dispute resolution panels. The Attorneys General noted some countries had identified U.S. State laws that they intend to challenge under the WTO. The Attorney General from Idaho, Larry Echohawk, signed that letter.

At the end of July, after several meetings with the USTR and a few changes to the GATT agreement, several of the Attorneys General sent a letter to Ambassador Kantor announcing their support for GATT. The Attorney General from Idaho did not sign this letter. In fact, Mr. Echohawk stated in an August 1 letter to me that "the GATT agreement still raises serious concerns for the rights of States in our federal system of government."

Mr. Echohawk acknowledged that the changes negotiated between the USTR and the Attorneys General were significant. However, he went on to state that "they are all in the nature of damage control after-the-fact. None of the changes provides the kind of protection that is due to a sovereign state under the federal form of government guaranteed by the United States Constitution." I agree and I believe States should be concerned. In the same letter to the President on GATT, Professor Tribe stated that "the basic thrust of the Uruguay Round is that it would empower international tribunals effectively to override State laws protecting local workers, consumers, or the environment on the ground that those laws interfere with world trade."

In addition, in a letter I received today, the Idaho State Tax Commission stated "we believe that the dispute resolution process to be effected by the World Trade Organization risks a serious diminution of traditional state sovereignty." Moreover, the Commission recognized the importance of the changes brought about by the negotiations between the USTR and the Attorneys General. However, the Commission stated that "these protections * * * do not change the main fact that GATT represents a significant shift of sovereign authority away from State and local governments."

The Idaho State Tax Commission and the Attorney General of Idaho have identified numerous State laws that the WTO might call impediments to trade. For example, the Idaho legislature has enacted an investment tax credit which allows companies to deduct plant investments. It is not hard to imagine a WTO panel determining that this investment tax credit favors Idaho industries over foreign competition. Likewise, the State of Idaho has sent the United States Trade Representative 350 pages of Idaho laws that might be challenged by the WTO as trade impediments.

The United States economy is one of the largest markets in the world. Currently, the size of our market gives us increased clout in trade disputes with other countries. Under the one-nation one-vote formula of the WTO, our influence will be dramatically reduced. This reduced influence poses a direct threat to the sovereignty of State laws. Indeed, many of the health regulations, worker protection laws, including child labor laws, and environmental protection enacted by the various states might be challenged as trade impediments by the World Trade Organization.

As a United States Senator for the State of Idaho, I understand the impact of allowing others to control a State's destiny. This great Nation of ours was formed by a collection of sovereign states and we should reject any agreement or treaty that proposes to cede power and authority to a world organization.

I believe that this agreement should be considered by the Senate as a treaty, which is amendable and, under the U.S. Constitution, requires the support of two-thirds of the Senate body. Harvard Law Professor, Lawrence Tribe, also believes that this agreement should be voted on as a treaty. Speaking on the treaty question, Professor Tribe has stated "GATT, as presently structured, would entail so substantial a shift of sovereignty from State and local governments to the proposed WTO that the agreement requires Senate ratification as a treaty."

I am also troubled by the proposal to waive the Budget Act to make up for the lost revenue that would result from enactment of the GATT agreement. The Congressional Budget Office originally estimated that over 10 years GATT will cost the Federal treasury around $30 billion. The administration has now put forward some offsets that are said to pay for all but $15 billion of the lost GATT revenue. But these offsets are questioned by a number of opponents of GATT. In addition, even with these offsets every Senator will be asked to add $15 billion to our national debt if he or she wants to support the Uruguay round of GATT. I cannot go back to my State and tell the people of Idaho that I just voted to increase our deficit by over $15 billion.

If this agreement is as good as its supporters suggest, then we ought to pay for it up front. That is why I joined a small number of my colleagues to sign a letter to President Clinton urging him to pay for all of the lost revenue that would result from the passage of GATT. But this request was not agreed to. I also wrote to Senators MITCHELL and DOLE requesting that the Senate vote on the budget waiver if the President would not pay for all of the lost revenue from GATT. As we all know, our first vote on today will be concerning this budget waiver.

In conclusion, I would like to just quote from that letter I received yesterday from the Idaho State Tax Commission. They say in their closing paragraph:

> One of the historic and traditional roles of the U.S. Senate is to represent and protect the interests of state in our federal system of government. It is unfortunate that this legislation is before the Senate under rules that require an all-or-nothing vote. The laudable goals of free trade and reduced tariffs are made inseparable from the more lamentable dispute resolution procedures provided by GATT.

They say it very clearly. I wish I could vote for GATT but vote against the World Trade Organization.

The United States must continue to be a leader in GATT. The administration and Congress should continue to reduce tariffs in the United States and urge their reduction around the world. However, I strongly believe that United States participation in the WTO is a detriment to our 50 States and this Nation, and I oppose passage of the GATT-WTO agreement.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I yield myself such time as I may assume under the direction of Senator MOYNIHAN.

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

Mr. BREAUX. Mr. President, I rise today in support of the new GATT agreement and in support of the jobs and prosperity that it will bring not only to the United States but also to my State of Louisiana which I proudly represent. Today's vote is a vote between—and a choice between—old versus new. It is a question of whether we want to return to the days of the Smoot-Hawley or whether we want to march into the 21st century. It is a question of whether we build walls around the United States or whether we tear down the walls around other countries of the world.

The international trade train of tomorrow is leaving the station and the question is whether we will be on it or whether the United States will be left at the station, surrounded by walls of protectionism. Some say we should reject GATT because it is too risky. They say our sovereignty is at risk, our jobs are at risk. These are the same people who see a half-filled glass of water and say it is half empty. While this agreement may not be perfect—and it is not—I know it is a much better agreement than one that is only half full. It is as close to full as an international trade agreement can ever be.

For example, how else are we going to get an agreement with over 120 countries of the world that expands Louisiana farmers' ability to sell their products abroad by limiting foreign Governments from unfairly subsidizing their own crops? How else are we going to get an agreement with over 120 countries of the world to open their markets to Louisiana chemical manufacturers, our industrial machinery, our processed foods, lumber, wood products, and, yes, our textile industries as well? How else are we going to get an agreement with 120 countries of the world to respect and pay for the use of Louisiana's creativity, found in our music, our movies, our computer software, our medical drugs, and our inventions?

Under current GATT rules, a country that closes its market to Louisiana products and goods can thumb its nose at a GATT ruling against it. But under this new agreement, our exporters can get deserved relief and Louisiana jobs will grow accordingly. As the world changes and the economic power of other countries grow, international trade rules will become more and more important. While we should not and will not give up our ultimate market leverage to resolve trade disputes as a country established under the rule of law, we should not fear the new trade rules. We will, instead, use these rules to our advantage.

Fruit Of The Loom, the largest employer in the State of Louisiana, Avondale Shipyards, Riverwood International, Procter & Gamble, Dow Chemical, the Louisiana Farm Bureau, the Port of New Orleans and other ports of Louisiana and countless other Louisiana employers and employees support this agreement as a positive step to improve the standard of living in Louisiana, and so do I.

This agreement is not a final answer to our economic prosperity. A level playing field is only as good as the players on that field. But, by leveling the playing field we can now focus our attention on improving the quality of our players as well.

During the 1980's, U.S. companies paid the price to become competitive in the global markets. Now we are ready to seize the opportunity of expanded world trade.

Finally, this effort is an example of how Government should work. It is bipartisan. It is Ronald Reagan, it is George Bush, and it is Bill Clinton working together over two decades to reach the same agreement: GATT.

It is Mickey Kantor and James Baker, it is Ron Brown and Jim Miller, it is TOM FOLEY and NEWT GINGRICH and GEORGE MITCHELL and RICHARD ARMEY and also, to their great credit, PAT MOYNIHAN and BOB PACKWOOD, all together in support of the same package.

At the same time it is an all-American solution which benefits all Americans. It says to Mr. and Ms. America that you are going to win one for a change.

Our choice is very clear: Old versus new. Build a fence around ourselves or knock down the fences of other countries and sell our products overseas. The Senate should pass GATT.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I thank the distinguished Senator from Louisiana for his comments, generous personal comments. May I ask him, Louisiana continues to be an important rice producer, does it not?

Mr. BREAUX. We are one of the largest in the United States.

Mr. MOYNIHAN. And will be larger, because for the first time ever, in this agreement rice imports are open—in Japan, in Korea, and all parts of Asia. They do not like it one bit, but it is about time and you will have helped bring this about.

Mr. BREAUX. I thank the chairman for his comments. It is something we have been working on for over 25 years and now we can obtain that goal.

Mr. MOYNIHAN. Twenty-five years. I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask the time reserved for me, 10 minutes under the time allotted to Senator HOLLINGS, be enacted at this time.

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

Mr. EXON. Mr. President, I ask unanimous consent a copy of a Washington Post editorial be printed at the end of my remarks.

The PRESIDING OFFICER (Mr. BREAUX). Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Mr. President, the question before the Senate is an important and difficult one. Should the Senate approve or disapprove or delay the implementing package to the agreement reached under the General Agreement on Tariffs and Trade? Like all pieces of legislation, this bill has its good features and its bad features. Unlike other bills which come before the Senate or the House, the so-called fast-track rules, Members of both bodies are prevented from seeking to remedy the shortcomings of this legislation or to enhance its good features because amendments are not allowed.

In my view this process and the implementing legislation is a mixed bag. I have spent a great deal of time in committee hearings, discussions, and study of the details.

First, I would like to discuss and acknowledge the very good features of this agreement. The proposed GATT agreement does advance important U.S. priorities, including better protection of intellectual and other property rights, including some protection for leadership in advanced technology.

I applaud our trade negotiators for this achievement. It is an area in which I have long sought change.

In the area of financial services, it is generally agreed that this new GATT agreement is a success. Trade in financial services is one of America's strongest suits. Progress in this area bodes well for the American banking, financial, and insurance industries.

There are clearly some improvements and some measure of success for some of our agricultural producers. Others are not likely to fare well at all.

Mr. President, these important successes have been weighed against what I consider shortcomings of the GATT agreement. My long-held concerns are manyfold. My hopes of receiving satisfactory explanations and assurances from administration officials and colleagues strongly supporting approval have failed. The more I study it, the more convinced my conscience dictates "no."

The structure of the World Trade Organization [WTO] is a serious problem. Granting an international organization of 130 foreign countries the authority to object to any Federal, State, or local law by filing a trade violation charge and seeking counterbalancing tariffs is no small matter.

It is a loss of power, or sovereignty, when our law could be found to be contrary to GATT and the subject of the WTO trade sanctions.

I am very concerned about the structure of the new World Trade Organization and its methods of dispute resolution. Under this new organization, member nations agree to subject their laws to the view of the WTO. The proponents don't want to concede this. If negotiations between nations fail, a dispute between the two countries, say the United States and Bangladesh, would go to a three member panel for experts to review.

If for example, the United States loses before that panel, the panel could approve trade sanctions by Bangladesh against the United States in an amount equal to the injury caused by the offending United States law. The three-member panels meet in secret and their decisions are binding unless the entire WTO membership—and I emphasize entire— including the country who filed the action unanimously agree to overrule the panel decision. Such a structure will clearly stack the deck against the United States, since most countries want unlimited access to the coveted U.S. market. Virtually every country will have an invitation to challenge indirectly U.S. law which impedes any imported products.

Yes, as the proponents preach and preach and preach again, only the United States can change its laws in response to a WTO dispute resolution. But it must also be said that only the WTO has the power to determine if another country is justified in imposing trade sanctions against the U.S. law. This they do not preach. My concerns about the dispute resolution and decisionmaking process procedures are both about sovereignty and fairness.

Another structural problem with the WTO is its decisionmaking process above and beyond dispute resolution. Under the new agreement, decisions will be made on a one country, one vote basis.

Contrary to that, in the United Nations, the United States has an effective veto power over major actions of the United Nations because it is a member of the security council. In the World Bank and the International Monetary Fund, the United States has voting power weighted toward its financial contributions to these institutions. The United States will likely contribute 20 percent of the WTO budget and will bring the largest and most important consumer market to the world trading system, but will have a vote in that organization only equal to the smallest nation.

It is interesting to note that when President Eisenhower proposed another form of the WTO, it included a security council-type body which took into account market size. There is none of this balance in the proposal before us.

I must also observe that it is, if nothing more, ironic that the presumed Senate majority leader of the next Congress, swept into power by promises of deficit reduction and a reduced government, asks that his party members in the Senate waive the budget act; support the creation of a new international bureaucracy and later support a new Federal bureaucracy to watch over the international bureaucracy.

This legislation, over the next 10 years, handles the $30 billion loss in tariff revenues by raising the Government's take by $15 billion and raising the national debt by $15 billion.

I have serious reservations about the agriculture portions of this agreement. While many farm groups support passage of this agreement it seems we have been down this road before. The promise of a pot of gold for American farmers in foreign markets has been a promise unfulfilled. I am troubled that even after the adoption of this agreement, some of our European competitors will still have higher domestic subsidies than the United States. Yes, this agreement is progress, but faulted.

There are several other nonhighlighted potential problems, such as the provision that allows our competitors to employ higher subsidies by the use of so-called mix and remix of agricultural subsidies.

Mr. President, it is my best judgment that my constituents are probably evenly split on this proposal.

The largest number of corn, hog, cattle, and milo producers support it. They believe, as they always have, that foreign markets are the real chance that they have to escape low commodity prices. They have always believed that they can produce their way to prosperity. They are under serious financial stress. I feel for them. Their investments are high and their returns are low and frequently below the cost of production.

The Farm Bureau is in support. The Farmers Union is opposed. The soybean producers are opposed. My wheat producers are generally opposed. The milk producers are opposed since they know that, for some, GATT is near the end of their troubled road. I have not heard a great deal from our sugar beet producers but GATT surely is a dead end for some of them.

Mr. President, these are all good folks. They are hard pressed. I wish I could agree with all of them. Given the circumstances, it is not possible.

I am fearful passage of this trade agreement will give opponents of agricultural and rural programs one more arrow in their quiver to fire in the heart of American farm families. Mark my words, during consideration of the 1995 farm bill, some of the most innovative reforms will be met with protestants that reform is "GATT illegal." Note the editorial of November 30, 1994, from the not-so-farmer-friendly Washington Post which is printed following my remarks. As a veteran of many congressional battles for family farmers, I predict passage of this agreement holds nothing but peril for the new 5-year farm bill that must be passed in 1995.

Mr. President, every trade agreement involves a give and take. Unfortunately for many years the United States gave and gave and gave of its rich consumer market. The United States has allowed the near destruction of some industries in the name of free trade. That is not fair trade.

For the last 20 years working Americans have seen their standard of living slip or remain static. In spite of the recovering economy, Americans feel less secure in their jobs. The idea that children and grandchildren will have a better life than their parents is an open question.

I think cheap foreign labor puts Americans jobs at severe risk. It should not be applauded. It should be condemned.

The proponents of this agreement will try to portray the opponents as protectionist. The choice is not between the World Trade Organization and Smoot-Hawley. There are a number of other options.

America is already the world's most open market. GATT opponents do not advocate unilaterally closing the American market. We should simply insist that the rest of the world catch up or risk their access to the American market. This was the idea behind the 1988 Trade Act. I believe that it is no accident that with this tough message, the U.S. trade deficit declined in the several years following the enactment of the 1988 Trade Act. The downward trend in trade deficit was reversed with the current GATT-mania. The trend I talk about from 1988 up to now, was reversed by the GATT mania.

Trade should not be the only value the United States holds dear. There are other values—decency, dignity, fairness and conservation of the resources which may and should take precedence over unfettered international trade. Our Nation's abhorrence of tyranny, child labor, and environmental destruction should not be subordinated to the GATT principle of the least trade restrictive measures.

How many Americans and Nebraskans know this agreement prohibits exports of goods made by prison labor but allows exports made by children of, say, 12 years of age working for 50 cents per hour. Now that is something that we all can be proud of. We protect criminals but not the kids.

In closing, let me say that the free trade gurus that live in the world do not seem to understand where the treatment of workers starts and when we should leave workers to their own volition to do what is right. I do not apologize for being concerned about the Nebraska apparel workers, sugar beet growers in the panhandle, and workers in small and large factories throughout the State. They are real live Nebraskans and Americans all. I represent them too.

I am profoundly troubled with the way GATT enthusiasts view low wage, low skill workers as disposable. I remember an America where hard work would earn a decent wage. Today, hard work and good will do not seem to go as far as they once did. The depiction of low skill workers by some GATT supporters demeans the hard work of many Americans. These workers are the families that so many politicians laud. Here is a chance to vote for them. Who's listening?

It is interesting that this same Congress just passed a massive crime bill and the next Congress will consider welfare reform. It is often said there are few of our social ills which could not be solved with a good job. Thousands of entry level jobs will be in peril with this agreement. But lest we forget, they don't vote.

The problem with the fast track procedures is that the Senate has no way to change the bad parts of this agreement. If we had more time, perhaps next year, absent the fast track we possibly could correct it. But as is, it is an all or nothing proposition. Having carefully weighed the benefits with the risks, I have concluded, Mr. President, that I can not lend my support to this agreement.

Thank you, Mr. President. I reserve the remainder of my time.

EXHIBIT 1

[From the Washington Post, Nov. 30, 1994]

NEXT YEAR, A FARM BILL

A major task of the Clinton administration and the Republican Congress next year will be to write a new farm bill. It's a huge undertaking; here will come a five-year bill involving billions of dollars in likely subsidies and other forms of support to an entire sector of the economy at the start of a new era in world trade. But this time the problem is compounded. The administration has no discernible farm policy, has never developed one and seems most unlikely to do so now, when it has been politically weakened and will shortly lack even an agriculture secretary. The Republicans, perhaps particularly in the House, are likewise untested. It's clear enough that they want to cut federal spending and regulation, but not so clear that they want to cut farm spending and regulation—not the elaborate regulatory structures that prop up prices, at any rate.

The major farm support programs are trade-offs of price and income supports for production restraints. The strongest believers in free markets among the Republicans would do away with them. Majority leader-to-be Richard Armey has been among this group in the past. Some urban Democrats have also tried to kill or cut back some of the lesser programs, though for different reasons. There's likely to be a revival of such talk this time around, particularly if Republicans, who tend to be strong in farm states, also pass a balanced budget amendment and begin to make heavy cuts in other spending. If only for political reasons, members not from farm states will try to force them to cut farm spending, too.

The farm state members of both parties can be expected to resist. They have already indicated they will once again try to do no more than make some modest further reductions in support levels. But that, too, can eventually lead to a dissolution of the system, because as support levels drift below break-even points, farmers will be inclined to withdraw from the programs rather than submit to the production limits.

That will be the broadest battleground—how much and how to cut the principal programs. There will also be some lesser battles. Dairy price supports have become dysfunctional; what helps one region hurts another. The system has been so patched over the years that the price of milk is now almost entirely a federal artifact. A truly deregulatory Congress would strike the system down. It would do away with such anti-competitive constructs as the sugar program as well, in which import and now even domestic marketing limitations are used to keep U.S. prices artificially high.

The farm bill also presents environmental issues. What happens next to the conservation reserve program, in which farmers are paid to idle supposedly fragile land? To what extent will either the administration or Congress seek to use the farm bill to make pesticide and/or clean water or wetlands policy?

The administration may not propose a bill. Instead, it is said to be considering a statement of principles, mostly of the steady-as-you-go variety, the effect of which would be to leave the writing of the bill to Congress, which has the power anyway. That would be a bow to political reality as well as a way of preserving the president's options and avoiding blame, all of which might be shrewd. But it still wouldn't constitute a farm policy.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Oregon.

Mr. PACKWOOD. I yield 6 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 6 minutes.

Mr. JEFFORDS. Mr. President, the Senate will shortly be voting on H.R. 5110, the General Agreement on Tariffs and Trade [GATT] implementing legislation. As my colleagues know, I have always encouraged and supported international trade and will continue to do so in the future. Expanding and developing export markets will not only give Vermonters, but all Americans, the opportunity to gain access into world-wide markets.

As a firm believer in free and fair trade, I regret that I am unable to support the GATT agreement. On first inclination, I am prone to support this agreement which has such worthy goals and intentions. There is no doubt, our economic future depends on the ability of this Nation to compete in the international marketplace. But this agreement is flawed. Upon detailed review of the sections pertaining to the dairy industry, the potentially devastating impact of GATT is clear.

Vermont's dairy farmers have for too long suffered at the expense of our trade policies. This agreement removes protections for Vermont farmers and puts them in direct competition with foreign farmers who receive massive government subsidies, making fair competition an impossibility.

There are few States that take advantage of international trade opportunities more than Vermont. This is a statistic which I think we should be quite proud of, and one which I will work to increase.

Still, this issue is far more complex than just simply reviewing State trade statistics. Back in 1991, we took up the issue of so-called fast-track authority for negotiating the GATT agreement. I opposed this authority because dairy interests have been routinely ignored in trade negotiations. Once again this is true, our trade negotiators have given away the farm on GATT, and I am afraid Vermont's dairy farmers will be the ones to pay for it.

Within GATT, section 22 protections for dairy farmers are eliminated. In addition to that, a 5-percent minimum on food imports is mandated, domestic farm programs, including Federal dairy programs are reduced, and our domestic food safety laws are weakened. So what do we get in return? Canada is dragging its hooves on opening its dairy markets, and the Europeans are only required to scale back their exports by the same percentage we do.

This may be fair on its face to anybody who does not know dairy, but the Europeans have been massively subsidizing their exports while the USDA seems to regard dairy exports as a nuisance.

Senator LEAHY and I tried to work with the Clinton administration to make GATT fair to Vermont's farms and all dairy producers. I commend Senator LEAHY for his efforts in working with me on a dairy export plan to be included within GATT. This plan was supported by most farmers who could see the benefits of creating worldwide markets for their products.

On numerous occasions, I urged the Clinton administration to give our farmers a fair chance in a market open to so many countries and include our export plan. Unfortunately, the President denied our request to include our export plan onto the enabling legislation of the worldwide agreement.

Mr. President, I also have concerns on the effects the GATT agreement will have on the world's environment. Primarily, arguments have been made that GATT will undermine implementation and enforcement of our domestic environmental protection standards. But just as importantly, GATT will interfere with international efforts to protect the environment, potentially reducing the effectiveness of international environmental treaties.

Mr. President, I am extremely disappointed that the President does not value the interests of the U.S. dairy farmers within the world market, along with supporting our strong environmental standards, as I do. Therefore, I cannot accept a trade agreement that will further burden our dairy farmers, weaken environmental standards and limit child labor protection.

I think it is time for the President to stand up for the U.S. dairy industry

and value the importance of these farmers to our Nation. He has done it for cattle, and he has done it for wheat. It is high time he pay attention to dairy as well.

Whatever happens here today, I plan to go home having supported the environment and dairy farmers, in Vermont and throughout the Nation. Fairness demands nothing less, Mr. President. For these reasons, I will not vote for this agreement.

Mr. President, I yield the floor.

Mr. BRADLEY addressed the Chair.

Mr. MOYNIHAN. Mr. President, I yield 10 minutes to the distinguished Senator from New Jersey who has the distinction, among many, of having been a member of the study committee on the GATT in the mideighties.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 10 minutes.

Mr. BRADLEY. Mr. President, we have been debating the Uruguay round agreement for nearly 20 hours now. I believe the proponents of this legislation have made a compelling case.

I do not think it is any exaggeration to say that America's prosperity depends on our vote. Failure to pass this legislation would be a profoundly self-destructive act. It would close us out of world trade and deny us the export engine for economic growth and remove our voice from the councils that will shape the 21st century and national economic system.

Failure to pass the agreement would be a vote of no confidence in our own future. I think it is trite but true to say that the only constant in the world today is change. Our vote is an indication of how we will react to change. We can seize it and shape it to our advantage. That is the response of a self-confident, vigorous nation, and that is the traditional American response. Or we can put our heads in the sand in the vain hope that change will pass us by.

That is the response of a nation without a future.

It is about that future that I would like to talk today. For even as we debate the Uruguay round, we should look ahead to the next round of negotiations that will move the international trading system to the next level.

The world economy did not stand still while our negotiators hammered out the Uruguay round. It changed in ways unimagined by the ministers who first gathered in Punta del Este in 1986. For example, the end of the cold war combined with broad acceptance of the capitalist model in the developing world introduced billions more consumers and competitors into the global economy. The liberalization of capital movements led to an explosion in foreign investment and unleashed daily currency flows that dwarf trade in goods. The information revolution both changed the way we create and measure value, and increased the importance of intellectual property rights. Meanwhile, our environmental problems continued to mount as an unintended consequence of our economic dynamism.

When we ratify this today, we need a new round, sooner rather than later, to adapt the world trading system to these and other transformations shaping the global economy. I see five major areas for a new round to address:

First is trade in services. Advanced economies rely on service industries for new growth. We have made progress in disagreement but there is much more to do.

These already produce over 53 percent of American GDP and provide 70 percent of U.S. jobs. We exported about $200 billion in services in 1993, with a surplus of $68 billion. The new round should address services. It should return to the issue. We have not exhausted it in this agreement.

Second is investment. With the increase of capital mobility and the triumph of market economics, foreign investment has exploded. This matters because investment is essential to economic growth, and because trade follows investment. For example, studies indicate that over 20 percent of American goods exports are made to foreign affiliates of the American exporter.

The Agreement on Trade-Related Investment Measures, TRIMS, is a tiny first step toward bringing investment under the disciplines of the world trading system. APEC and the OECD are working on this issue now. The next trade round should use their thinking as a basis to advance beyond the TRIMS agreement, or the current investment policy of this particular bill.

Third is competition policy. Some of the fiercest debates in the Finance Committee, as in Geneva, where over the dumping and subsidies rules. Our ability to make sense of unfair practices and counter them is severely hamstrung by the disconnect between trade policy and domestic competition policy. These two sides of the same coin currently receive separate treatment, leading to the illogical result that competition within borders is treated differently than competition across them. The next round needs to look at ways to integrate competition and trade policies into a more effective whole that recognizes that business activity now takes place in a global market.

Fourth is labor rights. Improving worker rights has been an objective of U.S. trade policy for over a century. However, we are still groping to understand the connection between humane labor practices and trade. Trade policy must not deny developing countries their natural advantage in cheaper labor. At the same time, we cannot condone practices that violate basic human rights. We all want workers to reap the fruit of their labors, but we do not yet agree on where to draw the line between human rights and protectionism.

We need more work to help us understand which labor practices constitute human rights violations, which afford unfair trade advantages, which represent legitimate comparative advantage, and which are simply the result of underdevelopment. The OECD is doing some work on this issue. We need to do more and integrate the findings into the international trading system.

Finally, there is the environment. We now find ourselves in the untenable position of developing two parallel trade/environment structures. On the one hand, we have our environmental commitments, such as the Montreal Protocol, the Global Climate Change Convention, the Biodiversity Convention, and our obligations under the Stockholm and Rio Declarations. These all have trade effects. On the other, we have our GATT/WTO commitments, which have an impact on the environment.

These structures intersect in many places. They contradict in others, as demonstrated by the problems we have had with the Marine Mammal Protection Act.

Arthur Dunkel once told me he thought the next GATT round would be a green round. Clearly, we need to build a conceptual framework to bring together environmental policy and trade policy. The next round must do so.

I have listed a number of issues, identified a number of problems, and provided no answers. That pretty well reflects the current state of thinking. It is incumbent upon the first Director General of the WTO, whoever he may be, to follow Arthur Dunkel's example and, as his first act, appoint a new eminent person's group to lay the conceptual framework for a new round, just as we laid the conceptual framework for this round in the 1985 group.

In order to participate in new negotiations and meet these new challenges, we must renew the President's fast track negotiating authority. We must make a fast-track bill one of the first priorities of the new Congress. There are many contentious issues to work out, but with a vote in favor of free trade this week we will have the foundation to work out an acceptable negotiating framework.

Still, Mr. President, these are issues for tomorrow. The task at hand is to pass the legislation before us implementing the Uruguay Round Agreement. Before we can move ahead on these issues for the future, we must reaffirm our own commitment to the international trading system.

Some say that we are not "the" economic superpower. Japan is. If we turn down the Uruguay round, that may become a self-fulfilling prophesy. If we

approve this agreement, continue our efforts to bring the budget deficit under control, provide worker education, fix our pension system, and retain our leadership in the world trading system, the United States will remain what it now is—the world's largest, most productive economy.

In the NAFTA debate, a number of my colleagues began their statements, "I'm a free trader, but * * *" Some said, "* * * but we'll hear a giant sucking sound as jobs go south." Others said, "* * * but the Mexicans aren't democratic enough." Although I disagreed with them on NAFTA these were legitimate concerns, given complexity of the commitment we were undertaking.

Well, the returns are coming in, and they show that NAFTA was a good deal for America. There has been no sucking sound of jobs going south, and we have an adjustment program in place for the 10-15,000 workers who could be displaced by NAFTA this year. Instead, the main sound has been the steady "whoosh" of goods, services, and profits crossing our borders in all directions.

Gary Hufbauer, of the Institute for International Economics, estimates that, because of lower import prices NAFTA will put $600 million into the pockets of American consumers. American business will have more in gross margin to cover their fixed costs.

In my State of New Jersey alone, a recent study has found that NAFTA has already led to $287 million in increased exports and over 5000 net new jobs. And the Uruguay round dwarfs NAFTA in economic size.

NAFTA also served as an anchor to the Mexican political and economic system when it was shaken by the assassination of the ruling party's presidential candidate. It created new economic and financial constraints on the ability of old-style politicians to fix the election. As a result, Mexico ran the cleanest presidential election in its modern history and is poised to do even better next time.

There are no "buts" in the matter before us. We have a clear choice between prosperity and stagnation. We have a choice between enjoying the benefits of a developing international trading system, or retreating into autarky, poverty, and irrelevance. We have a choice between national self-confidence and national decline.

I hope that we will pass this GATT agreement. Opponents have made a number of arguments, one of which is low wages; all the jobs will go to low wage countries. If that were the case, Mr. President, Bangladesh would be an economic superpower. Clearly low wages are not the only criteria for investment around the world.

They have also made the point that we have the problem of child labor.

Mr. President, if there is a problem of child labor in this country, child labor of illegal immigrants in our own country in factories across this land, we have a law now that says if an employer hires an illegal immigrant, whether that is a child or not, he should be fined and sanctioned.

We do not fund adequately employer sanctions and because we do not fund adequately employer sanctions there are literally thousands of illegal immigrant children at work in this country today. So those who come to this floor and puff about child labor, let us make sure that we fund the economic sanctions that are already in law.

An estimate is that they require an additional 10 times what we are now funding to enforce economic sanctions under the immigration law. We have $28 million to do that. Estimates are it would cost $280 million to $300 million.

So those who are concerned about child labor in Bangladesh or China or somewhere else why not be concerned about child labor in your State, in your town, because it is there today with illegal immigrants and if you want to stop child labor stop it in the United States first.

GATT is a good agreement. We are the most open economy in the world and we will benefit the most from opening other economies.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Oregon.

Mr. PACKWOOD. I yield 10 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 10 minutes.

Mr. BOND. Mr. President, I thank the Chair and my colleague from Oregon.

Mr. BOND. Mr. President, the debate over the GATT and the legislation before us today has raged for many months now. I have been following this very closely both in the public debate and the debate in Congress and the debate in homes and coffee shops and community centers around the country. It is clear that this is an issue that has raised passions, as well as fears, among a large segment of our population.

The arguments on both sides of the debate have been presented forcefully and extensively as they have here. I have listened to the objections of those who oppose the agreement, and I think I have considered each one of them very closely. I would like to take just a moment to review those objections.

First is the budget implication of this bill. Opponents argue that this bill will increase the Federal budget deficit by tens of billions of dollars over the next decade. If that were the case, I would be voting today against the budget waiver and against the bill. The bottom line, however, is that the charge is simply not true. It is based on static budget assumptions which fail to take into consideration the huge impact the new GATT will have on our Nation's economy. By lowering tariffs worldwide, the agreement will result in hundreds of billions of dollars of added economic activity. It is not a zero sum game. It is not just slicing up the pie different. It is slicing up a larger pie.

That agreement that we will approve today, I hope, will generate significant new tax revenues, which will almost certainly reduce, rather than increase, the deficit.

A second argument that continues to be raised in opposition to this agreement is that it creates a new World Trade Organization which will give unfair power to tiny foreign countries, to tiny dictatorships, and which will have the power to overturn U.S. laws. Again, I have looked at these charges carefully. If they were true, I would be down here today arguing strongly against this agreement. It is clear to me, however, that they are not true. The WTO is a new organization that the United States pushed for to give the GATT more muscle to resolve trade disputes and enforce settlements. The reason we pushed for it is because we are the country which most frequently brings complaints before the GATT. Since we are the ones most often asking for relief, it makes sense to ensure that the GATT has the ability to make its decisions stick. Too often it has been the U.S.A., our farmers, our export workers, our creative producers who have been the losers when GATT did not have the clout to stop unfair practices directed at us. It is time we had a stick instead of a wet noodle to enforce those agreements. This agreement makes a major stride in that direction.

Many opponents have suggested that the United States will find itself on the losing end of a trade dispute—perhaps as a result of many smaller countries ganging up on us in the WTO—and that we will be forced to forfeit our sovereignty by modifying our laws or lowering health and safety standards. I simply do not accept that. That is not true.

The United States is the world's largest economy. The goal of every other country in the world is to sell as much as possible in our great market. They know that they cannot attack us unfairly with impunity. If they try, we will retaliate and their economy—not ours—will suffer. Furthermore, Congress has put the world on notice that we will monitor the WTO like a hawk, and that we are prepared not to comply with an unfair ruling, or even to withdraw if necessary. We are unlikely ever to see such a situation, however. The GATT has worked over the years by operating through consensus. There is every reason to expect that consensus will continue to be the rule.

With regard to the issue of sovereignty, it is just not true that this agreement will infringe on our right to set our own laws. The U.S. Supreme

Court has made very clear that the Government can choose to ignore treaty provisions when it desires. Further, the legislation itself clearly states that no part of the agreement which is inconsistent with U.S. law shall have effect. And finally, we have the right to withdraw from the agreement at any time with only 6 months notice.

There has also been much criticism of the wide range of non-GATT provisions in this legislation which were included to help offset the tariff cut. Many Missourians have called my office to express their concern about giveaways of their tax dollars. I have looked at as many of these provisions as have been brought to my attention and, although I can see how some might oppose the policy behind them, I cannot agree that they are a giveaway of our tax dollars. It could be argued that the Government could have received more for some of these radio spectrum license sales, and that is something the administration has agreed to review, but clearly it is not a giveaway to tax dollars.

After reviewing those concerns, one must then look at the other side of the equation—the benefits that would result from approving the new GATT accord. In my opinion those benefits will be huge both for the United States as a whole and for my State of Missouri.

This agreement will provide the largest tariff—or tax, because that is what a tariff is—reduction in history. That will mean more money in the pockets of Americans as well as citizens of other countries. That is money that can be saved or that can be spent. Regardless of how it is used, it is certain to result in the creation of thousands of new American jobs.

The benefits of GATT can be seen very clearly just by looking at its impact upon Missouri.

The new agreement will be a boon to Missouri's farmers who already export a quarter of their output. We know that if you take down the barriers they can export more because they are the world's most efficient producers. That percentage is certain to surge as other countries are forced to lower unfair trade barriers which currently keep out Missouri commodities such as rice, corn and beef.

The largest manufacturer in Missouri—McDonnell Douglas—will benefit significantly from rules designed to limit unfair Government subsidies to its overseas competitors in the commercial aerospace field.

Companies like Monsanto, Sprint, Hallmark, Leggett & Platt, and Ralston Purina will find it much easier to sell their products overseas, as well. The tens of thousands of Missourians who make up these companies, and the employees of the small Missouri businesses that supply them, will be the true beneficiaries as new jobs are created, and existing jobs become more secure due to increased worldwide sales.

But it is not just Missouri's large companies that will benefit from GATT. The growing world market will provide tremendous opportunity to the thousands of small companies across the state. As we enter the 21st century, we are truly entering a global economy, and all companies—large and small—will have to participate to survive. This agreement, which lowers tariffs worldwide and helps to level the playing field, only serves to make it easier for smaller companies to succeed.

The bottom line is that the U.S. economy is inextricably tied to the world economy. For that reason, we have to use our power and prestige as the largest market and most powerful economy to move the world toward more open and fair trade. That is the best way to ensure prosperity for the greatest number of Americans.

Having said that, I would hasten to add that in working for free and fair trade, we must be careful not to be played for patsies. We have the muscle to see that the game is played fairly and that our interests are protected. We must do that and, if we find that others are not playing by the rules, then we should retaliate or withdraw from the agreement.

Having considered all of the arguments before us, it is clear to me that this agreement makes sense for the United States. We will be the biggest beneficiary of its approval. For that reason, I will today support the budget waiver and passage of the implementing legislation, and I ask my colleagues to do so.

Mr. President, I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I do not see anyone else here on either side of the aisle to speak.

Then, I might speak a bit to elaborate further on a point that I made.

When we talk about world trade, there are two kinds of trade. One is in merchandise. Merchandise is what we might call goods—cars, refrigerators, jet airplanes, nuclear reactors, hard goods for lack of a better term. The other is services, insurance, credit cards, and tourism.

The United States is without question the world's leader in services. Take credit cards, for example—Visa, Master Charge, American Express. These are all American-centered companies, but they sell licenses throughout the world to provide these cards. The licensees pay money for the license and that money flows back to the United States. We are talking dollars, the same kind of dollars you get when you sell an airplane. It just happens to be a different kind of business.

Last year, 1993, we had a $57 billion surplus in services—surplus, more coming in than going out.

In merchandise, the goods, the refrigerators, the cars, we unfortunately had a $116 billion deficit.

Now we exported a lot last year. We exported almost $450 billion, but we brought in a lot more.

So the first question is, why? And I think I can guess why, although I cannot prove it.

At the end of World War II, we were the only major industrial country left that was relatively unscathed. Japan was devastated. Up until that time, Japan had not been a major factor in world trade anyway. Germany, devastated; France, devastated; Italy, devastated; Russia, which never had been a factor in world trade, and really not much of a factor today, devastated.

So, after World War II, we could sell almost anything we wanted in the world and there was a market. It really did not matter if they were good products or bad products; they were the only products. For years thereafter, we had a tremendous surplus in the merchandise trade sector, the goods sector. It may have been a Caterpillar tractor—and I might say Caterpillar today does very well. But it did not matter what it was, we sold it around the world. It did not matter if the merchandise was relatively shoddy; you either bought ours or you bought nothing.

The service industry, on the other hand, was an industry that almost did not exist at the end of World War II. I think most of the people listening to me today can remember an era when there were no credit cards, period, we did not have any; when insurance was by and large local. Other than the maritime industry, there were no large conglomerates of insurance companies selling insurance around the world.

But the whole business of services and high-tech goods like computers have really grown up only in the last 20 to 30 years.

Take a company like Intel, which is the largest private employer in Oregon. The company was founded in 1969. It was not around during World War II.

Look what happens when you are an older company—and this was true of the auto companies, true of the steel companies. They came out of World War II having produced tanks and steel and were the only one left in the world in business. They had no incentive to change, for one thing, and they had no competition for probably 20 years, up until the mid-sixties.

Take cars, for example. The only foreign cars that were sold in this country of any consequence, probably until 1970, were those little Volkswagen beetles, which Germany developed in the mid-1950's. They had a small portion of our market, not a large portion. But they had a little cadre of people who liked the beetles—I liked the beetles—and they had sold a fair number. They did not have a large percentage of our

market, but they had hard-core followers.

Then there was also the big imported cars, the Mercedes, Rolls Royces, the very expensive cars. We did not make anything in this country comparable to the Rolls Royce. Therefore, there was a market for them. Again, a small market. They did not have a significant impact on our auto industry.

It was not until really the 1970's that two things happened. One was the Arab oil embargo and the sharp increase in the price of oil from about $3 a barrel to $12 a barrel in 1973–1974 and then again from roughly $12 a barrel to about $35 a barrel in 1979 and 1980. That pushed up our gasoline prices tremendously. It was almost coincidental that in about 1971 and 1972, the Japanese were starting to introduce into this country high-mileage, good, small cars. And I emphasize "good." They were good. From the standpoint of repair and maintenance, they were a superior car to our small cars. It is probably coincidental that they were just hitting the market as the oil stock and the gasoline prices went up. The result was Americans flocked to these cars in droves.

I can remember when we first passed the mileage standards in this country which required cars to get to a certain minimum mileage each year. There was tremendous opposition from the American auto industry to these standards. They had two arguments. One, it would take them 5 to 7 years to develop that kind of car and get it on the market; two, Americans did not want those kinds of cars anyway.

Well, 5 to 7 years, this from an industry that in 6 months went from cars to tanks in World War II. And pretty good tanks. We did not get really into the war until Pearl Harbor and by the summer of 1942 we were turning out tanks instead of cars and turning them out in droves.

But the argument the Americans did not want these kind of cars was just fallacious. We wanted cars that got good gas mileage. Amazingly, we liked good cars. We liked cars that were dependable and that did not take a lot of repair.

The Japanese stole the market from us. Wrong word; we gave it away; gave it away.

Now, to their credit, American manufacturers are now catching up. The Japanese are building cars in this country. I think it will only be another 4 to 5 years until they build more cars here for the American market than they import from Japan. But Ford, GM, and Chrysler are now turning out superior cars, every bit as good as the Japanese, cheaper than the Japanese, as good mileage as the Japanese, and Americans are buying them.

But it took competition over 20 years to force American manufacturers to catch up.

If you read the Wall Street Journal yesterday, you will note that steel has also caught up. Steel went through the doldrums in the 1970's and 1980's. It could not compete with the low-wage Japanese, could not compete with the Koreans. Today we are the lowest cost producer of steel in the world. We are competitive everywhere. But it took us a long time to catch up.

Having said all that, what is going to happen and what can we do to narrow this terrible trade deficit we keep hearing about?

First, when you calculate the trade deficit, you have to take the merchandise deficit, our deficits in the cars, VCR's, and television, and, against that, offset the services surplus. Our trade deficit for 1993 is about $60 billion when you offset the surplus of services against the merchandise deficit.

Of that $60 billion, $44 billion is oil, imported oil; $43 billion is imported cars. You get rid of just those two items, cars and oil, and we have a total trade surplus. I should point out, however, that the deficit in cars is starting to shrink.

Now I will pose the question what we should do about oil. I am indebted to the Library of Congress for this information. I have to say, the Library of Congress' Congressional Research Service is the greatest research organization in the world. I would not trade them for all the rest of the research organizations put together. I only put them on this issue yesterday to see if they could find out if what I thought was probably true is, and they verified that it is true.

Now, I am going to make a bold statement. We import oil because it is cheaper than making oil in this country out of coal. What do I mean by that?

This country has a cornucopia of natural resources. Japan has no natural resources, no oil, no coal, no natural gas, and no great rivers to dam up to make electricity. They have to import all of their energy. This country has a cornucopia of energy. We have a 400-year supply of coal. We have a 200-year supply of oil shale. If you count all of North America, including Canada and Mexico—and I will add that we are all involved now in this North American Free-Trade Agreement—there is more natural gas than we know what to do with and we are finding more than we are using. But we are short of oil, crude oil, the kind you bring out of the ground in liquid form.

I say we are short. I am not sure, because every time we think we might find some oil, we just have a devil of an environmental argument as to whether we should look for it in Prudhoe Bay or in the Outer Continental Shelf. Should we drill? Should we even do experimental drilling to see if oil is there? The answer from the environmental community very often is no. We do not want to look because, if we look, we might find, and if we find, then somebody may want to bring it out. So we import it instead.

But let us assume for the moment there is no oil there. What could we do? It is what South Africa did for the better part of 30 years, because their government had a trade boycott against it and they could not buy oil of any quantity overseas. Well, South Africa, which is, again, a country rich in natural resources, took to making gasoline out of coal. You can do it. Transform the coal into oil, transform the oil into gasoline. It is expensive, but it can be done.

I asked the Library of Congress yesterday and they gave me the answer today, could we make coal into oil in this country? Do we have enough coal? The answer is, yes, we have more coal than we know what to do with. Could we turn the oil into gasoline? Yes. Is it much more expensive? Yes, it is much more expensive. How much? And I said put it in terms that are understandable to me, the layman. They answered that, if we were to take our coal, turn it into oil, turn the oil into gasoline, the equivalent price of gasoline, in their estimate, would be $3 to $4 a gallon, instead of what we currently pay. In addition, all other oil prices would go up equivalently. Whatever you pay for fuel oil, whatever you pay for oil to turn the generators to produce electricity, all throughout the economy, you would have these price increases and inflation. But we could get rid of the $44 billion trade deficit in oil.

Now, the question is: Do we want to do that?

Coal is a problem. Coal burns dirty. It takes a lot of money to burn coal clean. If you are going to turn it into oil it is a lot more expensive and a lot dirtier than just pumping it out of the ground. But if we are so all-fired worried about this trade surplus, would we be willing to get rid of $44 billion of it by making our own oil out of coal? If you say to the American public: Yes, this trade deficit is so bad that I think we should have gasoline at $3 to $4 a gallon, we should have fuel oil for our homes, at whatever the equivalent increase will be, we ought to have the inflation it will bring, and the increase in bond prices and mortgage interest rates that come with inflation, we are willing to have all of that to get rid of this $44 billion deficit—that is a fair debate, whether or not we want to trade that off. We should not say we cannot do it. South Africa did it. Japan cannot do it. They do not have the resources.

I am going to predict what is going to happen over the years. I do not think we are going to turn to making oil out of coal. However, our services sector is the fastest growing segment in all of the industrial countries of the world. We keep hearing that our manufacturing base has disappeared. It has

not disappeared. It has become more productive. I count agriculture as one of our industrial bases. It is a separate category but it is very capital intensive. We put more money per person into farm equipment and farming than we do any other industry.

At the turn of the century it took about one farmer to produce food enough for seven people. Today one farmer produces enough food for about 82 to 83 people. I would wager by the turn of the century one farmer in this country will produce enough food for 100 people. That is a tremendous increase in productivity. It is expensive.

A new combine for cutting wheat costs between $145,000 and $150,000. A new tractor to pull that combine is about $130,000. Yet, with that combine and that tractor and a lot of other expensive equipment that goes with it, a husband and wife and a couple of kids and a hired hand can farm a multithousand-acre wheat farm successfully and compete anyplace in the world. That is the situation in agriculture.

The same thing that has happened in agriculture has happened in automobile manufacturing and steel manufacturing—especially for the last 20 years we have gotten so much better at it that we can turn out more cars with fewer people, more steel with fewer people. We have learned how to become more productive. It is not that we are producing fewer cars. When people say we have lost our industrial base—we have not lost our base. We are producing more cars with fewer people, more steel with fewer people. We are producing more wheat with fewer people. That is also true in Germany. Not in their agricultural sector which is heavily subsidized and inefficient, but it is true in Germany for steel. It is true in Japan in cars. It is true in all of the industrialized countries of the world. Their manufacturing sector, in terms of manufacturing employment in relation to their total employment, is shrinking. The number of employed stays about the same but their production increases tremendously and the number of employees in manufacturing in relation to the number of employees in services gets smaller and smaller as a percentage because it is the service industry that is growing. And it is the service industry that we are the best at.

Example: 5 years ago the trade surplus in services was $25 billion. Five years later it is $57 billion. I will make a bet 5 years from now it will be $100 billion in our favor. And the merchandise deficit will go down. There will be an irreducible minimum in my judgment below which it cannot go if we do not do something about oil. If we want to continue to import oil, I do not know if we will ever get to a trade balance in merchandise, no matter how hard we try. But to the extent we can make up that deficit in merchandise with a surplus in services there is nothing wrong with that. Credit cards are not un-American. Insurance is not un-American.

We have almost a death wish fascination with manufacturing, that somehow you cannot be a great country unless you are the world's greatest producer of things: Steel, autos, refrigerators, locomotives. You cannot be a great country because you are the best producer of these little computer chips. I held up one yesterday. Intel—I will give an example. I mentioned Intel once before. Intel is the largest private employer in Oregon. It is a company that was founded in 1969. When I was elected to the Senate in 1968, this company did not exist. They are now investing close to $2 billion in Oregon—about $700 million to expand an existing plant and about $1.2 billion to build a new plant and turn out computer chips. They are now the world's largest manufacturer. They have overtaken the Japanese. They are outselling the Japanese around the world. These are chips for export—this counts as services—export.

How can Intel compete with Bangladesh? Oregon is a relatively high-wage State and a relatively high-tax State.

Do you know what the answer is? And this is true of all of the high-tech industries. You ask them what are your floor labor costs? By floor labor they mean the production laborers, the hands-on workers, not the research and development which they do not plan to move anyplace, nor their management. How much of a percent of your total cost is your floor labor? Seven percent. Eight percent. They are not going to move to Bangladesh where they can pay somebody 50 cents an hour when labor is 7 percent of the total cost anyway.

It is much more critical to them that they have good transportation to get their products around the world. It is more critical to them they have a clean atmosphere. I was in their plant not 2 months ago and you ought to see it now, what they call the clean room. When I started my business a clean room was a white smock. In their clean room today you would swear you were looking at something out of Star Wars. People clothed almost like an astronaut on the Moon. Their breath being monitored through a tube and through a recirculator on their backs so that their breath does not get on the chips that are being made.

Immense temperature control equipment to keep these rooms almost at a perfectly even temperature. They would have to have these things in Bangladesh, and they cost just as much to put them in Bangladesh as here. Bangladesh does not make machines like that. They are not going to move to Bangladesh.

So, can we compete? You bet we can compete. And the things that we will compete at best are very frankly the things that have the lowest percentage of labor cost to total cost. I did not say lowest labor cost. Lowest percentage of labor cost to total cost. Those things that have a high labor cost we may not be able to compete in.

One of those is low-end apparel. I do not mean high-cost apparel. I think even in this country we can compete in apparel made here that is very expensive apparel, but can we compete making a $1.99 T-shirt or a cheap man's suit when we have not yet learned how to automate the making of a man's suit? I doubt it.

Japan learned that lesson 20 years ago. Thirty years ago, Japan was in the top five in the world in the export of apparel and the export of textiles—apparel being the clothing and textiles being the cloth—30 years ago. Today I defy you to go to a clothing store, look at the garments, look at the "where they are made" tags, and see if you can find one that says made in Japan. Thailand—yes, Bangladesh—yes, Singapore—yes, Honduras—yes. Japan? No. Japan got out of the apparel business because they figured they do not compete. There was too much hand labor. Japan is still in the top five in the export of textiles. And the difference? Textiles is a highly capital-intensive business. By this I mean it needs machines run by relatively few people. And the machines, just like the Intel machines, cost a lot of money. They cost just as much to put them in Bangladesh, which does not make them, as it does to put them in Kyoto or Tokyo.

Japan also realized something. If we are going to get Thailand to buy our television sets and pay us in yen, they have to be able to make something to sell us to get yen. Why do we not let them sell us apparel? If we want to sell Boeing 747's, General Electric and Westinghouse nuclear reactors, farm products—the biggest single item surplus that we have in our trade is agriculture. We have $19 billion surplus in agriculture. We are the world's best farmers without question. But if Mexico is going to buy wheat, or if Brazil is going to buy Westinghouse nuclear reactors, what are they going to pay us with? We want dollars.

To pay us, they have to sell us something that we give them money for, so they can buy back what we want to sell them. Mr. President, as sure as we are here, we are going to win this battle because time and tide are on our side. In every country that is the big purchaser of anything, it is the services sector that is growing. That is the sector where we compete the best. In the merchandise sector we have become much more competitive than we were 20 years ago.

Oil is an ultimate problem and we have to make a decision there as to whether we would like to buy oil from Venezuela, Indonesia, Saudi Arabia, at

$15 to $16 a barrel—which is roughly what the price is today—and have a $40 billion to $50 billion trade deficit in oil, or whether we want to produce the oil here at the equivalent of anywhere from $32 or $33 to $45 a barrel, get rid of the trade deficit, and have gasoline at $3 to $4 a gallon. Because those are both fair considerations. But for anyone to say that America cannot compete is really saying: America, I do not want to compete.

To my fellow Senators, for better or for worse, we are in a competitive world. We may choose not to compete. We can put up the barriers. We can make all of our own clothing here, all of our own cars here, all of our own videocassette recorders here; sell nothing overseas and buy nothing overseas. Consumer prices will be higher. Products will be shoddier and America will be poorer. But we will not have to worry about competition.

There is an old saying, "If you think you can or if you think you can't, you're right." If we think we cannot compete in the world, we will not compete. But if we think we can, then we will develop the Intels of the world and all of the equivalent companies that go with it, and we will master the world in trade.

The choice is ours, and the vote on the bill that is before us today is perhaps a more significant vote for or against competition, depending which way you vote, than any other vote we will make in this decade. I, for one, am going to opt on the side that America can compete; that we have not scratched the surface of what we can do in terms of competition in this world when we are pushed. This bill gives us not only the push we need but it also lowers barriers in markets overseas that we need to get into. We will never have a better opportunity to improve this country.

I thank the Chair. I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER (Mr. LEAHY). Who yields time?

Mr. PACKWOOD. I yield 11 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina for 11 minutes.

Mr. THURMOND. Mr. President, yesterday during debate on this issue, I outlined my opposition to waiving the budget agreement to pass this bill. Today, I would like to summarize some of the other parts of the GATT implementing legislation that concern me.

Before elaborating on the GATT agreement, I would like to take a moment to talk about how those who oppose this measure have been characterized. It has been said that we are against trade; that we are isolationists and protectionists. As far as this Senator is concerned, nothing could be further from the truth. I support trade because it helps increase our employment and provides economic growth. I have worked to support efforts which expand our country's exports. However, our trade is with foreign manufacturers who are subsidized by their Governments and who have primitive labor laws and ridiculously low wages. Unfortunately, the agreement before us does not address these issues and, therefore, places our workers at a major disadvantage in the global marketplace. Consequently, I cannot support the passage of this bill.

In addition, Mr. President, significant problems exist that are associated with this agreement which go beyond the pure trade provisions of the pact.

For instance, a major concern that I have with this agreement is the establishment of a new international body, called the World Trade Organization, known as WTO. This supranational bureaucracy will adversely affect the sovereignty of our Nation.

The WTO establishes a ministerial conference and a general council. The ministerial conference will meet every 2 years and receive decisions on matters covered by trade agreements. The general council will govern the WTO on a daily basis. The dispute settlement body, which will be established under the general council, will be the ultimate arbitrator of trade disputes. The decisions handed down by the WTO will be voted on by the member countries.

Each country gets one vote regardless of the population or the value of trade by a country and, unlike in the United Nations, the United States will not have a veto power over WTO decisions. Further, the United States will finance up to 20 percent of the budget for operating the WTO.

The WTO will be the arbitrator of trade disputes between signatory countries. By adopting this bill, we will allow our trade disputes to be settled behind closed doors by bureaucrats that are accountable to no one. Let me quote what Ralph Nadar said in testimony before the Senate Committee on Commerce about how the WTO will work:

> This is a tribunal in which three trade specialists preside over a totally secret deliberative process. The press is excluded. Nongovernmental organizations are excluded. All citizens are excluded, State attorneys general are excluded. Only representatives of national governments that are parties to a dispute are given a role. Furthermore, all submissions, all briefs and materials that must be open in our courts, can be kept secret.

Mr. President, we should not let trade disputes be settled by secretive panels of specialists who are accountable to no one. I want to repeat that. We should not let trade disputes be settled by secretive panels of specialists who are accountable to no one. Our country was founded on a principle of openness. Our Senate proceedings are open to public scrutiny. We have sunshine laws that require us to have an open and accountable Government.

At the very least, if the United States is to consider entering into the WTO, then this matter should be considered as a treaty. Article 16, paragraph 4 of the GATT agreement states that "each member shall ensure the conformity of its laws, regulations, and administrative procedures with its obligation as provided in the GATT." By changing our laws to satisfy this supranational trade organization, we are giving away our power to make our own laws. By definition, sovereignty is the ability of a country to make and enforce its own laws. When the WTO rules against us and then tells us to change our laws, we are losing our rights as a country.

One argument used to justify the WTO is that other countries would not impose harsh penalties against the United States since we have such a lucrative marketplace. However, I do not think any of us can really be sure how the developing nations of the world, which account for 83 percent of the WTO membership, will vote when a situation arises. During 1993, more than three-quarters of the WTO members voted against the United States and the other G–7 countries on at least half of the votes on matters before the United Nations. What makes us think that they will not vote against us in trade-related matters?

Mr. President, those of us who were serving in the Senate during the Tokyo round of GATT talks have heard many of the same arguments that the Clinton administration is currently making in regard to this agreement. The claims regarding the Uruguay round are strikingly familiar to those made by the Carter administration at the close of the Tokyo round talks in the late 1970's. At that time, we were told that the bold new steps which were incorporated into the Tokyo round were needed to eliminate our trade deficit and to make America more competitive in the global marketplace. Yet, history and our trade deficit show that the exact opposite happened. After implementation of the Tokyo round, the United States trade deficit grew from $14 billion in 1979 to over $115 billion for 1993. Further, we saw a major decline in the viability of the steel, textile and apparel, and electronics industries. These industries have struggled to survive in spite of the closed markets that they encountered in other countries.

Mr. President, in my travels around the State of South Carolina, I get the opportunity to talk to many people. My constituents voice concerns about where our country is headed. They realize that they are working longer, but their hard work is not showing up in their paycheck. Wages are stagnant. They are fearful that their jobs are going to be exported. With this fear comes the loss of hope that they will ever be able to improve their economic status in the current environment.

According to Department of Labor statistics, no single U.S. job has been created in industries exposed to world trade for more than 20 years. Every job created has been in areas that do not face foreign competition, such as health care and retail sales.

During this debate, many proponents of this agreement will use the argument that for each $1 billion of goods exported, 20,000 jobs are created. I would then ask how many jobs are lost for each billion dollars, worth of merchandise trade deficit that the United States incurs? Using the same 20,000 jobs and with our current trade deficit of over $160 billion in 1994, our country could lose over 3 million jobs this year. As I previously stated, with the last GATT agreement, our trade deficit has continued to climb. I doubt that this trend is going to magically reverse itself with the passage of this bill.

Mr. President, I urge my colleagues to carefully study this agreement before deciding to disregard our budgeting procedures and eroding our sovereignty to accept the dubious benefits of this agreement. Further, I would ask that they not vote to approve this trade agreement.

Mr. President I ask unanimous consent that related materials be printed in the RECORD.

I yield the floor.

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

SEPTEMBER 14, 1994.

President BILL CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As advocates for openness in government, we would like to register our deep concern about the dispute settlement process proposed as part of the World Trade Organization agreement. As it now stands, this proposal is riddled with provisions denying access to government deliberations that are an affront to the democratic traditions of this nation.

This unprecedented secrecy is particularly offensive, given the vast powers to punish and penalize that this body will hold, not over just the federal government, but state and local ones, too. Maximum access should be required in this dispute resolution process for the following reasons:

(1) The proposed process would have the power to determine the legality of a wide variety of laws at the local, state and federal levels, although officials from all levels would not be able to take part in the deliberations.

(2) The deliberations affect not only trade issues, but consumer, worker and environmental protections as well.

(3) Penalties exacted in this process could be severe.

We urge you to insist that signatories to this agreement understand that when state and federal laws are subjected to an international authority to the extent proposed in this document, that citizens of the United States have a constitutional right to access to those deliberations. Here are some of the secrecy and confidential provisions of the agreement that we hope will be revised to conform with democratic practices and traditions:

(1) The public and press should be able to monitor deliberations of the dispute settlement panels. Under the present proposal, those sessions would be closed to both the public and the press.

(2) Documents presented during panel deliberations should be made available to the public as they are in the U.S. judicial proceedings. The decisions of the panels in this process have the force of law, with serious penalties for a non-complying nation, yet the only concession to demands for openness on this point has been a proposal to provide a summary of this information. That falls far short of the public's needs in such critical matters.

(3) The American public's First Amendment right to petition the government should be made a part of this proposed agreement. As it stands, there are no means of direct input from the people, no right of public comment or amicus briefs.

(4) Provision should be made for conflict-of-interest disclosure requirements. As the proposal stands, there is no way for the public to determine whether panelists deciding an issue have economic or other interest in that matter. You may recall that the NAFTA dispute settlement panel operates like the one proposed for the WTO, and during a recent timber subsidy case between Canada and the United States it was discovered belatedly that two attorneys on the panel worked for the Canadian lumber industry.

(5) Documents relating to appeals of WTO panel decisions should be made public. Under the current proposal, all of the appeal process is conducted in secret.

The First Amendment advocates whose names appear below take no position, as a group, on the World Trade Organization agreement itself. Some may support it, others may oppose and still others may be undecided. But all of us, as a group, urge you and your negotiators to restore democratic openness to this crucial process. To do otherwise would break a sacred pact with the American people.

Sincerely,

Paul K. McMasters, National President, Society of Professional Journalists.

Jo-Ann Huff Albers, President, Assoc. of Schools of Journalism and Mass Communication.

Paul Anger, President, Associated Press Sports Editors.

Gilbert Bailon, President, National Association of Hispanic Journalists.

John Seigenthaler, Chairman, The Freedom Forum First Amendment Center at Vanderbilt University.

Diana Baldwin, Chairman, Oklahoma Project Sunshine, Oklahoma City, OK.

David Bartlett, Radio-Television News Directors Association, Washington, DC.

Maurine H. Beasley, Professor of Journalism, University of Maryland College of Journalism, 1993–1994 President, Association for Education in Journalism and Mass Communication.

Lawrence K. Beaupre, Editor, The Cincinnati Enquirer, Vice President, Associated Press Managing Editors.

Susan Bischoff, President, American Association of Sunday and Feature Editors.

Ron Bridgeman, Editor, The Oak Ridger, Oak Ridge, TN.

Benjamen Burns, Michigan FOI Committee, Inc., Northville, MI.

Colorado Press Association, Colorado Freedom of Information Council, Denver, CO.

Lucy Dalglish, National Chairwoman, Freedom of Information Committee, Society of Professional Journalists.

Kathleen Edwards, Manager, Freedom of Information Center, Columbia MO.

Dinah Eng, President, Asian American Journalists Association.

Gregory Favre, President, American Society of Newspaper Editors.

The Florida First Amendment Foundation, Miami, FL.

John R. Foreman, Editor, Champaign-Urbana News-Gazette, Illinois State Chairman for Project Sunshine.

Terry Francke, Executive Director, California First Amendment Coalition.

The Freedom of Information Foundation of Texas, Dallas, TX.

Joseph E. Geshwiler, Editorial Associate, Atlanta Constitution, President, National Conference of Editorial Writers.

Loren Ghiglione, The News, Southbridge, MA.

Bob Giles, Editor and Publisher, The Detroit News, Chairman, The Foundation for American Communications.

Dorothy Gilliam, President, National Association of Black Journalists.

Kelly Hawes, Metro Editor, Muncie Star, Muncie, IN.

William Hilliard, Former Editor, The Oregonian, Portland, OR.

Max Jennings, Editor, Dayton Daily News, Dayton, OH.

Ron Johnson, President, College Media Advisers.

Gary Klott, President, Society of American Business Editors and Writers.

Bill Kovach, Curator, The Nieman Foundation, Cambridge, MA.

Linda Lightfoot, Baton Rouge Morning Advocate, Baton Rouge, LA.

Micheal Loftin, The Chattanooga Times, Chattanooga, TN.

Bill Loving, President, FOI Oklahoma, Inc.

Diane McFarlin, Sarasota Herald Tribune, Sarasota, FL.

Robert G. McGruder, Managing Editor, Detroit Free Press.

Karen Lincoln Michel, President, Native American Journalists Association.

The National FOI Coalition.

Ohio Coalition for Open Government, Dayton, OH.

Burl Osborne, The Dallas Morning News, Dallas, TX.

Geneva Overholser, Vice President and Editor, The Des Moines Register, Des Moines, IA.

Peter Prichard, Editor, USA Today.

Hyde Post, Managing Editor, Atlanta Constitution, President, Georgia First Amendment Foundation.

Charles Rowe, Fredericksburg Free Lance Star, Fredericksburg, VA.

Edward Seaton, Editor in Chief, The Manhattan Mercury, Manhattan, KS.

John Simpson, Editor, USA Today International.

Timothy Smith, Director, Ohio Center for Privacy and the First Amendment.

Dick Smyser, The Oak Ridger, Oak Ridge, TN.

State of Connecticut, Freedom of Information Commission, Hartford, CT.

Frank Sutherland, Editor, The Tennessean, Nashville, TN.

William B. Toran, Professor Emeritus, Columbus, OH.

Georgiana Vines, Immediate Past President, Society of Professional Journalists, Managing Editor, Knoxville News-Seninel, Knoxville, TN.

Pete Weitzel, Senior Managing Editor, Miami Herald, Miami, FL.

CHILDREN'S ADVOCACY INSTITUTE,
November 22, 1994.

President BILL CLINTON,
White House
Washington, DC.

Senate Minority Leader BOB DOLE,
House Minority Leader NEWT GINGRICH,
U.S. Congress,
Washington, DC.

GENTLEMEN: The Uruguay round of the General Agreement on Tariffs and Trade (GATT) is coming before the current Congress for a critical vote during the last several weeks of this session. The terms of this Agreement raise serious questions about the plight of children in many nations placed in factories and fields under regrettable conditions.

Child labor may be cheap, and an international marketplace which functions solely based upon price competition may allow those who most use child labor to have a concomitant market advantage. Such an advantage drives others into similar practices in order to reduce their costs and preserve marketplace. Unless major consuming nations refuse to buy products produced by inappropriate child labor, or international compacts preclude it effectively, competition will drive producers down to the lowest common cost denominator. That may well mean child labor as a competitively pressured alternative.

In some parts of the world, child labor already means irreparable harm to children. While work is also a part of growing up, some children are now forced into sweat shops which may approximate the worst abuses of slavery. Many are deprived of the lost opportunities that an education can bring. Most lose the simple joys of childhood as we have known them.

One counterforce has been the possibility of rejection of products produced by abusive child labor practices by consuming nations, particularly the United States. Nations can, individually or collectively, set standards to assure the protection of children from cruelty and abuse, and enforce them with potent pocketbooks.

But the Congressional Research Service has recently opined in writing that a national statute which bars purchase of products based upon child labor abuses would be "inconsistent with GATT articles prohibiting quantitative restrictions on imports * * * and that, further, it may be difficult to justify a ban under GATT exceptions." [Congressional Research Service, American Law Division, Report to Hon. Tom Harkin, July 15, 1993] The Report indicates that the GATT drafters did not consider child labor issues in the draft agreement now pending.

As advocates for children within the United States, we are concerned about long standing child labor abuses within many nations selling products. We do not support the reward of child labor exploitation by American purchase. If an international treaty binding the United States does not reliably protect children, we would hope that our nation would not surrender its sovereign right to do so.

Thus far, the debate on GATT has not involved substantial consultation with those of us who focus professionally on the status of children. We have not had an opportunity to debate fully the momentous implications of this measure as it affects children. We need the time and opportunity to do so.

We ask that you not vote precipitously on a measure with such far reaching and potentially permanent implications without opportunity for full debate, particularly as to issues affecting children.

Very sincerely,

ROBERT C. FELLMETH,
Executive Director,
Children's Advocacy Institute,
California's Statewide Child Advocates.

ROSALIND MCGEE,
Executive Director,
Utah Children,
Utah's Child Advocates.

EVE BROOKS,
President, National Association of Child Advocates, The Nation's Umbrella Organization of State-Based Child Advocates for 37 States.

PLAYING THE GATT NUMBERS GAME

The Clinton Administration and cohorts are promising better returns than the neighborhood bookie as the Congressional vote on the U.S. implementing legislation for the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) nears. Before U.S. consumer, labor and environmental protection laws and sovereignty are gambled away to the whims of a secretive, undemocratic tribunal in Geneva, the U.S. public, the press, and Congress should look behind those promises. Let's consider five of the predictions:

HOW TREASURY CREATED $200 BILLION IN GATT GDP GAINS

The U.S. gross domestic product (GDP) will increase by $153 billion in the tenth year alone of the Agreement, according to the U.S. Treasury Department. To calculate that $153 billion, Treasury started with "static gains" of $88 billion, based on economic models that took for granted improved allocation of resources as a result of GATT. Never mind that most of the model-based estimates were computed before the Agreement was concluded and the final terms known, or that the models assumed full employment and perfect competition. Next, Treasury added $27 billion in "guesses" about the GDP impact of nontariff and service trade agreements, an $11 billion estimate for so-called "model aggregation" from the Administration's chief GATT cheerleader, $11 billion from the industries most likely to benefit from intellectual property rules in the Agreement, and, to appease the U.S. GATT negotiators, $11 billion for an "improved" dispute resolution system. The fantasy was topped off with $53 billion in "dynamic gains," the latest euphemism for supply-side economics. Even the Council of Economic Advisors couldn't swallow the lofty total and demanded a "cushion" of a negative $55 billion. (Other estimates range as low as $7 billion in GATT-related GDP gains for the entire first 10 years of the Agreement.)

GATT IS NO $744 BILLION WORLDWIDE TAX CUT

This Agreement will create a $744 billion worldwide tax (tariff) cut over the next 10 years, according to the U.S. Treasury Department. The estimate assumes that all Uruguay Round reductions in tariff and nontariff barriers would take effect immediately. In fact, the decreases would be phased in over a 10 year period. Additionally, the Administration counts as GATT cuts, tariffs that are lowered or removed as the result of unrelated and unaffected agreements such as NAFTA. According to the Economic Policy Institute, adjusting for these two errors brings the tariff cut down to $200 billion, or $3.51 per person per year. The actual cut is even less than $200 billion because the calculations ignore tariff increases that are part of the Uruguay Round Agreement. Even Treasury admits that some of the benefits of tariff cuts will not be passed on to consumers, but will simply line corporate coffers.

88 PERCENT OF GATT FUNDING IS UNRELATED TO INTERNATIONAL TRADE

The $12 billion in tariff income lost by the Treasury during the first five years of the Uruguay Round cuts would be offset with increases in revenue and reductions in spending in other areas, according to the Senate Finance and House Ways and means committees. More than half of those offsets generate no money to replace the real dollar tariff losses, but instead rely on accounting gimmicks and PAYGO surpluses. For example, the Congressional committees claim to have created $1.207 billion in additional revenues simply by collecting excise taxes in September, before the end of the fiscal year, instead of October, when the taxes would have been due. According to the Joint Tax Committee of Congress, more than $2.5 billion in PAYGO balances (by law intended to reduce the federal deficit) also will be used to offset tariff losses. (PAYGO balances are generated from past legislation that reduced expenditures or increased revenues.)

"NO" VOTE ON GATT WON'T CAUSE A STOCK MARKET CRASH

Failure to ratify the implementing legislation will cause the stock market to crash. Some GATT proponents have even gone so far as to attempt to generate fear of a crash by comparing GATT to NAFTA. They blame stock price decreases prior to the November 1993 NAFTA vote solely on "anti-NAFTA" events and increases on "pro-NAFTA" developments, even though interest rates, inflation fears, and the release of economic reports had an impact. At the time, a chief technical analyst predicted, "As soon as the NAFTA vote is done, people will be back to worrying about quarterly earnings and interest rates. The NAFTA vote is just an emotional thing." The day after Congress passed NAFTA, stock prices buckled in response to a big retreat in bond prices.

GATT DISPUTE STATISTICS REFUTE KANTOR'S CLAIMS

The U.S. wins 80 percent of the trade disputes deliberated by GATT panels, according to U.S. Trade Representative Mickey Kantor. In fact, the U.S. has won 80 percent of the time only when the U.S. has accused other countries of GATT violations. When other countries have charged that U.S.laws were GATT-illegal, the U.S. has won a comparatively minuscule 21 percent of the time. GATT disputes involving the U.S. have tripled since 1980, compared to the previous fifteen years. The EEC has recently published its Report on United States Barriers to Trade and Investment, which will "serve as a means of monitoring US measures to implement the Uruguay Round agreement." At risk are consumer protection rules of the Food and Drug Administration, incentives for small and minority-owned businesses, recycled content requirements, restrictions on purchases of defense products from foreign suppliers, etc.

The implementing legislation for the Uruguay Round is scheduled for a vote in a lame duck session of Congress next week. Under fast track rules, debate is limited and no amendments may be proposed. The House has even adopted special rules which allow no points of order (such as challenging the use of PAYGO) to be raised. The Senate will need to vote to override its balanced budget requirements. Now's the time for the public, the press and Congress to challenge the GATT proponents' numbers game. Otherwise, in response to false promises and

threats, U.S. sovereignty may be surrendered to an international bureaucracy whose operating procedures guarantee that consumer, labor and environmental laws will be reduced to the lowest common denominator.

POTENTIALLY GATT-ILLEGAL SENATE BILLS OF THE 103RD CONGRESS

Following is a list of bills introduced in the 103rd Congress that are particularly susceptible to successful challenge under the proposed World Trade Organization if they are signed into law. If WTO dispute panels ruled against the measures, the United States would face a cruel choice: repeal the WTO-illegal measure or pay trade sanctions. Just the threat of such challenges would have a chilling effect on legislative initiatives raised by federal and state legislators.

Buy American bills: S. 1359 Intro. 8/4/93 by Leahy with Harkin, Simon, Moseley-Braun, Wofford, Pryor, Kerrey, Baucus, Johnston; to require the domestic production of food stamp coupons.

Consumer bills; S. 734 Intro. 4/1/93 by Feingold; to temporarily prohibit the sale of milk produced with hormone-injected cows.

S. 735 Intro. 4/1/93 by Feingold; to amend the FDA Act to require labeling of milk produced by cows injected with bovine growth hormone.

S. 954 Intro. 5/14/93 By Kohl with Leahy, Feingold; to prohibit the use of bovine growth hormone in domestic or international commerce until equivalent marketing practices are established in other major dairy exporting nations.

S. 601 Intro. 3/17/93 by Inouye; to require imported fresh papayas to meet the exact requirements imposed on domestic fresh papayas.

S. 2326 Intro. 7/28/94 by Boxer with Feinstein; to require regulations concerning the use of the term "fresh" in labeling poultry.

S. 2453 Intro. 9/22/94 by Daschle with Leahy; to provide for improved health and food safety through the reduction of meat and poultry pathogens by prohibiting the sale or transportation of meat products that exceed established levels of pathogens.

Environmental bills; S. 716 Intro. 11/20/93 by Bond with Coats, Cochran, Conrad, Daschle, Dorgan, Durenberger, Feingold, Glenn, Grassley, Harkin, Heflin, Kassebaum, Kerrey, Levin, Metzenbaum, McConnell, Pressler, Pryor, Sasser, Simon, Wells, Wofford; to require all federal lithographic printing to be performed using ink made from vegetable oil and materials derived from other renewable resources.

S. 818 Intro. 4/22/93 by Hatfield with Packwood, Mitchell, Boxer, Jeffords, Lieberman, Kennedy, Metzenbaum, Kerry, Levin, Harkin, Leahy, Riegle; to require refund values for certain beverage containers.

S. 822 Intro. 4/27/93 by Breaux; to provide for state management of solid waste and to reduce and regulate the interstate transportation of solid waste, including authorization of waste fees with rates that differ according to the origin of the waste.

S. 1145 Intro. 6/23/93 by Jeffords with Akaka; to prohibit the use of outer space for advertising and to prohibit imports of products by manufactures that engage in outer space advertising.

S. 1634 Intro. 11/8/93 by Heflin; to authorize states and certain political subdivisions to control the movement of municipal solid waste generated in or imported into the state or political subdivision.

S. 1636 Intro. 11/20/93 by Kerry with Packwood; to authorize appropriations for the Marine Mammal Protection Act and improve the program to reduce incidental takings of marine mammals during commercial fishing operations.

S. 1873 Intro. 2/24/94 by Dorgan; to permit governors to limit the disposal of out-of-state municipal and industrial waste in the states.

S. 2345 Intro. 10/5/94 by Baucus; to prohibit operators of landfills or incinerators from receiving out-of-state municipal solid waste without explicit authorization from the affected local government.

Trade bills: S. 301 Intro. 2/3/93 by Daschle with Levin, Johnston; to revive and strengthen Super 301 authority, used by the U.S. Trade Representative to eliminate unfair trade barriers.

S. 1132 Intro. 6/17/93 by Riegle; to promote fair trade in auto parts by providing for unilateral remedies to certain unfair trade practices and initiation of antidumping investigations.

S. 1858 Intro. 2/22/94 by Baucus with Danforth; to make permanent U.S. Super 301 powers of unilateral retaliation for unfair trading practices.

S. 1872 Intro. 2/25/94 by Rockefeller; to expand U.S. exports by requiring the development of objective criteria to achieve market access in Japan.

Health bills: S. 331 Intro. 2/9/93 by Kennedy; to regulate pesticide chemical residues in food.

S. 966 Intro. 5/13/93 by Lautenberg with Chafee; to reduce the presence of certain toxic heavy metals that pose public health and environmental hazards in packaging.

S. 1347 Intro. 8/3/93 by Bradley; to impose an excise tax on lead and lead products, including imports, to create a Lead Abatement Trust Fund.

S. 1671 Intro. 11/18/93 by Cohen; to require that promotional products for cigarettes bear labels warning of the dangers associated with smoking.

Human rights bills: S. 189 Intro. 1/26/93 by Helms; to ban imports of goods made in China with forced labor. (GATT only prohibits trade in prison-labor goods; other forced labor, including coerced child labor is acceptable under GATT once China becomes a WTO member.)

S. 613 Intro. 3/18/93 by Harkin with Grassley, Rockefeller, Metzenbaum, Feingold, Campbell, Dorgan, Riegle, Inouye, DeConcini, Wofford, Levin, Kennedy, Daschle; to prohibit imports of foreign goods produced with child labor.

Labor bills: S. 1661 Intro. 11/16/93 by Durenberger with Pell; to provide for uniform warnings on personal protective equipment for occupational use.

Public Safety bills: S. 440 Intro. 2/25/93 by Gorton with Akaka, D'Amato, Thurmond, Kassebaum, Shelby, DeConcini, Breaux, Bryan; to control the diversion of certain chemicals used in the illicit production of controlled substances and to provide flexibility in the controls placed on legitimate commerce in those chemicals.

S. 680 Intro. 3/31/93 by Gorton with Rockefeller, Bryan, DeConcini, Lieberman, Dodd; bill to protect the safety of small children by requiring warning labels on balloons, small balls and games designed for small children and banning the marketing for small children of toy balls that have a diameter of less than 1.75 inches.

S. 799 Intro. 4/20/93 by Metzenbaum with Simon; to permanently label four- and six-gallon buckets to warn of a potential drowning hazard to young children.

S. 1663 Intro. 11/19/93 by Levin with Riegle, Feingold, Kohl; to control the diversion of certain chemicals used in the illicit production of controlled substances.

S. 1848 Intro. 2/10/94 by Danforth with Bryan, Gorton; to provide disclosure of the bumper-impact capability of certain passenger vehicles and require a 5-MPH bumper standard for such vehicles.

[From the USA Today, Nov. 22, 1994]

REJECT THIS FLAWED TREATY

(By Ralph Nader)

How ironic: USA Today's editorial supports the General Agreement on Tariffs and Trade Organization, but USA Today's reporters would be prohibited from covering any of WTO's secret tribunals.

These closed courts would be deciding whether U.S. laws challenged by other countries would have to be repealed, or if you, the taxpayer, would have to pay fines to the winning foreign nation.

You, the readers, would be barred from observing, participating in or appealing any of these tribunals' decisions affecting your health, safety and workplace conditions.

Fifty-one leaders of the media, led by John Seigenthaler of the Freedom Forum First Amendment Center, protested this shutout in a letter to President Clinton in September, but to no avail.

Should you try to improve conditions by amending our country's laws, the State Department would inform you if it considers your consumer, environmental or labor proposals to be trade-restrictive and thereby illegal under GATT–WTO.

This chilling effect from Geneva, where WTO technocrats and global corporate lobbyists will gather together, is made colder by WTO's twin mandates:

One is the supremacy of foreign trade over non-trade practices such as food safety, pollution control, occupational health and tax policies.

Trade agreements should stick to trade.

The second is the international harmonization of standards. This would often mean harmonization downward for our generally higher safety conditions.

Currently, for example, under a similar North American Free Trade Agreement mandate, U.S. and Mexican officials are meeting secretly in Acapulco to harmonize truck-weight standards which in the United States cannot exceed 80,000 pounds. Since the U.S. trucking lobby likes the bigger Mexican rigs that have a 175,000-pound ceiling, which image do you think your rear-view mirror will reflect in a few years?

As a governing regime, the WTO's 123 member-nations are each given one vote. Two dictatorships can outvote the United States, which has no veto. This is why the Bush administration itself opposed this WTO idea before leaving office in December 1992.

Remarkably, countries that mistreat their workers, consumers and environment (including condoning brutalized child labor) do not violate the GATT–WTO. But our country, with more humane standards than many other countries, can be charged at those secret tribunals with restricting trade.

That is why the proposed WTO is a "pull-down," not a "pull-up," trade agreement.

Fifteen years ago, when the prior revision of GATT called the Tokyo round was completed, Washington made similarly inflated promises of more jobs for the United States.

Since then, our country has suffered from even larger annual trade deficits, including a deficit in manufactured goods.

Even with a cheap dollar, this year's deficit will exceed $150 billion. That is exporting lots of American jobs from a nation experiencing falling real wages for the past two decades.

Congress should defeat the GATT–WTO and return it to Geneva for renegotiation under democratic processes and "pull-up" standards of prosperity.

This would also avoid busting the federal budget and overcentralizing unaccountable power in Geneva, and it will prevent the foreign regulation of America.

This lame-duck Congress, with more than 90 defeated or retiring job-seekers, needs to hear by next Tuesday from concerned Americans, who may call their Senators and Representatives at 202–224–3121.

BRIEF RESPONSE TO SOME SENATORS WHO EMPLOY THE ARGUMENT THAT THE UNITED STATES CAN ALWAYS GET OUT OF THE WTO ON SIX-MONTHS NOTICE

(By Ralph Nader)

Given the array of power pressing the Congress to get into this World trade pact, consider the unlikelihood that we would ever get the Congress to get out of this Pact. Giving notice and getting out means surrendering 50 years of trading rights with other nations. It is not going to happen in this town.

Moreover, the U.S. cannot get out of parts of this Pact. Article 16, Par. 5 of the agreement stipulates that no reservations may be made in respect of any provision of this agreement. The U.S. and all other nations are not permitted any exceptions the way the old GATT (now operating) permits.

Therefore, if exiting the Pact is politically impossible, can we fix the trade pact from inside—regarding the autocratic secretive processes, the one-nation-one vote, no veto etc? Can we amend this agreement given the way the voting power is overwhelmingly stacked against the U.S. and the supramajorities needed for such changes? We have less than one percent of the vote, and shrinking as new large and tiny countries are added to the rolls. Maybe someone can explain how we can fix this agreement, as many Senators have been saying, to try to minimize the disadvantageous provisions that are in the text against the interests of the American democracy and economy. Will any of these Senators stand up and explain the practical points?

1. Can we really quit the WTO once we are in it?

2. Can we really fix the WTO, given the voting odds, once we are in it?

3. And isn't it better to reject the WTO proposal (as a prior Congress[1] did when it was called the ITO and a renegotiation occurred in 1947) and send it back to Geneva for renegotiation while we have some bargaining power left. For without the approval of Congress, the Pact would have to be renegotiated—our major trading partners have acknowledged this reality.

Please think about this!

THE 118 NATIONS THAT SIGNED THE URUGUAY ROUND OF GATT

Antigua and Barbuda, Argentina, Australia, Austria, Bahrain, Bangladesh, Barbados, Belgium, Belize, Benin, Bolivia, Botswana, Brazil, Brunei, Burkina Faso, Burendi, Cameroon, Canada, Central African Rep., Nambia, Chad, Chile, Colombia, Congo, Costa Rica, Cote d'Ivoire, Cuba, Cyprus, Czech Republic, Denmark, Dominica, Dominican Republic, Egypt, El Salvador, Fiji, Finland, France, Gabon, Gambia, Germany, Fed. Rep. of, Ghana, Greece, Grenada, Guatemala.

Guyana, Haiti, Hong Kong, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Kenya, Korea, Rep. of, Kuwait, Lesotho, Luxembourg, Macau, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mauritius, Mexico, Morocco, Mozambique, Mynamar, Nambia, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Paraguay, Peru, Philippines, Poland, Portugal, Romania.

Rwanda, Saint Lucia, Saint Vincent, Senegal, Sierra Leone, Singapore, Slovakia, South Africa, Spain, Sri Lanka, St. Kitts and Nevis, Gov't of, Suriname, Swaziland, Sweden, Switzerland, Tasmania, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Arab Emirates, United Kingdom, United States of America, Uruguay, Venezuela, Yugoslavia, Zaire, Zambia, Zimbabwe.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HOLLINGS. Mr. President, I yield 5 minutes to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. HARKIN. Mr. President, I thank the distinguished Senator for yielding this time. I may not take all of that.

I just wanted to state for the record that since 1975 when I first entered the House of Representatives I have worked assiduously and tirelessly on behalf of human rights. The first amendment dealing with human rights and foreign policy was in fact an amendment I offered in 1975 in the House of Representatives.

I do not believe there is any more pressing issue regarding human rights in the world today than the exploitive and abusive use of child labor, whether it is in manufacturing, mining, textiles, rugmaking, shoes, et cetera. I have a bill pending in the Senate which I will introduce again next year, S. 613, which basically would cut off the importation into this country of any items that are made by child labor.

For the record, on September 23, 1993 the U.S. Senate went on record unanimously with a sense-of-the-Senate resolution supporting that legislation. That was just about a year ago. I will read the resolution. It says:

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the economic exploitation of children, especially the practice of bonded child labor should be strongly condemned;

(2) it should be the policy of the United States to not allow the importation of products made by children who are employed in industry or mining; and

(3) the President should take action to seek an agreement with governments that conduct trade with the United States for the purpose of securing an international ban on trade in products made with child labor.

Mr. President, that was just over a year ago when the Senate went on record with that resolution. Last year, I funded through my Subcommittee on Appropriations a study by the Department of Labor of those industries and countries that use exploitive child labor. Nineteen of our trading partners were identified. The study documented some of the more serious abuses of child labor. There are more than 19 countries involved in abusive child labor practices. But that was the limit of the study.

The documentation is irrefutable—millions of children 8 to 14 years of age, bonded labor, working 10 to 12 hours a day 6 to 7 days a week for mere pennies. The facts are clear that as international corporations seek low-wage workers they push down the cost of labor to the lowest level. The lowest level, obviously, is slavery. But since we do not sanction slavery in any country, and to utilize slavery would make a country a pariah, slavery is not utilized.

The next rung up is prison labor. We do not allow prison labor either. As the distinguished Senator from Nebraska said a few moments ago—I repeat what he said, it was very, very good—"we protect criminals but we do not protect the kids. We do not allow the products of prison labor to come in but we do of children. So we protect criminals but we do not protect the kids. What an odd set of circumstances."

So we have a situation that we have to address. Again, what is happening is that so many of these products are now produced overseas.

I ask unanimous consent to have printed in the RECORD, an article from Harper's magazine, August 1992, entitled "The New Free-Trade Heel."

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

[From Harper's magazine, August 1992]

THE NEW FREE-TRADE HEEL—NIKE'S PROFITS JUMP ON THE BACKS OF ASIAN WORKERS

(By Jeffrey Ballinger)

Her only name is Sadisah, and it's safe to say that she's never heard of Michael Jordan. Nor is she spending her evenings watching him and his Olympic teammates gliding and dunking in prime time from Barcelona. But she has heard of the shoe company he endorses—Nike, whose logo can be seen on the shoes and uniforms of many American Olympic athletes this summer. Like Jordan, Sadisah works on behalf of Nike. You won't see her, however in the flashy TV images of freedom and individuality that smugly command us to JUST DO IT!—just spend upward of $130 for a pair of basketball shoes. Yet Sadisah is, in fact, one of the people who is doing it—making the actual shoes, that is, and earning paychecks such as this one in a factory in Indonesia.

In the 1980s, Oregon-based Nike closed its last U.S. footwear factory, in Saco, Maine, while establishing most of its new factories in South Korea, where Sung Hwa Corp. is based. Sung Hwa is among many independent producers Nike has contracted with. Nike's actions were part of the broader "globalization" trend that saw the United States lose 65,300 footwear jobs between 1982 and 1989 as shoe companies sought nonunionized Third World workers who didn't require the U.S. rubber-shoe industry average of $6.94 an hour. But in the late 1980s, South Korean laborers gained the right to form independent unions and to strike. Higher wages ate into Nike's profits. The company shifted new factories to poorer countries such as Indonesia, where labor rights

[1] Congress did not actually vote to reject; its members signaled that the ITO would not be accepted. The White House listened.

are generally ignored and wages are but one seventh of South Korea's. (The Sung Hwa factory and others like it are located in Tangerang, a squalid industrial boomtown just outside Jakarta.) Today, to make 80 million pairs of shoes annually, Nike contracts with several dozen factories globally, including six in Indonesia. Others are in China, Malaysia, Thailand, and Taiwan. By shifting factories to cheaper labor pools, Nike has posted year after year of growth; in 1991 the company grossed more than $3 billion in sales—$200 million of which Nike attributes to Jordan's endorsement—and reported a new profit of $287 million, its highest ever.

The words printed on the pay stub are in Bahasa Indonesia, a language created by fusing Roman characters with a dominant Malay dialect. The message, however, is bottom-line capitalism. "Per hari" is the daily wage for seven and a half hours of work, which in Sadisah's case is 2,100 Indonesia rupiah—at the current rate of exchange, $1.03 per day. That amount, which works out to just under 14 cents per hour, is less than the Indonesian government's figure for "minimum physical need." A recent International Labor Organization survey found that 88 percent of Indonesian women working at Sadisah's wage rates are malnourished. And most workers in this factory—over 80 percent—are women. With seldom more than elementary-school educations, they are generally in their teens or early twenties, and have come from outlying agricultural areas in search of city jobs and a better life. Sadisah's wages allow her to rent a shanty without electricity or running water.

"Pendapatan" is the earnings column, and five lines below the base pay figure for the month (50,400 rupiah) is one for overtime. Sadisah and the other workers in this factory are compelled to put in extra hours, both by economic necessity and by employer fiat. Each production line of 115 workers is expected to produce about 1,600 pairs of Nikes a day. According to the column at left, next to "OT (JAM)," Sadisah worked 63 hours of overtime during this pay period, for which she received an extra 2 cents per hour. At this factory, which makes mid-priced Nikes, each pair of shoes requires .84 man-hours to produce; working on an assembly line, Sadisah assembled the equivalent of 13.9 pairs every day. The profit margin on each pair is enormous.

Here are Sadisah's net earnings for a month of labor. She put in six days a week, ten and a half hours per day, for a paycheck equivalent to $37.46—about half the retail price of one pair of the sneakers she makes. Boosters of the global economy and "free markets" claim that creating employment around the world promotes free trade between industrializing and developing countries. But how many Western products can people in Indonesia buy when they can't earn enough to eat? The answer can't be found in Nike's TV ads showing Michael Jordan sailing above the earth for his reported multiyear endorsement fee of $20 million—an amount, incidentally, that at the pay rate shown here would take Sadisah 44,492 years to earn.

Mr. HARKIN. Mr. President, the Harper's magazine article shows the labor cost to manufacturing. For a pair of Nike's made in Indonesia, the cost of labor is 12 cents. They sell for $80 in the United States.

I have here also an article about a rug made in Morocco. The 13-year old girl that made it got $19.34. It sold in Macy's for $499. That is a little better than the Nike shoe example but not much.

I just want to read the last sentence of this article. It says quoting:

> Someone in Morocco says we cannot compete with them in India because in India they pay with a bowl of rice for two rugs.

So that is really what is happening. Companies are bidding down the price of labor. And as they do that, since we do not sanction slavery or prison labor, the next rung up on that ladder is child labor. That is what is happening around the world today. It is becoming a more and more serious problem. It is not alleviated.

I am hopeful that we can do something in this country to address the child labor issue. The only way we can do it is through our market system. We can say to those countries: If you are going to use child labor you will not have access to our markets. That kind of provision is not in the GATT agreement.

I have had discussions with Ambassador Kantor and people within the administration. They say they are going to work in the WTO preparatory committee this month to establish a work program on child labor, labor rights. They are going to work with us to get a bill enacted regarding imports made with child labor. They are going to work with us to deal more effectively with child labor in the GSP, the Generalized System of Preferences, which will be up for reauthorization next year—covering 140 countries, many of them abusing child labor. That is where we ought to also attack this issue of the child labor in other countries. And they have promised to address child labor in future negotiations on regional trade agreements.

Mr. President, I do know that the U.S. must take the lead in reducing and ending exploitive and abusive child labor. Only we can do that because of our longstanding advocacy and support for human rights.

Mr. President, I also want to make a few remarks specifically on the budget point of order that is expected to be raised against this legislation later today.

In that regard, I ask unanimous consent that a letter signed on July 15, 1994 to the President, signed by 19 Members of the Senate, be made part of the RECORD.

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

U.S. SENATE,
Washington, DC, July 15, 1994.

President WILLIAM J. CLINTON,
The White House,
Washington, DC.

DEAR PRESIDENT CLINTON: We write to ask that you join us in opposing any effort to waive provisions of the Budget Enforcement Act for the General Agreement on Tariffs and Trade (GATT) implementing legislation and avoid the requirement that such legislation be fully funded.

Some of us support GATT, others of us oppose the agreement, and still others of us have yet to make a decision, but we are united in our concern about the precedent waiving the provisions of the Budget Enforcement Act could set, undermining our ability to make further progress in lowering the deficit now and in the future.

We are confronted on a regular basis with having to make tough decisions on worthy programs because of our budget rules, and rightly so. The federal budget deficit must be brought down.

That GATT is significant is clear, but the importance of an issue should not determine whether or not it should conform with the budget rules we have set for ourselves. Indeed, the true test of our resolve to bring the deficit under control is our willingness to apply the budget rules to the important issues.

We recognize your commitment to passing GATT implementing legislation. Your support for making that legislation comply with the budget rules will be all the more meaningful because of that commitment, and we hope you will join us in this effort to oppose any effort to dodge this responsibility.

Sincerely,

Russ Feingold, Ben Nighthorse Campbell, Chuck Grassley, Jesse Helms, Dirk Kempthorne, Dale Bumpers, Strom Thurmond, Larry Pressler, Dave Durenberger, Lauch Faircloth, Larry E. Craig, Trent Lott, Robert F. Bennett, David Boren, John Warner, Hank Brown, Byron L. Dorgan, Alfonse D'Amato, Herb Kohl.

Mr. HARKIN. Mr. President, the letter sent on July 15, 1994 to the President was signed by 19 Members of the Senate saying that they oppose any GATT implementing bill requiring us to waive the budget rules to provide for deficit spending. I will read one sentence. It says:

> Indeed, the true test of our resolve to bring the deficit under control is our willingness to apply the budget rules to the important issues.

Now I understand that some of the people who signed the letter now say they are going to vote to waive the budget rules.

I want to make it clear that I believe we ought not to be waiving the budget rules to provide for the GATT agreement.

Therefore, I cannot and I will not vote to waive the budget rules to provide for deficit spending to enact the GATT agreement.

There is nothing wrong with bringing this agreement up next year when it should be brought up, once the funding is worked out. I believe that if we want to, if the people really want to enact a GATT agreement, we will find a way to raise the money, to cover the sum of $14.6 billion that we will increase the deficit by in the present GATT implementing bill.

Mr. President, I just do not see how Senators can waive the Budget Act to provide for deficit spending, to provide for the enactment of GATT this year. It should be done next year.

The PRESIDING OFFICER. Who seeks recognition?

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum and ask that the time be allocated to each side accordingly.

Mr. HOLLINGS. I suggest the absence of a quorum and ask that the time not be allocated to either side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll. The time will not be allocated to either side.

The 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.

Mr. MITCHELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MITCHELL. Am I correct in my understanding that unless otherwise agreed to, a quorum call is charged equally against all of those who now hold remaining time?

The PRESIDING OFFICER. The quorum call is normally charged against the Senator putting in the quorum call. If a quorum call is not put in, it will be charged equally. Of course, that can be changed by unanimous consent as it was in this instance. In this instance there was a unanimous consent request asking that the quorum call not be charged to either side.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time of the quorum call be charged half to each side and proportionally on the Democratic side equally among the proponents and opponents.

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

The time will be charged as requested in the unanimous-consent request by the Senator from Maine.

Mr. PACKWOOD. Half to us and half to them; is that correct?

The PRESIDING OFFICER. The Senator from Oregon is correct.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BREAUX. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BREAUX. I will ask the Chair to inform me of how much time this side has remaining.

The PRESIDING OFFICER. The side has 1 hour and 2 minutes remaining.

Mr. BREAUX. Let me yield to the distinguished Senator from Florida 10 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 minutes.

Mr. GRAHAM. Mr. President, thank you. I appreciate my good friend and colleague from Louisiana yielding me time to make a brief comment on the matter which is before us.

Mr. President, I speak strongly in favor of the General Agreement on Tariffs and Trade and hope that our colleagues will approve this historic agreement later today.

I would like to talk about this issue from two perspectives. First, the perspective of my State of Florida, a major export State, and the benefits that it will derive particularly in the area of agriculture and, second, to the importance of this to relations within the Western Hemisphere.

Mr. President, yesterday there was a press conference held in the Capitol. "Ag for GATT." Representatives of the major agricultural organizations in America stood together in support of the General Agreement on Tariffs and Trade.

American farmers, as represented by those gathered yesterday, want to do what they are best able in the world to do, which is to produce food and sell it at competitive prices around the globe.

GATT will help Florida farmers in three ways. First, it will increase access to foreign markets. Second, it will reduce export subsidies. Third, it requires countries to base their sanitary rules on sound principles of science.

Florida's $6 billion agricultural industry will benefit under the GATT. Florida is expected to gain from the Clinton administration's recent pledge of $600 million in additional funding for agricultural export programs which are acceptable under the GATT.

As a result of GATT, U.S. agricultural exports are projected to reach $4.7 billion by the year 2000, an increase of $1.6 billion from today. Agricultural exports are expected to reach $8.7 billion by the year 2005. The increased agricultural exports created by the GATT will create as many as 112,000 jobs—112,000 jobs—in the United States, Mr. President, by the year 2000, and 190,000 jobs by 2005.

As a specific example, GATT will greatly benefit Florida's citrus industry. The European Union, Japan, Korea, Switzerland and Thailand have all agreed to lower tariffs on various citrus products upon the passage of the GATT.

Mr. President, there have been considerable statements of concern made relative to the World Trade Organization and some of the powers it will have. I would concede that a consequence of the World Trade Organization is that the United States is going to be less sovereign in terms of its ability to control trade. But the same statement is made about every other country. They are giving up some of their sovereignty and we, Mr. President, have been the targets of some of the misapplication of other nations' economic sovereignty.

As an example, it was not very many years ago that there were boatloads of Florida citrus products, particularly grapefruits, tied up at a particular Pacific nation's ports, unable to be unloaded because that nation was holding that a particular form of treatment which these grapefruits had received, a treatment which is applied on a worldwide basis, did not meet their sanitary standards. There was no scientific basis for that country's sanitary standards. It was an economic effort to exclude from that market Florida grapefruit products. The consequence of that was that the boatload of grapefruit was lost, the economic gain was denied to our farmers, and access to those quality products was denied the citizens of that nation.

It is that type of abuse that the World Trade Organization provisions are intended to rectify.

Mr. President, this agreement will also be especially important to Florida and to our many other States which have substantial economic interests in what happens within this hemisphere, because the GATT will promote better trade opportunities among the countries of North and South America and the Caribbean. The potential for economic prosperity within this hemisphere has never been fully realized, even though Latin America is the only region of the world in which the United States currently enjoys a substantial trade surplus. Last year, we had about a $3.5 billion trade surplus with the Caribbean and South America. Prior to the break up of the Soviet Union, the United States looked upon Latin America and the Caribbean primarily as a security concern rather than an area of economic opportunity. Now that focus is changing.

Last year, we passed the North American Free Trade Agreement. That is not a book, but rather a chapter in a much larger book of expanding economic relations within the Western Hemisphere. Next week, in Miami, the summit of the Americas will meet, the first time in over a quarter of a century that the heads of Government of all the Nations that are democratically ruled in this hemisphere will meet together. A principal topic of that meeting, Mr. President, will be economic expansion and the particular role which expanded trade will have in increasing the economic opportunities of all the people within this hemisphere.

The United States prospects for trade with the Caribbean and Latin America are good today, and with the passage of GATT will be better tomorrow.

Latin America has a need for the technologically advanced products that the United States produces. In Mexico, for example, there are 7.3 telephone

lines per 100 people. That compares to the United States which has 56.2 telephone lines per 100 people. We have a tremendous opportunity to meet those types of needs which not only will utilize U.S.-produced products, but will also help build a stronger economic infrastructure for our neighbors.

The fastest growing segment of U.S. trade with the Caribbean and Latin America has been in precision equipment, exactly the type of equipment which is necessary in order to enhance the economy of that region, while also producing jobs and opportunities in the United States. This meeting of an identifiable need has already resulted in a substantial increase in trade between the United States and the Caribbean and Latin America.

This year, Latin America, including Mexico, will buy 18 percent of U.S. merchandise exports. And, according to U.S. Trade Representative, Ambassador Mickey Kantor, Latin America will purchase 25 percent—25 percent—of all U.S. exports, totaling $232 billion by the year 2010.

Mr. President, within 15 years Latin America and the Caribbean will have a greater share of U.S. export than will Europe and Japan combined. That is the scale of the opportunity that is available to the United States through an invigorated economy in Latin America and the Caribbean and our ability to sell effectively into those stronger economies. The United States direct investment in Latin America and the Caribbean has tripled since 1986 and now accounts for 13 percent of all U.S. investment abroad. Latin America is the second-fastest-growing economic region in the world with a projected growth of an average of 5 to 6 percent a year over the next 10 years. Sales to Latin America increased by $48 billion between 1958 and 1993. This growth created 900,000 new jobs in the United States.

As Latin America becomes more prosperous economically, the demand for U.S. consumer goods will grow. The growing relationship between the United States and Latin America and the Caribbean can be reciprocal. While the United States responds to demands for products in Latin America and the Caribbean, that same region can assist in providing us with much needed natural resources.

Latin American countries have recognized an opportunity for improved trade with the United States and have begun to dismantle barriers to trade and foreign investment. Latin American countries have lowered their tariffs on U.S. goods from an average of 56 percent just 9 years ago, to 15 percent last year. There is still room for improvement.

As tariffs remain higher in Latin America than in most developed nations, the GATT will further Latin American Governments' efforts to deregulate sectors of their economy, reduce subsidies in price controls, private state enterprises, establish antitrust and intellectual property regimes and institute democratic political reforms.

Mr. President, at this point I would like to indicate that it was only a matter of a few years ago that you could count on the fingers of your hand the number of democratic regimes in Latin America and the Caribbean. Today every nation in the Latin American and Caribbean region is a democracy, except for Cuba.

So, Mr. President, I say in summary that Latin America and the Caribbean are a significant but underappreciated sector for U.S. economic growth. The GATT will increase Latin America's economic prosperity and thus contribute to the economic prosperity of the United States and jobs for Americans.

I urge the passage of the agreement.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Who yields time?

Mr. PACKWOOD. Mr. President, I yield 5 minutes to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized for 5 minutes.

Mr. COHEN. Mr. President, the global economy is here and offers tremendous opportunities for us.

I was encouraged to find at the two international trade conferences I held in Maine this year that there were literally hundreds of Maine businessmen and women who already are succeeding in the world economy. Most of these businesses are small and their export efforts often go unnoticed, but they are out there. I think it is important to help these small businesses to take full advantage of export opportunities. Small businesses simply do not have the resources to secure foreign sales on their own. The Federal Government, through its export assistance programs, has been helping and must continue to do so.

At issue today is the largest trade agreement in the history of the world. It is not something that can be approached lightly. It is complex and voluminous. Many legitimate questions have been raised.

In particular, as was just expressed by my colleague from Florida, there is great concern that the World Trade Organization could undermine U.S. sovereignty. And that allegation must be taken very seriously. Undoubtedly, the WTO will have more power than the existing GATT accord, and people understandably are concerned about the WTO's power. However, after careful consideration, I am not convinced that the WTO poses a threat to U.S. laws.

The only laws that could be challenged under the WTO are unfair and illegal trade barriers. The United States has nothing to fear under the WTO because it is other countries, not the United States, that have a record of enacting trade barriers thinly disguised as health or public safety laws. For instance, Japan has continually justified its ban on the United States rice imports on the grounds that our rice poses a threat to the health of Japanese population. Of course, this is a ludicrous argument. There is no evidence to support this outrageous claim, and the WTO would expose Japan's law for what it is—trade barrier masquerading as a health law.

Moreover, it is important to note that the WTO does not have the authority to strike down U.S. laws, even if they are found to violate trade law. The WTO does not have powers like the U.S. Supreme Court. When the Supreme Court finds that a law violates the Constitution, that law is automatically declared void. The WTO, on the other hand, has no such power. The most severe action the WTO could take would be to impose fines on countries that refuse to take down their trade barriers. Again, since the United States is already the most open market in the world, we have little to fear from the WTO and much to gain if it can reduce trade barriers elsewhere in the world.

Finally, the United States reserves the right to withdraw from the WTO at any time after providing 6 months notice. And Congress has the ability to vote once every 5 years as to whether or not we should remain in the WTO.

I think, like others who have stood on the floor today and yesterday to express their reservations, that while there are areas certainly where the GATT could be improved, on balance, I think the agreement is in the best long-term interests of American workers. Export-related jobs on average pay 17 percent more than other jobs. Therefore, we must encourage and take advantage of our export opportunities.

The principal goals of GATT are to open foreign markets to American goods and to lower tariffs by one-third.

In a very important way, the GATT agreement is really about shifting power from governments to individuals. By reducing tariffs, money that would have been coming to Washington will stay in the pockets of consumers. Furthermore, by reducing trade barriers, individuals—rather than governments—will decide where they buy their products from and where they sell them. The cornerstone of free-trade policy is that individuals—not governments—should make consumer choices. I believe the GATT agreement makes significant progress in this regard.

In embracing GATT and the global economy, however, we must help those for whom the new economy poses more of a challenge than an opportunity. Federal job training programs and other outreach efforts are essential to help those in need. The debate over free

trade must never focus solely on the benefits to the Nation as a whole. We must also focus on those who are adversely affected by trade, because if trade policies do not in the long term benefit all Americans, there will be a tremendous backlash against efforts like GATT in the future.

So, Mr. President, I am supporting GATT today because I believe it will benefit American families over the long term, but I also intend to ensure that we do not forget those who, as the result of freer trade policies, may be adversely affected.

Let me just conclude by stating that I recently returned from a trip to Southeast Asia. To my colleagues, let me say: We are succeeding. We are penetrating markets. Barriers are coming down. Products made in Maine and elsewhere are now penetrating those markets that previously had been barred to United States and Maine-made products. So we are competing effectively. We are the most efficient, the most productive Nation in the world.

It seems to me if we want to continue to promote prosperity on a worldwide basis, from which we can only benefit, this is an agreement that we should support.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. PACKWOOD. I thank my good friend from Maine very, very much. I confess when I talked with him yesterday I had some nervous trepidations, but I am delighted with his statement today. I thank him very much.

I suggest the absence of a quorum and request we charge the time half to the Republican side and half to the Democrats.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time? From whose time does the Senator from Indiana seek recognition?

Mr. LUGAR. I am a proponent of the bill, so I ask the manager who is managing that side to yield me time.

The PRESIDING OFFICER. Without objection, the Senator from Indiana is yielded time from that of the Senator from Oregon.

Mr. LUGAR. Mr. President, there should be no doubt about the proper course of action for the Senate today: We should approve the Uruguay round trade agreements by an overwhelming margin. At a time when many people around the world are wondering aloud about the future of U.S. international leadership, we have today an opportunity—and an obligation—to reaffirm our leading role.

The Uruguay round will allow the United States to increase our exports by as much as $150 billion a year by 2004. It will boost economies worldwide, accelerating growth in both developed and developing economies.

Among the most significant achievements of the Uruguay round is the agreement on agriculture reached after 7 years of arduous negotiation. As incoming chairman of the Committee on Agriculture, Nutrition, and Forestry, I would like to point out to my colleagues that this agreement subjects agricultural trade to rules and disciplines which have been the norm for industrial products over many decades, but have been applied haphazardly, if at all, to trade in agricultural commodities.

The Uruguay round will require export subsidies to be cut by 36 percent in budget terms, and by 21 percent in terms of subsidized tonnage. This provision helps the United States because for most heavily subsidized commodities, we can export at a competitive price but our European rivals—the major practitioners of export subsidies—cannot.

The round will also require that import quotas be turned into equivalent tariffs. The resulting tariff levels—and indeed all other agricultural tariffs—must be reduced an average of 36 percent, with each individual tariff cut no less than 15 percent.

Finally, the round also recognizes for the first time the trade-distorting potential of domestic farm subsidies, and provides new disciplines in this area. At the same time, countries will receive credit for cuts they have already made; in the United States, having indeed made some cuts, we will not be compelled by GATT to make more.

The U.S. Department of Agriculture projects a rise of up to $4.7 billion in exports by 2000, along with a gain of 112,000 new jobs and an increase of $1 billion in farm income. USDA's projections for the following 5 years are even more dramatic.

Mainstream American agriculture agrees. My colleagues have probably received a letter of support for the Uruguay round signed by an unusually large and diverse agricultural coalition: about 300 different companies, grower association, and other groups.

I ask unanimous consent that the text of the letter and its signatories be printed in the RECORD.

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

AG FOR GATT,

Washington, DC, November 28, 1994.

Hon. RICHARD G. LUGAR,
U.S. Senate,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR LUGAR: Very soon you will vote on the GATT implementing bill, one of the most important pieces of economic legislation since the end of World War II. Passage of the bill will mean more U.S. exports, more American jobs, lower taxes and a real stimulus to our economy. Defeat of this bill would be nothing short of a victory for protectionism both here and abroad.

The nearly 300 farm groups, associations and agricultural businesses that make up the Ag for GATT coalition urge you, in the strongest terms, to vote for the GATT and for a better future for American farmers, ranchers and their allied enterprises. With record or near record production of nearly all farm products this year, we need the benefits that GATT will bring to our sector and we need them now, not at some unspecified time in the future.

Agriculture will benefit from expanded export markets, lowered export subsidies and an improved ability to challenge unfair foreign trade barriers. It is estimated that the GATT agreement will increase U.S. farm exports by anywhere from $5 billion to $14 billion per year by the end of the transition period. It will also increase net farm income by over $1 billion and create over 100,000 new jobs throughout the food chain. Quite simply, without the GATT agreement, more farmers will be forced to leave farming and government expenditures in agriculture will rise.

The direct benefits to agriculture have been well-documented. However, there are two other issues in the GATT debate that we would like to address because they have received a great deal of attention and because they have agricultural implications.

The World Trade Organization and U.S. Sovereignty—American agriculture has suffered under exiting weak and often ineffectual GATT dispute settlement rules. We support the improved enforcement of international trade commitments that will come with the WTO. We would not support the agreement if it weakened U.S. sovereignty and we are satisfied that it does not.

The bill itself ensures that U.S. laws and regulations are totally protected. Section 102 reads in part:

Relationship of Agreements to United States Law.

United States Law to Prevail in Conflict. No provision of any of the Uruguay Round Agreements, nor the application of any such provision to any person or circumstance, that is inconsistent with any law of the United States shall have effect.

Nothing in this Act shall be construed to amend or modify any law of the United States, including any law pertaining to the protection of human, animal, plant life or health, the protection of the environment, or worker safety, or to limit any authority conferred under any law of the United States . . .

The Budget Issue—A vote against the budget waiver is a vote against the GATT. If the budget waiver is rejected, there will be no vote on GATT and all of the benefits to agriculture from the GATT agreement will be lost.

It is essential to recognize that a vote for the waiver is not a vote to increase the budget deficit. The GATT will result in increased revenues to local, state and federal treasuries, by stimulating economic growth and creating jobs. In fact, rejecting the GATT could be a budget buster. In agriculture alone there are a number of budgetary impacts that are receiving little, if any, attention. For example, without the new markets to be opened by the GATT agreement, U.S. surplus farm production will cost the government more in storage costs, higher deficiency payments and larger export subsidies to continue the ag subsidy battle with the European Union. These are just a few examples of

how rejecting the GATT could hurt, not help, efforts to reduce the budget deficit.

The following organizations therefore, urge you to vote for the budget waiver and for the GATT implementing bill, to help American agriculture compete in world markets and in the years to come.

Sincerely,

AG FOR GATT.

AG FOR GATT COALITION

NATIONAL ASSOCIATIONS

Agricultural Retailers Association.
American Cotton Shippers Association.
American Farm Bureau Federation.
American Forest and Paper Association.
American Hardboard Association.
American Hardwood Association.
American Hardwood Export Council.
American Institute of Timber Construction.
American Meat Institute.
American Seed Trade Association.
American Society of Farm Managers and Rural Appraisers.
American Walnut Manufacturers Association.
APA, The Engineered Wood Assn.
Coalition For Food Aid.
Corn Refiners Association, Inc.
Fast Food Merchandisers.
Fine Hardwood Veneer Association.
Futures Industry Association.
Grocery Manufacturers of America.
Hardwood Manufacturers Association.
Holstein Association USA.
International Apple Institute.
International Ice Cream Association.
International Dairy Foods Association.
Milk Industry Foundation.
National Association of State Departments of Agriculture.
National Barley Growers Association.
National Cattlemen's Association.
National Cheese Institute.
National Corn Growers Association.
National Cotton Council.
National Council of Farmer Cooperatives.
National Dry Bean Council.
National Food Processors Association.
National Grain and Feed Association.
National Grain Trade Council.
National Hardwood Lumber Assn.
National Oak Flooring Manufacturers Association.
National Pork Producers Council.
National Potato Council.
National Wood, Window, and Door Association.
North American Export Grain Association.
Pet Food Institute.
Snack Food Association.
Sweetener Users Association.
Terminal Elevator Grain Merchants Association.
The Fertilizer Institute.
United Egg Association.
United Egg Producers.
United Fresh Fruit and Vegetable Association.
U.S. Egg Marketers.
U.S. Meat Export Federation.
U.S. Sugar Industry.
USA Poultry & Egg Export Council.
USA Rice Federation.

STATE/REGIONAL ORGANIZATIONS

Agricultural Council of California.
Arizona Department of Agriculture.
Arkansas State Plant Board.
California-Arizona Citrus League.
California Department of Food and Agriculture.
California Walnut Commission.
Certified Angus Beef Program.
Colorado Department of Agriculture.
Connecticut Department of Agriculture.
Delaware Department of Agriculture.
Eastern United States Agricultural & Food Export Council.
Georgia Department of Agriculture.
Hawaii State Department of Agriculture.
Illinois Department of Agriculture.
Iowa Department of Agriculture and Land Stewardship.
Kentucky Department of Agriculture.
Lake States Women in Timber.
Louisiana Department of Agriculture and Forestry.
Maryland Department of Agriculture.
Massachusetts Department of Food and Agriculture.
Mid-America International Agri-Trade Council.
Minnesota Department of Agriculture.
Mississippi Department of Agriculture and Commerce.
Missouri Department of Agriculture.
Nevada Division of Agriculture.
New York State Department of Agriculture and Marketing.
North Carolina Department of Agriculture.
Northeastern Loggers' Association.
Northwest Horticultural Council.
Ohio Department of Agriculture.
Oregon Department of Agriculture.
Pennsylvania Department of Agriculture.
Penn-York Lumberman's Club.
Rhode Island Department of Agriculture.
South Dakota Department of Agriculture.
Southeastern Lumber Manufacturers Association.
Southern Forest Products Association.
Southern U.S. Trade Association.
Tennessee Department of Agriculture.
Texas & Southwestern Cattle Raisers Association.
Texas Agricultural Cooperative Council.
Texas Cattle Freeders Association.
Texas Department of Agriculture.
Utah Council of Farmer Cooperatives.
Utah Department of Agriculture.
Vermont Department of Agriculture.
Washington State Apple Commission.
Washington State Department of Agriculture.
Western U.S. Agricultural Trade Association.
Western Wood Products Association.
Wisconsin Department of Agriculture, Trade and Consumer Protection.

COMPANIES/COOPERATIVES

Abenaki Timber Corporation.
Advance Food Company.
Affiliated Rice Milling, Inc.
AgriBank, FCB
AGRIPAC, Inc.
Agri-West International, Inc.
Agrolink Corporation.
AJC International, Inc.
Allegheny Highland Hardwoods, Inc.
Agrolink Corporation.
AJC International, Inc.
Allegheny Highland Hardwoods, Inc.
American Foods Group.
American International Log.
Appalachian Hardwood Manufacturers, Inc.
Anderson-Tully Company, Inc.
Archer Daniels Midland Company.
Associated Rice Marketing Cooperative.
Augusta Logging Exporters, Inc.
Austin Hunt Logs & Lumber International.
Averitt Lumber Company, Inc.
Baillie Lumber Company.
Banks Hardwoods, Inc.
Beaumont Rice Mills, Inc.
Blaney Hardwoods, Inc.
Blue Diamond Growers.
E. Boyd & Associates, Inc.
Bradford Forest Products.
Broussard Rice Mill.
Bryan Forwarding Company, Inc.
Buchanan Hardwoods, Inc.
Bunge Corporation.
CK International.
C-Wood Lumber Company, Inc.
Calico Cottage Candies, Inc.
California Canning Peach Association.
California Pacific Rice Milling, Ltd.
California Rice Milling, Ltd.
California Tomato Growers Assn.
Camdan Hardwood Company.
Cardinal Trading, Ltd.
Cargill, Incorporated.
Catlett Warehouse.
Central Soya Company, Inc.
CF Industries, Inc.
Chicago Board of Trade.
Chicago Mercantile Exchange.
Coastal Lumber.
CoBank, National Bank for Cooperatives.
Cole Hardwood, Inc.
Colonial Beef Company.
Colonial Craft (Rasmussen Millwork)
ConAgra, Inc.
Connell Rice & Sugar Company.
Connor Forest Industries, Inc.
Continental Grain Company.
Cookie Investment Company.
Cormier Rice Milling Company.
Countrymark Cooperative, Inc.
David R. Webb Company, Inc.
Diamond Fruit Growers, Inc.
Dockocil (Wilson Foods).
Duckwater Farms, Inc.
Edwards Wood Products.
Elanco Animal Health.
El Campo Rice Milling Co.
Energy Beverage Company, Inc.
Excel Corporation.
Falcon Rice Mill, Inc.
Farmers Grain Terminal, Inc.
Farmers' Rice Cooperative.
Farmers Rice Milling Company, Inc.
Farmland Industries, Inc.
Fitzpatrick and Weller, Inc.
Florida Citrus Mutual.
Frontier Foods International, Inc.
GDM Farms, Inc.
Georgia-Pacific Corporation.
Germain Timber Company.
GROWMARK, Inc.
Gulf Compress
Gutchess International, Inc.
Hampton Angus.
Hardwood Plywood Manufacturers, Inc.
Harris Ranch Beef Company.
Harvest States Cooperatives.
Hatfield Quality Meats, Inc.
High Mountain Associates.
Hitch Enterprises, Inc.
Hormel Foods.
IBP, Inc.
Incotrade, Inc.
International Veneer Co., Inc.
Interstate Producers Livestock Association.
J.M. Jones Lumber Company, Inc.
Kane Hardwoods.
KBX, Inc.
Kitchen Brothers Manufacturing Co.
Langston Companies, Inc.
Lewis Brothers Lumber Co., Inc.
Liberty Rice Milling.
Linden International, Inc.
Lo Brothers & Associates.
Louis Dreyfus Corporation.
Mackey's Ferry Sawmill, Inc.
Matson Wood Products.
MBG Marketing.
Maverick Ranch Lite Beef Company.

Alan McIlvain Company.
MFA, Incorporated.
MFA Oil Company.
Midwest Lumber & Dimension, Inc.
Frank Miller Comapny.
Miller and Company.
Mitsui O.S.K. Lines.
Monadnock Forest Products, Inc.
Monfort, Inc.
Monsanto Company.
Monticello Hardwood, Inc.
Morgan Farms.
John Morrell & Company.
New City Packing Company.
Nicolet Hardwoods.
Norbest, Inc.
NORPAC Foods, Inc.
North Atlantic Timber & Shipping.
Northland Corporation.
Northland Forest Products.
North Pacific Lumber Company.
Oaks Unlimited, Inc.
Ocean Spray Cranberries, Inc.
Olive Growers Council of California.
Owens Forest Products.
P.W. Plumly.
Pacific Lumber & Shipping Company.
Pierce Foods/Hester Industries.
Pioneer Hi-Bred International, Inc.
Port of Orange.
Producers Rice Mill, Inc.
Providence Bay Fish Company.
Purina Mills, Inc.
RAM Export Sales, Inc.
R.B. Farms.
Rice Belt Warehouse, Inc.
Rice Growers Association of California.
Rice-Tec, Inc.
Riceland Foods, Inc.
Richmond Lumber, Inc.
Riviana Foods.
Rose Packing Company.
Rossi Enterprises.
Rue & Forsman.
Salamanca Lumber Company, Inc.
Schmid Lumber Company, Inc.
Seafood Export, Inc.
Shannon Lumber International.
Simplot Meat Products.
Skylark Meats, Inc.
Southern States Cooperative, Inc.
Spellman Hardwoods, Inc.
St. Paul Bank for Cooperatives.
Stewart Lumber Company, Inc.
Stimson Lumber.
Stinson Seafood Company.
Strauss Veal.
Sun-Diamond Growers of California.
Sunkist Growers, Inc.
Supreme Rice Mill, Inc.
Syntex Animal Health.
T & S Hardwoods.
Taylor-Cross International.
Taylor Lumber, Inc.
Taylor-Ramsey Corporation.
The Bruss Company.
The Jolt Company.
Tradewest Hardwood Company.
Tradewinds International, Inc.
Tree Top, Inc.
U.S. Livestock Genetics Export, Inc.
USA Woods International.
Vienna Sausage.
W.M. Cramer Lumber Company.
W&S Rice Company.
Walter H. Weaber Sons, Inc.
Webster Industries, Inc.
West Implement.
Western Farm Credit Bank.
Weyerhaeuser Company.
Whitson Lumber Company.
World Wood Company.

Mr. LUGAR. I thank the Chair. Mr. President, these groups state in their letter that Congressional approval of the Uruguay round "is essential if U.S. agriculture is to remain a growth industry." They have put their finger on the key benefit of the round for U.S. farmers and agribusinesses: It will safeguard our future. That is because it will allow the United States agriculture and food industry to use its many comparative advantages: The ability to deliver products in large volumes; the ability to deliver commodities consistently year-round; cutting-edge plant and animal technology and research; the franchise value of many American fast-food firms; U.S. advantages in food packaging, manufacturing and marketing. At the same time, the Uruguay round will bring disciplines in an area where the United States does not have a comparative advantage: subsidies. Here, other countries seem more willing to transfer wealth from their national treasuries and their consumers to their farm sectors. The lesson for the United States is not to copy them, but to work for change in their policies so that our own market-based advantages will have a chance to work. The new GATT accords compel such changes and afford us just such an opportunity.

For my State of Indiana, the Uruguay round offers many benefits beyond agriculture. The agreement will reduce tariffs to zero or very low levels for important industries like steel, farm equipment and chemicals—basic American industries. It will afford new protection for the intellectual property of pharmaceutical companies, medical device makers and other firms in those allied industries. For insurance providers and other services within GATT disciplines for the first time, although more work remains to be done here. All in all, the agreement promises to be in the economic interest of Hoosier businesses, consumers, workers and farmers.

I do want to express my concern about some of the budget offsets included by the administration in this bill. These provisions are not necessarily bad policy in every case, but they now come before the Senate without any opportunity for amendment, for deletion, or even for very much debate.

As one Senator, I wish we could have a more thorough debate on the merits of several of these revenue items: not only the "pioneer preference" and savings bond provisions that have been mentioned often in this debate and about which many of my colleagues have expressed concern, but the changes in pension law as well, which will have significant effects on some retirees.

On some of these topics, Senator DOLE has obtained useful assurances, but I am more concerned about the state of the fast-track process generally. I believe this legislation illustrates that over the years, the fast-track privilege has come to be seen as a vehicle for side deals, special-interest accommodations and provisions of questionable merit—none of which can be changed once included in the implementing legislation, unless a Senator is prepared to defeat the entire agreement, which I certainly am not.

We will continue to need fast-track authority for future trade agreements, but our recent experience suggests we should make some changes when we renew this authority next year. First, we should set out clear negotiating objectives that must be met before any agreement can be submitted under the fast-track privilege.

Second, we should allow amendments to provisions of fast-track legislation that are included only to offset apparent budget costs of the trade agreement. In this way, Senators would be able to change revenue provisions they did not favor, or even delete them altogether. Since these provisions are typically unrelated to the substance of the trade agreement itself, there seems to me no compelling argument to give them absolute insulation against amendment. However, the total time for debate and amendment on a bill under fast-track procedures should continue to be limited.

Third and finally, the President should be allowed to include in fast-track legislation only those provisions that are absolutely necessary to implement the agreement. Current law allows provisions that are "necessary and appropriate," and in the real world the latter word constitutes an enormous loophole of which both the President and the Congress have taken full advantage.

These reforms will help build public confidence in our trade policy by opening up the fast-track process and making it exceedingly difficult to add special-interest provisions. It is essentially these aspects of the current process that have drawn the most criticism from members of the public. Significantly, much of the opposition to the Uruguay round has focused not the specifics of the agreement, where the United States clearly stands to gain, but on the allegedly closed and corrupt nature of the congressional fast-track process. Opponents have exaggerated much, but where they make legitimate points, we should not be afraid to make changes.

Again, I hope to work with my colleagues, especially those who serve on the Finance Committee, to introduce or join in the introduction of legislation incorporating the principles I have outlined. I welcome the reaction of my colleagues and the public to the changes I have suggested.

Whatever the shortcomings of the fast-track process, they do not outweigh the manifest benefits of the Uruguay round for our economy. To raise

questions about some aspects of this agreement is understandable; to reject it would be unthinkable. We should vote for it without hesitation, for it is a good agreement for the United States as we enter a new century in which our Nation must continue to lead.

I will add, Mr. President, that I am heartened by reports that passage of this agreement today will lead to conversations involving the President of the United States, President Clinton, and President Frei of Chile. Chile, for a long time, has looked forward to either a free trade agreement with the United States or accession to the NAFTA treaty or to some other way in which the free trade principles espoused in both of our countries might be enhanced promptly. I am hopeful that stimulus and momentum will continue promptly.

I commend President Clinton for that intent and, likewise, the patience of the Chileans who have waited a long time. I know the occupant of the Chair, who has been involved in many such conversations, will undoubtedly welcome that momentum also of a conference that will occur soon in his great State.

I thank the Chair, and I suggest the absence of a quorum.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I ask that the quorum call might be deferred and I can go forward with my remarks. I thank my friend from Indiana.

Mr. President, I rise in support of the Uruguay round agreements of the General Agreement on Tariffs and Trade, GATT. This debate, much like the NAFTA debate, has been riddled with myth and misinformation. I have heard thoughtful arguments against GATT—indeed I have—as well as for it. And I have also heard some alarms which seem to verge nearly on the hysterical. One would think that some of us are here preparing to bargain away our national sovereignty instead of trying to negotiate away foreign trade barriers. But sadly, that is the level of some discourse.

I admire the people on both sides of this issue. There is no one who speaks with more passion than my friend from South Carolina, Senator HOLLINGS. His position is so clear to us. And the wisdom of our ranking member on the Finance Committee, Senator PACKWOOD, has given necessary balance to the debate. This has been a very good debate.

The fine people of my State, like those of any State, are deeply worried about their jobs and about the economic future facing them and their children. There are, of course, no simple prescriptions available to create prosperity. One thing is very clear: Jobs are not destroyed by trade; jobs are created by trade. And the more plentiful and fair and open that trade is, the more jobs are created here at home.

We do not—I repeat, not—produce jobs at home by refusing to participate in the difficult work of dismantling foreign trade barriers. I cannot stress strongly enough that I would never support any piece of legislation that would adversely affect the people and the economy of Wyoming. The GATT agreement is good for the economy, it is good for the people of Wyoming, it is good for the people of America. I would not say that it, or its financing mechanism, is perfect, but it is far, far preferable to the fallout and lost opportunities that would come from rejecting it.

The United States took a responsible step last year when it approved the North American Free-Trade Agreement. That agreement opened the door to greater exports to our biggest and best trading partners, Canada and Mexico. Exports to these NAFTA partners last year alone accounted for almost two-thirds of our export growth. The exports to Canada and Mexico surpassed exports to Asia and even Europe, and the benefits of this expanded trade are now a matter of record. They are on the record. The GATT agreement gives us the opportunity to build on that success and extend those principles now around the world.

I want to commend Mickey Kantor. Ambassador Kantor has been superb. He has done a tremendous job. I admire his work. And he has always been accessible and receptive to things I have shared with him about issues in Wyoming that have to do with grain and agricultural products. The U.S. Trade Representative calls the Uruguay round a $750 billion global tax cut. That is a direct reference to the tariffs that consumers around the world will no longer have to pay.

Indeed, it is estimated that this trade agreement will be responsible for a gain in global income of more than $500 billion by the year 2005. This is an important decision for our foreign policy, as well as for our domestic economic interests. What sort of a message would the rejection of GATT convey to the world? I believe the answer is very clear. If we choose to reject GATT, then Germany, France, Japan, China, and the rest of Asia will go right back to their old protectionist ways, ways that kept U.S. exporters out of their markets. Our export opportunities will evaporate before our eyes. We will face the same old obstacles to trade as we have in the past.

We should well remember and recall the stated belief by the Japanese that only Japanese downhill skis worked on Japanese snow. I remember that one. We in Wyoming knew that not to be the case, especially with Wyoming powder. But how about that one? We do not want to go back to that. Japan is one of our finest allies, and one of our finest trading partners. We do not want to hear any more things like that.

During the 7 years that the GATT was negotiated I had the opportunity to receive the opinions of more than several hundred constituents. My constituents are not fainthearted. They discussed GATT. Some of the discussion came from individuals who had been fed some fallacious information sent to them by individuals with a big stake in defeating GATT who had been led to fear for their own job security if GATT is passed. I will make a brief comment on those. But first, for the most part, I have heard in great detail about the benefits GATT would provide to my State.

Let me just say that all of us are guided often by provincial energy. Let me say that I represent a State of 473,000 human beings. My good colleague to my immediate left, Senator PATRICK DANIEL MOYNIHAN, represents a State of millions of human beings. I want to commend the senior Senator from New York for the work he has done on this issue. He has been intrepid, dedicated, and completely forward in his support of it. His energies, I hope, will be met with success this evening.

But in this State of 473,000 people in 93,000 square miles, if we do not have the ability to export, we will perish. We are the largest producer of trona, which is soda ash, which is in every piece of glass. One-third of the world's trona comes from southwest Wyoming. And this will reduce tariff barriers in Belgium and France on soda ash which will be of tremendous longterm benefit until the end of the reserves in that part of Wyoming. This is the greatest benefit to an entire quadrant of my State that you could ever have had. That is what it will do with the big boys in Brussels and France and the soda ash producers, completely reducing those tariffs.

We are the largest producer of coal in the United States, bigger than West Virginia, bigger than Kentucky, bigger than Pennsylvania. This will help. We produce pork, beef, sugar beets, lamb, and wool. These are things that Wyoming emphasizes; also, chemical and MTBE production. These are commodities and goods that GATT will benefit.

So our whole economy is based on trade. That means fair trade. It means the elimination of trade barriers that will continue to exist if GATT is defeated.

We trade in all of these things, including timber, and a great array of manufactured goods. We are a State rich, rich indeed, in raw materials that amount to far more than whatever we could consume. Without access, without these openings, we would dry up and disappear. This is our export opportunity. This is our future. This is the way we keep our young people in Wyoming to work, and live and play there.

I believe GATT has made some tremendous advancements toward the objective of free and fair trade. Certainly there are key elements that are somewhat disturbing. But I think we have had those answered.

The key is tariffs, reduction in foreign tariffs, either fully eliminated or significantly cut on approximately 85 percent of world trade including construction, agricultural equipment, even beer—which is a very lucrative world market I might add.

The General Agreement on Trade and Services, which is GATS, will assist in opening export markets and ensuring fair foreign investment rules for American service companies and professional, business, communications, financial, health, tourism, education, environmental fields, industries which employ millions of Americans.

Agriculture will be included for the first time in a GATT agreement. Here is the one issue that has messed up international trade for decades. Agricultural support systems and the burning of commodities on the Champs-Elysees in Paris, getting rid of potatoes here, grain here. That is absurd.

Finally, we deal with that. Finally we get to that. We increase these trade opportunities. We are going to reduce agricultural export subsidies by a total of 36 percent, which is $8 billion, over half of which is accounted for by the European unit.

Member nations are going to cut $35 billion in support for domestically consumed agricultural products; 18 percent reduction. But it is going to benefit wheat, barley, beef, pork, sugar. And I will have to tell my constituents because somebody has them all worked up and giving them erroneous information. I will be very glad to help educate them and tell them what we are doing here, and that it is not about the loss of sovereignty. It is not about the World Trade Organization. I wish they had picked a different name for it. It seems to have connotations that led to most sinister references. There is a gross misunderstanding about that. Clarifying these misconceptions is very important. And I shall do that because they will wonder why I am voting and so strongly helping to pass GATT.

The Uruguay round would also extend significant protection to American producers, in the realm of intellectual property. The GATT would finally offer some substantial protection for U.S. companies that manufacture pharmaceutical drugs, computer programs and games, semiconductor chips, books, films, and compact music disks. Not only would it provide for recognition of U.S. patents, copyrights and trademarks abroad, but it also requires foreign governments to provide effective enforcement of them. This is an area of unquestionable importance for U.S. exporters. Protections in this area are absolutely critical for preserving the global integrity of those industries.

One issue on which many people have expressed concern is the establishment of the World Trade Organization [WTO]. I believe there is a gross misunderstanding about that and I would like to try to clarify some of the misconceptions as I mentioned earlier, since the formation of the GATT in 1948, member nations have renegotiated the global trade rules approximately every 5 years. As a result of the Uruguay round, the rules have been substantially expanded and extended to most trading nations on an equivalent basis.

Because of this expansion, it has become necessary to formally reorganize the current GATT officiating body. The WTO would simply replace that current body. The WTO will provide the world with procedures for negotiating additional reductions of trade barriers and for the prompt resolution of trade disputes between countries.

I strongly believe that no trade agreement, whatever its economic benefits, should be approved if it infringes upon State or Federal sovereignty. But provisions in the GATT agreement clearly state that U.S. law prevails in every situation under the WTO. There are significant safeguards in the implementing legislation—including an outright statement that gives primacy to U.S. laws—to ensure that our sovereignty is fully protected.

But let me just read one section of the legislation because we are talking about sovereignty. Here it is, section 102(A)(1) of that legislation which clearly States this:

> No provision of any of the Uruguay round agreements, nor the application of any such provision to any person or circumstances, that is inconsistent with any law of the United States shall have effect.

Mr. MOYNIHAN. Period.

Mr. SIMPSON. I appreciate the emphasis from my colleague from New York, "period." There it is. That is it. You cannot say it. It could have been a little better syntax, I think. But, nevertheless, in its jumbled version it says exactly what people have been concerned about, and I think that is very important.

I believe that this provision fully recognizes the fact that the power to create and abolish U.S. law is ultimately reserved to Congress and the State legislatures. That power is derived directly from the U.S. Constitution and I can assure my listeners that there is no method by which those legislative duties will be relinquished to some international trade court in Switzerland. Suggestions to the contrary reveal only how cynical many have become about the patriotism and good faith of those in government, particularly those who negotiated the agreement.

Second, the implementing legislation sets up procedures by which Congress will maintain oversight of WTO actions as they relate to the United States. It also ensures that the administration will always coordinate with Congress in its responses to upcoming WTO voting issues. That is a very important element which will ensure that Congress—and the public's—voice with regard to U.S. positions on international trade is clearly heard. All briefs and decisions made by the WTO and dispute settlement panels will be available to public inspection. Secret tribunals will not exist nor are they authorized under the WTO.

Furthermore, in the event that Congress becomes dissatisfied with WTO decisions at any time, the bill sets up a special, expedited procedure by which we can decide every 5 years whether or not to revoke the agreements. There is also a safety hatch that allows us to withdraw at anytime with six months notice.

Finally, Senator DOLE has negotiated an additional safeguard in the form of an agreement with the President to establish a WTO Dispute Settlement Review Commission. The Commission would consist of five judges appointed by the President and the leadership of both Houses. The Commission will review all final WTO dispute settlement reports where the report rules against the United States. If the judges determine on three occasions that the WTO exceeded its authority or diminished the rights of the United States, any member of either House could introduce a resolution to disapprove U.S. participation in the WTO. Three strikes and we're out of the WTO.

In order to pass GATT, the Senate is required to waive the Budget Act. The budget waiver is required even though most experts agree that the benefits of GATT greatly surpass any losses which would result from reduced tariffs. Our own budget rules here in the Senate require strict deficit neutrality over a course of 10 years as "scored" by static scoring models—models which do not account for changes in behavior which may result from the change in law.

The $11.7 billion tax cut from the GATT legislation for the first 5 years is paid for with $11.1 billion of deficit reduction measures and $600 million of previously enacted budgetary savings. Moreover, because the GATT financing package is mostly outlay reductions, not revenue increases, the net effect of the package is to provide for a substantial net tax cut for Americans.

Nonetheless, GATT still requires a waiver of the Congressional Budget Act. A failure to approve the budget waiver for GATT will mean that the bill is dead. A vote against the budget waiver is a vote against the GATT.

This morning we were at the White House and I wanted to conclude with what our leader, George MITCHELL, said, if I may paraphrase correctly. He said something like this: I thought it was devastatingly appropriate. He said:

I think everyone will admit that already the United States of America is the most open trading country in the world. That is a given. We have less restrictions, less tariffs, less games, less punishment, less all the things that become tricky in this, and countervailing duties, and so on.

So if we are already the most open trading country on the Earth, and GATT is about opening trade, how can we miss? We cannot miss. America cannot miss on this. If we are already the most open country on Earth and the sole purpose of this legislation is to open trade around the world, that is good for America and good for Wyoming. It is plain and simple. The agreement will open up important foreign markets for Wyoming, and it will reduce hideous tariffs around the world. We have a choice to chart a course forward, a fairer and more profitable choice.

I am proud to make that choice and to support this historic agreement.

Mr. MOYNIHAN. May I congratulate the distinguished Republican whip for his thoughtful, analytic, factual statement. If we could hear what he has said and extend it to our own States, as is easily done, the case has been made. I thank him for his graciousness and his courtesy, which is unfailing, and the skilled cowboy knows his international trade.

Now I have the pleasure to yield 10 minutes to my friend and neighbor from Massachusetts, the Honorable JOHN KERRY.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. I have been listening to a number of my colleagues who paint a very grim picture of diminishing U.S. sovereignty; the weakening of environmental laws; and the withering away of the U.S. manufacturing base that would result if we pass this bill.

Well, Mr. President, I think those fears, as a number of my colleagues have articulated, are misplaced. This agreement will not do any of these things.

Indeed, with respect to the sovereignty issue, it is interesting to note that a cross-section of American institutions—the American Bar Association, the Consumers Union, and the Heritage Foundation, which I think rarely agree on anything—all agree that the Uruguay round will not harm the sovereignty of this Nation one iota. The ABA stated, "In particular, the Uruguay round dispute settlement provisions leave United States domestic legal powers totally intact."

In point of fact, if the WTO did begin to hand down a number of decisions adverse to the United States, we would have the ability to withdraw from this agreement—by merely providing 6 months' notice.

A second concern is the impact this agreement will have on the environment, but there, too, the GATT recognizes specifically the right of each country to protect human, animal, and plant life; and the health, the environment and consumers. It allows each country to set a level of protection for health, and the environment and consumers that the particular government deems appropriate.

The third concern, and the most important, is that this agreement will reduce jobs. However, by forcing other countries to play by the same rules of fair play that the United States has always abided by, the agreement will increase—by 300,000 to 700,000 over 10 years. Moreover, annual U.S. income will increase $100 to $200 billion over the same period.

We are 4 percent of the world's population; 96 percent of the world's population is where 90 percent of the development and growth will take place over the course of the next years. If we do not pass this agreement, we deny ourselves access to that market and we invite our most voracious competitors—the French, Germans, Japanese, Taiwanese, Singaporese, and a host of others—to rush in where we fear to tread.

In fact, not only will the passage of the Uruguay round not threaten our sovereignty nor our prosperity, but on the contrary, I believe that failure to pass it would in fact subject us to these very fears—by forcing us to confront the inevitable continued globalization of the world's economy, unregulated by a set of multilateral rules.

Why do so many people oppose this agreement then? I suppose it is because so many do not want to acknowledge that continued globalization of the world economy that we have witnessed is inevitable. It is going to continue whether we like it or not, and whether we pass the Uruguay round implementing legislation or not. We cannot turn back the clock.

In many ways it is good that we cannot. The jobs created by exports traditionally pay 17 percent higher than the U.S. average. Eleven million people in the United States owe their jobs to exports—one-quarter of our work force. This number is expected to increase to one-third of our work force in the next 10 years.

This agreement is an opportunity for us to make this change work for American workers—by increasing U.S. exports.

I was just in India, where I met with the Finance Minister, the Minister of Telecommunications, and the Foreign Minister. I gave each of them a Polaroid camera made in Massachusetts, with two packets of film. I said, "When you finish these packets of film, you will not—unless a friend brings you more—be able to buy more in India because they are kept out by tariffs of 50 percent. Despite the fact that no Indian company manufactures these cameras—and therefore there is no domestic industry asking for protection—you maintain one of the highest tariffs on film in the world."

I hope that the Government of India will decide to reduce this tariff in the next several months.

Under GATT, similar tariffs would be reduced, creating enormous opportunities for companies like Polaroid, and their employees.

That, Mr. President, means jobs for Americans. In Fall River, MA, there is a company called Quaker Fabrics. They have increased their capacity to make textiles in America and sell them abroad. Of the 500 people they have hired over the last few years, 300 of them are directly related to the increase in export capacity. They support GATT.

In addition to those examples as to why GATT is important, let me just quickly summarize a few others. It is the largest tax cut—by virtue of the reduction of tariffs—in world history. It will eliminate major foreign barriers to the export of our goods.

It will permit—and in some cases actually strengthen—the United States's ability to enforce its laws against foreign unfair trade practices.

It will protect intellectual property of United States entrepreneurs from piracy in world markets.

And it will boost the currently stalled world economy, thereby creating even more export opportunities for U.S. firms.

The benefits to my home State are especially large. In addition to the direct benefits of the jobs I just mentioned, it will eliminate duties for medical equipment and printed matter. It will lower significantly tariffs on fish and fish products, which are a mainstay of Massachusetts.

It will provide strong intellectual property rights protection which will benefit particularly exports of semiconductor manufacturers, computers, and software.

Finally, I will say this is not a perfect agreement. No agreement is. There are obviously deep concerns that we have about labor standards in other countries. There are concerns that we have about the ability of those countries to meet some of the environmental standards we consider critical.

Therefore, we must bear in mind that with this vote our job is not finished.

Opening up opportunities in the new global economy is important. But we must also prepare all our citizens for the impact of that globalization.

Some of our most vulnerable citizens will be hurt in the transition process. It is a tragedy that in this Nation we have not fully funded worker training and adjustment programs. As some benefit, it should not be at the expense of others.

Further, we must make certain that we ensure that international labor

standards are protected and increased through the World Trade Organization. This will entail a major effort by the United States, but we are obliged to make it.

We also must do everything we can to ensure that textile markets around the world are opened so that our textile manufacturers, who will be newly challenged under this agreement, do not find themselves relinquishing the protection of the multifiber agreement without finding fairness in foreign markets. I am convinced that it is through the GATT that we can help them to achieve that equity in the marketplace. This agreement will help us to open up those last barriers.

Lastly, we must follow the progress of the new Environment and Trade Committee of the WTO to ensure that the goal of sustainable development is not relegated to the marketplace in Geneva.

In all of these cases, if we find that the new agreement and the WTO are not working to our benefit and are undermining our labor and environment standards, we should be prepared to exercise our option to waive.

These are the tangible steps that we can and must take in order to guarantee that GATT is not a hollow victory today and that we continue to be concerned for the workers of this country.

But like NAFTA, Mr. President, this agreement is a good one, and it is good for U.S. workers.

I urge my colleagues to acknowledge the facts, to recognize that we are better off with a world community trading by global agreement rather than the chaos of individual bilateral arrangements. It is precisely those arrangements that have created some of the worst inequities in the marketplace today, and it is precisely this agreement that attempts to redress that.

Again, I thank the distinguished chairman both for the time and for his leadership on this issue.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I congratulate the Senator from Massachusetts, first for his enterprise in bringing Polaroid cameras to New Delhi and making a very proper neat point.

I can add that the President of Kodak, which is of course a New York firm, has made the point that there are 4 billion people on Earth who never snapped a photograph and he would like to sell them cameras.

I would like to make the point that we surely are heading for the moment where a third of our work force will be in export industries, if we adopt the GATT. If we do not, remember dollar week, remember 1933. That is what Cordell Hull and Franklin Roosevelt tried to take us out of on this very important point about displaced workers and there will be, and multifiber agreement. It happens I was one of the three persons who negotiated for President Kennedy the long-term cotton textile agreement in 1962 which made possible the Trade Enhancement Act of that year that led to the Kennedy round.

That was involved. The original cotton textile agreement became multifibers. It had been in place 32 years now and we have another 10 years in this agreement, about half a century, but it also provided for displaced workers and that commitment was made and that is when the labor movement was behind us then and we have not kept faith with them.

The Senator's commitment is a very important one which I think we should all undertake to keep.

Mr. KERRY. I thank the chairman.

Mr. MOYNIHAN. Mr. President, I see our distinguished friend from Colorado, and I am happy to yield 10 minutes, if that is agreeable, on Senator PACKWOOD's time.

Mr. BROWN. I thank the distinguished chairman of the committee.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. BROWN. Thank you, Mr. President.

Mr. President, it is quite clear that this measure is going to pass, that the distinguished chairman of the Finance Committee, and others, have made an excellent case.

I rise out of concerns over the GATT, and I want to raise a couple specific points that I hope at least in the record of this debate will be reflected upon at some point.

Americans used to take great pride in being called Yankee traders. It was an aggressive term. It was one we liked to call ourselves, and we think it implied that not only were we capable traders when we were involved in the international marketplace, but we were at least savvy about the way we did it, as well as that in the trades we put together we thought of ourselves of at least capable of holding our own and perhaps even at times outtrading everybody else in the world. Perhaps that is part of the American mystique. While we are made up of few from around the globe, we also pride ourselves in having something a little better than the rest of the world.

How will we evaluate this GATT agreement? Some will say this is simply a free trade agreement that benefits all and so the discussion needs to end there. I have read many editorials lately that have reflected that viewpoint. How could you possibly oppose GATT because you ought to be in favor of free trade?

Mr. President, I am in favor of free trade. I am in favor of reducing trade barriers. I do think it is an advantage to our economy and other economies around the world. I think it is a plus for consumers.

But, Mr. President, the issue that is before us is not free trade. How can I say that? It is in the agreements themselves, in agreement after agreement after agreement, and as I think the distinguished Members know there are a number of agreements included in this measure. It calls on the United States to open its markets but allows other countries to keep their markets closed or exempts them from the requirement to open their markets or exempts them from the marketing opening provision. Please do not confuse this with the free trade agreement that opens both markets. It does not.

Many of the agreements have a specific provision for countries of the free world. What they say is, the United States, you open your market but countries in the Third World can keep it closed for 5 years. For some it is 7 years and for some it is 8 years. In another agreement it goes to 10 years and even one it goes to 12 years.

Does anybody think that is a good trade? Would anybody be happy to be the U.S. Trade Representative and come back and say look what I got you; I got you the right to make your concessions immediately, but the other ones do not have to match them until a dozen years from now. That is not being a Yankee trader. That is being a chump.

This is not a good agreement. Those who are advocates of free trade ought to understand there is more involved than simply slogans, that they have to look at the agreements to evaluate them.

Some will say, "Well, OK, we will suffer for 5 years or a dozen years, but then at least at the end of that time we will have achieved something great. We will have opened those other markets, too."

Mr. President, everybody who believes that I hope will go down and register their name, because we have some real estate in Florida or perhaps Colorado we would like to sell them.

The truth is, what is included in the WTO, included in this agreement, is an empowerment of the general council or the ministerial conference by a vote to amend the rules.

Well, some will say, "Well, Heavens, that takes a supermajority to amend the rules." Surely no one would come forward after giving those special privileges to Third World countries and would waive the requirement that they eventually come into line.

Mr. President, people need to read this agreement. This agreement does give that power. There is the ability to amend the rules. What does it take? Three-quarters. How can anybody, for such a difficult position to defend, assume that you could amend those rules. One reason might be that people who vote in the World Trade Organization are going to vote for their interests. Most of those countries are not what we would call free traders. And, as a matter of fact, if all of the Third

World countries join in the WTO, they will have 83 percent of the vote. Maybe they all will not join. Ninety have joined already. They have by now already three-quarters of votes. All they have to do is vote for themselves and they will be able to extend these provisions.

Has anybody talked about it? Yes, they have. There are references to extending them.

Mr. President, this is not a good bargain. And it has nothing to do with whether you like free trade or not. It has to do with a lousy job of negotiating a contract and making sure that the other side has to live by the same rules we live by. If anybody is proud of this agreement in terms of negotiation, I hope they will come down and defend it. They may be proud of the concept, and I am all with them. But when you look at the text of the agreement, they have nothing to be proud of.

Some discussion has been made with regard to the expense of GATT, and I want to share this with Members because I want to make a forecast. The United States cost to administer GATT has increased 181 percent from 1984 to 1993. That is because the GATT expenses have increased 72 percent. Is it a lot of money? Well, not in terms of the Federal Government. But $9 million is a lot to some people.

What are the chances that it is going to increase? I want to draw the Members' attention to a couple of things. Currently, each country's share of the total annual expense of GATT is equal to the country's portion of total trades in goods and contracting priorities and associated governments. In other words, it is a trade figure. We get to pay between 14 and 16 percent. Currently it is about 14.6, as the distinguished chairman pointed out yesterday, of the cost to operate GATT.

However, there is this change and our source for this change is from Focus—an official GATT newsletter published by the General Agreement on Tariffs and Trade, Geneva, Switzerland.

Beginning in 1996, every country's assessment will reflect its share in international traded goods, services and intellectual property. Therefore, the U.S. contribution to WTO will significantly increase because we have the largest trade in services and intellectual property in the world. In other words, 14.6 percent is going to go up, not down.

But, Mr. President, in addition to that, we have been in discussion with people from the State Department and they indicate that the provisions that allocate costs along with the size of the gross domestic product, or the gross national product that incidentally is used in the United Nations, is under consideration here. If we do that, our share to the WTO will clearly go up to about 23 percent.

Some will say, "Well, wait a minute. We have to have votes on that first."

Let me draw the Members' attention to this question. One, in this new agreement it is not spelled out. We have not been guaranteed what the allocation will be nor are we guaranteed what the costs will be.

But, Mr. President, we do know the process. The ministerial conference elects the director general. The director general will reflect that majority. Keep in mind that the countries that will be voting, a majority of them, have voted against the United States in the United Nations over 50 percent of the time. This is not a benign group. This is a group that has opposed us in policies in the United Nations consistently. They will elect the director general, not the United States. The director general helps set up the secretariat and the secretariat is the one that appoints the people who will be judges. We call them panelists, dispute settlement body panelists. But the budget is proposed by the director general.

That budget is then forwarded to the committee on budget, finance and administration. Once they have made their recommendation it goes to the general council. The general council will have over 80 percent, perhaps as high as 83 percent of its members from the Third World. It only takes two-thirds to approve budget matters. Does not the Third World have the opportunity to skew the budget and to give us a disproportionate cost? Absolutely. Do not kid yourself. Do not kid yourself. They have the votes.

Now, would they possibly do that? I have heard Members convey to me in private, "Look, we are so influential on trade matters, no one would stick us with a disproportion of the cost."

Please take a look at what happens in the United Nations. If any Member of this body is comfortable with the share of the costs we pay in the United Nations, if anybody feels it is proportional to what it ought to be, I would love to have them come forward and say so. It is my impression that it is not anywhere near close. We get taken. We pay far more than our share of the cost.

Is that a good trade? Of course not.

What we have had is a negotiation where the United States gave up on most of the key important points and signed a bad deal. And now we are going to ratify it. To have bad negotiators go and represent this country may not be our responsibility, but if we vote for this measure it is our responsibility.

Americans, Yankee traders, ought to be able to do better than that. They ought to be able to do better in a negotiation than have this country not get equal access. I think it is fair to insist that we have the same access to other countries as they have here. It is not in this agreement. It is the opposite.

I think it is fair for us to have a weighted vote as we do in the International Monetary Fund, or vetoes as we in the United Nations, or at least something that is proportional. We do not have that in this agreement. That is not a good trade.

Mr. President, the way the courts are administered does not include due process. No one claims it does. It has the potential of being very abusive to Americans and American interests. That is not a good trade.

Whether it is the cost of the operation, whether it is the trade agreements themselves, whether it is the mechanism that is established, whether it is the quasijudicial procedures that are set up, whether it is the votes in the general council, this country came out on the short end.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PACKWOOD. I yield 6 minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair and I thank the floor managers for allowing me to come in at this time.

Mr. President, later this afternoon, we will be casting the 328th vote, and possibly the 329th vote of this second session of the 103d Congress. These will be historic votes not only because they will be the last votes of this Congress, but because on these votes, unlike all of the other votes we have cast, the entire world is watching and awaiting the outcome.

In reaching my decision, I have tried to balance the positive economic components of the agreement against the uncertainties associated with the idea of creating a supranational body—the World Trade Organization [WTO]—to govern international trade disputes.

I have always believed that an open trading system is in the best interests of citizens of Alaska and the Nation as a whole. And so I wanted to give the proponents of the agreement every opportunity to make their case and help me overcome my very serious reservations about the WTO.

Many Alaskans have asked me why I have waited until today to make my decision on the agreement. The reason I have waited so long is that I had very specific concerns about certain aspects of the agreement, and how they would affect my home State of Alaska. One of my principal concerns was whether Alaska's unitary tax system is protected under the new agreement.

ALASKA'S UNITARY TAX METHOD

Many Alaskans have expressed concern that the State's unitary method of corporate taxation could be challenged by one of our trading partners, and if the WTO ruled against Alaska, the State would either have to dismantle its tax system or the United States would face retaliatory penalties. Last week, I wrote to the U.S. Trade Representative, Ambassador Mickey Kantor, concerning the potential of a

challenge to Alaska's unitary system. Three days ago, Ambassador Kantor responded and assured me that "Alaska's unitary tax system if fully protected under the new Uruguay round agreements."

According to Ambassador Kantor, Alaska's unitary tax system is excepted from the agreement and "WTO member countries would have no ground on which to suspend Uruguay round trade concessions in response to Alaska's unitary tax system." In addition, Alaska's Governor has examined this issue and reached a conclusion consistent with Ambassador Kantor's analysis.

Although I am satisfied that Ambassador Kantor's interpretation of the agreement is correct, nothing precludes another country from attempting to challenge the unitary tax systems in my State or the 15 other States that use this method. I would hope that such a challenge would be summarily dismissed.

Mr. President, I ask unanimous consent that a copy of my letter to Ambassador Kantor, his response, and a letter from John Katz, director of State/Federal relations for the State of Alaska, be included in the RECORD.

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

[See exhibit 1.]

Mr. MURKOWSKI. Mr. President, what made my decision so difficult is the fact that there are clear economic benefits that will flow from the agreement. The agreement that was hammered out with our trading partners is designed to enhance international trade in industrial and high-technology products by cutting tariffs by $744 billion over the next decade.

By some estimates, if the agreement is approved, U.S. exports will increase by $150 billion, creating 500,000 new jobs and increasing the income of the average U.S. family by $1,700 per year over the next 10 years, and the agreement could increase our gross domestic product by $100 billion to $200 billion a year.

BENEFITS FOR ALASKA

For the citizens of Alaska, especially those involved in the fishing and wood products industry, the GATT Agreement promises new jobs and new export opportunities. As the largest producer of fisheries products in the United States, Alaska seafood exports currently account for 48 percent of total seafood exports, accounting for more than $1.5 billion. Under this agreement our seafood exports are likely to increase because Japan has agreed to cut its fishery duties by 24.5 percent and South Korea and other Asian nations will cut their tariffs by 35 percent.

Wood products exports from Alaska, which currently account for more than $540 million, are likely to increase because the principal markets for our wood products—Japan, Canada, Mexico, and South Korea—have all agreed to cut their lumber and solid wood tariffs by an average of 28 percent. In addition, in Brazil, where Alaskan wood products have been effectively blocked by tariffs as high as 52 percent, tariffs will be cut by three-fourths to 14 percent.

These potentially positive elements of the agreement are compelling, especially when one considers how important international trade is to Alaska.

ISSUES OMITTED FROM GATT

But it should be noted that this agreement falls far short of achieving the goals we originally sought when the Uruguay round began. We failed to eliminate governmental subsidies for civil aviation and agriculture. We failed to establish workable rules that would allow free trade in financial services and telecommunications, and were unsuccessful in breaking open the European broadcasting and movie industry. These are all industries where the United States clearly maintains a competitive advantage; yet our negotiators were unable to achieve any major breakthroughs with our trading partners in these areas.

THE WTO

What is of serious concern to the citizens of Alaska and to me is the dispute settlement process authorized by this agreement. I have heard from many Alaskans over the last several months who have expressed legitimate and serious concerns that the newly created World Trade Organization [WTO] could represent a threat to our Nation's sovereignty. As all of my colleagues know, there is real concern throughout the country that a group of faceless foreign bureaucrats whose interests are inimical to the United States will issue rulings in secret that will penalize American business and force Congress to rewrite our laws to conform to the arbitrary whims of other countries.

If this agreement were not being considered under the fast track procedure, I would certainly offer an amendment to strip out the WTO and maintain GATT as the body for governing trade disputes. That, in effect, is what our predecessors did in the late 1940's when the Senate refused to approve an organization similar in concept to the WTO—the so-called International Trade Organization. World trade has flourished since GATT was implemented in 1948 and I think it was a mistake for our trade negotiators to replace GATT with the WTO. Make no mistake, world trade will continue to flourish GATT or no GATT. The world market is too competitive to stop now.

Instead of creating the one-country, one-vote WTO, our negotiators should have used the U.N. Security Council as a model for dispute settlement. Using the Security Council model, the major trading countries—the United States, Japan, Germany, France, Great Britain, Italy, and Canada—could have retained a veto over any decision that was contrary to their interests.

Although the Republican leader, Senator DOLE, should be commended for winning a commitment from the administration to support legislation that will create a WTO Dispute Settlement Review Commission here in the United States, this review commission does not have the authority to overturn WTO decisions.

If the Commission finds that the WTO exceeded its authority in any case involving the United States, all Congress can do is adopt a resolution calling on the President to negotiate new dispute settlement rules. If the WTO issues three such decisions, Congress could adopt legislation requiring the United States to withdraw from the WTO. That is not totally satisfactory to this Senator.

THE BUDGET WAIVER

Finally, Mr. President, I believe the administration made a fundamental mistake when they sent the implementing legislation to Congress without fully complying with our budget rules. Since the administration has claimed $1.7 billion in savings from unrelated legislation passed since the 1993 budget, and since the financing package only offsets 5 years' tariff reductions, the GATT Agreement is subject to a budget point of order.

Our Federal debt is approaching $4.7 trillion. Interest to service that debt will exceed $225 billion this year. With this extraordinary amount of fiscal red ink, it is fundamentally irresponsible for the administration to have submitted unamendable legislation that is not fully funded. We should not be adding to the debt and the deficit in order to finance this trade agreement.

Instead, the administration should have submitted a series of real spending cuts to finance this entire package. We all know the significance of the debt and what we are doing here is basically additional deficit financing. That is something I abhor.

I refuse to support any legislation that adds a further debt burden to our children and grandchildren.

In the final analysis this is a vote about winners and losers—American winners and losers. Depending on who is counting, either the winners are in the majority or the losers are. The irony of this loud, emotional, and well-meaning debate about free trade is that we lose sight of what we do to ourselves regarding free trade. How can we urge free trade, presumably urging our trading partners to lower their barriers, as we seek entry for our products, when we prohibit by our own laws, the export of our products?

How can we prohibit the export of our own Alaskan North Slope oil for 20 years and yet plead for fairness from our trading partners.

In the old saying, we have met the enemy and it is us.

This would be a very close call on the merits and the issues. I hope we will have an opportunity to send this back for improvements, and I especially hope we will be honest about paying for the agreement with spending cuts before final consideration.

EXHIBIT 1

U.S. SENATE,
Washington, DC, Nov. 22, 1994.

DEAR AMBASSADOR KANTOR: Concerns have been expressed by some individuals in Alaska that under the terms of the uruguay Round GATT agreement, the state's unitary tax system could be jeopardized. In particular, there is concern that the state's unitary tax system could be challenged before the World Trade Organization (WTO), and if the WTO ruled that this method of taxation is inconsistent with the principles of national treatment, the state would have to dismantle its tax system or face retalatory penalties.

GATT Article XIV, subsection (d) provides that nothing in the agreement prevents the adoption of a taxing system "aimed at ensuring the equitable or effective imposition of direct taxes in respect of services or service suppliers of other Members." The footnote to subsection (d) attempts to define tax measures that are designed to ensure the "equitable or effective" collection of taxes. Included in this list are tax systems which "determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Member's tax base." (FN 6, (vi). Although this definition appears to encompass a unitary tax system, it does not clearly and specifically approve the unitary tax system.

Because of the uncertainty surrounding this issue and its importance to my state, I would appreciate if you would provide me with a written answer to the following questions before the Senate's scheduled vote next week on GATT.

1. What is the status of worldwide unitary tax systems adopted by states such as Alaska under the GATT?

2. Can the state's unitary tax system be challenged before the WTO?

3. If the WTO determines that Alaska's unitary tax system is inconsistent with the principles of national treatment, what sanctions can be imposed on the state, or kthe United States, as a result of this determination?

Sincerely,

FRANK MURKOWSKI,
U.S. Senator.

THE U.S. TRADE REPRESENTATIVE,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, Nov. 28, 1994.

Hon. FRANK H. MURKOWSKI,
U.S. Senate,
Washington, DC.

DEAR SENATOR MURKOWSKI: Thank you for your letter of November 22, 1994, expressing concerns from some of your constituents that Alaska's unitary tax system might be vulnerable to challenge in dispute settlement proceedings under the proposed World Trade Organization (WTO). I want to assure you that Alaska's unitary tax system is fully protected under the new Uruguay Round agreements.

As you may know, the two Uruguay Round agreements that most directly apply to taxation measures are the General Agreement on Tariffs and Trade 1994 (GATT 1994) and the General Agreement on Trade in Services (GATS). For the reasons explained below, neither agreement provides a basis for challenging state unitary taxation measures.

The relevant provisions of GATT 1994 apply to taxes assessed on the goods rather than on income. Thus, GATT 1994 could not be successfully used to challenge Alaska's unitary tax system. I would point out that the GATT 1994 rules on this subject are no different than those that have been in effect under the GATT since 1948.

With respect to the GATS, its relevant provision—the national treatment (nondiscrimination) rule—does apply to income taxes, subject to a broad exception under Article XIV, which you cited in your letter. The United States insisted on the broad carveout in Article XIV(d) and the language in footnote 6(vi) precisely in order to protect both our federal and state income tax systems, including state unitary tax regimes. In addition, we "reserved" (that is, specifically excluded) from our commitments under the GATS all:

"Sub-federal tax measures which afford less favorable treatment to services or service suppliers of another Member based on the method of allocating or apportioning the income, profit, gain, losses, deductions, credits, assets or tax based of such services suppliers or the proceeds of a services transaction."

Accordingly, even if Alaska's unitary tax system were found to treat foreign service suppliers less favorably than domestic service suppliers, it would be protected from successful challenge both by the exception in Article XIV(d) and by this reservation.

Our negotiators took great pains to ensure that state unitary tax systems, such as Alaska's, will be fully protected when the Uruguay Round agreements take effect. As a result of their efforts, I am pleased that I can respond to your specific questions as follows:

First, Alaska's unitary tax system is excepted from the relevant provisions of the GATT and GATS;

Second, Alaska's unitary tax system is protected from successful challenge to WTO dispute settlement proceedings; and

Third, therefore, WTO member countries would have no ground on which to suspend Uruguay Round trade concessions in response to Alaska's unitary tax system.

Sincerely,

MICHAEL KANTOR.

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Washington, DC, Nov. 30, 1994.

Hon. FRANK MURKOWSKI,
U.S. Senate.
Washington, D.C.

DEAR SENATOR: Thank you for your letter of earlier today regarding the potential impact of the GATT on the State's collection of income tax based on the 'unitary tax' method. As you know, the importance to the State of Alaska of maintaining this manner of taxation cannot be understated.

We have reviewed this question with the Governor's office in Juneau, with the Departments of Law and Revenue, and with the MultiState Tax Commission. Our assessment at this hour, as it has been previously, is consistent with the analysis shared with you by Ambassador Kantor.

However, notwithstanding a protected status, the United States could be challenged based on Alaska's use of the unitary tax. In such an instance, reliance must be placed on the Federal government in defending its position and upon the World Trade Organization in upholding the reservation.

If we can be of any further assistance, please let us know.

Sincerely,

JOHN W. KATZ,
Director of State/Federal Relations and Special Counsel to the Governor.

Mr. HOLLINGS. I yield the Senator from North Dakota 3 minutes.

Mr. DORGAN. Mr. President, during this debate I heard a number of people referring to NAFTA, saying the information we received about NAFTA is that it is working very well. We have already created substantial new jobs. They know that because they have been given part of the story.

Let me give it to you in automobiles. They say we have sent 30,000 more automobiles to Mexico under NAFTA during the first 9 months of this year. That is true. They did not tell the rest of the story, that 70,000 additional cars came into this country from Mexico. That means we lost jobs.

I asked the Joint Economic Committee to do an evaluation of the net job situation between here and Mexico with NAFTA. They said it is hard but they put together a staff study. I just got it yesterday. It says the following. I want to read the paragraph.

This analysis summarizes U.S. trade data with Mexico through the first 9 months of 1994. It provides a preliminary and partial perspective on the effects of NAFTA on the U.S. This analysis will show that, while increased exports have created jobs during the period, changes in the overall trade balance with Mexico have resulted in a net deficit of 10,000 U.S. jobs since the agreement went into effect.

The overall trade balance changes have resulted in a net deficit of 10,000 U.S. jobs since the trade agreement went into effect. So the next time someone stands up and says, "Boy, this NAFTA is really working well," it is because somebody gave them a part of the story. The rest of the story is here. NAFTA, like GATT, means that companies can access cheap labor and that is what the next paragraph says:

This analysis demonstrates that NAFTA has not increased U.S. employment but rather increased global access to Mexico's low-wage labor supply, as reflected in growing shipments of capital goods and production inputs to Mexico from the U.S. and foreign countries and rapidly rising imports of finished products from Mexico to the U.S.

That is the full story. That is NAFTA. And that is what we are going to read about GATT, after this GATT agreement passes.

Mr. President, I yield back the remainder of the time.

The PRESIDING OFFICER. Who yields time? The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I yield myself such time as I may consume.

Mr. President, let me thank the distinguished Senator from North Dakota for the astute approach that he has made to the problem at hand. There is no question with respect to that sucking sound. We can only look at the

facts with respect to electric machinery, sound, TV equipment—since NAFTA was enacted a deficit of $671 million. Optic photo medical-surgical equipment, a deficit to the United States of $241 million; an 87 percent increase over the same period of last year. Vehicles and parts, $218 million.

The fact of the matter is, Mr. President, that what we have had is 244 industries apply for adjustment assistance, representing the loss of 35,000 jobs. I do not question the Joint Economic Committee study about the loss, but we know when 35,000 people lose their jobs, by past experience, less than half will get their jobs back. And if they do get another job it pays 20 percent less.

So down to Mexico, they go with their automobile factories. I counseled a friend from Michigan. I said, "Look, there is no question about their intent after NAFTA, Volkswagen says they are going to expand the plant to produce a million cars to sell in the United States." You do not have to wait for economic projections. Nissan, Ford, Chrysler, General Motors have all announced new facilities. We know that recently General Motors has downsized 71,000 jobs. They are all moving down there.

With respect to the productivity, the biggest mislead is when they talk about low income, they think of low skill. The fact of the matter is, they are very high skilled. J.D. Powers made a study of all automobile productivity in the world and found that the most productive Ford plant was not in Europe, not in Detroit, but in Mexico right this minute.

So we know, as we can train them to make automobiles productively, as we never have done before but now have just started in South Carolina, hard common sense says you can do that in Mexico. Fiat has a plant in the Ivory Coast and the automobile industry will move around and go that way.

And, incidentally, BMW has moved to our State, and has also announced a $180 million new facility investment in Mexico—in Mexico under NAFTA. So we have had, yes, an increase in exports of 17,000 cars, but we have had imports of cars of 154,000. Since the distinguished Senator from Oregon started talking about trucks, the overall we have imported 176,000 cars and trucks. So there is no question in my mind that that sucking sound is there, but, of course, the Fortune Fifth Column in the trade war continues to muffle it.

To try to get into this debate, they said in the Wall Street Journal that trade was not an issue in the last election. You could not get this to be an issue. You could not get on a program. You could not get in a news column. I publicly thank the Christian Science Monitor which finally accepted a column from this particular Senator. Now, in my hometown, I get one this morning after they have been editorializing for the past 3 months against my position; they finally put in an article today.

Now, Mr. President, the distinguished Senator from New York talked about textiles in the Kennedy round. I want to emphasize that just exactly, because in the Kennedy round, we had cotton in the 7-point Kennedy program. Before President John Kennedy could institute that particular program, we had to get Secretary of Labor Arthur Goldberg and Secretary Dillon from Treasury and Dean Rusk—actually George Ball subbed for Dean Rusk over there at the State Department—Luther Hodges at Commerce, and our friend Orville Freeman from Agriculture. The five of them got together, and I happened to bring a good many of the witnesses before them.

We found that next to steel that textiles was the second most important industry to our national security. I pointed out how it brings down the crime in the city. Those are good, valid sewing jobs. Those are the enterprises that we have in the enterprise zones. People do not seem to understand it here: 96,000 of those jobs are in the inner city of New York; 63,000 in Watts in Los Angeles. And you pass this GATT; yes, those sewing jobs are bound to leave to the Pacific rim. And when they leave, you have unemployment, you have unemployment compensation, you have increased taxes there, health costs go up, welfare costs go up and, of course, the crime rate goes up. We have those running around all over the country saying what we ought to do in the inner city is get enterprise zones and give businesses more tax cuts to get them there, as we affirmatively this afternoon remove them. That is the tragedy of this entire debate.

When it comes to the competition we are in, the best headline is from November 23—today is December 1—exactly a week ago: "Japan Defends Plan To Erect Textile Barriers."

This is the crowd they are talking about dealing with on free trade. This GATT does not open the market in Japan, Malaysia, Korea—you can just go right on down the list. Anybody that believes that is whistling Dixie. Come on, let us wake up.

The Senator from Oregon said on Crossfire that we did not have a study showing job loss. We put the study in the CONGRESSIONAL RECORD. According to this study, we lose 1,390,000, almost 1,400,000 textile jobs, under this GATT. Very, very important jobs. But they say, "Oh, here comes the textile Senator." Well, here comes a Senator who is interested in those high-technology jobs in the aircraft industry. Boeing fired 28,000. Or high technology jobs in computers. Well, IBM fired 60,000. But before I get to the high-technology jobs, I want to get particularly to some of these things that get passed over.

With respect to the $500 billion increase to the world GNP, we had a hearing—eight hearings, actually—before the Committee on Commerce. They started out with an OECD study that said $200 billion. When they were told that that meant only .07 percent to the world GNP, they came up with $500 billion. Then the Special Trade Representative came up with $1 trillion. So you can see how statistics are irresponsibly thrown around.

With respect to the $750 billion tax cut, Mr. President, let us get right to that one because what it says is really a $750 billion tariff cut. If you cut the tariffs, the Senator from Ohio brought out that they are not getting the garments any cheaper. Similarly, with the Senator from Iowa, he pointed that out. I pointed it out time and again that when Nike moved offshore from the United States and out of Oregon, the price of shoes did not go up, the profits went up. So, yes, we hope it will give you a cheaper price, but we know that the retailers, part and one of the main troops in the Fortune Fifth Column in this trade war, are only interested in bigger profits. They are not interested in your job and my job or middle America. They are interested in more money.

I want to thank Senator BROWN. I am hissing along here. He talked with respect to the intellectual property. Yes, but they have exceptions in there, for developing countries, of 10 years. On agriculture, but the Europeans have subsidies greater than ours. What kind of agreement is that? It leaves the United States economy wide open and it keeps their particular economies closed.

Now, with respect to specifically 301, if I was a trade lawyer, I would say the whole thrust of this Uruguay round is to eliminate United States unilateralism under section 301 and super 301. We know from the finding already made by the European commission, and I will read:

> The GATT does not allow for any unilateral interpretation of the rights and obligations of the contracting parties, nor for unilateral action by any one of the contracting parties aimed at inducing another contracting party to bring its trade policies in conformity with GATT.

Then, of course, on the next page it says specifically:

> Accordingly, for the United States, this means that section 301 and its hybrids will have to undergo revision in order to ensure compliance with the new WTO dispute settlement structure.

They say no laws are changed. But, nevertheless they mentioned here a minute ago, the Senator from Massachusetts, the Consumers Union, and the American Bar Association—they are wonderful groups. But, nevertheless they are not the judges. The World Trade Organization and the dispute resolution panels—they are the judges. It is said we select them and the opposition selects one, and then WTO. We

do not have a veto over that deciding party. We do not have a veto over the GATT agreement itself and the World Trade Organization. We have one man, one vote. Castro cancels us out.

Article 16, section 4, each member shall ensure the conformity of its laws under the obligations of the agreement. That is very simple and clear. Oh, it does not change the law automatically, Mr. President. But, nevertheless I tell you what it does do. It says you play along with this agreement that you signed and confirmed in a national Congress or you pay. You pay or play. You pay with sanctions that can be cross-indexed to other particular industries not even in the particular dispute.

I asked them in the committee hearings, Mr. Ambassador Kantor, or any of them who came up, all of the officials. I said show me the page, the line that has the veto. I asked them today on the floor of the U.S. Senate. Show me the page, the line and do not give me this gobbledygook about consensus because they say, "Yes, it goes to consensus," and the next line says "You cannot get together by consensus." Then the World Trade Organization, one man, one vote, one country, one vote.

With respect to the budget itself, a moment ago when they talked about the $750 billion tax cut. Of course, it is a tax. I mean it is a tax increase. Here we have a $31 billion deficit that they are going to have a waiver on the point of order, my distinguished colleague from West Virginia.

I ask unanimous consent to have printed in the RECORD the letter of July 15 by 25 Senators, asking that you join us in opposing any effort to waive the provisions of the Budget Enforcement Act.

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

U.S. SENATE,
Washington, DC, July 15, 1994.

President WILLIAM J. CLINTON,
The White House,
Washington, DC.

DEAR PRESIDENT CLINTON: We write to ask that you join us in opposing any effort to waive provisions of the Budget Enforcement Act for the General Agreement on Tariffs and Trade (GATT) implementing legislation and avoid the requirement that such legislation be fully funded.

Some of us support GATT, others of us oppose the agreement, and still others of us have yet to make a decision, but we are united in our concern about the precedent waiving the provisions the Budget Enforcement Act could set, undermining our ability to make further progress in lowering the deficit now and in the future.

We are confronted on a regular basis with having to make tough decisions on worthy programs because of our budget rules, and rightly so. The federal budget deficit must be brought down.

That GATT is significant is clear, but the importance of an issue should not determine whether or not it should conform with the budget rules we have set for ourselves. Indeed, the true test of our resolve to bring the deficit under control is our willingness to apply the budget rules to the important issues.

We recognize your commitment to passing GATT implementing legislation. Your support for making that legislation comply with the budget rules will be all the more meaningful because of that commitment, and we hope you will join us in this effort to oppose any effort to dodge this responsibility.

Sincerely,

Russ Feingold, Ben Nighthorse Campbell, Chuck Grassley, Jesse Helms, Dirk Kempthorne, Dale Bumpers, Strom Thurmond, Larry Pressler, Dave Durenberger, Lauch Faircloth, Larry E. Craig, Trent Lott, Robert F. Bennett, Conrad Burns, John Warner, Hank Brown, Byron L. Dorgan, Alfonse D'Amato, Herb Kohl.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, August 8, 1994.

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

DEAR SENATOR PRESSLER: Thank you for your letter to the President of July 15th, requesting that the President oppose any effort to waive the Budget Enforcement Act (BEA) for the General Agreement on Tariffs and Trade (GATT) implementing legislation. The Administration shares your concern about such efforts.

The Administration firmly believes that the recently completed Uruguay Round accords under the General Agreement on Tariffs and Trade will increase economic growth, here in the United States and around the world. We know that our view is shared by many others in the economic and international trade communities. This Administration has continued to work to bring those negotiations to a conclusion to increase economic growth in the future.

Nonetheless, we do not believe it is necessary to sacrifice budget discipline to pass GATT in the Congress. In fact, we fear that if Congress were to reverse the progress that has been made on budget discipline over the past few years, we could lose more than we would gain from the GATT accords.

Instead, I hope that we can work with you and other Members of Congress to find offsets for the costs of GATT implementation.

Thank you again for your letter. I hope to be working with you soon on these matters.

Sincerely,

ALICE M. RIVLIN,
Acting Director.

Mr. HOLLINGS. Mr. President, there it is as the Senators see it, at least 20 of them.

Here we go. Alice M. Rivlin, a letter dated August 8 to Senator PRESSLER. "Nonetheless," says Ms. Rivlin, the Acting Director at that particular time, and now the Director of the Executive Office of the President, Office of Management and Budget.

Nonetheless, we do not believe it is necessary to sacrifice budget discipline to pass GATT in the Congress.

But that is what they are doing, fixing the jury. I have talked to the Senators. "The President just called me." That is not what his Budget Director said. We do not believe in sacrificing the discipline with respect to export jobs.

Fifty companies in that Fortune 500, the top 50 companies account for over half of the total U.S. manufacturing exports. As a result, we look to see whether they are increasing as they talk, increasing the jobs.

Under those export industries, aircraft parts, since 1987 lost 67,000 jobs, industrial machinery, 284,000, electronic and electrical equipment, 694,000, transportation equipment, 278,000.

I ask unanimous consent, Mr. President, that the list be printed in the RECORD. I can read them all. But I want to make sure that they understand that export jobs are not the ones created.

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

JOBS LOST TO THE CHRONIC U.S. TRADE DEFICIT

[Allocation to States by gross State product Shares; in millions of dollars]

State	Merchandise Trade deficit exports, f.a.s./imports, customs				Trade Related job loss: U.S. Govt. estimates $1 billion of net exports=20,000 jobs			
	1991	1992	1993	1994 est.	1991	1992	1993	1994 est.
United States total	($66,723)	($84,501)	($115,568)	($155,000)	(1,334,460)	(1,690,020)	(2,311,360)	(3,100,000)
California	(8,953)	(11,338)	(15,506)	(20,797)	(179,052)	(226,760)	(310,129)	(415,945)
New York	(5,580)	(7,067)	(9,666)	(12,964)	(111,609)	(141,346)	(193,313)	(259,271)
Texas	(4,639)	(5,875)	(8,035)	(10,777)	(92,782)	(117,503)	(160,704)	(215,536)
Illinois	(3,274)	(4,147)	(5,672)	(7,607)	(65,490)	(82,939)	(113,432)	(152,135)
Florida	(2,991)	(3,788)	(5,181)	(6,949)	(59,826)	(75,766)	(103,621)	(138,977)
Pennsylvania	(2,984)	(3,779)	(5,169)	(6,932)	(59,685)	(75,587)	(103,377)	(138,650)
Ohio	(2,674)	(3,387)	(4,632)	(6,213)	(53,490)	(67,742)	(92,647)	(124,258)
New Jersey	(2,495)	(3,160)	(4,322)	(5,797)	(49,905)	(63,202)	(86,438)	(115,931)
Michigan	(2,221)	(2,813)	(3,847)	(5,160)	(44,423)	(56,260)	(76,944)	(103,197)
Massachusetts	(1,830)	(2,318)	(3,170)	(4,251)	(36,602)	(46,354)	(63,396)	(85,027)
North Carolina	(1,730)	(2,190)	(2,996)	(4,018)	(34,592)	(43,809)	(59,916)	(80,359)
Virginia	(1,702)	(2,156)	(2,948)	(3,954)	(34,046)	(43,117)	(58,969)	(79,089)
Georgia	(1,684)	(2,133)	(2,917)	(3,912)	(33,683)	(42,658)	(58,341)	(78,247)
Washington	(1,395)	(1,767)	(2,417)	(3,241)	(27,904)	(35,339)	(48,331)	(64,822)

JOBS LOST TO THE CHRONIC U.S. TRADE DEFICIT—Continued

[Allocation to States by gross State product Shares; in millions of dollars]

State	Merchandise Trade deficit exports, f.a.s./imports, customs				Trade Related job loss: U.S. Govt. estimates $1 billion of net exports=20,000 jobs			
	1991	1992	1993	1994 est.	1991	1992	1993	1994 est.
Indiana	(1,339)	(1,696)	(2,319)	(3,111)	(26,782)	(33,917)	(46,387)	(62,214)
Maryland	(1,312)	(1,661)	(2,272)	(3,047)	(26,234)	(33,223)	(45,438)	(60,941)
Missouri	(1,245)	(1,577)	(2,157)	(2,893)	(24,906)	(31,542)	(43,139)	(57,858)
Minnesota	(1,211)	(1,534)	(2,098)	(2,814)	(24,223)	(30,677)	(41,956)	(56,271)
Wisconsin	(1,204)	(1,525)	(2,086)	(2,798)	(24,089)	(30,508)	(41,724)	(55,960)
Tennessee	(1,182)	(1,497)	(2,047)	(2,746)	(23,638)	(29,936)	(40,942)	(54,911)
Connecticut	(1,130)	(1,431)	(1,957)	(2,625)	(22,601)	(28,623)	(39,147)	(52,504)
Louisiana	(1,118)	(1,416)	(1,937)	(2,598)	(22,365)	(28,324)	(38,738)	(51,955)
Colorado	(902)	(1,142)	(1,562)	(2,095)	(18,037)	(22,843)	(31,242)	(41,901)
Alabama	(867)	(1,098)	(1,502)	(2,014)	(17,342)	(21,963)	(30,037)	(40,286)
Kentucky	(819)	(1,037)	(1,418)	(1,902)	(16,377)	(20,740)	(28,365)	(38,044)
Arizona	(818)	(1,036)	(1,417)	(1,900)	(16,360)	(20,719)	(28,336)	(38,004)
South Carolina	(779)	(986)	(1,349)	(1,809)	(15,572)	(19,721)	(26,972)	(36,175)
Oregon	(689)	(873)	(1,194)	(1,601)	(13,788)	(17,462)	(23,881)	(32,030)
Oklahoma	(679)	(860)	(1,176)	(1,577)	(13,580)	(17,199)	(23,522)	(31,548)
Iowa	(657)	(832)	(1,138)	(1,526)	(13,139)	(16,640)	(22,758)	(30,522)
Kansas	(625)	(791)	(1,082)	(1,451)	(12,494)	(15,823)	(21,640)	(29,024)
Mississippi	(486)	(616)	(842)	(1,130)	(9,727)	(12,319)	(16,848)	(22,596)
Arkansas	(476)	(602)	(824)	(1,105)	(9,511)	(12,045)	(16,474)	(22,095)
Nebraska	(414)	(524)	(716)	(961)	(8,273)	(10,477)	(14,329)	(19,219)
Nevada	(391)	(495)	(677)	(908)	(7,814)	(9,896)	(13,534)	(18,152)
Utah	(388)	(491)	(672)	(901)	(7,757)	(9,823)	(13,435)	(18,019)
Hawaii	(361)	(457)	(626)	(839)	(7,223)	(9,147)	(12,510)	(16,779)
New Mexico	(355)	(449)	(614)	(824)	(7,093)	(8,983)	(12,286)	(16,478)
West Virginia	(340)	(431)	(589)	(790)	(6,804)	(8,616)	(11,784)	(15,805)
Alaska	(307)	(389)	(532)	(714)	(6,146)	(7,784)	(10,646)	(14,279)
New Hampshire	(286)	(362)	(496)	(665)	(5,723)	(7,247)	(9,912)	(13,294)
Maine	(272)	(345)	(472)	(633)	(5,450)	(6,902)	(9,439)	(12,660)
Delaware	(249)	(316)	(432)	(579)	(4,989)	(6,318)	(8,640)	(11,589)
Rhode Island	(242)	(307)	(419)	(563)	(4,844)	(6,135)	(8,390)	(11,253)
Idaho	(223)	(283)	(387)	(519)	(4,466)	(5,656)	(7,736)	(10,376)
Montana	(169)	(214)	(293)	(393)	(3,381)	(4,282)	(5,856)	(7,855)
South Dakota	(161)	(204)	(278)	(373)	(3,215)	(4,072)	(5,569)	(7,469)
Wyoming	(152)	(192)	(263)	(352)	(3,032)	(3,840)	(5,252)	(7,044)
North Dakota	(141)	(179)	(245)	(328)	(2,824)	(3,577)	(4,892)	(6,561)
Vermont	(131)	(166)	(227)	(305)	(2,626)	(3,325)	(4,548)	(6,100)

No reliable data exist for foreign imports by U.S. States. Allocating imports by Gross State Product (1991) shares is one method of driving a very rough set of estimates. MBG Information Services and U.S. Dept. of Commerce, Bureaus of the Census & BEA.

Source: MBG Information Services.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that we print in the RECORD, the Business Week 21st Century, this weekly edition of Business Week entitled "High-Tech Jobs All Over the Map."

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

THE SKILLS EXPLOSION—HIGH-TECH JOBS ALL OVER THE MAP

As training and experience in less developed countries rapidly improve, the West's workers may be left behind.

If any megatrend kindles hopes of producing megajobs for skilled Americans, it is the coming of age of the Information Revolution. U.S. companies are already setting industry standards and pioneering virtually all of the key technologies. Plus, America possesses the wealth of creative talents needed to lead the coming wave of newfangled software, multimedia gadgetry, and ingenious programming. There will be jobs enough, it would seem for anyone with a decent education.

But trek out to the laboratory of Kenneth Chou in a new business park on the outskirts of Beijing, and you begin to wonder. There 30 artists, software engineers, and computer programmers at Chou's Bilingual Educational Computing Inc. are busily designing interactive CD-ROM programs, complete with voice and animation, for teaching English. Since 1991, Bilingual has sold 50,000 sets of its First Aid English multimedia lessons, now $55 apiece, to institutes from Japan to Germany.

In fact, practically anywhere you go in Asia these days, local workers can be found doing the same highly skilled tasks you would expect to find in Palo Alto, Boston, or Tokyo. At a Silicon Graphics Inc. joint venture in Bangalore, India, software designers earning $300 a month are developing programs to produce three-dimensional images for diagnosing brain disorders. In a sleek industrial park in Singapore, engineers design future generations of personal digital assistants for Hewlett-Packard Co. In Taiwan, Hong Kong, and South China, research and development teams are at work on multimedia gizmos ranging from digital answering machines to interactive computers for children.

New World Order. The message is that anybody who still thinks the only competitive edge of developing countries is cheap, unskilled labor has a lot of catching up to do. One of the less-heralded developments in the emergence of a global economy is that there is an increasingly better balance of skills in the world. The worldwide shift to market economies, steady improvements in education, and decades of overseas training by multinationals are all producing a global workforce in fields ranging from product development to finance and architecture that is capable of performing tasks once reserved for white-collar workers in the West.

What's more, dizzying advances in telecommunications are making these workers more accessible than ever. As a result, just as Westerners learned in the 1970s and 1980s that manufacturing could be moved virtually anywhere, today it is getting easier to shift knowledge-based labor as well.

Conventional notions of comparative advantage are getting blurred in the process. In electronics, cities such as Taipei, Edinburgh, Singapore, and Penang (Malaysia), which are far away from the end-user and technological breakthroughs, already have emerged as global product-development hubs.

Service providers, too, can now spread across the globe. Citibank taps local skills in India, Hong Kong, Australia, and Singapore to manage data and develop products for its global financial services. Houston-based M. W. Kellogg Co. farms out detailed architectural-engineering work for power and chemical plants it builds around the world to a partner in Mexico. And everyone from law firms to U.S. nonprofit groups cuts costs in managing and analyzing documents by hiring "outsourcers" such as International Data Solutions Inc. in Herndon, Va., which employs thousands of workers in the Philippines.

What makes Third World brainpower so attractive is price (charts). a good computer circuit-board designer in California, for example, can pull down $60,000 to $100,000 a year. Taiwan is glutted with equally qualified engineers earning around $25,000. In India or China, you can get top-level talent, probably with a PhD, for less than $10,000.

Tedious tasks. Where the big savings can come is in the "back end" of product development—the painstaking work of turning a conceptual design into blueprints, computer code, or working models and in testing the final product. Take Bilingual's CD-ROMS. With wages ranging from $75 a month for a Chinese keypunch operator to $400 for a good artist, Bilingual can produce a CD-ROMS product for anywhere from a quarter to one-tenth of the cost in the U.S. In a business as tough as CD-ROMS, where the few titles that succeed can have a shelf life of less than a year, keeping costs under control is critical.

It doesn't matter that few of the staff speak English. Bilingual writes the scripts, the most creative part, in Taiwan. The rest of the work, from, animation to voice-over recording, is done on the mainland. "When you get down to it," says Chou, "about 80% of the labor in producing software is very tedious."

Since marketing and creativity will always be in hot demand, graduates of Stanford University business school or Massachusetts Institute of Technology probably needn't worry. Trouble is, the back end happens to be where millions of Americans are

employed. And they're well-paying jobs: software designers, bookkeepers, mechanical engineers, draftsmen, libraries. Most require a bachelor's degree or at least a few years in a polytechnic institute. Yet in theory, at least, none of these jobs can be regarded as secure from foreign competition. "Just as with the move of manufacturing overseas, you're going to see a increasing flux of technical jobs out of the U.S.," predicts Intel Corp. Chief Operating Officer Craig R. Barrett. "We don't have any protected domains anymore."

New view. Policymakers have only begun to ponder what all this means for American, European, and even Japanese white-collar workers. Until recently, it seemed the impact would be minimal. Groups such as the National Science Foundation have been warning that as the Digital Age makes industries technology-intensive, there will be an acute shortage of technicians in the West. Skilled workers displaced by outsourcing would simply move on to higher value-added sectors.

But this view is being challenged. In a jarring keynote speech to the annual convention of the Institute of Electrical & Electronics Engineers (IEEE) in September, Edith Holleman, counsel to the House Science, Space & Technology Committee, warned that exciting new high-tech jobs "are not reserved for you in the First World." What's more, she said, high-tech breakthroughs in the U.S. "cannot be counted on to spin off into domestic manufacturing facilities providing employment for many engineers and skilled workers."

Consider what already has happened to the PC motherboard, the circuit card loaded with chips that runs every computer. Five years ago, most motherboards—regarded as the guts of a PC—were produced in-house by U.S. computer makers. Today, some 60% are subcontracted to Taiwanese companies and their army of 150,000 information-technology engineers. And now, the Taiwanese are becoming a major force in customized computer-chip design and local-area networks. Little wonder, it would seem, that unemployment among U.S. electrical engineers hit a record 5.9% this summer, according to the IEEE, and the situation is expected to get worse.

Still, a host of factors suggests that the outflow of skilled work to cheap Third World havens is only a temporary phenomenon. For one, the wage gap is bound to close eventually, as technicians and engineers in the developing world command more. Also, the Information Superhighway is a two-way street, allowing U.S. and European engineers to compete for work in Asia as well as the reverse. Moreover, experts fear that education systems in Thailand, Malaysia, Indonesia, and Mexico, among others, are not producing enough skilled workers for those nations to guarantee advancement up the industrial ladder.

ROBO-TECH. What's more, as factories in the Third World turn to state-of-the-art automation to stay competitive with domestic rivals and meet international quality standards, that automation could threaten Third World job growth. Meanwhile, technological leaps in areas such as text and voice recognition and computer-aided design software that reduce the time-consuming code-writing process will wipe out jobs in service industries.

But for now, the ground is shaking under skilled workers as Western companies take advantage of big wage disparities. Anyone who has witnessed the exceptional performances of Chinese, Indian, and Vietnamese emigrés in U.S. schools and labs knows that developing countries are loaded with talent. The rapid growth of Asia's economies means they can now apply their skills at home.

A wild card in the global skills game is telecommunications. Consider Hong Kong's Johnson Electric Holdings Ltd., a $195 million producer of micromotors that power hair dryers, blenders, and auto features such as door locks, windshield wipers, and automatic windows. With factories in South China and an R&D base in a Hong Kong industrial park, Johnston is thousands of miles away from a leading auto maker.

This hasn't stopped the company from virtually cornering the market for the electric gizmos it makes for Detroit's Big Three. "My customer is right here," says Managing Director Patrick Wang Shui Chung, pointing to a videoconferencing unit in the midst of hundreds of engineers. For two hours each morning, design teams "meet" face-to-face with their customers in the U.S. and Europe. Concepts are transmitted from R&D centers in North America and Europe to Hong Kong, where 200 engineers on a network of workstations develop the motors using CAD/CAM software.

Their specifications are programmed directly into Hong Kong production lines. The process is so streamlined that Johnson can take a concept and deliver a prototype to the U.S. in six weeks. To cut that time even further, the company is investing in more advanced telecommunications to link its 9,000-worker operations in China. "Today, your location doesn't matter," says Wang. "It's turnaround time. I want to be the fastest gun in the world."

Knowhow. The pioneers in bringing foreign technicians into the global workforce are multinationals such as Motorola, Hewlett-Packard, and Philips Electronics. Originally, they set up plants in Asia chiefly for cheap labor. But many of these assembly shops have gathered so much knowhow that they now do critical design-and-engineering tasks.

A good example is Motorola Inc. Its paging-device plant in Singapore boasts 75 local engineers and a new $35 million building dubbed the Motorola Innovation Center. There, the Scriptor pager was developed almost entirely by Singaporean industrial designers using Singaporean software.

Hewlett-Packard has gone even further. It encourages each of its manufacturing sites around the world to become the global base for its product. Penang, Malaysia, has become a global center for many components used in HP's microwave products and is taking over responsibility for computer hard-disk drives from Palo Alto. And in Singapore, a plant HP opened in 1970 to assemble keyboards is now the global R&D and production center for its line of portable ink-jet printers. It is also the base for all handheld devices, such as persona digital assistants and calculators.

Intensive training by multinationals is another reason that skills are rising rapidly. A key training locale is the Penang Skills Development Center, a 360-student polytechnic institute funded by 57 foreign companies and the government for local high school and university graduates. Intel donated a $140,000 microprocessor lab. A 20,000-square-foot "team building park" for leadership training and a clean room for vacuum technology came courtesy of Seagate Technology Inc., which has a big hard-disk plant nearby, Motorola Inc. kicked in $320,000 for PC software training and a bachelor-of-science program.

India, China, and Russia are closely watching the successes of Malaysia and Singapore. The potential of all three is staggering given the heavy emphasis their schools place on math and basic science. In these countries, notes Intel's Barrett: "I see a ton of people who are as technically well-educated as people in the U.S."

India has the second-largest pool of English-speaking scientific talent in the world, after the U.S. This includes 100,000 software engineers and technicians and hundreds of companies, many locally owned, that supply software to Western customers. The number of engineers could double by the end of the decade. And a monthly salary of $800 for an engineer with five years' experience is enough to place a worker squarely in India's upper-middle class.

Central Europe also is peppered with brilliant scientists rapidly being discovered and unleashed. The most promising spots as production bases by 2020, according to a study of 404 European locations last year by Cologne-based market researcher Empirica, are Bratislava (in Slovakia), Western Bohemia (in the Czech Republic), Györ-Sopron (Hungary), and Poznan (Poland).

Germany's Robert Bosch has been making engine parts in the Czech Republic since last year. "Czech engineers have the technical competence we require," says Heinz G. Grewe, Bosch's head of management systems for gasoline engines. Despite added startup and training costs, industry analysts say, auto-parts makers can still save 30% by outsourcing to Central Europe. Farther east, in Russia, most multinationals have been slow to exploit the huge pool of technologists who worked in the former Soviet Union's defense industries. But pioneers such as Sun Microsystems Inc. and ABB Asea Brown Boveri (Holdings) Ltd., which already employ thousands of Russians, are bullish, particularly about the hard-driving younger generation that is eager to get rich (page 128).

Well-stocked waters. The deepest pool of untapped skills is in China. Dataquest Inc., the research firm, estimates that there are at least 350,000 information-technology engineers in Chinese research institutes, state companies, and universities. The average salary: about $105 a month. And with the Chinese government placing electronics, telecommunications, and software industries high on its list of priorities, colleges across the country are preparing to train hundreds of thousands more (page 126).

Multinationals are fishing in these well-stocked waters. Northern Telecom Ltd. just opened a lab at the 10,500-student Beijing University of Posts & Telecommunications that will soon employ 250 engineers. NT will work with faculty and students on cellular phones, multimedia-transmission devices, and software. In the northern city of Tianjin, Motorola will have 3,000 workers making semiconductors and telecom equipment by yearend. Meanwhile, AT&T, which is just getting started in China, plans to link up the telecom plants it has scattered across the country.

For now, these facilities will focus on the enormous telecom needs of China. But it's only a matter of time before Chinese engineers start playing key R&D roles in products sold globally. "All of our joint ventures can be technical centers in their businesses," says AT&T China Inc. Human Resources Director Albert Siu. "I've never found people more open to learning. They soak up everything."

Many of the lessons companies are learning in high tech can also be applied to the

West's other big job generator; services. There, the potential of offshore skilled labor is just beginning to be tapped. For more than a decade, companies such as American Airlines Inc. and Citicorp have been loading tons of ticket stubs, credit-card receipts, and insurance forms onto planes headed for places such as the Dominican Republic or the Philippines, home of low-paid keypunch operators.

Many experts think high-end services can also be farmed out to overseas workers. Why not let specially trained Filipino accountants do much of the grunt work in preparing tax returns for multinationals? Or how about outsourcing the legal research for expensive product-liability cases? Using CD-ROM libraries, paralegals in India could churn out the mountain of writs and affidavits for such cases at a deep discount. Anupam P. Puri, managing director of McKinsey & Co.'s Bombay office, says such task transfers are long overdue. "Most of our multinational clients are still very behind in seeing how they can redistribute service work around the world," he says.

Regulatory hurdles remain, of course. But the technological barriers are falling fast. International Data Solutions, for example, scans case and client files for U.S. law firms and transmits them in digital form via satellite to the Philippines. There, workers organize and index the documents so they can be readily retrieved by a computer network in the U.S. International Data employs two full-timers in Virginia—and up to 3,000 Filipinas. "With the Information Superhighway revolution, this trend is accelerating dramatically," says International Data President Kenneth R. Short. "It really doesn't matter where the work is done as long as quality, price, and service are right."

Broader View. In the construction industry, Houston's M. R. Kellogg has teamed up with Mexico's Bufete Industrial on contracts to build petrochemical-refining systems worldwide. After developing conceptual drawings on a computer, Kellogg transmits them to Bufete, of which Kellogg owns 21 percent. The Mexicans turn the drawings into detailed blueprints. The arrangement, says Kellogg Manager Robert Salazar, "makes us competitive all over the world."

While this flexibility sounds great for corporations, it could be traumatic for professionals who are not well-equipped for a global economy. As gaps between experience levels and wages narrow around the world, skilled workers will compete on a more equal footing. To profit from the emerging trends, workers will require broader training than is now provided by most education systems—in both the East and the West.

Rather than focus on one discipline, for example, professional workers will need to understand the economics and technologies that are revolutionizing their industries. In the banking world, "the pure technologist is already dead," says George P. DiNardo, Singapore-based chief technology officer for Citibank's Asian consumer business. "And so is the pure businessperson."

In electronics and telecommunications, engineers discarded by Corporate America are taking advantage of cheaper access to data and video networks by forming their own design houses for Asian manufacturers. In many other fields, professionals may have to similarly redefine their jobs in order to prosper from the globalization of work rather than be at its mercy.

Mr. HOLLINGS. Mr. President, the message is that anybody who still thinks the only competitive edge of the developing countries is cheap unskilled labor has a lot of catching up to do.

Mr. President, the Senator from Oregon referred to Intel. Well, here is what is happening at Intel. "Just as with the move of manufacturing overseas, you are going to see an increasing flux of technical jobs outside of the United States," predicts Intel Corporation chief operating officer, Craig R. Bennett, in Business Week.

"We don't have any protected domains anymore."

Then it goes on to say,

"Consider what already has happened to the PC mother board, the circuit card loaded with chips and runs of computer. Five years ago most mother boards, regarded as the guts of a PC, were produced in-house by the U.S. computer makers. Today, some 60 percent are subcontracted to Taiwanese companies and their army of 150,000 information technology engineers.

On and on, Mr. President. Dispelling that myth, I read from the Business Week of December 17, 1990. Here it is. I quote:

From all the fuss about the United States becoming more export oriented, hardly any additional industries have joined the exporting sector in the past 10 years.

Do not keep coming up here talking export jobs.

Moreover, success overseas is not translating into job creation at home.

I quote then not reading the entire article, but quoting word for word:

These trends show no sign of abating. Using government employment forecasts Business Week is projecting an increase of 9.6 percent in the size of the exporting sector over the next 10 years, far less than the projected national employment growth of 14.6 percent. True, the exporting sector could expand faster if import competing industries such as machine tools, some domestic industries' machine tools and our tools regain market share in the United States or if some domestic industries learn how to be big exporters. Barring these competitive gains, the proportion of Americans producing for world markets will just continue to shrink in the 1990's.

Mr. President, why can't we understand what is going on? We are in a decline.

Mr. President, Vermont is due to lose 6,100 jobs this year under GATT. The total loss from the trade deficit is 3,100,000 jobs.

With respect to being in decline, we have none other than Lee Kuan Yew, and I quote:

America is not the surplus country. It is Japan and Germany. It is New York with the expertise but Tokyo and Bonn with the actual cash.

"The greatest problem for Americans," he said, "was coming to terms emotionally with this shift, accepting in our guts that there is a permanent change in competitive position."

Mr. President, read this language and listen to it very, very clearly. Talking about GATT agreements, "These agreements, saying it word for word, offer new opportunities for all Americans. For American farmers the agreements expand world markets for American farm products. For American workers the agreements offer more jobs, higher income and more effective responses to unfair competition.

That was none other than Robert Strauss in 1979, the Tokyo round under which we are in. What did his Texas colleague and our good friend and former chairman of the Finance Committee say in 1987 with respect to that particular Tokyo round in 1987? I am reading word-for-word, because we never seem to learn. We listen to the same babble, technobabble and statistical babble, but we do not look at the reality. Here is what Senator Bentsen in the Finance Committee itself reported:

The Committee is concerned that the Tokyo round trade negotiations and the legislative branch and executive branch actions to implement the Tokyo round trade agreements, have not had the effect of improving the American standard of living as intended. Perhaps worst of all—

Listing many things.

the composition of the merchandise trade deficit has changed from mainly an oil deficit—

Talking about oil jobs, which was bad enough.

to mainly a manufacturing and agricultural deficit, which strikes at the heart of U.S. export strength.

Agricultural exports alone have fallen from about $40 billion in 1980 to about $25 billion in 1987. And if petroleum prices in 1986 had been the same as in 1980, then the 1986 trade deficit could well have been over $200 billion. The mainstays of American trade competitiveness are in trouble.

This is the now Secretary of Treasury.

By last year, West Germany surpassed the United States as the world's leading exporter and Japan had 10 percent of the world's exports in 1986, compared to 10.3 percent for the United States, who may well move into second place in 1987. The size and composition of the trade deficit have caused retching adjustments on the American farm and American industry and among American workers. For example, the widening trade deficit reduced real potential GNP by nearly 20 percent in 1983 and 1984, according to the International Trade Commission. The National Association of Manufacturers found that 2 million fewer jobs were created as a result of the growth of the trade deficit in this period. The deficit deterioration of American high-wage industrial employment concentrated employment growth this decade in the lower-wage service sector.

Mr. President, how can you do it any better than that? What happens is, as we put in the RECORD on yesterday from Lars Erik Nelson—and I have the entire article. I will read a paragraph:

The economists keep foisting their theory on the Clinton administration. No proposition enjoys greater unanimity among economists than the idea that free trade will, on net, be a win-win situation, says Bob Shapiro, a nondogmatic economist at the Progressive Policy Institute. This is why, Shapiro says, economists close their eyes to

the social cost of free trade. They don't know how to deal with the problem, but they can't give up the economics of free trade. The fact is there are significant social costs.

That is what the election in November was all about. Here we have 40 million living in poverty. Their take-home pay is 20 percent less; they are working longer hours and being paid less. We have gone from the biggest creditor nation to the biggest debtor nation. Our manufacturing, since 1985, has gone from 26 percent of the work force down to 16 percent. And the inner cities are in turmoil with crime and drugs and deprivation. Yet, they are telling us we are on "a rising tide," as they said in the Washington Post. There is no rising tide. We are going out of business, and the social costs are there. Here the group that came to town for the middle class, Mr. President, is decimating the middle class.

I heard the Senator from Texas earlier today say if he had a Republican President, he would vote for this. Well, on this particular trade policy, he has a Republican President, I can tell you this now, because we are not protecting the middle class, the jobs, and we are not striking out against the social instability caused by the unemployment, not striking out against the deficits caused by unemployment compensation, increased health and welfare costs, increased crime costs, and the like. We are not doing it. We are exacerbating it here with this debate this afternoon and with this vote.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. DECONCINI). Who seeks recognition?

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. On whose time does the Senator seek recognition?

Mr. BYRD. Mr. President, I believe the distinguished Senator from South Carolina has assured me that I might have 14 minutes?

The PRESIDING OFFICER. Does the Senator from South Carolina yield 14 minutes?

Mr. HOLLINGS. I yield the time remaining to the Senator from West Virginia.

Mr. BYRD. Mr. President, GATT is a budget buster, any way you want to slice it. By itself, GATT would increase the deficit by more than $25 billion over the next 10 years. To partially offset this deficit increase, the pending bill includes a number of so-called "revenue raisers," several of which I find very questionable.

Among those provisions is one which would repeal the 4-percent statutory minimum interest rate on U.S. savings bonds. Under current rules, a person can lose, at most, one month of interest. Under the repeal contained in this bill, a purchaser of U.S. savings bonds can lose up to 6 months worth of interest.

In other words, to help pay for this trade deal, we have gone so far as to undermine the U.S. savings bond. That same bond that we have for generations given to our grandchildren and to our sons and daughters will no longer be quite the dependable, sound investment it has been for decades—so that we can pay for GATT.

While this GATT Uruguay round agreement may arguably be good for U.S. businesses, U.S. workers are placed at a competitive disadvantage under this agreement.

For businesses in developing countries, and motivated by a "greatest-profits-at-lowest-cost" mentality, a return to the world of Dickensonian sweatshops populated by underpaid, overworked, uneducated, and uncomplaining children will be irresistible.

For example, the export of U.S. jobs overseas has hit my own State of West Virginia hard over the years, as U.S. trade liberalization has made it more advantageous for firms to move manufacturing and assembly jobs overseas while still retaining easy access to the U.S. marketplace. While part of this decline is due to improvements in mechanization that require fewer workers to produce the same level of output, jobs in the coal mining industry in West Virginia have declined 28 percent just since 1988.

The once-thriving glassware and pottery industries in West Virginia have fallen victim to overseas competition as well. Jobs in the stone, clay, and glass products industries have declined 68 percent since 1960, dropping from 22,400 jobs to just 7,100 jobs in 1993, according to the Department of Labor. Tariff reductions will not help those companies.

I am not generally opposed to trade agreements if those agreements are good for the United States and its work force. But let me make clear that this country and the U.S. work force in West Virginia and throughout the Nation are this Senator's paramount concerns.

There is a lot of leeway granted in this agreement to developing countries. The aid is to help improve the economies and the standards of living in other nations.

Free trade is fine, but fair trade should be our goal. Yes, our workers are among the most productive in the world, but how can they hope to continue to compete with workers who are willing to toil for 50 cents an hour or 25 cents an hour?

I cannot support the new, slick trend toward one-worldism which seems to be emerging with this agreement. It is almost as if some people in this country feel that the United States should sacrifice so that other nations can grow—that Uncle Sam ought to blush if the United States prospers much more than other nations.

To that point of view I say, beware of the "idiot who praises with enthusiastic tone, all centuries but this and every country but his own."

Support for this agreement flies in the face of the results of the recent election. Look at these poll figures. This poll was taken by the Yankelovich Partners survey, November 23 through November 27, 1994.

Do you favor or oppose passing GATT?

Fifty-one percent oppose; 33 percent favor; 16 percent not sure.

What about the budget wavier on GATT? Is it inappropriate or appropriate?

Sixty-seven percent inappropriate; twenty percent appropriate; thirteen percent not sure.

What about deferring GATT over to the 104th Congress?

Sixty-three percent say defer it to a new Congress; 29 percent say let the old Congress do it; 8 percent not sure.

Then, what about the WTO and U.S. law? Do you think the World Trade Organization should be able to override the laws of member nations?

Seventy-two percent say "no"; 17 percent say "yes"; and 11 percent say "not sure."

So, Mr. President, the people's view is clear. Only in this convoluted Capitol City could doing what the people want ever be perceived as bad for the President.

Some Senators have said to me that putting GATT over into the next Congress would damage the President if this waiver is rejected. Not according to these polls. Not according to these polls. In my view, rejecting this agreement as it presently stands would be doing a service to the President because it would give him time to go back to the table and get a better agreement—one that the people can support, as reflected in the poll. Those who support this Agreement now may say that they like what they are getting, but they may, in the final analysis, not get what they like.

It is a fig leaf that has been concocted by our distinguished Republican leader and the administration. First, the Review Commission cannot even review the record of the GATT panels, since the proceedings will be secret.

Mr. President, Members of the Senate who read the Scriptures, and I take it that Members do read the Scriptures, will remember Ezekiel and the valley of the dry bones. Senators have probably heard sermons on that scripture. The spirit of the Lord sat Ezekiel down in the valley of the dry bones. The Lord told Ezekiel to speak prophecies unto the dry bones and God would put sinews and flesh and skin on them; bones would be joined together, the four winds would breathe breath into these bones and they would come to life.

Mr. President, the Lord God kept his promise to Ezekiel. Flesh and sinews came upon the bones, and they lived,

and stood upon their feet. Those old dry bones became an exceeding great army.

Mr. President, there will be no life breathed into this dry bone that has been worked out between the minority leader and the Administration. This fix will not work. This miracle will not work. This dry bone is a dry bone is a dry bone is a dry bone. And no amount of hocus pocus is going to change it.

Here is the dry bone. Here it is in my hand. Here is the dry bone put out by the Bureau of National Affairs containing an explanation of the agreement between the Clinton Administration and Mr. DOLE.

Well, this dry bone will only serve as a rhetorical cover for Senators to vote for something that is seriously flawed.

This is an agreement in disguise. It is the Mrs. Doubtfire trade agreement. What you see is not necessarily anything like what you may get.

Moreover, the WTO cannot be fixed by the Dole legislation. First, the Review Commission cannot even review the record of the panels, since the proceedings are secret.

Second, the idea that we would withdraw from the WTO after three adverse decisions in a five-year period flies in the face of a history in which we have never withdrawn from any important international organization. It would take a resolution passed by both Houses, and most probably over a President's veto—a highly unlikely scenario.

So this is a fig leaf only serving as rhetorical cover for Senators to vote for something that is seriously flawed and can be manipulated regularly against the best interests of our country and our people.

This fix is in the time-honored tradition of such legendary promises as, "The check is in the mail." It ranks right up there with, "Yes, I will still love you tomorrow," and "Don't call me, I'll call you."

Unless one's I.Q. is lower than the air temperature, it should be plain that none of these so-called promises can be counted on. Neither can the Senate count on this so-called fix.

Hanging one's hat or one's vote on this so-called future fix may produce nothing but future shock. It is like trying to hang one's hat on a greasy flagpole. The hat will not stay and the people will not buy this fix as a cover for a bad vote.

The President and others argue that to delay action until next year will kill the GATT.

Here we see this headline on Business Week, "Delay Will Mean the Death of GATT." Don't you believe it. Don't you believe it.

That is a bogus scare tactic. The thing that might really kill GATT is scrutiny by 100 Senators and the discovery that it is a mega-turkey. The implementing legislation can be introduced again next year, and we have until next July to approve it. No other major nation's legislature has approved it—everyone is waiting to see what good old Uncle Sam will do. So there is no rush.

We hear the siren song of doom from the rafters of the White House. The dead will live again and flourish. Jesus, according to the scriptures, brought Lazarus, the brother of Martha and Mary, back to life. Jesus brought back to life the son of the widow of Nain. He brought back to life the daughter of Jairus. And Elisha breathed new life into the child of the Shunammite woman. Let me assure Senators that miracles are not over. If this budget waiver is rejected today, this matter will only be put over until next year. It will be child's play for the spin doctors, for the trading giants to breathe life into the treaty. Just you wait and see what happens if we sustain the budget point of order. Then the spin doctors will go to work.

All our major allies will be brought together, those who have all been sitting on their hands, like Japan and our European allies, waiting to see what we will do. You can bet that if this Agreement is so great for everyone, there will be a rush for airline tickets to get on planes bound for Geneva. The restaurateurs in Geneva will be putting in extra supplies of turkey for the occasion.

I would also argue that delay is not always bad. It does wonderful things for a cheese and and old wines and old violins. Delay will not kill this treaty. Delay may well improve this Agreement. I have every confidence that our President and our trade negotiators who have listened to this debate could then negotiate a better agreement in the months ahead.

The argument that delay until next year would kill the Uruguay Agreement is a G-string under the fig leaf of the so-called "fix" we have all heard about. It is the last argument. If all else fails, proponents can claim that a delay will kill this Agreement.

For these extremely important budget, institutional, and political reasons, I believe that the legislation before us today should be deferred until the next Congress, at a time when Senators will have had the time to study the Agreement more closely, and when there is ample time for debate and deliberation. And the way to accomplish this is to vote against the waiver.

Mr. President, I thank the Chair.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Who yields time?

Mr. PACKWOOD. Mr. President, how much time is left on each side?

The PRESIDING OFFICER. The Senator from Oregon has 1 hour and 4 minutes. The Senator from New York has 35 minutes.

Mr. PACKWOOD. I thank the Chair.

Mr. President, I yield myself as much time as I may need.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I think it was Disraeli, but I would not bet the mortgage on that, who once said there are three kinds of lies. There are lies, there are damned lies, and then there are statistics.

We have heard the statement made over and over that for every $1 billion of imports, 20,000 jobs are lost. That figure is premised on a study that said for every $1 billion of exports, 20,000 jobs are created. And those who choose to take that statistic and use it in their favor on imports has simply turned it on its head, as if 20,000 jobs for $1 billion of exports means 20,000 jobs lost with $1 billion of oil imports.

Let me give you just two examples, then I have other points to touch on, where this just is not true.

I have talked several times about the import of oil in this country. We imported last year about $44 billion worth of oil. We import this oil because we do not have, or have not chosen to look for, in one way or another, to get oil out of the ground in this country. We need the oil.

First, the drilling for and the extraction of oil is capital intensive, not labor intensive. I doubt that there are 20,000 jobs associated with $1 billion worth of oil exports or $1 billion worth of oil imports.

But I want you to think what would happen in this country if we did not import $44 billion of oil. Do you think if we did not import it, we would create 880,000 jobs? That is 20,000 jobs for every $1 billion of imports.

I will tell you what would happen if we did not import $44 billion of oil in this country. We would have an absolutely up-to-your neck depression in this country because this country runs on oil. We generate electricity with it; our industries run on it; we run our cars on it. And we do not have the capacity in this country to produce it immediately.

I had indicated earlier we could produce it if we wanted to make it out of coal. We have a 400-year supply of coal, but it is expensive to make oil out of coal.

I had the Library of Congress check for me—and I want to give them credit again, the Congressional Research Service, for the extraordinary research they do, because I only asked them yesterday.

South Africa, of course, has produced oil out of coal for years. They had a trade embargo when the white-only government was in power and they could not import, so they had to produce it. And they have lots of natural resources. They produced oil out of coal and gasoline out of oil, but it was very expensive.

The Library of Congress said, yes, we have enough coal to make oil out of it. If we did, the Library of Congress' estimate is—and they did not want me to hold them too closely to it—that the cost of gasoline, if we produced it from coal in this country, would be between $3 and $4 a gallon instead of what we pay for it now. And, of course, home heating oil would go up equivalently; the oil we use to generate electricity would go up equivalently. I have no idea what that would do to inflation. I have not asked the Library of Congress to check about the impact of an increase in inflation, which would in turn increase interest rates, home mortgage rates, and everything else. My hunch is that approach is not going to help this country.

So let us put this bogeyman—that because we are importing $44 billion worth of oil, we are losing 880,000 jobs—to rest.

Now, let me move to a study my friend from South Carolina, Senator HOLLINGS, has cited over and over and over again. This is a study by Charles McMillion. He is a business consultant who testified against the GATT before the Commerce Committee. Mr. McMillion took this 20,000 figure and he calculated, therefore, what every State would lose in terms of jobs based upon $1 billion of imports in that State.

States have customs districts which keep track of imports. Oregon imported about $1.6 billion in imports through the Portland customs district. Therefore, he multiplied 1.6 times 20,000 and said Oregon would lose 32,000 jobs. Mr. McMillion says Oregon will lose 32,000 jobs because of imports.

Well, Portland is the fourth largest importer of cars in the United States. Different ports excel at different things. Portland excels at importing cars. As a matter of fact, we are also the largest exporter for Hondas in the United States. They are made in Marysville, OH, trucked to Portland, and off they go throughout the world.

For the moment, just stick with the imports. Do you think that Oregon would have more jobs or fewer jobs in Oregon if we did not import cars? We do not make any cars in Oregon, but we do have longshoremen that unload cars and we have teamsters that drive the trucks upon which the cars are loaded. We have a rather thriving little industry in Portland on importing cars. We are not going to lose jobs because of these imports. We gain jobs.

That is the trouble with statistics. So I want to put aside statistics and I want to talk about real world cases, if I might.

Before I do, I want to emphasize the principal thing the United States asked out of this trading negotiation. I am going to quote a very short sentence from the Trade Act of 1988.

The principal negotiating objective of the United States with respect to dispute settlement is to provide for more effective and expeditious regulation of the disputes and enable better enforcement of United States rights.

We bring far more cases in the GATT—we have not yet gotten to the World Trade Organization; it is not established yet—complaining about overseas trade practices than are brought against us. Say we get into a dispute with Germany and we ask a GATT panel to look into it. The GATT panel is a group that listens to the two sides and says who is right and who is wrong. Under the current GATT arrangement, even if we win, it is not enforceable unless the loser agrees.

Well, the loser never liked us to begin with. That is why we are having this dispute panel settle things. So we insisted in the Uruguay round negotiations that these panel decisions involving trade disputes between countries have some modicum of enforcement.

Under GATT, and I see no reason it is going to change under the World Trade Organization, we won 80 percent of all the cases in which we were a complainant. It is no wonder we want them enforceable. And it is understandable why we bring more cases. We are a more open country. We allow things easier into this country than other countries allow into their countries. And we are asking for a level playing field. We want in. We want as much access to their countries as they have to ours.

The reason we brought all these cases in the past is that we have not had that access and this trade agreement that we are about to enact—and I am confident we have the votes to enact it—is going to lower the barriers for our getting into these countries. The agreement makes these panel decisions enforceable unless all of the countries to the panel agree not to enforce it. It is just the opposite of what we had before.

Before you had to have all of the countries that are a part of the panel dispute agree to enforce the panel decision. Under this new agreement, the panel decision is enforceable unless all of the countries disagree. The only reason that would happen is as follows: The United States has a case with Germany. We win. And then Germany says, "OK, you win. Now we negotiate some kind of agreement. You have won. We concede that, but we really do not want to give up on what you have won but we will give you some other trading preference." And we negotiate and say OK. Then both parties would agree not to enforce the panel decision. And that is going to happen from time to time with both sides. So we have won in the GATT what we hoped we would win.

I listened to Senator BYRD from West Virginia talk about industries in his State and what is happening. I want to take just a cross-section of industries in Oregon. Not necessarily unique, not just timber products—we are a big timber producer—but a cross-section, and give you an example of what industries big and small can do in foreign trade.

Take Smith Frozen Foods, of Weston, OR. Weston is a town 225 miles east of Portland in the modestly populated wheat and cattle section of our State. Smith Frozen Foods almost went bankrupt 10 years ago. Then the young son of the founder took it over and built it up, now, to 800 employees. It processes frozen peas, carrots, corn, and beans and what not. About 125 of the 800 employees are pretty much directly related to the sale of the products overseas.

I might say, the founder's son is an extraordinary man. In fact this body would appreciate his success. He spent 10 years building up this business. Then, in 1992, he decided to go into politics and was elected to the Oregon State Senate in November of 1992 and took office in January of 1993. Perhaps in May or June of 1993 the Republican leader in the Oregon State Senate resigned, for whatever reason. And this young man, Gordon Smith, was selected as the leader in his first 4 months in the legislature.

The Republicans took control of the senate this year and he will be the senate president in his second session of the senate. This is an extraordinary talent at business and politics. That is Smith Frozen Foods.

Another company is Met One of Grants Pass, OR. Grants Pass is a town of 15,000, 260 or 270 miles south of Portland and about 450 miles north of San Francisco. Again, here we have a very small town with a small airport and a trucking service on the interstate. It is not a major metropolitan area. Met One makes indoor pollution monitoring devices, especially lab equipment monitoring devices. It has 110 employees, 35 of them related to sales overseas. This business is growing tremendously. As we are becoming more pollution conscious throughout the world, both indoors and outdoors, this company is doing very well.

Medford Steel, of Medford, OR, is another company 300 miles south of Portland and about 400 miles north of San Francisco. It makes industrial parts for mining and manufacturing and has 135 employees, 40 of them related to overseas trade.

Sabroso, I have talked about so often on this floor, is also located in Medford, OR, has 160 employees, about half of them involved in foreign trade. This company takes fruit and makes a puree out of it. It is the largest supplier of the base for baby foods for the three principal baby foods in the United States: Beechnut, Heinz and Gerber's. I used posters yesterday showing labels from their cans: one in Arabic, one in Spanish. They sell all over the world. They look at this agreement as an absolute bonanza and an opportunity. Operating out of Medford, OR.

Wing-Lynch makes photo-processing equipment. It is a small company, 23 employees; 5 of them responsible for foreign trade.

Enway is one of my favorites. Enway, a 20-employee firm, sells everything they make overseas. They make frozen processed potatoes and they have found some way—secret or not—of processing them and selling them overseas and doing it wonderfully and successfully.

Then let me mention a couple of lumber companies. North Douglas Wood Products in Drain, OR, is 200 miles away from Portland; 65 of their 70 employees were involved in overseas sales. Starfire Lumber in Cottage Grove has a similar experience.

One of my favorites, though, is Vanport Lumber, because I remember a particular circumstance. You have to understand the humor in some of this, as to how old-line American industries look at things as opposed to newer industries. When I first came to the Senate, elected in 1968, one of the big debates we were having with the Japanese and with other countries was over what we called size standards. We wanted them to buy our two-by-fours. Of course, do not worry they are on the metric system and they do not measure the same way we do. Any other normal business says, "What does my customer want? I will make it for my customer." The American wood products industry wanted Japan to change its measuring standards so that they could buy our standard two-by-fours.

Japan is very conscious about high-quality wood with their post and beam interior construction and exposed wood. They do not want bad wood and they want it exactly measured. We must have gone through 10 years of this debate on size standards.

Then along comes Adolf Hertrich. I think he was either Swiss or German by birth and spoke English with a Germanic accent. I do not think he had a background, really, in lumber. I do not know when he came to this country or how, but he forms this Vanport Lumber Co. and produces lumber using relatively outmoded equipment, as a matter of fact, then. He was convinced you could crack this Japanese market and he had enough money to last initially 2 or 3 years.

He would go over there and explain this is what he could do and he would show the quality he could produce. Then "no, they were not satisfied yet." Finally, in about 1981, he got the Japanese to agree they would send an inspector over and look at his plant. He would have to pay for it, have to put him up, have to feed him, but the inspector would come over and look at his plant and maybe they would buy some things if he could do what they wanted. He had a Japanese inspector over for a couple of years. Finally, by 1983 he convinced them he could, indeed, produce the wood they wanted. They did not have to have their inspectors there anymore. And hallelujah, it had taken him 5 years to get to this place.

I did not know him at this time. I discovered him in about 1984 when he calls me and he has a problem. Bear in mind he has 220 employees and is selling all of his product to Japan. He calls me because the Internal Revenue Service refused to let him deduct a Japanese tea house he had built on his property to show buyers when they came over. IRS said this is not an ordinary and necessary business expense. You do not need a tea house.

He says all I do is sell to the Japanese. They use this wood for tea houses. I want to show them what we have.

I went out there. Picture this. Here is Adolf Hertrich, speaking with his Germanic English. My chief of staff is an English woman who speaks like Eliza Doolittle at the end of "My Fair Lady" with very proper English. Then there was a Japanese buyer there speaking in sort of Japanese English. And me—whatever. We all sit down with our feet under the table in the Japanese tea house, and are served tea by a woman dressed in the Japanese outfit. After hearing English English from the administrative assistant and Japanese-English from the Japanese buyer and the German-English, finally the IRS gave up and let him construct the tea house. But we had to go through that. But here is an example of a guy who says, "I know I can do it."

Mr. MOYNIHAN. Will the Senator yield for a question on my time?

Mr. PACKWOOD. Yes, by all means.

Mr. MOYNIHAN. On what he has been saying about this combination in the State of Oregon, you are the largest importer of cars on the west coast.

Mr. PACKWOOD. We are the fourth-largest importer of cars in the United States.

Mr. MOYNIHAN. And you export.

Mr. PACKWOOD. We are the largest exporters——

Mr. MOYNIHAN. It is a practice that has been in place, understand, as long as this Republic. I took the occasion of this debate to read the Report on Manufacturers, Communication to the House of Representatives, December 5, 1791 from Alexander Hamilton, Secretary of the Treasury. He was saying we cannot, need not remain a simply pure agricultural nation. We can manufacture and we can trade. And he spoke the wonderful phrase—he had that wonderful language and he was a New Yorker at this point, as you know—he spoke of those who would sacrifice the interests of a mutually beneficial intercourse to the vain project of selling everything and buying nothing. Have we not heard some of that on this floor?

Mr. PACKWOOD. As a matter of fact, that is some people's definition of a level playing field. They will buy from us, but we will buy nothing from them.

Mr. MOYNIHAN. We will sell to them and we will buy nothing from them.

Mr. PACKWOOD. Take another company, a big company, Tektronics. This is a company founded in the 1940's or 1950's by an Oregonian. The company invented a state-of-the-art oscilloscope that sold all over the world. This is the kind of business you cannot stay still in very long. They were up 25,000 employees one time at the top of the market maybe 15 or 20 years ago. They went way down. Now they have branched into all other kinds of things. They have about 4,500 employees, which is big for Oregon. It would be big in New York. Two thousand of their employees are directly involved in sales overseas in high-tech computer products.

Morale II is a research subsidiary of United Parcel Service. They came up with a device to keep track of where packages were in the delivery system. I visited them when they were experimenting with the device.

But they thought to themselves, "Wait a minute, wouldn't this be a wonderful thing for police departments," or "Wouldn't this be a wonderful thing for any company that delivers to be able to, by satellite, communicate up and back and on your screen have an entire grid of a city you can push buttons and change the grid and exactly tell where your truck is in the city."

The police thought it was a wonderful idea. They can tell exactly where the police car is. Without even having to call them, you know where it is.

This company has been very successful in moving beyond just products for the United Parcel Service. Obviously, navigation equipment is a natural.

Lektro is located in Warrenton, OR, on the Oregon coast, about 110 miles from Portland. It is a small company with 20 employees. They make aircraft towing devices. Those things you see hooked up on the front of trucks that drag planes around. They sell these all over the country and are involved in world trade. When I first saw them, they were operating out of an old airplane hangar. They are very successful.

Yesterday, I mentioned Denton Plastics. They are a fun company. I discovered, by the way, since yesterday, they have 40 employees. Denton recycles plastics, such as, the sacks from grocery stores, the sacks from dry cleaners, and plastic wraps from frozen food. They put them into something like a vat and heat it quickly. They turn it, grind it, take all the color out, and it comes out in little black pellets. Then they sell them around the world in Korea, in China. People make toys, garbage pails, et cetera, out of the pellets. Denton, with 40 employees, is the biggest company north of Los Angeles and west of the Mississippi River in

this business. Denton is an excellent example that you do not have to be a big company to be, relatively speaking, a giant in an industry.

Mr. MOYNIHAN. I have learned that.

Mr. PACKWOOD. This is the amazing thing we all learned in our States. I wager the Senator from New York has had the same experience. You go around and run across companies you never heard of that are doing very well in foreign trade, and they have a handful of employees. They have a niche that they are doing well at.

So when people say America cannot compete, I just look at these examples in Oregon of all kinds of different companies. But there is almost one thing they all have in common: Brains and patents, trademarks or copyrights—intellectual property, as we call them—things that they have thought up that nobody else thought up and they have protected with a patent or a copyright and they are selling it around the world.

If there is any single thing where there is a quantum leap forward in this GATT agreement, it is in the protection of what we call intellectual property, patents, copyrights, trademarks around the world. All it can do is benefit these companies.

I will make one last comment about these companies. Not a single one of these companies is a minimum-wage company. Some of them are not high wage, but there is not a single one that is minimum wage. Some of them are in the $7 to $8 an hour bracket, some in the $9 to $10, some of them more. But how often have we heard on this floor that you cannot compete with Bangladesh or India paying $1, $1.50 an hour? Without exception, every one of these companies is competing.

I will use a last example, and then I will close because this is a company everyone has probably heard of: Freightliner. They make those large trucks and cabs that you see on the highway. Freightliner has a large plant in Portland with over 2,000 workers, a large plant in North Carolina with over 2,000 workers, and another plant in Cleveland, NC. This is high-wage employment.

In Portland, the plant is unionized, organized by the International Association of Machinists. At the high end of their production floor workers, counting fringe benefits, earn about $25 an hour. About a third of that is fringe benefits, and that is the high end of the production work.

At the moment, there is a 20 percent tariff on trucks going into Mexico. So Freightliner packages up its trucks in kit form and sends them to Mexico where they are assembled. If you send them that way, the tariff does not apply. At the moment, about 10 kits a day are going out of the North Carolina plant to Mexico.

I talked to the president of the company yesterday morning. He said the 20 percent tariff is scheduled to come down to zero in the North American Free Trade Agreement with Mexico. Around 1998, the tariff will be reduced enough where it will be economically justifiable to make the entire truck in the United States instead of the kit.

At that stage, they are going to quit sending the kits to Mexico and make the trucks here and send them down in final form. Their U.S. workers make $25 an hour. Do not tell me we cannot compete.

Freightliner just landed a contract with Israel for 800 to 1,200 trucks which will be made in its North Carolina plant. That is a big order, having to compete with trucks apparently made in India or trucks apparently made in Brazil, or wherever trucks are made. Do not tell me we cannot compete.

Tonight, in about an hour, we are going to have a chance to vote up or down on this agreement. A vote for this agreement is a vote to give the green light to the best companies in America—and they are not all big, most of them, as a matter of fact, are small—to compete throughout this world on a much fairer basis than they have been able to compete to date.

A no vote is a vote to say, no, we really cannot do it when State after State, company after company, even under adverse circumstances today, are proving they can do it.

So I say to the chairman, Senator MOYNIHAN, it has been a thrilling time working with him on this. There are moments when he and I had some fears and trepidations, I think. I cross my fingers; I think we now have the votes. For the good of this country, I hope in the next hour that overwhelmingly we pass this agreement.

I thank the Chair.

Mr. MOYNIHAN. Mr. President, may I congratulate my future chairman and past chairman for the extraordinarily important exposition of the proposition. We are told that the Fortune 500 have not added an employee in the last 10 years. That is because American enterprise is working. Firms with 20 are going to 30. That is a 50-percent increase. And they are working all over the world.

If I may just one last time invoke that great West Indian, New Yorker, Alexander Hamilton, and his report on manufacturers, who talked about those misguided nations which sacrificed the interests of a mutually beneficial intercourse to the vain project of selling everything and buying nothing. It cannot be done. He saw the future, and it is here. The future is now. And the future will be ours if we seize it this evening. In an hour's time, we shall have the opportunity.

I have the great honor and pleasure to yield 10 minutes to the learned, indefatigable—a great citizen, a great citizen of Pennsylvania—Senator WOFFORD.

Mr. WOFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. WOFFORD].

Mr. WOFFORD. Mr. President, that gentleman from the West Indies and New Yorker, Alexander Hamilton, began the Federalist Papers, as I recall the first sentence, the first proposition, by saying that it is reserved to the American people to determine to prove whether our fait accompli must be forever controlled by accident and force, or whether it is possible to determine it by reflection and choice.

I congratulate the Members of this body in these last 2 days of debate for making sure that we make this important decision by reflection and choice.

Mr. President, after much thought, I rise in support of the General Agreement on Tariffs and Trade because I believe that on balance, it is good for our country. This agreement is far from perfect. No agreement forged in compromise is likely to be perfect, certainly not one negotiated with more than 120 nations.

Some of the arguments voiced by opponents of GATT are strong and disturbing. They are right that GATT does not give America enough leverage in critical areas such as child labor, human rights, and environmental standards.

Mr. President, I believe it is wrong in trade negotiations for economic concerns to supersede all other concerns. It is wrong for the conditions of child labor described by Senator WELLSTONE this morning to be ruled out of consideration in any limitations on trade.

On questions of economic justice, human rights, and environmental health, the world should be able to look to America for leadership. We have a responsibility to provide that leadership—a responsibility that is not given adequate scope in the World Trade Organization provided for in this agreement.

So in the years to come, as we work within GATT and within the new World Trade Organization, and as we move forward to negotiate new bilateral trade agreements, we must honor that obligation to give leadership and work and fight to supplement the trade-only approach of GATT.

Those of us who will be on the outside of government will have a responsibility to take action in these matters. For not all of the pressure needed to uphold America's ideals should come from government. Much of it must come from private citizens.

When I was head of the International League for Human Rights, I often pressed the point that the concept of human rights goes beyond just political rights. It must include abuses of human rights in the form of the child labor portrayed by the Senator from Minnesota.

Determined support by private citizens helped change our trade policies

with South Africa and helped bring about the changes that are underway in that nation today.

So concern about the exploitation of labor and the unfair competition that follows from it should not be the province solely of the American labor movement. It should be the concern of this Congress and of the American people at large.

Let me add another vital point for the future American agenda.

While I believe GATT will benefit most industries and most Americans, some industries and some workers and their families will suffer, at least in the short term.

In Pennsylvania, the textile and dairy industries—both already hard pressed—will lose certain protections on which they have come to rely.

We should take special responsibility for the fait accompli of such industries. This includes a responsibility to help those men and women who lose their jobs to learn new skills and pursue new opportunities. That will come to the fore when this Congress turns next year to the reemployment bill that is before it. These industries need our special concern and help.

Despite these strong reservations that I have just added my voice to, I will be casting my vote in favor of GATT for the reasons that have been eloquently given in this body already in the last 2 days because, on balance, I am convinced it is good for the economy of Pennsylvania and good for the American economy, because I believe it will, in not many years, prove not to increase our deficit but to reduce it; because I believe it would be wrong to go back to the drawing board after so many long years of negotiations; and because I have faith in America's ability to compete successfully and to provide leadership, leadership for human rights as well in the global economy.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum and ask that the time be charged equally to each side.

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

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President and Members of the Senate, we are in the closing moments now of an epic debate, a defining moment in American history. It has been said that the vote we will cast this evening is comparable to votes—a half dozen, at most, in the 20th century—such as the Marshall Plan, to name but one. We are going to define the American future on how we vote this morning.

We are about to hear from our leaders, after which time the votes will commence. It cannot be stated too strongly that we are choosing a future for the United States, and the distinguished chairman-to-be of the Committee on Finance and I feel confident; we feel ebullient, if I may say. Sixty years of American foreign trade policy that began with Cordell Hull and Franklin Roosevelt in the depths of our Depression and the world depression in 1934, in the Reciprocal Trade Agreements Act, culminating now in the Congress—as Cordell Hull called it, a "Congress of international trade" in a speech on the floor of the House of Representatives in 1916. It is not a large one. The World Trade Organization has 450 employees—the GATT, rather—after 40 years. It is contemplated that an additional 15 will be employed now. But a world trading system will be in place for settling disputes, for making agreements, and for creating a future.

I am confident that we will make the right choice, Mr. President, hugely acknowledged not only by your support but by Members on both sides of the aisle. I make the simple point that this measure was reported from the Committee on Finance 19–0. I do not know that the margin will be quite that emphatic in the next hour, but I hope it will be sufficient so that the world will know that the United States has not only led the world to this moment, but means to continue to do so.

Mr. President, I thank the Chair and I suggest the absence of a quorum, the time to be charged equally to the two parties.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOLE. Mr. President, first of all, I thank my colleague, Senator MOYNIHAN, the chairman of the committee, and Senator PACKWOOD. I have been listening to some of the debate, and I certainly know of the impact their statements have had.

Let me say also that we sort of reached the point right now, the moment it is going to happen, now, in the next 30 or 40 minutes. It has been 8 years in the making, 8 years, a long time.

I must say, just having come back from a very brief trip to the United Kingdom and Brussels, I said to Secretary Bentsen this morning at the White House in a meeting with the President and others who were undecided on this particular matter—Secretary Bentsen had been telling me for some time that the whole world was waiting for America to act in a positive way—I said, Lloyd, by "the whole world" you mean everybody is waiting for the U.S. Senate, the U.S. House to vote on GATT? He said yes, nearly the whole world.

I want to confirm that statement, because while we were in Belgium, Brussels, we talked about NATO we talked about Bosnia. But there were ambassadors there from countries all over the world. When we were in London, we talked with the Prime Minister. I think his first question was about GATT. We talked to Margaret Thatcher about GATT. I spoke at a meeting last night made up of former Prime Ministers and others, people interested in trade, about GATT.

The point I am making is this is a decision we are making today that is going to have impact around the world, a positive impact. And if we did not act in a positive way, it would have impact, it would be a very negative impact.

So I would start by saying that I want to thank all of my colleagues who are supporting GATT, who are supporting us on the waiver of the point of order, that is the critical vote.

I want to thank Secretary Bentsen.

I want to thank Mickey Kantor, the U.S. Trade Representative. He has done an outstanding job and worked with me and others to resolve some of the real differences that we have and it has made a difference.

I want to thank the President for his efforts, and former Presidents, Republicans and Democrats up and down the line, who understand the importance of trade and the importance of this particular vote and this particular moment, after 8 years.

There are a lot of countries involved and like any other big trade agreement, it was up and it was down, and people thought it was going to break down. People walked away, and they came back. But anyway we persevered and finally got it worked out, and about the eighth round of negotiations finally concluded last December.

I think it is fair to say, because there are critics—and I have said many times we are getting about 2,000 phone calls a day in our office opposed to GATT, two or three slip in in favor of GATT—if you took the phone calls that this is a measure of support in America, you could say there is no reason to bring this matter before the Senate. Many of the callers are certainly well-intentioned. Many of the calls are orchestrated. Many of the callers have a strong point of view. Many of the callers are critical of any of us who even think about even trying to fix it, they are just flat against it, they want it killed, they do not want any trade agreement, they are concerned about sovereignty and other issues that I will discuss later. But I must say most of

the callers are well-intentioned and they are concerned, concerned about their jobs, concerned about their children, concerned about something.

So I think we need to state for the record this is not a perfect agreement. On the way back last night I had a big book, it weighed about 10 pounds, briefing material. I did not read the entire document, but I read many, many of the arguments on the pros and cons. It is not a perfect trade agreement. We never achieve all of our objectives. We have to go back and complete the work in some of the areas, especially services, including financial services, telecommunications and audio-visual.

In addition, Mr. President, the overall economic impact of the Uruguay round agreements I think probably has been overstated. But it is always the case around here that with each administration, maybe overstatements are made from time to time. But in this case there are overstatements in both directions.

To hear some of the supporters you would think this agreement cures everything but the common cold, and maybe even the common cold. If we just vote yes our troubles are over.

If you listen to the other stream on the other side, you get a different picture.

We are told this is going to create hundreds of thousands of jobs, maybe millions of jobs, billions of dollars. And I know for some reason Wichita, KS sort of became the anti-GATT capital of the world, and I have heard a host of statements and a lot of information, a lot of letters from people that I know—a hundred times worse than NAFTA, a stealthlike power grab by the bureaucrats, by international bureaucrats—and all the other arguments you heard on the floor today and before.

But I believe on balance that this is a good trade agreement. The benefits certainly are going to be modest or better, but clearly going to be a net gain for the American people. No doubt about it, for if our trade policy does not serve the American people, we ought to change it or we should not extend it. I am talking about the American people, the working family making $20,000, $25,000, $30,000, $35,000, a year, they are ones who are concerned, they are the ones who, in many cases are calling or going to the meetings. Others have different motives.

So this creation of a new trade bureaucracy is not our objective. It is domestic and economic growth, and increasing the standard of living of hard-working American families. Trade should serve the people and not the other way around, and I think this does.

It will be tested. We will find it is not complete in many areas, we will find that probably some things will have to change. This is going to create jobs and opportunities. I am not going to say how many jobs, I will leave that to the experts. But let us face it, we are going to be the big beneficiary, the United States of America. Any way you cut it, we are the biggest beneficiary.

It is going to bring down tariffs worldwide, and that is why we are going to be the big beneficiary, because our tariffs are already low, around 4 percent. And around the rest of the world they are relatively high, around 20 percent. One-third cut in global tariffs under this agreement certainly means disproportionate benefits to U.S. exports. That is what it is all about.

It means tariffs are going to be lowered, some estimate, $744 billion. That is a huge reduction in the most tangible barrier to trade that exists, the direct tax on imports. That is going to be reduced.

In some sectors—construction equipment, agricultural equipment, steel, beer, distilled spirits, paper, toys and furniture—tariffs are not just reduced they are eliminated, they go to zero. And these are the so-called zero-for-zero products. These are sectors in which the U.S. producers are already very competitive. This trade agreement is going to make us even more competitive.

Overall, U.S. merchandise exports, it is estimated, will be over $150 billion per year over the next 10 years. So maybe it is not $150 billion, maybe $140, or maybe it is $160. They are estimates. But they are positive estimates. Let me talk about agriculture.

I met last week, or the week before, I guess, with representatives of 20 different sectors of agriculture—cattle, hogs, wheat, soybeans, farm bureaus, different farm groups, corn growers. There is no doubt that the U.S. farmers are the most productive in the world. They are going to be forced to compete—or would have been forced to compete—primarily with foreign treasuries had it not been for some changes in this agreement. Because if we lower the subsidies, and we are prepared to do that—in fact, our subsidies are already so low it is not going to take additional effort from the Americans, it is going to take additional effort elsewhere.

But our subsidies are low compared to other countries. So we are going to require not as much as we wanted to do, do not misunderstand me, but we are going to level out the playing field, something President Bush started and President Reagan announced years ago about eliminating subsidies so we could compete worldwide. And if we can compete, we will win more than our share of the market. That is what it is all about: Market access and market share.

Market access, as far as agriculture products that are produced in my State and nearly every State in the Nation, are going to increase as tariffs come down—we are going to expand—as non-tariff barriers are converted to tariffs and then reduced, and as minimum access levels are implemented. These are certainly important goals if you are talking about global agriculture and global agriculture trade.

And, again, these are estimates, but again they are expected to increase exports by $4.7 billion to $8.7 billion by the year 2005. According to the U.S. Department of Agriculture, exports of grains and feeds will increase $2 billion to $4 billion; cotton by nearly $600 million; meats, dairy, and other animal products by $1.7 billion to $2.5 billion. That is real money. Horticultural products by $200 million to $400 million; and oilseeds and products by $800 million to $1.3 billion.

What does that mean? It means more farm income. It means that the average farm family, whether it is in New York or Kansas or Oregon or New Mexico, or wherever, is going to have more income. Some estimate—and again these are all estimates, and I think this is where much of the problem is, because nobody knows precisely where it is—but the estimates are it will increase agriculture income by $2.5 billion by the year 2005. So we are talking about 190,000 jobs in that same timeframe—190,000 jobs. That is a lot of jobs.

And I think one thing that we have received assurances on—and I would like to put this in the RECORD. My colleague in the House, Congressman PAT ROBERTS, from Kansas, who will become the chairman of the House Agriculture Committee starting the next Congress, does an outstanding job for agriculture. He is not concerned that agriculture may be cut as other programs are cut, but he did not want agriculture singled out by saying, "Well, we will take it all out of agriculture and more out of agriculture somewhere else."

So at his request, I was able to receive assurances from Leon Panetta, the Chief of Staff at the White House, concerning agriculture and agriculture programs, important not just to Kansas but other States.

I ask unanimous consent that that material be printed in the RECORD.

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

THE WHITE HOUSE,
Washington.

The Honorable ROBERT DOLE,
U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: It was good to meet with you on Saturday regarding a number of your concerns about the GATT legislation. Lloyd Bentsen, Mickey Kantor and I felt that we had a constructive discussion and are hopeful that you will be joining all of us on both sides of the aisle who are supporting the GATT legislation.

You had raised some specific concerns related to agriculture, which I wanted to follow up with this brief note. Overall, as you

know, U.S. agriculture is projected to benefit substantially from the GATT agreement. The coalition of some 265 agricultural organizations who are supporting GATT cite the projections that GATT will lead to increases in U.S. agricultural exports by $5 to $14 billion over the next 5 years, which will help to create over 110,000 new jobs in the agriculture sector and help to generate $10–$30 billion in related economic activity throughout the U.S. economy.

One of your concerns was whether the Administration was singling out agriculture programs for spending cuts. I can reassure you that is not the case. The Administration will honor the commitments in this area made by Director Rivlin and Secretary Espy in their September 30, 1994 joint letters to the leadership of the Senate and House Agriculture Committees. Those letters committed the Administration to maintaining discretionary spending on USDA agricultural programs at or above the FY 1995 level in the FY 1996 and 1997 Budget requests to Congress. Regarding mandatory programs, the Administration will consider potential spending changes only in the context of its overall reviews of entitlement programs and in the farm bill process.

You asked specifically about the Export Enhancement Program (EEP) and the Conservation Reserve Program (CRP). With respect to the EEP program, we are following through on our commitment to use it to the maximum extent allowed, as demonstrated by our recent EEP actions on wheat, barley, and pork. In fact, for the FY 1995 budget just enacted, the Administration requested full funding for EEP and it was the Congress that reduced the funding by twenty percent. We have also decided, as part of the implementation of GATT, to reform EEP to focus on market expansion and promotion, not just for combating unfair trade practices.

Regarding the CRP, the Administration strongly supports and will propose reauthorization and extension of the CRP in 1995. In addition, we will take further administrative actions as needed to support a continuation of the CRP at the fullest possible level. That will be reflected in the FY 1996 Budget baseline for FY96 and future years.

In the context of concerns held by wheat growers, you asked if the Administration is willing to streamline the approval process for EEP decisions. I am happy to report that we already are moving forward on our commitment in the Rivlin/Espy letters to do exactly that. As a result, the most recent EEP decisions were cleared in periods ranging from one to four weeks, in contrast to earlier actions which sometimes took six months.

Finally, you raised questions about how the Administration could aid the oilseed industry. Unfortunately, the funds that you identified to pay for purchases of vegetable oil for food assistance programs have already been included in the GATT legislation to help cover the overall costs of the package. However, oilseed products are specifically included in the additional $600 million of "greenbox" export promotion program levels that the Administration proposed to carry forward if the GATT passes. Decisions on greenbox spending will be based on criteria such as the importance of programs in promoting value-added products, additionality, and other criteria to be developed in consultation with the Congress.

Oilseeds would benefit from further reductions in trade barriers. The U.S. industry took the lead on the oilseeds zero-for-zero initiative in the Uruguay Round, and the Administration, as stated in the Statement of Administrative Action accompanying the GATT legislation, intends to pursue negotiations to achieve duty reduction and elimination for oilseeds. Our negotiations with China are directed in part toward achieving meaningful access for U.S. agricultural products, including oilseeds, to the Chinese market.

We appreciate the stong support for GATT that the overall U.S. agriculture community has given over the past weeks. I hope that the information I've provided here will reinforce that support and demonstrate the seriousness of our commitments to the industry.

I hope we will have your support in passing the GATT legislation for the good of agriculture and the whole U.S. economy.

Sincerely,

LEON E. PANETTA,
Chief of Staff.

Mr. DOLE. So, on the whole, let me say very clearly that we are going to be able to demonstrate next year and the year after that and the year after that that the GATT agreement did help the American farmer, the American producers, the American rancher, and the farm families.

The GATT agreement also establishes for the first time rules governing intellectual property, services, and investment trade. It is my hope that coverage of these areas by trade rules will especially benefit the United States. We have a big trade surplus, nearly $60 billion, and I think this is going to help us with that, as we bring rules and disciplines to trade in services that allow us to continue to be the leader in global services.

And, again, no country in this case—and I reconfirmed this last night; read it time and again to make certain I understood it. Under this agreement, as opposed to previous agreements, you are not going to have any single country out there be able pick and choose from the benefits of the agreement, sort of "a la carte." For the first time, the selections on the menu must be taken all or nothing. You cannot pick out what benefits you want and leave what does not benefit you. You cannot do that anymore. So whether it is on subsidies, antidumping, customs valuation, or standards, everyone will have to observe the same rules. This, too, will benefit the United States, since we will not have to change our practices much, while many other countries will have to come into conformity.

Now, let me say there is one aspect of the agreement that I think we have had more phone calls on, more letters, more concern, more frustration, than any other, and that is the question of the World Trade Organization. It is new. Maybe another name would have been better, any other name. When you start talking about world trade, world anything, people are nervous. So perhaps here, too, the benefits and dangers I think have been overstated. I think, judging from the thousands of phone calls and letters we have received, no aspect of this agreement is of deeper concern to the American people.

I have heard from Ross Perot; I have heard from Pat Buchanan; I have heard from Ralph Nader; I have heard from Lane Kirkland. They are all good people; all feel very strongly that this agreement ought to be killed on the spot. Do not fix it. Do not fix it; kill it.

Well, my intent never was to kill it. My intent was to fix it. If we can fix it, and it is good for America, let us fix it.

So while I have respect for their views and their opinions, I hope in fairness they will say, "Well, maybe you did fix it a little. Maybe it is a little better."

So there are a couple of major concerns behind the criticism of the WTO. One is that the WTO could produce bad decisions that might be grossly unfair to U.S. interests. Now, the more I looked at the issue and the more I studied the issue, the less likely I feel that could happen. But the other is that somehow we are diminishing or selling out our "sovereignty" if we sign up as a member of the WTO; that the WTO represents "world government." And when you talk about world government, as I say, you are fighting a lot of people.

The first concern seemed to me to have some real substance, Mr. President. The WTO is not just an international "watchdog" organization. It will have judicial powers, in effect. What will we do if the WTO decides to exercise those powers in an "activist" way? Here in the United States, our judiciary has a tradition of judicial restraint, but no such tradition exists in the World Trade Organization. It is a brand new organization.

Furthermore, decisions by the WTO dispute settlement panels will be automatically adopted by the WTO, unless all members, including the winning country, agree the decision should not be adopted. This is an important change from current GATT practice, which permits any country, under present law, to block or veto the adoption of a decision. I believe that most of the time, this change will benefit the United States since so many times in the past, we have won cases in the GATT only to have the losing countries refuse to comply with the rulings against them. We win the cases, they do not comply, and nothing happens. The Europeans repeatedly refused to comply with the soybean decision against them, and Japan thumbed its nose at the GATT on beef imports. Nevertheless, in cases where the United States is the loser and the WTO dispute settlement panel exceeded its powers or simply made an arbitrary decision, it seemed to me important to have additional protection.

And I want to make this very clear. There was a concern here. We believed it was real. We understood that people who were calling us were concerned about it. They understand it, or someone else understood it, and had them call. So we went to work.

I talked to the chairman about it, Chairman MOYNIHAN. I talked to Senator PACKWOOD about it. I talked to Mickey Kantor about it. I said, "Mickey, what can we do? How can we fix it? I want to support the trade agreement."

So they agreed we needed some additional protection against decisions by the WTO that go beyond the WTO's authority. And we agreed that next year, a dispute settlement review commission would be created to review WTO actions and determine whether the WTO exceeded its power and authority. After three such cases, Congress would vote on whether to withdraw from the WTO. It is as simple as that, Mr. President.

I know, "you can withdraw in 6 months," but that is the Executive. They are not going to withdraw. We wanted Congress to have some say. And Congress now has some say. It is going to allow us to get out if necessary, if the decision is arbitrary and capricious, and we have about 3 other standards. We can get out of WTO if our rights are being trampled by dispute settlement panels in Geneva. I would like to have printed in the RECORD at this point the agreement we made with the administration in this area.

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

THE U.S. TRADE REPRESENTATIVE,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, Nov. 23, 1994.

Hon. BOB DOLE,
Senate Minority Leader,
U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: Secretary Bentsen, Leon Panetta, and I appreciated the chance to discuss the remaining issues of concern to you in the Uruguay Round implementing legislation. We believe that your concern can be addressed in a way that enables you to join us in providing the leadership to bring the Uruguay Round effort to a successful conclusion.

You have expressed concern about (1) the World Trade Organization (WTO), dispute settlement, and sovereignty; and (2) the change proposed in the term of patent protection. Let me respond on each issue.

WTO, Dispute Settlement, and Sovereignty.

Critics of the Uruguay Round have charged that proposed WTO and the Dispute Settlement Understanding (DSU) would unacceptably infringe U.S. and state sovereignty. I agree that no trade agreement, whatever its economic benefits, should be approved if it infringes U.S. or state sovereignty. But it is clear, as I have testified many times, that the critics' fears concerning sovereignty are without foundation.

Three Administrations—two Republican and one Democratic—steadfastly safeguarded our sovereignty throughout the negotiations. This year, working together on a bipartisan basis, the Administration and Congress established further protections for sovereignty through the implementing legislation.

A broad range of individuals and groups of diverse views across the political spectrum support the view that the Uruguay Round agreements do not affect U.S. sovereignty. These include Consumers Union, the Heritage Foundation, the American Enterprise Institute, Judge Robert Bork, the National Governors Association, the National Conference of State Legislatures, Citizens for a Sound Economy, the American Bar Association, just to name a few.

Section 102(a)(1) of the implementing legislation unequivocally reaffirms that U.S. law prevails in every situation over any conflicting provision of the Uruguay Round agreements. Further, Articles IX and X of the WTO agreement make it clear that no substantive right or obligation of the U.S. can be altered or changed unless we agree. Article IX establishes that the WTO will operate by consensus—just as the GATT has. The charge that the United States will be outvoted on important issues in a system where each country has one vote is a "scarecrow" in the view of Judge Bork. In its recent report on the WTO, the Heritage Foundation posed the question: "Does the WTO have any power over the United States that could undermine U.S. sovereignty?" The Foundation's unequivocal answer was "none whatsoever".

Neither the WTO nor WTO dispute settlement panels will have the power to change, or order any change, in Federal, state, or local laws or regulations. Only we in the United States can change our laws. Longstanding practice of the GATT, continued in the WTO, assures that in disputes, we will only be in front of panelists approved by the United States.

Moreover, while the dispute settlement process is not yet as open as the litigation process in the United States, it is far removed from being the "secret tribunal" that critics allege. U.S. briefs in panel cases will take into account Congressional advice and the views of the public. In addition we will provide prompt access to our submissions, and access to at least non-confidential summaries of other WTO member submissions. Panel reports will be made public as soon as we receive them, and our response to any panel report will be developed with Congress. Also, section 123(g)(3) of the implementing legislation permits the appropriate committees of Congress to vote on whether the United States should comply with a panel report.

We have fully safeguarded the right of federal, state, and local governments to protect human, plant, and animal health and safety at whatever level of protection we see fit. Furthermore, state governments may impose more stringent standards than the Federal government and we will be free to exceed international standards when necessary to achieve the level of protection we believe appropriate.

Thanks to extensive consultation with groups of state officials, led by the National Association of Attorneys General and the Multistate Tax Commissioners, state sovereignty is fully protected. This includes the right of the states to participate at every stage of the dispute settlement process if a state law is challenged.

Finally, while the Administration believes that U.S. interests are fully protected, the WTO agreement permits the United States to withdraw on six months' notice at any time and for any reason. Additionally, section 125 of the implementing legislation provides an expedited process by which Congress can review U.S. participation in the WTO every five years, and revoke approval of the WTO agreement if it so chooses.

Sovereignty has been the central issue in the debate on the WTO throughout this year. When members of Congress or other individuals or groups have come forward with concerns, we have worked hard, and effectively, to address them. Nevertheless, we recognize that concerns remain, in Congress and around the country, about our sovereignty under the WTO, and particularly the impact of a dispute settlement system where "blocking" of panel reports is no longer permitted. We believe that it is important to approve the Uruguay Round agreements with the broadest possible bipartisan support and public confidence. Consequently, the Administration wants to ensure that WTO dispute settlement decisions are fully consistent with the Uruguay Round agreements by providing additional guarantees that WTO dispute settlement decisions will be vigorously monitored to ensure that U.S. sovereignty is not adversely affected.

To that end, the Administration will support legislation next year to establish a WTO Dispute Settlement Review Commission. The Commission would consist of five Federal appellate judges, appointed by the President in consultation with the Leadership of both Houses and the Chairmen and Ranking Members of the Ways & Means and Finance Committees. Each Commissioner would have a four-year term with possible renewals. Provision would be made for appropriate staggering of the terms of the Commissioners.

The Commission will review all final (i.e., adopted) WTO dispute settlement reports (by a panel if the panel report is not appealed or by the Appellate Body) where the final report is adverse to the United States. In each such case, the Commission would determine whether the panel or Appellate Body:

1. Demonstrably exceeded its authority or terms of reference or, where the matter concerned the Uruguay Round Antidumping Agreement, failed to apply Article 17.6 concerning standard of review;

2. Added to the obligations or diminished the rights the United States assumed under the pertinent Uruguay Round agreement;

3. Acted arbitrarily or capriciously, engaged in misconduct, or demonstrably departed from the procedures specified for panels or the Appellate Body in the agreements; and whether

4. The action in 1, 2, or 3 materially affects the outcome of the report.

The Commission would issue its determination within 120 days after the report is adopted. Three votes would be required for an affirmative determination. The U.S. Government and interested parties would have the right to be heard by the Commission.

Following issuance of any affirmative determination by the Commission, any Member of each House would be able to introduce a joint resolution calling on the President to negotiate new dispute settlement rules that would address and correct the problem identified by the Commission. The resolution would be privileged. The resolution would be discharged from the Ways & Means and Finance Committees under the same procedures provided in section 125 of the implementing legislation; floor action would be expedited under the same procedures.

If there are three affirmative determinations in any five-year period, any Member of each House would be able to introduce a joint resolution to disapprove U.S. participation in the Uruguay Round agreements under the same procedures set forth in section 125 of the implementing legislation. If the resolution is enacted by the Congress and signed by the President, the United States will commence withdrawal from the WTO Agreement.

Term of Patent Protection.

You have expressed concern about the provision of the implementing legislation which would change the terms of patents in the United States. Specifically, you have asked the Administration to support legislation next year which would change the patent term to grant patents for a term beginning on the date on which the patent issues, and ending on the later of 20 years from the date on which the patent application was filed in the United States or 17 years after the date of the grant.

Under present law, patent rights exist for a term of 17 years measured from the date the patent is granted. The legislation would change our current system to provide for a patent term of 20 years measured from the earliest effective filing date of the application that leads to the patent.

This change, which has the strong, bipartisan support of the House and Senate Judiciary Committees, has been recommended numerous times by expert study groups starting as far back as 1967. One reason the Committees support both the change and the approach taken in the implementing bill is that it will address the problem of "submarine patents".

A "submarine patent" can exist when a patent applicant delays grant of the patent, sometimes for years, even after the Patent and Trademark Office has determined that a patent can be granted. In the meantime, an entire industry has built up around the technology, since patent applications are held secret until after the patent is issued. When the patent issues, the inventor often demands high royalties as the price of not suing companies for patent infringement. The proposal of providing a term of the longer of 20 years from filing or 17 from grant of the patent would not address this problem, since there still will be no incentive for the patent applicant to stop delaying patent grant.

Under the implementing bill, almost all U.S. patent owners will have a longer term of protection than they now have. There are several reasons for this, but the key point is that we included provisions that would add up to five years to the 20-year term provided under the implementing bill if there is delay in getting the patent and that delay is not the fault of the patent owner.

For all these reasons, we believe that the case for the change is compelling, and it will bring great benefits to our patent holders and innovators. The proposed change has extraordinarily broad support in the business and intellectual property communities, ranging from manufacturing and chemical companies, such as 3M, Dow Chemical, Westinghouse, MARS, Exxon Research and Engineering Company, Deere & Company, Bridgestone/Firestone, DuPont, Cincinnati Milacron, Pioneer Hybred, and Fisher-Rosemount to the Intellectual Property Law Section of the ABA, the American Intellectual Property Owners' Association (AIPLA), and the Intellectual Property Owners' Association (IPO).

We believe that if Congress reconsiders the issue next year it will reach the same conclusion reached by the Administration and the Judiciary Committees over the nine months that we work on the implementing bill. Nevertheless, if the Congress does revisit the issue and reaches the conclusion that a change in accordance with your proposal should be made, the Administration would not oppose legislation to achieve that change.

Once again, thank you for discussing this matter with us. I look forward to working with you to secure approval of this historic agreement.

Sincerely,

MICHAEL KANTOR.

Mr. DOLE. That is the first concern and it has merit.

The second concern in my view has no merit. The World Trade Organization is not world government. Our sovereignty is not threatened by this agreement or by the WTO. The WTO has no power to force the United States to do anything. They cannot make us do anything. It is not a world power.

If the WTO finds that U.S. law does not square with the obligations we have assumed under the agreement, we remain totally free to disregard that finding. It does not change U.S. law. It does not change State laws, as some of the critics have said. The critics should be answered, and they have been answered. But they keep coming back with the same message.

I do not know who you could go to, if you want to talk to somebody who felt strongly about something and you wanted some conservative jurist to give you a legal opinion. So somebody asked Judge Bork to address this issue. I know it has been recited on the floor before. Judge Bork has a pretty good reputation as being a scholar and understanding the law. As he pointed out, our ultimate compliance with the agreement is a matter of international comity or accommodation, not of sovereignty. We are talking about comity or accommodation—not sovereignty. Our legislative and executive branches will continue to function exactly as before. Let me quote Judge Bork. I know he has been quoted before, but I want to quote him again because I think the well-meaning people in America who oppose this agreement because of the sovereignty issue ought to know about the quote. Maybe they will read it. Maybe they will hear it. I would be happy to send them a copy of the letter. This is what Judge Bork said:

> The U.S. constitutional framework safeguards U.S. sovereignty by providing the motion recent action by the political branches of the Federal Government supersedes prior laws or international agreements. As long as the United States can relieve itself of any international obligation that conflicts with U.S. law by enacting a subsequent statute, U.S. sovereignty is protected. Arguments to the contrary distort American law and contradict principles recognized by the Supreme Court for more than one hundred years.

That is not BOB DOLE. That is not BOB PACKWOOD. That is not PAT MOYNIHAN. That is Judge Bork. He is not infallible, but he has a great reputation. So I would say to those who rant and rave about the sovereignty issue, I think it has been answered.

I would also note one of the most vocal critics of the WTO's infringement on our sovereignty, Professor Lawrence Tribe, of Harvard, recently reversed his position on the issue. He was a critic. He was on the other side. He was supporting Ross Perot and Pat Buchanan and Pat Choat and Ralph Nader and others who feel strongly about this issue. This is the memorandum he sent to me and other Senators dated November 28, and I quote:

> Although it might be less embarrassing for me simply to say nothing, I regard it as my responsibility, in light of Assistant Attorney General's Dellinger's recent forceful analysis, to say that I believe the Clinton administration has based its position on the Uruguay round agreements on constitutional arguments that are both powerful and plausible.

Not BOB DOLE, not PAT MOYNIHAN, not BOB PACKWOOD—Laurence Tribe.

So the sovereignty issue is a red herring. And, if our rights are being trampled we are going to be able to fix it. We have worked it out. We are going to have to pass a law next year and we will have administration support, and bipartisan support in the House and Senate. Our sovereignty could not be better protected. No one in this Chamber is going to stand up and diminish our sovereignty or somehow sell out or diminish some of our sovereignty that I know of on either side of the aisle.

Let me finally say this. I know the majority leader is waiting to conclude the debate.

We were also concerned about some of the measures in the implementing legislation. Frankly, we thought there were too many things added. It was not clean. There were just too many things added to the implementing legislation. So a lot of charges have been made that millions and millions and billions of dollars are being spent. It is almost like a reconciliation bill. You cannot amend it. All you can do is debate it and vote it up or down.

So we raised some of those questions with the administration. I think it is clear that one reason the fast track process may be in danger from now on is we have to clean up our act. We cannot load up the implementing legislation with extraneous provisions that have nothing to do with trade because this bill is not subject to the normal rules of debate. As I said, you cannot amend it. You debate it and vote it up or down. So it has a whole variety of things in there that benefit certain people, probably certain interests that should not be there at all. And I have addressed those.

I ask at the appropriate time those letters be printed in the RECORD. One is a pioneer preference provision. I am just trying to find out if it is fair. If it's fair that is fine with me. But we are going to try—going to review it next year. We have a promise from the administration to work next year with the administration to ensure that Government is fully and fairly compensated for the licenses in question. That is all we want. We are not after anybody.

So I guess the truth of the matter is, the fast track vehicle is carrying a lot

of unauthorized cargo. And it is abuse of the fast track process and I hope that, if we use the fast track process again, we will be able to clean that up. I voted for the fast track extension and I think certainly this undermines the process if that is going to be approved next year.

We have another term dealing with patents. This was raised by a colleague on the House side, Congressman ROHRABACHER. That has been addressed. We think the administration now agrees it will not oppose legislation, if it is offered next year. I ask that statement by him be made a part of the RECORD. That was from the Trade Representative, from Mickey Kantor.

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

THE WHITE HOUSE,
Washington, November 23, 1994.

Hon. ROBERT DOLE,
U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: I appreciate the opportunity to respond to your concerns about the so-called "pioneers' preference provision," which is found in Title VIII of the GATT implementing legislation.

As you know, this provision serves two basic purposes. First, it prevents the pioneers from obtaining the use of radio spectrum for free. Absent the GATT provision there is, in our judgment, an unacceptable risk that the pioneers will succeed in overturning the current FCC Order which, reversing an earlier order, now requires payment from the pioneers. Second, it rewards the innovation produced by the pioneers who, in the judgment of the FCC, have helped to spur the current interest in the provision of Personal Communications Services. Indeed, we are only days away from the beginning of the broadband PCS auction. The PCS auctions, which were proposed by President Clinton and established in the budget reconciliation act of 1993, are expected by OMB to raise $12.6 billion for the federal government.

Under the GATT provision, the three pioneers will contribute a significant percentage of the total proceeds to be gained from the PCS spectrum. OMB estimates that, over a five-year period, the three pioneers will pay about $1.5 billion to the federal treasury.

We are aware, of course, of competing estimates that have been made by opponents of the GATT agreement and potential competitors of the pioneers. In general, those assertions attempt to compare mature, small markets for established wireless services that possess a significant customer base with the incipient, multistate, demographically-diverse markets for new PCS services. In our judgment, no known alternative estimate establishes a credible basis for analysis.

Of course, as the Administration has consistently noted, no one can predict with certainty the outcome of the coming PCS auctions and, therefore, it is impossible to be absolutely sure how much the pioneers will pay under the GATT provision or how much that payment might differ from the alternative formulae contained in the current FCC Order.

I can commit to you, therefore, that the Administration will work with Congress next year to do the following:

1. Compare the price paid by the pioneers to the payments paid by the PCS auction winners;

2. Determine whether the government received a fair return for the licenses obtained by the pioneers;

3. If the determination in (2) above is negative, pass legislation that would adequately compensate the United States in accordance with the determination on fair return.

Congress, of course, could still act on its own. We are sending under separate cover a letter expressing our views with regard to the constitutionality of future legislation on this issue.

Sincerely,

LEON E. PANETTA,
Chief of Staff.

Ms. MIKULSKI assumed the Chair.

Mr. DOLE. The rest of my statement deals with the budget. I understand Senator PACKWOOD made a brilliant speech. I was not here to hear it, but I have had people fax me notes on how he explained the budget process and the waiver. And I thank him for that.

But it is pretty clear to me that if we do not waive the budget, we are going to doom the whole process. There is no question about it. And that is a steep price to pay. So we have addressed it. We think it has been addressed as much as we could. And we have to keep in mind, too, we are talking about cutting tariffs, going to create more jobs, more opportunities—a lot of things are going to happen in the second five years. So I think in the long run, increased economic activity which is going to result from this trade agreement certainly is going to outweigh the losses and obligations caused by the tariff cuts. In other words, over time, tariff cuts pay for themselves. In fact this argument is reminiscent of an argument we have been making for a long time with regard to capital gains rate reduction. I hope next year, as I said in my letter to my colleagues, the administration will be receptive to this argument in the context of the capital gains debate.

So, finally, I would just say, Madam President, that I think the bottom line is we just cannot isolate ourselves from the rest of the world. We have to have a big "open for business" sign all over America. Everywhere in America it has to say we are open for business. We want your business in America. He want to create jobs, we want to create opportunities in America. We do not want to put a "closed" sign in America, "Not welcome in America."

We want them to bring down the barriers for our products and our services. We are going to lock in this agreement—market opening measures pave the way for further measures.

I have always thought that we could compete with anybody else in the world as long as we have access to that market and that we have assured access. I think this agreement is going to help us in that regard.

So, Madam President, I ask any other material I have not included in the RECORD relating to this agreement be printed at this point. And again thank my colleagues for their leadership.

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

GENERAL COUNSEL OF THE
U.S. DEPARTMENT OF COMMERCE,
Washington, DC, November 23, 1994.

Hon. ROBERT DOLE,
Minority Leader,
U.S. Senate Washington, DC.

DEAR SENATOR DOLE: One of the revenue measures included in the GATT implementing legislation would require the Federal Communications Commission to recover for the public a portion of the value of the public spectrum that has been awarded by the Commission to licenses granted under the "pioneers preference" program. The legislation requires the pioneers to pay not less than 85 percent, on a per population basis, of the highest bids for licenses in the 20 largest markets in which no applicant has obtained preferential treatment (the 3 pioneer markets). Assuming enactment of the GATT legislation free from constitutional infirmities that re-calculates the fees to be paid by the pioneers. This subsequent legislation would likely occur after the FCC proceeds to issue the licenses to the pioneers and would raise a constitutional question whether such subsequent legislation could be effective on a retroactive basis. We believe that the Congress retains wide discretion to enact retroactive economic legislation to support legitimate legislative purposes and such legislation would be permissible from a legal perspective.

In a case decided June 13, 1994, the Supreme Court held in *United States* v. *Carlton*, 114 S.Ct. 2018 (1994), that due process was not violated by retroactive application of an amendment to a federal estate tax statute limiting availability of a deduction despite evidence that a taxpayer detrimentally relied on the previous provision and had no notice that the provision would be retroactively amended. In the case, the Court noted that the due process standard to be applied to tax statutes with retroactive effect "is the same as that generally applicable to retroactive economic legislation." 114 S.Ct. at 2022. In quoting from its decision in *Pension Benefit Guaranty Corp.* v. *R.A. Gray & Co.*, 104 S.Ct. 2709 (1984), the Court stated:

"Provided that the retroactive application of a statue is supported by a legitimate legislative purpose furthered by rational means, judgments about the wisdom of such legislation remain within the exclusive province of the legislative and executive branches."

We believe that the Supreme Court's holding in the Carlton case would be controlling if the Congress enacted subsequent legislation with retroactive effect regarding the price paid by the pioneers. There, as here, the subsequent Congressional action would be intended as a "curative" measure to correct previous legislation with "significant and unanticipated" revenue consequences (Congress had estimated the revenue loss from the deduction in the Carlton case at $300 million over 5 years but subsequently discovered the loss could be as much as $7 billion). There, as here, the "corrective" legislation would be enacted promptly with only a "modest period of retroactivity." Just as a taxpayer "has no vested right in the Internal Revenue Code," no party has a vested right in conveyance of Government spectrum at a discount. *See* 114 S.Ct., at 2023. In addition, two factors which the appellate court found troubling in that case, a lack of notice and detrimental reliance, would not be present provided the Congress included floor statements in the CONGRESISONAL RECORD

noting the possibility of subsequent legislation relating to the fee question.

For these reasons, we believe that Congress could, if it wished, enact subsequent legislation with retroactive effect regarding the assessment of fees to be paid by the pioneers.

Sincerely,

GINGER LEW.

DEPARTMENT OF THE TREASURY,
Washington, DC, November 23, 1994.

Hon. ROBERT DOLE,
U.S. Senate,
Washington, DC.

DEAR BOB: I appreciate the work you have done to address the concerns of your constituents and other Senators before making a final decision about the GATT agreement. I am encouraged that the sovereignty issue has been resolved. I believe your announcement today in support of GATT will certainly bring us closer to the 60 votes needed for the budget waiver.

As the President stated in his press conference Tuesday, the Administration is unwilling to link any conversation regarding capital gains to GATT. But Members of the 104th Congress will no doubt set forth ideas for capital formation. I can assure you that these proposals will be carefully reviewed.

It would of course be our hope that the work of the 103rd Congress be completed next week with a bipartisan victory, not by a narrow margin, but by a resourcing vote of confidence. You and I have led important fights in the past to expand economic growth in our country. Few are as important as this one. If we can achieve this, I believe the American people will hold both our political parties in greater esteem. With my best wishes for a Happy Thanksgiving.

Sincerely,

LLOYD BENTSEN.

Mr. DOLE. I want to commend my colleagues who are on the other side. They feel very strongly about it. I think it has been our hope that we could answer some of the concerns they had.

Some are just flat opposed to it. Some believe there is a conspiracy out there. Some believe that some of us are out to do in America. That is not my record and I do not think it is the record of anybody else.

It seems to me we had two choices: Kill it or make it better and pass it. In my view we have made it better. It is better than it was, because of the cooperation we have had with the administration and because they, too, understand that the WTO was causing real concern with real people all across America. And now Congress has some say or will have some say when we pass the legislation next year.

So, Madam President, I hope that—we probably cannot have a unanimous vote—but let us try for 70 votes, at least 70, on the budget waiver.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield the remainder of the time I have to Senator WARNER.

The PRESIDING OFFICER. The Senator from Virginia has 2 minutes 40 seconds.

Mr. WARNER. Madam President, I shall be very brief. I wish to associate myself with the remarks of the distinguished Republican leader. I have counseled with him on this matter from the very beginning, and he has laid forth the precedents, the points that I shall place in the RECORD in support of my decision on this measure.

An easier vote perhaps would have been to vote against the point of order, then vote for the treaty. But to me that is not being honest. That is not being straightforward, and I feel that as the distinguished Republican leader feels, we ought to stand and be counted and vote if it is in our judgment this is in the best interest of the United States.

I waited, Madam President, such that all across Virginia calls came, as the distinguished leader said, and others, in opposition, in large measure. I did not want to cut off the avenue of my constituents to reach me with their views, and I forced an open mind. But it is the wise counsel of our Republican leader and that of the two managers of this bill, the Senator from New York, Senator MOYNIHAN, and the Senator from Oregon, Senator PACKWOOD, and others, to persuade me this is in the best interest of the United States.

Mr. WARNER. Mr. President, I rise today to voice my support for H.R. 5110, legislation to implement the Uruguay Round Agreement reached under the General Agreement on Tariffs and Trade (GATT). After many months of closely scrutinizing the agreement, I have come to the conclusion that this agreement is in the best interests of Virginia and the Nation as a whole. It moves the United States toward free trade and positions us to compete vigorously in the worldwide market.

Virginia recorded merchandise exports in 1993 of $8.2 billion—the second largest State total in the South Atlantic region. Nationally, Virginia ranked 15th among the States in the value of export sales. Over the 1978–93 period, Virginia's merchandise exports rose by 159 percent—well above the 90 percent increase for the Nation as a whole and the 12th largest percentage gain among States. Virginia's top three export markets in 1993 were Japan, Canada, and Belgium and 87 percent of Virginia's 1993 export sales consisted of manufactured goods. Also, it should be noted that Virginia posted substantial export gains in virtually all major manufactured product categories over the 1987–93 period.

I anticipate that under the Uruguay Round Agreement reached under GATT Virginia will experience greater economic expansion particularly in the areas of: fish and fish products, maritime industry, household and office furniture, renewable energy technology, industrial machinery, electronic equipment, tobacco, and high technology exports. In the area of agriculture, economic expansion is expected in, among others, these areas: corn, soybean, small grains, apples, beef, poultry, and horticultural products.

Those areas listed above are just a few of the areas that will benefit under the agreement. The worldwide lowering of tariffs will help open other countries' markets, therefore creating markets in the future for many other Virginia goods and services.

Mr. President, I would like to say a few words about the World Trade Organization (WTO) and its impact on U.S. sovereignty. The WTO will have the authority to pass out penalties to member nations that have violated the agreement. After reviewing the WTO provisions of the agreement I, like many others, was concerned with that aspect of the agreement.

However, I believe that former U.S. Appeals Court Judge Robert H. Bork, in a letter to Senator DON NICKLES, helped clarify this matter. Judge Bork stated that "the U.S. constitutional framework safeguards U.S. sovereignty by providing that the most recent action by the political branches of the federal government supersedes prior laws or international agreements." Judge Bork concluded by saying that "as long as the United States can relieve itself of any international obligation that conflicts with U.S. law by enacting a subsequent statute, U.S. sovereignty is protected."

In addition, incoming Senate Majority Leader DOLE reached an agreement with the Clinton administration on the matter of the WTO. The Dole-Clinton agreement commits the Clinton administration to support prompt enactment next year of legislation creating a permanent commission of five sitting U.S. appellate court judges, appointed by the President in consultation with appropriate House and Senate leaders. The commission will review all final WTO dispute settlement reports, subjecting them to a three-part test. If the majority of the commission believes that the WTO panel did not demonstrate adherence to certain guidelines then action could be taken by Congress to request that the President negotiate new dispute settlement rules addressing the problems identified by the commission. If the commission issues three affirmative decisions in a 5-year period, any Member of Congress would be able to introduce a joint resolution to disapprove U.S. participation in the WTO.

Mr. President, we must not sit idle and let the world pass us by. We are the world's largest exporter and we can only benefit from a lowering of worldwide tariffs that in turn allow us access to more foreign markets. The Uruguay Round Agreement does just that and I intend to support it.

Mr. President, in closing I ask unanimous consent that an Op-Ed written by Mr. John W. Snow, Chairman, President, and CEO of Richmond, Virginia

based CSX Corporation and Chairman of the Business Roundtable, be included in the RECORD following my statement.

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

[From the Richmond Times Dispatch, Nov. 27, 1994]

VIRGINIA, U.S., HAVE STAKE IN EXPANDED TRADE

Let's cut to the heart of the GATT debate: If America wants more jobs, higher living standards, and lower taxes, then this vital international trade agreement must be approved by the U.S. Congress *immediately*. Defer action and we lose.

The latest round of GATT (shorthand for General Agreement on Tariffs and Trade) has been seven years in negotiation and represents the cumulative work of 123 nations to reduce trade barriers and encourage economic growth. It is the most comprehensive trade deal in history and would not have happened without American leadership. Presidents Reagan, Bush, and Clinton have all championed this effort.

The present "Uruguay Round"—the eighth in the history of GATT—stands as the latest, best opportunity to continue the process of making American values a fixed part of the international economic system.

Yet we hear objections. It is argued, without factual basis, that the U.S. will lose control of its destiny. Others say, "Why rush, let's improve it"—ignoring the years of difficult, step-by-step struggle this agreement represents.

A lot of this is disturbingly familiar. The road to passing the North American Free Trade Agreement (NAFTA) was littered with exaggerated dangers and unsubstantiated claims by opponents. In fact, the early report card on NAFTA is even more encouraging than many proponents had predicted.

NAFTA HAS BENEFITTED CONSUMERS

For unrestricted trade to be of benefit, both imports and exports should rise. In the first six months of 1994, the U.S. Commerce Department reports that Mexican exports to the U.S. rose 21 percent, to $23.4 billion, from a year ago, and U.S. exports to Mexico rose 16 percent, to $25.5 billion. Such numbers portend solid growth for American businesses and respectable savings for American consumers.

GATT, like NAFTA, will be a plus for the American people, because America wins with free trade. The United States is by far the world's largest exporter and the world's most open market. Any agreement like GATT that binds more than 100 nations to the same discipline we impose on ourselves can only benefit our economy over the long term.

It is simply remarkable that anyone would oppose this opportunity for economic growth—particularly in Virginia, where exports have driven and sustained our economy, where from 1987 to 1993, merchandise exports soared by 159 percent—way above the national average of 90 percent. Last year alone, Virginia racked up $8.2 billion in export sales. So much a part of Virginia's past, international trade requests our best chance in the future.

The state's exports touch on many sectors of its economy, from agriculture and livestock, production to manufacturing of products ranging from electronics and computers to chemicals and heavy machinery, and encompass the gamut of large to small employers. A study done in 1987 found that 95 percent of Virginia enterprises involved in export trade had fewer than 500 employees.

Without a doubt, the citizens of the Commonwealth would benefit from overall business growth and creation of new jobs resulting from more open international trade. Several gubernational administration representing both Democrats and Republicans have seen the value equation in international trade and have worked effectively to market Virginia's exports to the world. The GATT stands to extend those economic benefits well into the 21st Century.

Since the GATT process began in 1947, world trading nations have cut average tariffs from 40 percent to 5 percent today, thanks largely to U.S. efforts that have once again spanned both Republican and Democratic administrations. The result has been the fastest global economic growth in history. The newest GATT agreement obligates signatory nations to take serious action against discriminatory non-tariff import barriers and to reduce or eliminate tariffs and quotas on a range of products affecting 85 percent of world trade. The result will be a $744 billion reduction in tariffs on world trade, the largest tax cut in the history of the world.

Implementing the Uruguay Round is expected to cost the United States $40 billion in foregone tariffs over the next 10 years. However, for every dollar lost in revenue from tariff cuts, the Clinton administration estimates an additional $3 in new revenues will be generated from increased economic activity. Obviously, one aspect of the GATT debate focuses on how much additional growth the United States can expect.

The administration estimates that the GATT will pump an extra $100 billion to $200 billion into the U.S. economy every year after the agreement takes full effect in 10 years. This assessment recently was boosted by a study released by the GATT Secretariat showing that the trade accord would add another $122 billion to the U.S. economy by the year 2005.

GAINS OUTWEIGH ANY LOSSES

But even the most conservative assessment of the GATT by independent analysts shows that the accord will contribute an extra $25 billion to $30 billion per year to the U.S. gross domestic product. That would be far in excess of the GATT's projected 10-year cost of $40 billion.

The truth is that more open trade will generate far more to the American economy than it will cost. Right now the biggest danger is that the Congress will fall prey to GATT opponents who are using the complexity of the agreement to urge delay on ratification until next year's formal deadline. Those who oppose free trade expansion know that delay crushes political chances for approval and certainly damages America's standing with its trading partners.

It is worth repeating that talks began on the latest trade pact more than seven years ago under President Reagan and enjoyed the support of President Bush during the 1992 campaign, before being embraced by and concluded under President Clinton. Improving the climate for international trade was, until recent times, a subject that enjoyed broad bipartisan leadership.

Earlier this month, voters sent a strong message to Washington that they expect more leadership on a host of issues connected to the nation's future direction and a collective sense of well-being for our families and communities.

The upcoming vote on the GATT agreement is certainly a once-in-a-generation opportunity: for the President to govern, for the Democrats to vote their great hopes for the nation's future, and for the Republicans to show their leadership. Even a delay in considering the GATT agreement could cost future generations of Americans immeasurably, as a number of our political leaders have expressed the view that a delay on the GATT vote will ultimately kill its chance for implementation. Such is the power of America's position on this issue around the world.

Our representatives in Congress will be asked to demonstrate their bipartisan leadership in the next few days. They will have the opportunity to sow the seeds of future prosperity for our nation and our fellow citizens by approving the GATT agreement.

In the final analysis, GATT is about change. It's about moving toward the future, not away from it. It's about knocking down barriers to global commerce and allowing economic competition to flourish throughout the world.

AMERICAN PRODUCTS WILL WIN

Congress should approve the agreement, thereby opening the doors, leveling the playing field, and preparing the way for an American victory. America will win with GATT because our workers are the most productive in the world. America will win because our science is better, our products are superior, and our companies are more efficient. America also will win because of the ideas we hold dear. It's really extraordinary. In this decade, the ideological battle between command economies and market-driven economies has ended. The verdict is in. Markets win!

The worldwide advance of economic liberty is the great victory of the late 20th Century. Freedom has momentum on its side. The U.S. and 17 other Pacific Basin countries—a group constituting half of the world's production and 45 percent of world trade—have just agreed to opening their economies and removing all trade barriers by the year 2020. Other expansions of freedom beckon; the future is promising. But nothing is guaranteed. A defeat of GATT would send the wrong message at the worst possible time.

Congress must not let that happen. If anything, the recent election affirmed Americans' desire for greater economic opportunity. Now, at a time when the world has come to embrace that same desire, for freedom and prosperity, it would be a sad irony for America to step backward. We should approve GATT now—and I urge Virginians to so inform their congressional representatives.

Mr. LEVIN. Mr. President, the decision on how to vote on the implementing legislation of the Uruguay Round of GATT has been a particularly difficult one for me. I have painstakingly studied the bill. I have corresponded extensively with USTR and others to obtain clarification of many of its provisions and I have carefully weighed the pros and cons of this agreement. There are many strengths.

This agreement will put in place a set of rules which will allow the U.S. to compete on a more level playing field in trade relationships with other nations. Overall, I believe progress toward free trade is good for the United States. This agreement includes many positive steps toward that end.

First, GATT would create a new international trade framework and establish rules to govern international

trade. It would also expand the number of participating nations from 40 to 123.

Second, GATT's intellectual property provisions would broaden and strengthen the protection of U.S. patents, copyrights and trademarks around the world. This would provide new and better protection in world markets from piracy of U.S. entrepreneurship, copyright and invention in industries such as pharmaceutical, entertainment and computer software.

Third, the Uruguay Round would expand the trading system to include services and agriculture for the first time. This includes many important U.S. industries such as accounting, advertising, computer services, tourism, engineering and construction.

Finally, this GATT agreement would set forth multilateral trading rules for all member countries to abide by, including developing nations. Furthermore, it would establish a forum and procedures to resolve trade disputes that might arise among trading partners. Together, these measures would create a more level playing field in international trade than exists today.

But let us be candid—the Uruguay Round Agreement does not bring about free and fair trade. This agreement permits a number of countries to continue to engage in blatant protectionism. And as a result, certain countries and industries will do better under this agreement than others.

I am deeply troubled by the fact that this agreement continues to allow unfair foreign trade restrictions which adversely affect key Michigan exports in autos and auto parts. GATT fails to address the discriminatory trade barriers of greatest importance to Michigan. I'm speaking of Japan's keiretsu system, the collusive and unfair Japanese business practice whereby producers and suppliers form strategic alliances and effectively block outside competition. Measures to break down such non-tariff trade barriers such as these are conspicuously absent in GATT.

Since this GATT agreement does not specifically cover Japan's keiretsu system, we would most likely have to fight barriers to trade such as this using U.S. domestic trade remedy laws. I specifically asked the Administration to indicate how it would deal with Japan's keiretsu system under the new GATT agreement. I was assured by the USTR that they would continue a firm bilateral approach with Japan in an effort to bring about an end to Japan's discriminatory trade practices. But this is the same decades-old method that has failed to produce any result.

This agreement could actually make matters worse and weaken remedies under U.S. trade law that we can use to retaliate against unfair trade practices. I am concerned that the use of quotas and tariffs to retaliate against unfair trade practices, such as those contained in Section 301 and Super 301, would be in violation of the agreement. Under the new system, should the U.S. choose to use sanctions, such as Section 301, to respond to unfair and restrictive Japanese trade policies not explicitly prohibited by GATT, such as keiretsu, the WTO could well rule that such U.S. action violates the GATT agreement and such finding could no longer be blocked by a United States veto under the new GATT. In my view, this might tend to undermine the credibility of a threat to use Section 301.

In the Statement of Administrative Action, the Administration has made assurances that it intends to use Section 301 to pursue vigorously unfair trade barriers that violate U.S. rights or deny benefits to the U.S. under the Uruguay Round agreements. The Administration has also stated their intention to use section 301 to pursue foreign unfair trade barriers that are not covered by the GATT agreements. The implementing legislation specifically identifies two important manufacturing industries that face unfair competition policies that are not clearly covered under GATT—auto parts and flat glass—to be addressed under the revised Section 301 law. The Administration has strongly committed to the continued use of U.S. trade remedy laws unilaterally when deemed necessary.

I also have a serious problem with an agreement that reinforces Mexico's local content requirements which discriminate against U.S. auto parts. These requirements have often resulted in U.S. manufacturers locating production in Mexico rather than in the U.S. While the Uruguay Round Agreement will eventually eliminate all such local content requirements, Mexico is allowed to maintain these protections for ten years under the terms of this agreement. Although I am glad to see Mexico's local content requirements phased out, I think we got a bad deal in this area under NAFTA and now GATT reinforces it.

The Uruguay Round also allows the European Union to maintain its limits on imports of vehicles from Japan for five more years. Because the U.S. government has no similar import restraints, and under the Uruguay Round we will be restricted from imposing similar restrictions, I am concerned that there is the danger that Japan will dump its excess auto capacity into the U.S. market.

On the other hand, the European-Japanese agreement exists now and is unlimited in duration. This GATT agreement arguably has the virtue of setting a time limit on it.

The issue is close surely. But a factor pointing toward a "yes" vote is the impact of rejection of GATT on American leadership in the world. If we abandon this hard fought agreement, after eight long years of negotiation, with the nations of the world looking to us to lead, it will be a blow to America's role in the world.

On balance, I have decided to cast my vote in favor of the budget waiver and the implementation of the Uruguay Round Agreement.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the attached letter by John O. Wilson and Robert Kramer be printed in the RECORD.

BANK OF AMERICA,
August 10, 1994.

Hon. DIANNE FEINSTEIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINSTEIN: During your recent meeting with a delegation of California businessmen and women who support passage of the Uruguay Round Agreement, Mark Kadesh asked that Bank of America provide additional information on the impact the Agreement would have on the California economy. We have attached the results of a study of this question using the bank's California macroeconomic model (attachment 1).

We used the model to project out the likely effects of the Agreement over the next five years on: employment, unemployment rates, exports through California ports and exports originating within the state. Since the Agreement will be phased in over a ten year period not all of the impact is captured by this five year projection, however, the trend is quite apparent. California will benefit substantially from passage of the Uruguay round, and delaying passage could have serious repercussions of the state's ongoing economic recovery (attachment 2).

Sincerely,

JOHN O. WILSON,
Executive Vice President, Chief Economist.
ROBERT KRAMER,
Vice President, Policy Manager.

Attachments.

ATTACHMENT 1.—IMPACT OF THE GATT URUGUAY ROUND AGREEMENT [URA] ON CALIFORNIA ECONOMY—AUGUST 8, 1994

	1993	1994	1995	1996	1997	1998	1999	2000
I. California civilian employment (thousands of jobs)								
Without GATT Uruguay round	13,853	14,136	14,077	14,124	14,289	14,465	14,639	14,780
With GATT Uruguay round	13,853	14,146	14,250	14,313	14,492	14,698	14,889	15,033
Jobs added by Uruguay round	0	10	173	190	203	233	250	253
II. California unemployment rate (percent)								
Without GATT Uruguay round	9.20	8.70	9.06	8.73	8.15	7.78	7.64	7.65

ATTACHMENT 1.—IMPACT OF THE GATT URUGUAY ROUND AGREEMENT [URA] ON CALIFORNIA ECONOMY—AUGUST 8, 1994—Continued

	1993	1994	1995	1996	1997	1998	1999	2000
With GATT Uruguay round	9.20	8.70	7.98	7.64	7.13	6.76	6.63	6.65
Percentage points added to unemployment rate if Uruguay round not passed	0.00	0.00	1.09	1.09	1.02	1.02	1.01	1.00
III. Merchandise exports through California ports (millions of current dollars)								
Without GATT Uruguay round	82,340	88,040	93,870	101,860	112,070	122,270	131,610	141,550
With GATT Uruguay round	82,340	88,040	94,000	102,290	113,020	124,010	134,430	145,810
Additional exports added by URA	0	0	130	430	950	1,730	2,810	4,260
IV. Merchandise exports originating in California (millions of current dollars)								
Without GATT Uruguay round	70,320	75,180	80,170	86,990	95,710	104,420	112,400	120,880
With GATT Uruguay round	70,320	75,180	80,280	87,360	96,520	105,900	114,800	124,520
Added exports added by URA	0	0	110	370	810	1,480	2,400	3,640

Source: Bank of America Macroeconomic model of California. Contact: John O. Wilson, Chief Economist. The California econometric model captures movements of key economic components of the California economy. It consists of about 20 annually estimated equations for California's important economic indicators such as employment, gross state product and personal income. It is structured for the corresponding U.S. economic indicators and their forecasts (generated by BofA using DRI's U.S. macroeconomic model) to directly drive the California economy. However, significant differences between California and the United States in the ways these indicators vary over time are also carefully specified.

[Attachment 2]

IMPACT OF GATT ON CALIFORNIA ECONOMY—AUGUST 8, 1994

After seven years of negotiation, a GATT accord was signed in December, 1993. The U.S. Congress is now debating ratification of the GATT accord, and the outcome of that ratification is far from certain. That outcome will have a very significant impact on the California economy. If the GATT accord is not approved by the United States, the current recovery in the California economy would be greatly weakened.

GATT establishes the basis for world trade, and the GATT accord emphasizes such important areas to California as gaining greater access to foreign markets in high-tech goods, capital goods, business and computer services, and agriculture. All of these are leading industries in California. Furthermore, GATT will reduce the average level of tariffs by one-third and eliminate many non-tariff barriers over the next ten years. Since California is such a large exporter, the lower barriers will lead to even further gains in California trade and jobs related to trade. Furthermore, GATT, through its new structure referred to as the World Trade Organization, sets up new dispute settlement mechanisms which would prevent trade wars which would be detrimental to California exports.

California accounts for 15 percent of U.S. merchandise exports, and the value of exports to the California economy has grown significantly during the past several years. As shown in Table 1, the value of California merchandise exports through California ports has increased from $54 billion in 1988 to $82 billion in 1993. Some of these exports were actually manufactured in other states, and transported to California for shipment. This creates jobs for Californians engaged in the transportation and shipping, but not the manufacturing of those goods. However, $70 billion of the $82 billion shipped out of California ports in 1993 was manufactured or produced within the state, and this represents the greatest source of trade related employment to California. That employment is significant.

TABLE 1.—CALIFORNIA MERCHANDISE TRADE

[Billions of dollars]

	Exports through California ports	Exports produced in California
1988	$53.6	$47.8
1989	63.0	53.5
1990	68.6	58.4
1991	73.8	63.1
1992	81.0	68.9
1993	82.3	70.3

The exports which are produced in California account for one million direct jobs. These are jobs that are directly related to the manufacture, production, and transportation of California exports. Another 800,000 jobs support trade employment through the provision of services and support industries. Thus, the total number of jobs created through exports in California is 1.8 million. This represents 13 percent of our entire employment of 14 million.

There have been major changes in the relative importance of California's trading partners during the past several years. While Japan remained the number one export partner in 1993, two neighbors, Canada and Mexico, significantly increased their imports from California during the 1990–93 period. In 1993 their combined imports easily surpassed Japans imports. Furthermore, California's exports to China increased a staggering 145 percent during the 1990–93 period. (See Table 2)

TABLE 2.—MAJOR MARKETS FOR CALIFORNIA EXPORTS

[Millions of dollars]

Country	Value of California exports, 1993	Percent change 1990–93
Japan	$10,501	2.3
Canada	7,689	32.5
Mexico	6,521	39.6
Taiwan	4,718	49.1
South Korea	4,132	9.1
Singapore	3,705	40.3
Germany	3,511	−3.8
U.K	3,475	3.5
Hong Kong	3,041	80.6
France	2,247	4.6
China	1,611	145.6

California's exports consist primarily of high-tech electronic products, computers, transportation equipment, and agriculture products. Since 1991, the growth in these major products has been very large: electronic products (30 percent), computers (17 percent), and food products (15 percent). Only transportation equipment, primarily aircraft, and petroleum have declined. (See Table 3)

TABLE 3.—MAJOR COMMODITIES OF CALIFORNIA EXPORTS

[Millions of dollars]

Commodity	Value of exports 1993	Percent change 1991–93
Electronic equipment (except computers)	$16,928	29.5
Computers and other industrial equipment	16,613	16.9
Transportation equipment	8,486	−15.5
Food products and agriculture crops	7,012	14.7
Precision instruments	5,345	14.0
Chemicals	2,644	13.8
Petroleum	1,626	−2.5
Fabricated metal products	1,567	3.0
Primary metal industries	1,544	47.8

If it is not ratified, what would the absence of a GATT accord have on trade developments? Globally, we could anticipate the following developments in world trade and growth: (1) a general negative impact on global economic growth due to loss of productivity gains that occur in a free-trade economy; (2) an increase in intra-regional trade such as trade within the European Union, trade within ASEAN in Asia, and trade within NAFTA countries in North America, but a reduction in inter-regional trade between Asia, North America, Latin America, and Europe; (3) a move towards unilateral protectionism in the form of higher tariff and non-tariff barriers which will reduce overall world trade.

Specifically for California, we could anticipate the following developments: (1) an increase in tariff and non-tariff barriers to California exports to Asia, Latin America, and Europe; (2) a reduction in California exports to those regions, and particularly to Japan, China, Germany, and France; (3) little impact on trade with Canada and Mexico which would still be guided by the NAFTA agreement; and (4) an immediate loss of 173,000 jobs in California (1995) growing to a loss of 252,000 jobs by 2000. This would increase the unemployment rate by a full one percent.

JOHN O. WILSON,
Executive Vice President and Chief Economist, Bank of America.

Mr. MACK. Mr. President, when all is said and done, the GATT agreement lowers tariffs by one-third across the board between a majority of the world's trading partners. This, without question, is good for Florida and the United States and therefore I will vote for this agreement.

This GATT agreement is the result of efforts made during the last three administrations. The agreement will mean an expected $100–$200 billion increase in our GDP by the year 2005. By any accounting, this will be a tremendous benefit for our country.

Expanding trade opportunities is something the United States should aggressively pursue. It is one of our most promising opportunities for continued economic growth. Our future prosperity lies not in tariff wars but in our ability to capitalize on our strengths and export the resulting products to the world's markets.

Over the last few months, I have heard from businesses in Florida and from across the country in support of the GATT. They have told me how vital this agreement is to their firms and to the people they employ. They're

right, and we should continue to knock down foreign trade barriers for American products. The GATT will allow us to do just that.

Recent data from the Commerce Department's International Trade Administration shows the potential benefits the GATT agreement can provide to Florida. Between 1987 and 1993, Florida's exports grew by almost $7 billion. Over two-thirds of these exports were from industries such as industrial machinery, electric and electronic equipment, chemical products, and scientific measuring equipment. With the lower tariffs under this agreement, Florida will clearly benefit.

The Commerce Department also shows Florida as the Nation's eighth leading exporter of merchandise, with nearly 10,000 businesses who sell goods abroad. What's more, virtually all of these businesses have fewer than 500 employees. Clearly, this agreement is vitally important to the small businesses that create capital, produce jobs, and generate an impressive share of this country's economic growth.

Many countries provide subsidies and impose significant tariffs. These trade practices destroy American jobs, and should not be tolerated. The American worker is the most productive in the world, and has always excelled on a level playing field. The GATT will help level the field for U.S. exports.

There is an additional element in this debate that is important to note for both this and future debates. In this legislation, the administration has conceded that there are legislative changes which will pay for themselves, even if the static accounting models used by both the Congressional Budget Office and the Office of Management and Budget do not capture the resulting revenue increases.

In particular, the Clinton administration—and now many in the Democratic leadership—acknowledge that the economic growth created by the passage of GATT will increase revenues to the Federal Government. So despite the loss of some tariff revenue, the economic effects of GATT are a plus for the Federal budget.

This is precisely the same argument that has been made for so long about a capital gains tax reduction. Capital gains tax cuts will generate revenue increases through economic growth just like tariff reductions. I would hope, therefore, that the Clinton administration will concede this point next year when Republicans pass a capital gains tax cut.

Like a reduction in the capital gains tax rate, the GATT will create opportunities, and stimulate the creation of new jobs and new businesses. I look forward to the expansion of the Florida and U.S. economies that will follow the passage of this agreement.

THE U.S. MUST ENDORSE THE URUGUAY ROUND AGREEMENT

Mr. DASCHLE. Mr. President, I wish to express my strong support for the Uruguay Round Agreement reached under the auspices of the General Agreement on Tariffs and Trade.

Among the nations of the world, the United States of America has long been the foremost advocate of open trade. The Uruguay Round Agreement is the culmination of decades of work—by Americans of all political persuasions—to extend that advocacy. And it is that rare example of a treaty that allows us to benefit while our neighbors in the global community also benefit.

This agreement consolidates the triumph of political freedom we have witnessed in the past few years and extends the philosophy of openness to the field of international economics. It continues the process of tearing down the barriers that hinder trade among nations.

Some critics of this measure say it tears down too many walls, and exposes America too nakedly to the vagaries of the international marketplace. I say, this Nation need never fear fair competition.

Simply put, we are already the most open Nation on earth. We have nothing to fear from further opening the international trading system so long as all nations stand on the same level field. More than ever, this agreement ensures that our trading partners will extend the same openness to us. To deny this agreement would be to deny our national heritage, substitute fear for optimism, and forsake the economic benefits that will accrue to our Nation from free and fair international trade.

This agreement is first and foremost an indispensable tool for facilitating economic growth and job creation in our country. Its benefits to American workers in the form of increased incomes and better job opportunities will extend from high tech industries in the Silicon Valley to farms and ranches in the Heartland to the steel mills of Pennsylvania to the furniture factories of the Carolinas.

But, as beneficial as are the agreement's immediate specific benefits to individual Americans, so too are the principles of multilateral free trade that it advances.

One strong advocacy of a free and fair multilateral trading system began shortly after World War II with the establishment of GATT. The expanded trade resulting from GATT was largely responsible for reviving the depressed, war-torn economies of Europe and creating thriving new markets for American products.

That experience demonstrated the benefits free trade bestows upon both the United States and its trading partners. Since that time, we have been steadfast in our support for GATT, and it has served us well. The many trade agreements reached under its auspices have fueled economic growth around the world and brought more countries and consumers into the international marketplace served by American industry.

Meanwhile, as many are quick to point out, circumstances have changed over the years. While the United States still dominates the international marketplace, competition for market share is becoming fiercer every year. In the face of this new challenge, some have been tempted to turn away from multilateral arrangements toward protectionism.

The concerns and frustration underlying that protectionist sentiment are powerful. And they are understandable. However, the policy response those emotions elicit is myopic. In international trade, our course should be charted along the lines of our enlightened self interest, not by a visceral reaction to the history of our grievances with other nations.

Closing our markets to foreign goods will close our goods to foreign markets. In the long run, that will harm more than help American interests.

By contrast, joining other nations in a multilateral trading system on equal terms will expand opportunities for American businesses to sell their goods and services abroad. This is truly a case of a rising tide lifting all boats.

There is no dispute about our stake in international trade. Exports are vital to the continued growth of the U.S. economy.

Over the past 5 years, international trade has been the bright spot of our economy, generating more new jobs and more economic growth than any other sector. International trade represents roughly 25 percent of our gross domestic product [GDP], a share that has almost doubled in the past 20 years. During the past four decades, new jobs in trade-related fields grew at three times the pace of overall job creation. As a result, export-related industries and companies currently employ over 10 million American workers.

The reduction of trade barriers is absolutely essential to the continued expansion of the U.S. economy. The Uruguay Round Agreement will reduce import tariffs, export subsidies and other trade distorting practices. Moreover, it will create a structure that will hold signatory countries to their commitments to fair and more open trade.

The agreement is particularly beneficial to the United States because we already have significantly fewer trade barriers than our foreign competitors. Cutting tariffs worldwide by an average of 38 percent over the next 6 years, combined with standardizing and simplifying customs procedures and licensing, will further reduce the cost of exporting U.S. goods and services.

The lower cost of exporting goods and services will encourage more U.S.

companies to sell their products abroad. Currently, less than 10 percent of U.S. companies that could export products or services choose to participate in the international marketplace. With the Uruguay Round Agreement, these companies will have new incentives to develop markets around the world. They also will have new assurances that the time they invest in developing new markets will not be squandered on trading partners that abruptly change their rules and close their markets. Such assurances will be especially important to small and innovative companies.

The Uruguay Round Agreement also holds great promise for American agriculture, consistently one of our most successful economic enterprises in the international marketplace. Experts estimate that agriculture exports will increase by as much as $14 billion over the next 10 years, creating perhaps 190,000 new jobs in the process. And when the agreement is fully implemented, the United States can expect an additional $10 to $30 billion of economic activity in agriculture.

As one who is intimately familiar with the economics of the heartland, I can attest that this increased growth is essential to the continued prosperity of rural America.

This new trade environment will be a tremendous advantage for the United States. American workers, farmers and entrepreneurs are the best in the world. If we make everyone play by the same rules, we will continue to excel. The Uruguay Round Agreement is a significant landmark in the march toward free and fair trade.

The projected results of the agreement speak for themselves. Most important is the bottom line: the Uruguay Round Agreement is estimated to create over 1 million new high-wage jobs in the United States over the next 10 years as a result of increased exports of U.S. products and services.

Certainly, this agreement is not perfect. We would all make some changes if given the opportunity to draft it on our own terms. But that is not the way trade agreements are reached. In fact, when one considers the torturous, multiyear negotiating process that brought us to this point, it is surprising how favorable the resulting agreement is to American interests.

Before I conclude, Mr. President, I want to address the controversy surrounding the World Trade Organization. Many Americans are concerned that this new body will undermine American sovereignty. That is a serious concern that should not be minimized. And it has not been minimized.

The WTO has been widely mischaracterized as a world regime with unlimited jurisdiction that will run roughshod over American interests and American laws. In fact, the role of the WTO is limited. It will serve primarily to facilitate resolution of disputes over rules to which the signatories of the Uruguay Round have already agreed.

In this role, the WTO will help ensure that our trading partners abide by the commitments they made when they signed the Uruguay Round Agreement. When American companies venture into the international marketplace, they will be able to do so with confidence, because they will know the rules of the game and they will know that those rules will be enforced.

Critics have charged that the WTO will undermine our worker protection, environmental, and food inspection laws. That is not the case. The authority to change or make U.S. laws rests solely with the Congress of the United States. By the express terms of the agreement signed by over 120 countries, even negative rulings of a WTO dispute resolution panel are mere recommendations. The WTO does not have enforcement powers. This fact is reaffirmed in section 102(a)(1) of the implementing language, which explicitly states that U.S. law will not be superseded by any provision of the Uruguay Round Agreement.

While the protections in the agreement and the implementing legislation are significant, those who still have doubts about the WTO should find reassurance in the recent agreement reached between the administration and the Senate Republican leader. The agreement ensures that the United States will have the opportunity to pull out of GATT if the WTO's decisions are repeatedly inconsistent with American interests.

Mr. President, we cannot afford any further delay. Some of my colleagues will oppose this agreement because it violates a technicality in the Senate's budget rules. Others will oppose it because they would like to change various details in the agreement and implementing legislation. I myself am not without some reservations.

But the simple fact is that the time for equivocation has passed. Too much hangs in the balance to back away.

If we fail to act, we risk setting a dangerous protectionist precedent that could nullify all of the gains we have made in market access over the last four decades. If we fail to act, we could begin a process that will break the world into trading blocs—and cause the walls to go once again.

The Uruguay Round Agreement represents an important continuation of our decades-long advocacy of free and fair trade and will serve as a building block for future trade agreements. To balk now, after 7 years of negotiation under three administrations, would send dangerous signals around the world about our commitment to the principles of free and fair trade.

The agreement we consider today reflects the collective bipartisan belief of three presidents that an international trading system that is both free and fair serves the American national interest. I share that assessment.

Mr. President, on November 8 we experienced a remarkable election. While individual members have different reactions to it, the overriding message delivered by the voters was unmistakable. The American people are tired of what they perceive to be "business-as-usual," partisan wrangling among professional politicians. They question our motives and relevance in the face of our inability to address very real national problems. And they want the Congress and the President to work together to deal constructively with these problems and improve the quality of their lives.

While the new congressional line-up does not take effect until January, this debate marks the initial post-election test of whether Congress learned the lesson of the election and can respond to the will of the American people. There will be policy differences between our political parties and among individual members. That is inevitable in a democracy, and it is healthy.

Votes are judgment calls, and our constituents elect us to analyze facts and make judgments. Americans are, however, becoming less tolerant of our penchant for seeking to score political or rhetorical points while their concerns go unattended.

It is time to stop bickering and start governing. This vote, on this issue, at this time, will demonstrate that we have heard the voice of the people and can work together for the common good.

My judgment is that approval of the Uruguay Round Agreement is important to the future growth of our national economy, and I am delighted that the President and the Republican Leader were able to work together to reach consensus on the implementing legislation that we consider today.

I urge all my colleagues to approve this historic agreement.

Mr. DODD. Mr. President, I rise in strong support of the Uruguay Round agreement.

In this town, we talk a great deal about winners and losers. We wonder who will benefit and who will be hurt by the decisions we make. But on the issue before us today, the answer to this question is quite easy.

The typical working family in America would be the true winner if we approve this trade agreement. To be sure, American business would be a winner, but that's not why we should vote aye. Our standing around the world would be strengthened, but that's not why we should back GATT.

We should back GATT because of what it would mean to working people in this country. Although people in some sectors would unfortunately be hurt, the gains overall would be impressive. Working people would enjoy a

major tax cut on many essential products they buy. They could find better employment opportunities in a growing export sector. Their children would look forward to a brighter future in a competitive, vibrant global economy.

That's what is really at stake here this week. We will hear a great deal of ominous talk about something called a world trade organization. We will hear about dolphins and tuna. We will hear philosophical discussions about national sovereignty and abstract ruminations over international law.

But when it comes right down to it, GATT is about two things a great deal more immediate and a great deal more real to families all across this country: better jobs and lower taxes.

A major boost in family income and a $12 billion tax cut over five years for the working people of America. When we get through the pages and pages of abstract trade language and the hours and hours of red-hot rhetoric, that's what GATT is all about. Better jobs and lower taxes.

This vote presents us with our first opportunity since the election to come together—Republican and Democrat, conservative and liberal—on behalf of the working families of this country. Passing this trade agreement is just about the best holiday present we could give them.

U.S. TRADE LEADERSHIP

For almost 50 years, the United States has been the principal leader in efforts to expand world trade. After World War II, we vigorously pursued trade liberalization not only to increase our own economic prosperity but also to bolster the stability of our allies and former enemies alike.

Expanded trade has been the success story of the post-war economy. Since the beginning of multilateral trade negotiations, GATT membership has increased from 23 nations to 124, and tariffs—which are simply taxes on traded goods—have been cut from 40 percent to 5 percent. During that time, the global economy has grown faster than during any comparable period of world history, and U.S. job creation in trade-related fields has grown at a rate several times faster than over-all job creation.

Increased trade has also proven to be a foreign policy success. Prosperous nations linked together in trade are far less likely to go to war. People engaged with each other in commerce are far less likely to engage each other in violence.

It took two world wars to teach us this lesson, and it's as valid today as it was half a century ago.

WHERE DO WE GO FROM HERE?

Today the nations of the world are linked together in a complex web of overlapping trading relations. More than one trillion dollars a day is traded in the global markets. And the growth industries in the industrialized nations of the world are disproportionately those that are succeeding at trade.

Most have sought these opportunities because the domestic markets for their products have been saturated. Their growth—and ours—is dependent on increased trade opportunities.

Recognizing this fact, the past three presidents—Republican and Democratic alike—have demonstrated an extraordinary commitment to opening markets and expanding world trade. A major step was the North American Free Trade Agreement, Already responsible for increasing our exports to Mexico at a rate more than three times as fast as U.S. exports to the rest of the world.

The next step is the Uruguay round of GATT, launched under President Reagan, advanced by President Bush and completed by President Clinton. At the start of negotiations, we enacted legislation outlining our principal trading objectives. The Omnibus Trade and Competitiveness Act of 1988 established three overall goals: increased market access, a reduction of over-all trade barriers and an improved and strengthened dispute settlement process.

The final Uruguay Round Agreement achieves all of these objectives. It will cut overall tariffs by approximately one-third, expand GATT discipline to new areas of commercial activity and increase enforcement authority for trade violations.

WORLD TRADE ORGANIZATION

By far, the most controversial part of the Uruguay Round Agreement is the formation of a world trade organization to administer, oversee and enforce the conduct of trade relations among participating member nations.

The formation of a governing body with teeth was one of the American business community's top priorities during the Uruguay round. Current enforcement procedures have proven inadequate. Insufficient deadlines for resolving trade challenges have frustrated and delayed decisions for years.

The current reliance on decision-making by consensus has allowed one country to block favorable decisions from being implemented. And lax surveillance and implementation of final decisions have prevented corrective action.

These deficiencies have disproportionately harmed American businesses, which export more products than those from any other nation. Since the United States has fewer trade barriers than other countries, we have the most to gain by creating and enforcing more fair and open international economic playing rules.

We have nothing to fear from fair competition and an even playing field. A team that plays by the rules should have no problem with a referee.

But, as the agreement worked out between the administration and Senator DOLE last week makes clear, congress can pull the United States out of the World Trade Organization if it repeatedly and groundlessly rules against us.

WHAT EXPANDED TRADE MEANS TO CONNECTICUT

My State of Connecticut is already taking advantage of the Global economy and is poised to do even more should we pass GATT. Exports have been one of the few profit-making and job-creating sectors of Connecticut's economy during the recent downturn. The state's exports grew by $5.5 billion from 1987 to 1993.

For years, Connecticut has been one of the most defense-dependent States in our Nation. The decline in Federal defense dollars has had a severe and lasting impact on our economy. We are fortunate, however, that exports helped fill the gap—increasing at approximately the same rate as defense dollars declined.

Connecticut businesses are no longer asking why they should export, but how. And they are doing so in greater numbers, thanks to the increased level of awareness in the business community heightened by the NAFTA debate last year. Connecticut firms and their employees are thirsty for trade, and they are anxious to benefit from more targeted and coordinated export and financing opportunities.

The benefits in Connecticut are seen by small and large businesses alike. The commerce department reports that 97 percent of all exporting businesses in Connecticut have fewer than 500 employees.

Let me give you just one example of how international trade is benefiting Connecticut. Heublein Corportion—which employs 2,000 Americans, 800 of them in Connecticut—is now selling American-manufactured Smirnoff vodka in Russia. Smirnoff—produced from a Russian recipe by American workers—is a status symbol in Russia. This year, Heublein will sell 500,000 cases of Smirnoff, up from zero in 1990. Most of the vodka is produced in Hartford.

Heublein has barely tapped this market. The 500,000 cases of vodka represent only one-half of one percent of Russian vodka consumption. If Heublein can increase Smirnoff's share of the Russian market to just five percent, it will see substantial profits, and Connecticut workers will hopefully see more jobs.

The entire New England region—with its large export industries and high-technology companies will benefit substantially from the intellectual property provisions and increased market access included in the Uruguay round.

Let's take just one example: The pharmaceutical industry, which supports 10,000–12,000 jobs in my state alone. While the industry leads the world in the development and production of new medicines, it loses as much

as $5 billion a year through international piracy. A lack of recognized and enforced patent protections have enabled foreign businesses to easily and inexpensively reproduce U.S. drugs, drugs that often take years and millions of dollars to bring to market.

The Uruguay round agreement will help remedy this problem by providing 20 years of patent protection for pharmaceuticals and strict enforcement of intellectual property rights, including special border measures to prevent the importation of infringing imports. That means fair competition for American pharmaceutical firms, and better jobs for American workers.

WESTERN HEMISPHERE FREE TRADE

I hope we will approve this trade agreement, and then look beyond it to find other dramatic ways to cut taxes and create high-quality jobs for working families through international trade. I believe the first step should be a concerted effort to expand trade opportunities in our own hemisphere.

Thirty years ago, John Kennedy proposed a new alliance for progress to strengthen our ties to our Latin American and Caribbean neighbors. Kennedy implored:

> Let us once again transform the American continent into a vast crucible of revolutionary ideas and efforts—a tribute to the power of the creative energies of free men and women—an example to all the world that liberty and progress walk hand in hand. Let us once again awaken our American revolution until it guides the struggle of people everywhere—not with an imperialism of force or fear, but with the rule of courage and freedom and hope for the future of man.

Three decades later, the political and economic conditions necessary to give fruit to these hopes have improved substantially. In my view, the hemisphere is ready to move toward free trade and closer ties.

I believe that we should give the President the authority to negotiate a comprehensive and inclusive western hemisphere free trade agreement by the end of this century. We should seize the opportunity presented by the historic summit of the Americas meeting in Miami as the first major step in this direction. If we act with leadership and vision, the western hemisphere will enter the 21st century strengthened by democracy, warmed by friendship and linked by free trade.

Latin America and the Caribbean are rapidly becoming larger players in the global marketplace, providing promising new markets for American exported goods. Since 1989, U.S. exports to the region have grown by 60 percent. The region is now our third largest trading partner, surpassed only by Canada and Western Europe.

A western hemisphere free-trade area would comprise the largest single market in the world. It would include nearly three-quarters of a billion people and have a gross domestic product of more than $7.3 trillion.

A hemispherewide free-trade agreement would cement and further recent democratic and economic reforms in Latin America. Expanded trade is the best tool we have to strengthen the democracies of the region and prevent civil strife. And it is the best tool we have to expand markets thirsty for U.S. products.

In addition to expanding market access, our participation in a hemispherewide accord would strengthen our hand in trade negotiations with the Europeans and the Japanese. It would give us more leverage in opening up markets around the world. And it would position our economy for success in the coming century.

CARIBBEAN INTERIM TRADE PROGRAM

I want to briefly address another piece of unfinished business involving trade in our hemisphere.

Originally, President Clinton had intended to submit as part of the GATT implementing bill a measure that would expand our special trading relationship with the Caribbean basin. This provision, called the Interim Trade Program (ITP), was intended to encourage trade liberalization in the Caribbean region while stimulating a growing market for U.S. exports.

It was—and still is—necessary because of increased pressures on the U.S.-Caribbean trading relationship as a result of the North American Free Trade Agreement and the Uruguay round of the GATT.

During the past few months, I have been contacted repeatedly by U.S. and Caribbean business leaders and government officials who are concerned that without the Interim Trade Program trade relations between the United States and the region will be slowly undermined. Already, there is evidence that Caribbean garment exports to the United States have been displaced by exports from Mexico and Asia. Further erosion of these trade patterns could have a disastrous effect on investment, economic growth and, ultimately, peace and stability in the region.

I understand that the Clinton administration has pledged to resubmit this legislation early next year, and that it "staunchly" supports its enactment as soon as possible. The Caribbean now ranks as our 10th largest trading partner, and it is one of the regions with which we consistently maintain a trading surplus.

So I hope my colleagues will join me in urging the administration to move quickly on this pledge so we can continue to strengthen our mutually beneficial relationship with our Caribbean partners.

ENHANCING U.S. COMPETITIVENESS

Expanding trade opportunities—whether in the Caribbean, Latin America, or elsewhere—is essential to our nation's future prosperity, but it alone is not enough. Throughout our trade debates, concerns have been voiced about the impact of increased international competition on our work force.

While I disagree with these critics' conclusions that we should turn back the clock on free trade, I share many of their concerns. If all Americans are to benefit from expanded trade, it is critical that we enhance the competitiveness of our nation's work force.

The American work force is in the process of substantial structural change. Increased global economic competition and rapid advances in technology have transformed the economy, streamlining manufacturing processes and placing a premium on highly skilled and highly educated workers.

While the demand for skilled workers has increased, the number of jobs available for those lacking skills has declined. According to the Congressional Research Service, over the past fifteen years manufacturing jobs—the bedrock of the middle class—declined by 19 percent and real wages dropped by 10 percent.

These trends threaten traditional American middle-class life, and they undermine our shared sense of opportunity and experience that form the basis for our success as a nation.

The solution to these difficulties, though, is not to turn back, but to confront the obstacles head-on. And we are doing so.

As a result of the Clinton administration's new investment priorities and broad, bipartisan congressional support: 130,000 more children will enroll in Head Start each year, and enter school ready to learn; national education standards and goals will help guide student instruction for the first time; new school-to-work programs will assist students who choose to move directly from high school to work through job training programs, apprenticeships, and vocational education; student loan reform legislation is expanding college access, permitting more flexible repayment options, and saving taxpayer dollars through direct student lending; our unemployment system is shifting to a reemployment system, ensuring that Americans who lose their jobs receive skills and job-search assistance to help them find new ones—not just an unemployment check.

We must do more—and we will. I look forward to working with colleagues in both parties in the Congress ahead to increase the security and competitiveness of the American work force.

CONCLUSION

The United States entered the twentieth century as a struggling young democracy, and here in the century's closing days we find ourselves the world's only superpower. The twentieth century has been correctly labeled the

American century. If we are to continue our extraordinary and unprecedented record of success and leadership, we must embrace the future with enthusiasm, strength, and foresight.

The United States has proven itself to be the strongest and most resilient nation on earth. Our citizens are our greatest source of talent and strength. Time and time again, they have been at their best when they have risen to face difficult challenges.

The American people will face the challenge of the global economy, and they will prevail.

And this Congress will face a decision over whether we will march into the economy of tomorrow face first, with our eyes wide open, or whether we will be dragged into it from behind, with our eyes firmly fixed on the past.

I urge my colleagues to support the Uruguay round and cast a vote for the working families of America.

Mr. BIDEN. Mr. President, I will vote for this agreement today, Mr. President, because I am convinced that it is a good deal for our country, that it will open more opportunities for our workers—the most productive in the world today—to sell their products in expanding overseas markets.

But before I explain my decision, I want to say a few words about the concerns of those Americans who oppose this agreement.

If this is such a good deal, why do we hear so many voices raised in opposition? I believe that there are real reasons for Americans to be concerned about the place of our economy in the world, and concerned about the possible effects on our standard of living from increased international competition.

In recent years, American faith in the future, American confidence in dealing with the rest of the world, has been replaced with a growing anxiety. Before we have had a chance to enjoy our victory in the cold war, we now face a world that appears to many of us as a threat to our economic wellbeing.

Mr. President, if you take a hard look at what has happened to our standard of living over recent decades, you know why many Americans no longer face the future with confidence.

Two key elements that traditionally supported Americans' faith in the future were job security and growing incomes. If you worked hard and played by the rules, America was the land where you could make a better life for yourself and your children.

This was the promise, and the reality, of the American economy for a whole generation after World War II.

But in recent years that reality, that promise, has too often been replaced by stagnant wages and declining job stability. In particular, middle-class manufacturing jobs have become scarcer, and the security of lifetime employment has been replaced by an era of downsizing and restructuring.

In my own State of Delaware, we have worked hard, and succeeded in keeping unemployment below the national average, but those trends have still hit every key industry.

In an atmosphere like this, it only makes sense for Americans to be concerned about the future, and something that appears as new and different as a World Trade Organization as yet another threat to American wages and job security.

For the average working American, wages have not grown for over two decades. Families now have to run faster—with both parents working—just to stay in place. And the jobs that they do find no longer offer the promise of security.

No wonder Americans are skeptical about, even frightened, by an agreement that appears to draw us deeper into a world economy, and, they are told, ties us to a new international organization over which we have no control.

But these changes that worry us today were not caused by the GATT agreement, and rejecting this agreement will not make it any easier for us to deal with those changes.

Other forces have been the source of the changes that rightfully concern us. A revolution in technology—led by the United States—has transformed virtually every industry in this country. Almost every kind of work has been made easier and faster by computers and many other new ways of moving and handling information.

These advances in productivity allow us to make more products with less labor. Productivity gains in turn have caused companies here to restructure the way they do business, reducing workforces and changing the job structure in our country.

Under these new conditions, we must find new, expanding markets for our products if we hope to create new jobs. Those markets exist, overseas, but we need agreements like this one to open them to American goods.

Mr. President, if we reject this agreement, we will give up a $700 billion cut in other countries' tariffs, $700 billion in barriers to American products and American job growth.

If we reject this agreement, we will give up American negotiating victories that won us fairer treatment of agricultural and service exports. For the first time, these sectors—our most competitive internationally—will be subject to fairer rules and will be sold at lower prices and higher volume overseas.

If we reject this agreement, we will give up powerful new protections for American intellectual property—the scientific achievements embodied in the advanced products and processes we protect with patents. Other countries are required for the first time to honor those protections.

That means more jobs here at home, jobs that without this agreement will go to countries that will continue to pirate our formulas, software, and other American inventions.

Mr. President, another revolution—against State-controlled societies and economies—was led by the United States. The obvious superiority of democracy and free enterprise—the lesson America helped to teach the world—weakened and then toppled totalitarian systems. Communism failed; we won.

Along with the rise of new, developing, industrial countries, this revolution has opened a huge new market to international competition. We won the cold war, and our way of life is the most copied and most envied on the planet. Now, people in other nations seek their fortunes in a global economy in which we are the best prepared to compete.

Despite the many dangers and evils still abroad in the world today, we now see a world less hostile to our way of life, not a world split by two irreconcilable visions.

Mr. President, we are a long way from a world in which everyone enjoys the rights and privileges of Americans. And as some of my colleagues have argued, there remain far too many countries where wages and living standards are low. But in recent years we have seen more nations look to the American way as the guide for economic development.

This is a world in which our workers, our entrepreneurs, scientists, and inventors, can compete and win. But to win, we must compete, not retreat.

Just this year, our economy returned to its position as the most productive in the world. A world reshaped by our inventions and convinced of the superiority of our way of life offers us rich new opportunities in expanding markets, if only we will stick to our principles of free trade and vote to approve this agreement.

I have listened to the charges that opponents of this agreement have made. They scared me, Mr. President, as they have scared some Americans. If I thought those charges were true, there is no way I could vote for it. But this agreement is not the cause of the problems we face in our economy. In fact, I am convinced that it can be part, but only part, of a solution.

Mr. President, like most of the legislation we pass here in Washington, this latest trade deal is neither all its supporters or its detractors claim it to be. This legislation is a compromise among many different interests, representing something most of us here can agree on but that none of us is completely happy with.

That is also what happened in the years of international negotiations, conducted under the Reagan, Bush, and Clinton administrations, during which

this deal was put together. They produced an agreement that is the best accommodation among the one hundred and twenty countries that have committed themselves to the world trading system.

And this agreement is just the latest part of a long history of international trade agreements since World War II.

Mr. President, some Americans might gather from some of the discussion about this agreement that this is something new for the United States, something that will permanently affect our trading relations with the rest of the world.

In fact, this is the eighth round of negotiations we have conducted under the General Agreement on Tariffs and Trade since 1947. As the leading market economy in the world, we have consistently pressed negotiations with our trading partners to reduce artificial barriers to free markets.

The Uruguay round is a significant step forward, including for the first time trade in services and agriculture—areas in which the United States has a real advantage, and bringing the frustrating and chaotic practices and procedures of the GATT system into a more formal structure, the new World Trade Organization.

As important as those changes are, they are incremental, not a radical departure from the past.

For those citizens whose attention is drawn to trade policy for the first time with the debate on this, the eighth round of GATT agreements, it is important to put its features into that historical context.

I see this process a little differently, from a perspective that I gained in a very different policy area—our arms control negotiations over this same period. In some ways, our attempts to lower trade barriers is similar to our attempts to reduce the threat of weapons around the world.

From the beginning of the cold war, we recognized that we could not achieve our own goal of national security by ourselves. We saw that if every nation went its own way, building more and more weapons to match the threats of others, no one would be safe.

Not everyone thought each deal we struck was the best for us—some criticized arms control agreements for giving too much to the other side, some thought they did not reduce weapons fast enough. But we continued to keep the talks going, in the belief—which proved to be right—that these complicated issues would only yield to long-term, patient negotiation.

Taking the best we could get at each stage, our arms control policy achieved real progress. Today, new, equally difficult negotiations continue this process. The alternative—demanding complete capitulation by the other side, or abandoning negotiations altogether—will gain us nothing.

International trade negotiations follow this same pattern. Because there is no final authority to compel countries to follow any trade rules, progress can only be made on those areas in which there has been agreement.

That point bears repeating, Mr. President. The new World Trade Organization has authority over trade rules only as long as we agree that those rules are in our interest. By the terms of the agreement, we can get out of the organization at any time, on six months notice.

In addition to that fundamental safeguard, we have put into this legislation requirements for an annual report on the benefits of this deal to the United States, and have scheduled votes every 5 years on whether we should stay a member.

A final, additional safeguard sets up a panel of judges to look at any rulings that the World Trade Organization may make affecting the United States. If those rulings are not made according to procedures we accept, that is grounds for a vote to get out.

Mr. President, some of my colleagues have argued that we will have only one vote in the new World Trade Organization, and claim that will put us at an obvious disadvantage in an organization of 120 countries, many of which are smaller and less developed than we are.

But the formal operating rule of the WTO is decision by consensus—everyone, including the United States must agree before a decision is made. Under the current GATT, consensus is used, but only by tradition, not by the formal rule required in the Uruguay round before us today.

If a vote is taken, if consensus fails to produce a decision, no important change in our rights or obligations can be made without a two-thirds vote, a supermajority in which the influence of the largest market and the most productive economy—the United States—will be felt.

But even if we fail to get support to prevent a two-thirds vote, Mr. President, any change in rights or obligations will apply only to those who vote for it, not to those who disagree. Only by a vote of three-quarters of the members can change in rights and obligations apply to all members, and even then there are provisions for waivers.

These are hardly the procedures of an organization designed to steamroll our country.

And no action of the WTO has any bearing on State laws, such as Delaware's incorporation and other laws that make our State such a good place to do business. The Association of State Attorneys General, National Governors' Association, and National Council of State Legislatures support the Uruguay Round Agreement because they worked closely with the U.S. Trade Representative to get additional protection into the legislation we will vote on today.

This is not the end of the process. It is one more step in a series of negotiations to improve the long-term growth opportunities for American industries. There are certainly many more barriers and unfair practices out there that we want to remove. But there will be other agreements, if, and only if, there is a structure that continues to serve the interests of the United States.

Do I like every aspect of the deal? I do not. But I am sure of two things: First, with this agreement, American products have better access to more markets around the globe than ever before, and opportunities are better now for future job creation—in the highest paying jobs, in exporting industries.

And second, I am sure that we have preserved our options—we can continue to use the forum of the World Trade Organization to fight for American economic interests in the future. Without the organization—including the stronger rules that we fought for—countries would go their own way, back into a system where every nation looks after its own narrow interests, and everyone loses.

Mr. President, that retreat into protectionism will cost American jobs, as companies move overseas to beat the tariffs other countries raise against products made here. To keep out cheaper imports, we might try to raise the cost of products from overseas—by raising tariffs, which are taxes on American consumers. We lose jobs, and prices increase—this is no answer to the very real problems in our economy.

If there is any doubt about that, just open your history books to the period of the 1930's. That was when we and the rest of the world retreated behind protectionism, and we accelerated the slide into a world-wide depression. We learned from that bitter experience, and after World War II we established the GATT, and have systematically pushed back trade barriers ever since.

Mr. President, my own State of Delaware has been in a great position to take advantage of lower trade barriers that we have achieved under the GATT. And many of the successes scored by United States negotiators in the Uruguay round directly benefit Delaware's key industries.

At Wilmington, Delaware boasts one of the most important seaports on the East Coast, and many of the world's most important high technology, chemical and pharmaceutical companies. We stand at the edge of our country, and have always looked out to the rest of the world for new opportunities.

The chemical industry is the nation's, and Delaware's, biggest exporter—last year, our companies sold $2.3 billion of their products overseas, over two-thirds of the State's total exports.

The Uruguay round cuts tariffs of our most important trading partners, widening the markets for Delaware chemical exports. But I want us to do more, particularly to bring developing countries under the same rules our biggest customers have agreed to. That is why I support the creation of a strong organization to continue to press for more open markets.

Our chemical and pharmaceutical companies will also gain important protection for their patents—the "intellectual property" in their formulas and processes. For years, other countries have pirated these formulas and processes, but at the insistence of the United States, they will now be protected.

The Delaware Department of Agriculture endorses the Uruguay round agreement, because it will increase American exports of poultry and other products important to Delaware. United States poultry exports are predicted to rise 32 percent over the next ten years under the terms of the Uruguay round agreement.

Not just our biggest companies and industries will benefit from this agreement. Delaware has more than 250 exporting businesses. Fully 96 percent of them are small businesses, with fewer than 500 employees each. Throughout our state, jobs are tied to the international economy which will continue to grow with the global tariff cuts in the Uruguay round agreement.

Mr. President, this agreement is one step toward a fairer, more predictable world trading system, one in which the specific advantages of the United States—in the fast growing service sector, in agricultural products, in high technology products—receive new protection and greater access to the markets of the world.

Americans are understandably concerned about the changing role of our economy in a changing world. In response to those concerns, this agreement will open more growing markets to our workers and factories—the most productive in the world. The agreement will remove $750 billion in tariff barriers in the international economy, increasing the flow of trade in a system where we have the advantage of the biggest single market and the most productive workers.

Mr. FEINGOLD. Mr. President, I have several concerns with the proposed World Trade Organization [WTO] and associated trade agreements.

The latest series of negotiations on the General Agreement on Tariffs and Trade [GATT] was officially completed on April 15 of this year when representatives of over 100 countries signed the final act of the Uruguay round in Morocco, coming over 4 years after the original completion date of December 1990.

In some important ways, trade barriers are reduced and free-trade is enhanced by the most recent GATT. According to the Congressional Research Service, tariffs will be reduced an average of one-third on thousands of manufactured goods, and it is my understanding that a number of improvements have been made in the area of intellectual property that may benefit U.S. companies.

But, Mr. President, there are aspects of the proposed agreement that are troubling. There are clearly imbalances in the costs and benefits flowing from the proposed agreement, and for certain sectors of the economy, the proposed agreement may be a bad deal.

One of the most important small businesses in my own State of Wisconsin, the family dairy farmer, may be particularly hard hit.

Under the proposed agreement, European nations will be allowed to subsidize 30 billion pounds of dairy exports while we will have reduced subsidized exports to just 1.5 billion pounds. In addition, we have agreed to open our domestic markets to increased dairy imports which will, in all likelihood, reduce domestic prices for our own producers.

A recent analysis of the proposed agreement by Cornell University economist Andy Novakovic concluded that the proposed GATT trade agreement could lower U.S. milk price by as much as $2 per hundredweight.

In Wisconsin, such a price drop could result in the devastating loss of as much as $480 million in annual farm income.

Mr. President, the economic consequences of such a drop in income would extend well beyond the family farms themselves. That kind of blow could send many rural areas into significant economic downturns, at a time when many are still recovering from last year's floods, and dairy farmers are already having to cope with the arrival of bovine growth hormone, and the continuing loss of dairy farms to the west and south due in large part to a Federal milk marketing order system that discriminates against them.

Mr. President, the potential economic consequences could go even further, underscoring my second concern that there may be an effort to implement the proposed trade agreement without funding that pact.

Mr. President, some have argued that we should waive the budget rules, and allow the implementing legislation to add to our Federal budget deficit. According to a number of estimates, this will amount to an additional $40 billion in deficit increases over the next 10 years, not including the additional interest that will accrue because of those higher deficits.

Adding such a huge additional burden to the Federal deficit not only betrays future generations of taxpayers, it arguably undercuts everything we have accomplished in the last 1½ years to reduce the deficit. By ducking our responsibility on the proposed implementing legislation, we will have undone the progress we made to reduce the deficit, progress which was so difficult to achieve.

Waiving our own budget rules in this instance also makes it all the easier to do so again whenever finding sufficient funding for a politically appealing proposal becomes difficult.

Making exceptions to tough budget rules will soon render those rules meaningless.

Perhaps even worse than waiving the provisions of our budget rules, some are now proposing to change the way we calculate fiscal effects to allow controversial assumptions to be made about potential economic behavior. The effect of this risky new procedure would be to make it much easier for legislative proposals to be considered without being fully funded.

At least a motion to waiver our budget rules is an open, public act, for which each Member may be held accountable. Changing the way fiscal estimates are calculated is a surreptitious and disingenuous attempt to circumvent our budget rules.

I strongly reject such an effort to sidestep our tough budget rules merely to make it easier to promote a political agenda.

The only way we will continue to reduce the Federal budget deficit is to maintain strict budget discipline and fully fund legislative proposals with real offsets, not by "cooking the books" with questionable assumptions.

If any savings are realized above and beyond those that are calculated under the current, more conservative approach, then they can be applied to further reducing the deficit.

Are we now to change the budget rules every time compliance with them becomes inconvenient or even difficult?

Mr. President, we are confronted on a regular basis with having to make tough decisions on worthy programs because of our budget rules, and rightly so. The Federal budget deficit must be brought down.

The proposed World Trade Organization is certainly a significant matter, but the importance of an issue should not determine whether or not it should conform with the budget rules we have set for ourselves.

Indeed, the true test of our resolve to bring the deficit under control is our willingness to apply the budget rules to the important issues.

To those who suggest that we will generate more revenues than will be lost, I say, "all the better." Let us fully fund the implementing legislation. Then, any hoped for additional revenues we realize will reduce the deficit that much further.

Measure that against the terrible precedent of waiving the budget rules, or even worse, of changing those rules to meet our convenience.

Mr. President, the last concern with the proposed World Trade Organization I want to discuss relates to the potential impact it may have on how this body, and other democratic policymaking institutions, will be affected by our adoption of the proposed agreement.

Despite a comprehensive set of rules, detailing what trade activities are permitted and what are not, as well as a dispute mechanism, the world trade system has largely been one of concensus. As the senior Senator from New York [Mr. MOYNIHAN] has pointed out, this is because there never has been a formal ratification of what was to have been the treaty formalizing our membership in something called the International Trade Organization, proposed just after World War II.

Instead, we have operated in the trade system by unanimous consent.

Mr. President, this system has worked both for and against our trade interests, just as the rules of this body sometimes stymie legislation we may want, while also providing individual members and groups of members protection against possible abuse of majority power.

An example where the United States has exercised its effective veto power by refusing to consent is the tuna-dolphin issue. Despite findings against our Marine Mammal Protection law, the United States has not consented to those findings. As a result, we have not had to change our Marine Mammal Protection law, nor have we been forced to pay compensation, nor have we been subjected to trade sanctions because of the findings against us.

This would not be the case under the proposed WTO. If we were to lose the tuna-dolphin dispute as a member of the WTO, and there is every reason to suppose that we will, the United States would be put into the position of having to choose between changing one of our laws, paying compensation, or being subject to trade sanctions.

We would be faced with these same three options any time we lost a dispute with respect to a domestic law.

Mr. President, responsible representatives of a number of different organizations have noted that there may well be a significant impact on our current laws and regulations as well as on future policy and policy making.

The response that some forward—that the proposed WTO and associated trade agreements will mean freer trade—is not sufficient reason for the Senate to ratify membership in the proposed WTO.

With respect to our Nation's domestic policies, and aside from the noneconomic goals of our country, though free trade may be a priority for our economy, no trade agreement should come at the expense of the policies that enhance the 90 percent of our economy that is entirely domestic.

Nor is free trade the only goal of our foreign policy.

Mr. President, a foreign policy that promotes democratic ideals, that enhances human rights, that protects the common environment of the world in which we live, is certainly also a goal. Two useful methods of achieving these goals have been through trade levers and economic sanctions.

The proposed agreement greatly diminishes our ability to use these tools, and leaves us with fewer, more perilous alternatives.

And, Mr. President, as others have noted, in addition to our Federal laws, our State and local laws would be subject to the oversight of the WTO as well.

The ominous and far-reaching effect of this agreement has been felt already. Responding to a number of Members who expressed concerns about the effect the proposed agreement would have on our ability to ban imports made by child labor, U.S. Trade Representative Michael Kantor, in a letter to those Members, conceded that nothing in the proposed agreement would change previous GATT rulings that the United States could not block the importation of a product made by child labor.

Of broader concern were Ambassador Kantor's additional comments in that letter in which he also conceded that it was likely that the administration will oppose legislation they consider to conflict with the rules of the proposed new World Trade Organization.

In fact, this may have occurred already as it is my understanding that during the past session the administration voiced their opposition to at least one telecommunications reform proposal as being GATT illegal.

Mr. President, because of this very aspect of the pact, some have suggested this proposal should be considered as a treaty. Given the potential impact our membership may have on our federal, state and local laws and lawmaking, and on our ability to promote the foreign policy goals I noted earlier, requiring the agreement to be ratified as a treaty may be appropriate.

Mr. President, there have been some recent developments with respect to the proposed implementing legislation that I also want address. In particular, I know many were interested in the agreement reached between the administration and the Republican Leader, Mr. DOLE.

As I understand this agreement, a judicial panel that would advise Congress is created to review the WTO dispute settlement process, and to determine whether WTO dispute panels exceed their authority or act outside the scope of the GATT agreement.

On the charge given to this proposed judicial panel, I would only note that much of the foreboding that surrounds the WTO dispute settlement procedures have not been that a WTO panel would act outside its scope or exceed its authority, but that the scope and authority granted such panels in the first place are enormously broad and overly intrusive.

Beyond that, Mr. President, the creation of a judicial review panel to advise Congress on the General Agreement on Tariffs and Trade, whatever its charge, does not satisfy the concerns I have outlined.

The creation of a judicial advisory panel does nothing to solve the deficit problem created by the GATT implementing bill. Not one more penny in offsets is added to the current inadequate level of funding, so the implementing legislation still violates our budget rules.

Nor does the creation of judicial panel correct the gross inequities confronting our domestic dairy industry. European nations will still be allowed to subsidize 30 billion pounds of dairy exports while we will have reduced subsidized exports to just 1.5 billion pounds, with potential devastating economic consequences for family farms and many rural communities.

Nor does the creation of a judicial panel change the outcome of any ruling by the WTO, nor would it change the impact such a ruling could have on our Federal, State, and local laws, or on our ability to conduct foreign policy.

In this respect, the defect in the current agreement, as presented to Congress, is that we are asked to choose between increased trade and independent democratic institutions. That choice is fundamentally flawed, and the creation of a judicial panel does not correct the shortcoming.

Mr. President, I hope we will not decide that, in the name of free trade, we should join a new international organization that may dramatically alter and even harm the ability of our democratic institutions to set trade and non-trade related policies.

Mr. President, we should reject the proposed pact, and seek a new one—one that provides truly free and fair trade for all sectors of the economy, one that is fully funded, and one that preserves our cherished democratic institutions.

Mr. RIEGLE. Mr. President, I rise in support of this bill to implement the Uruguay Round of the General Agreement on Tariffs and Trade—GATT. While this is not perfect legislation, and there are parts of this bill that I am deeply concerned about, I believe it is important for our Nation's economic future that we pass this legislation.

The Uruguay round opens foreign markets to U.S. goods and services by lowering tariffs and non-tariff barriers in foreign countries, which will benefit many Michigan industries. For example, it will, on average, reduce foreign tariffs on autos by over 50% and on auto parts by over 25% by our major trading partners. It will cut foreign

tariffs on household appliances in our major markets by over 40% on average. It will eliminate duties on furniture exports to Japan and the European Union as well as strengthen intellectual property protection for furniture designs. And it will cut foreign tariffs on machine tools and open up foreign government procurement markets to U.S. companies.

While lowering foreign trade barriers, the legislation preserves U.S. trade laws. For example, this bill includes a 1-year legislative extension of Super 301. While the provision is not identical to the original Super 301 provision I coauthored with Senator DANFORTH in the 1988 Trade Act, I am pleased that the administration and the Congress have recognized the usefulness of this important tool for overcoming foreign trade barriers.

The bill also includes a provision directing the President to request the establishment of a working group on trade and labor rights within the new World Trade Organization—WTO. While I would like to have seen more on labor rights in this legislation, I believe that such a working group is an appropriate first step toward grappling with these issues.

There are a number of specific issues included in this legislation that I would like to briefly mention. First of all, let me point out that there are losers as well as winners under this Agreement. One of those industries that we face increased pressure under this Agreement is the zinc alloy industry. Because of reduced U.S. tariffs on zinc alloy imports, this industry is in danger of facing a surge of low-priced imports.

I am pleased that the Statement of Administrative Action—SAA—accompanying this Agreement, which has the force of law, contains a provision which I sponsored requiring the administration to monitor zinc alloy imports. This monitoring will continue as tariffs are reduced for a period of at least 8 years, to determine if there is an injury or threat of injury to the industry and to the national security. If there is reason to believe that there is either severe injury or the threat of severe injury, or injury to national security due to imports of zinc alloys, the administration will initiate a section 201 or section 232 investigation to halt the injurious surge of imports. I hope the administration will be aggressive in its monitoring and investigation activities concerning zinc alloy imports.

A second provision relates to how the anti-dumping laws are applied agricultural growers and processors. This problem came to my attention in the late 1980's when Michigan cherry growers complained that dumped cherry concentrate was causing them injury, even though the domestic processors themselves, the concentrators, were not necessarily affected. Because it was concentrate, and not cherries, that was being dumped, and because not all of the Michigan cherries went into concentrate, the domestic growers did not have a remedy under current law.

This is a very complicated problem, affecting many agricultural products. The SAA commits the administration to review the issue and propose legislation, if appropriate, to solve this problem. Again, I hope the administration will be aggressive is addressing this ongoing problem.

There are other provisions in this legislation, specifically in the area of anti-dumping and countervailing duties, that continue to concern me. One outstanding issue is that of duty absorption. In too many cases, importers who have been caught unfairly dumping or subsidizing their products are simply absorbing the costs of the duties imposed on them. By not raising prices by the amount of the duty as they should be doing, the importers continue their unfair practice of buying market share even though they may be losing money. The result is that the anti-dumping and countervailing duties are not effective in stopping the unfair practices.

This bill takes steps to correct the problem by requiring that duty absorption be considered when the International Trade Commission undertakes its administrative reviews of a dumping order to determine whether those orders should continue. However, the bill does not go the next step to require a calculation of the size of the duty absorption. Such a calculation as part of the review process would help policymakers by showing the extent of the problem. The Administration does not need legislation to perform this calculation; nor does the legislation prohibit such a calculation. I hope they will take it upon themselves to make this calculation.

I am also concerned over the method used to calculate the exemption for start-up costs in an anti-dumping or countervailing duty case. This legislation contains a provision clarifying that such an exemption is available only for true start-up costs and not for costs such as a model year change over in the auto industry. However, the legislation allows variable costs, as well as fixed cost, to be excluded from the calculation of costs in start-up situations. While fixed costs are a legitimate start-up expense, variable costs are an on-going operational cost and should not have been included in this exemption. I hope this issue will be revisited by a future Congress.

In addition, I am concerned about the Agreement's new subsidies code. Some of my colleagues fear that the new subsidies rules will force the U.S. into a subsidies war by allowing only a very limited amount of government funding for industrial research. I disagree. The subsidies war started long ago, and America has been losing. I fear that these new subsidies rules will push us more toward unilateral disarmament while not stopping our foreign competitors. An Agreement will not stop other nations from unfairly trying to wreck American industries. That will take vigorous action by the Federal government in enforcing the new rules and in pursuing assistance to industry where allowed under the rules. We must continue to do all that we can to promote and maintain America's technological competitiveness.

GATT AND NAFTA

Mr. President, I was a strong opponent of the North America Free Trade Agreement (NAFTA). I felt, and still believe, that NAFTA was fundamentally a bad deal for American workers and the American economy. Much of the recent celebratory noises about NAFTA are, at best, premature. Shifts in investment and the movement of plants and jobs takes years to show up in the statistics. However, the trend is very clear. One just has to look at the number of petitions for the special NAFTA Trade Adjustment Assistance benefits to realize that companies are already shipping jobs south.

But the GATT agreement is not NAFTA. At its core, NAFTA was all about the economic integration of a developed nation with a developing nation. It was a merger between two economies with fundamentally different structures and situations.

I supported the U.S.-Canadian Free Trade Agreement (CFTA). The CFTA was essentially a deal between like-parties. The U.S. and Canadian economies are similar in their structure and level of development, and were already highly integrated. The CFTA was an agreement to set in place rules to govern our already intertwined economies. NAFTA was designed to put in place rules to force a joining of very different economies.

In that sense, the new GATT agreement is much more similar to the CFTA than it is to NAFTA—even though GATT does not go as far as toward integrating economies as the CFTA does. GATT is more a deal between equals. While the agreement broadens the scope of GATT coverage to include more developing countries under its rules, its core is comprised of the developed nations—especially the so-called "quad" of the U.S., Canada, Japan and the European Union.

Whereas NAFTA was, at heart, an issue of economic integration, GATT is, at heart, an issue of lowering foreign trade barriers. The Uruguay Round includeds an over 40% reduction in tariffs on the most important manufacturing exports to Europe and Japan. It includes large tariff reductions in developing nations, such as the rapidly expanding markets in Asia and the Pacific. It also includes an important agreement on agriculture, including

the opening of the Japanese rice market.

At the same time, unlike NAFTA, the Uruguay Round does not eliminate all U.S. tariffs. Under NAFTA, all tariffs on Mexican and Canadian goods will be eliminated. Under GATT, some tariffs will be phased out, others will be reduced, and yet others will remain in place.

A look at the dispute settlement process in GATT and NAFTA confirms the difference. Under NAFTA as an economic integration process, the binational dispute settlement panels can review and overturn decisions by the Commerce Department and the International Trade Commission in cases involving U.S. antidumping and countervailing duty laws. The new WTO dispute settlement panels under the new Uruguay Round agreement don't have the power to overturn U.S. decisions. They can authorize other nations to seek retaliation, but they have no power directly over U.S. decisions. Rather than seeking economic integration, as under NAFTA, the Uruguay Round Agreement seeks to set up a mechanism to manage the rules of the road on international trade.

Finally, and very importantly, the issue of investment is treated very differently in GATT and NAFTA. NAFTA was, in my view, an agreement to make Mexico safe for U.S. investments. One of its major purposes was to reduce the barriers to U.S. companies who wanted to set up operations in Mexico. The proponents of NAFTA couched this in terms of being able to have Mexican plants to serve the Mexican market. I think time will show that the results will be to move U.S. plants to Mexico to then sell products back to the U.S. market.

GATT, on the other hand, says very little about investment. To some, this is a great short-coming of the agreement. However, I believe that the entire issue of the link between investment and trade is one which we need much more time to discuss and understand. Had the uruguay Round Agreement taken major steps that would have increased incentives for U.S. companies to move overseas, I would be strongly against it. But the new GATT Agreement, unlike NAFTA, does not include these incentives.

FUNDING

One of the areas that concerns me about this bill is the financing package. Under the current pay-as-you-go budgeting rules, Congress must insure that the bill will be budget neutral. Since implementing the agreement involves reducing tariffs on foreign goods sold in the U.S., Congress must either raise new revenues or cut spending to replace the revenues lost due to these cuts in tariffs. The amount in question is almost $12 billion over the first 5 years of the agreement. The bill sent to us by the Clinton Administration includes a $12 billion financing package, worked out in cooperation with the Senate Finance Committee and the House Ways and Means Committee.

Technically, however, the bill does not cover all the revenues lose. Under a special Senate rule, revenues offsets are required for a full 10 years. This rule is separate and beyond the budget deficit reduction requirements we have enacted over the years, As I stated earlier, the funding package included in this bill covers only the first 5 years. Thus, the bill is subject to a point of order under the Senate rules, which requires 60 votes to waive.

I firmly believe that this legislation, by opening foreign markets to U.S. goods and services, will promote economic growth here in America and will not result in an increase in the Federal budget deficit. Therefore, I will vote to waive any budget point of order that may be raised with respect to this bill. We should not allow technical accounting rules to get in the way of doing what must be done to ensure that America remains a strong player in the global economy.

While I generally do not oppose this funding package, I am opposed to one element of it—the provisions concerned with the Pension Benefit Guarantee Corporation [PBGC]. I stand committed to ensuring that secure retirements are available to the working men and women in this country and understand that PBGC reform may be needed. However, the PBGC reform proposal included in this legislation has been subject to few hearings and almost no formal scrutiny by the relevant committees. I am concerned that we may be enacting far reaching changes to the pension system in our country without adequate debate or discussion.

FAST TRACK

The issue of the PBGC reform proposals highlights my second concern over this bill—the so-called "fast track" process. Under the fast track procedure, legislation to implement a trade agreement proceeds under a specific timetable for Congressional consideration with no amendments allowed. My concern is not over the timetable for debate. I am, however, deeply concerned over the no amendment rule.

As the PBGC issue illustrates, fast track is being used for more than simply trade-specific items coming out of a multilateral negotiation. At a very minimum, future Congresses should not allow fast track procedures for trade agreements to be used beyond the intended scope to enact non-trade legislation. Any future procedure for handling trade agreements should allow amendments in general—and must, at least, allow amendments to non-trade, non-germane provisions.

There are those who claim that trade agreements must be an all-or-nothing vote by the Congress. They claim that to allow amendments to such a large agreement, negotiated by so many countries, would result in an unraveling of the agreement and its certain death.

I disagree. The Congress, as the elected representatives of the people, should and must have a say in not only the final product of such trade agreements but also in the details.

Even if such a fast track procedure were critical for large, multilateral agreements, the same procedure need not apply to bilateral trade agreements. Proponents of fast track claim it would be impossible to renegotiate an amendment with over 100 other nations. Even accepting that, surely it would be possible to renegotiate with a single nation over an issue held by the Congress to be important. Our experience with the NAFTA side-agreements confirms that such renegotiations are possible.

Likewise, there is no need to extend fast track to the financing packages of a trade agreement. Under the current budget rules, any amendments to the fund provisions would have to be completely offset by a substitute funding provision. Opponents could not kill the agreement by amendment, as some fear. Changes in the financing package would not require renegotiations of the trade agreement itself. Thus, the rationale for fast track does not apply.

I believe that our experience with this GATT implementing legislation should serve as a lesson to future Congresses. When used, if at all, fast track procedures should be explicitly reserved for truly multilateral trade provisions. They must be clearly restricted to only those parts of a multilateral agreement negotiated with other nations. All other parts of the bill must be subject to amendment—including the right of the Congress to add additional safeguards if necessary. Under this process, the rights and obligations of Congress are preserved while the negotiated parts of the agreement are not subject to amendment and the threat of renegotiation.

This system I have proposed would, I believe, overcome the flaws that have become evidence in the current fast track process, while continuing our ability to negotiate trade agreements. I hope future Congresses will look carefully at this suggestion when debating any renewal of fast track authority.

SOVEREIGNTY AND RELATED ISSUES

While I have concerns over this Agreement, I do not believe that it violates U.S. sovereignty, as some have claimed. The rules under which the WTO will operate are generally the same as for the current GATT—something not well understood. In most cases where there have been changes to the rules, the new rules have a stricter voting requirement—such as increasing the voting requirement from a simple majority or two-thirds to three-quarters, or even to requiring a consensus.

Thus, the fears that the United States will be "out-voted" are even less under the new rules than under the existing system.

In addition, the WTO, like the GATT, provides a mechanism for leaving the Agreement. This is the ultimate safeguard of U.S. interests—one that I hope this administration and future administrations will use wisely.

There is one change in the rules that has caused legitimate concern. Under the existing system, any finding by a dispute settlement panel can be blocked by either party. In other words, if we challenge another country's trade laws as unfair in the GATT, that country can block a GATT finding that their law or practice is an unfair trade restriction. Likewise, we can block any finding against us.

Some have claimed that this means that all U.S. laws are at the mercy of foreign governments. This is not the case. First of all, the finding of a dispute settlement panel is only that—a finding. Such findings do not overturn U.S. laws or regulations. Only Congress can change U.S. law.

If another nation does win a dispute settlement finding against us, there are only four things that could happen. First, the United States could change its law or regulation. Second, the United States could give the other nation a trade compensation—such as lowering existing tariffs on some good exported by that nation to us. Such a compensation must be in the same amount as the economic harm to that nation's trade caused by the U.S. law. Third, the other nation could retaliate against some U.S. export by, for example, raising their tariffs in the same amount as the economic harm.

Finally, nothing might happen. The U.S. might decide not to change its law or regulation and not to grant a trade compensation. And the other nation might decide not to retaliate, even under WTO sanction, for fear of starting a trade war.

While I reject the claims that the agreement violates U.S. sovereignty, I share the concern that adverse rulings by the dispute settlement panel will be used as political pressure to force a change in U.S. law. We must keep up our vigilance to ensure that U.S. laws, especially those concerning worker rights and health and safety issues, are not changed merely to suit the convenience of other nations. I commended those who have raised this concern and hope that they will continue as strong watchdogs of this agreement.

FUTURE OF TRADE

Mr. President, as all my colleagues know, I share the concern of many that for too many years America has been the patsy of the world when it comes to trade. We have opened up our markets while others have kept them closed—a situation I hope this agreement will finally reverse.

Labor Secretary Robert Reich has coined the term "the anxious class" to describe the feeling that has afflicted the middle class in this country. Wages, incomes and standards of living for working Americans stagnated over 20 years ago. Two incomes are now needed to maintain middle-class status. At the same time, job security has declined as too many companies continue to look upon workers as a cost rather than as an asset.

Recessions have made matters worse; but recoveries have not helped. Even now, the benefits of the most recent economic recovery have been too few for too many Americans.

Many are opposed to this agreement—based on these all to real fears. However, rejecting this agreement will do nothing to advance our agenda to create an effective trade strategy. It will only slow us down as it forces us to re-open all of the old trade arguments of the past decade.

Rather than turn inward, we need to continue to insist on a trade strategy that opens foreign markets to U.S. goods and services. We need a trade strategy that targets our export promotion activities toward those markets and those products were we excel. And we need a trade strategy that aggressively uses all the tools at our disposal to counteract unfair and predatory practices by our trading partners.

We have the elements of the strategy today. For example, the work of the Trade Promotion Coordinating Committee (TPCC) within the administration has strengthened our export promotion activities. The TPCC has produced and is implementing a strategy to target the so-called Big Emerging Market and Big Emerging Sectors.

These efforts need to be backed up with strong efforts to counter closed markets and unfair trading practices. We have begun to make progress in some cases, such as in telecommunications and government procurement in Japan. But much more is needed, especially in the area of autos and auto parts.

Finally, we need to proceed carefully with the next steps of trade talks. We should not let the heady rhetoric of global free trade obscure the harsh reality of the strategic nature of the global economy. We should proceed slowly with grand plans for free trade areas in the Asian-Pacific region and Latin American—carefully weighing the costs and benefits of such plans. Opening of foreign markets and the reduction of trade barriers should be our goal—not the headlong rush toward economic integration regardless of the costs.

I am convinced that we can craft a strategic trade policy for America—one that opens markets to U.S. goods and services abroad and raises workers' standard of living at home. The first step is to move forward, not backward. Adoption of this legislation to implement the Uruguay Round Agreement is that step forward. We need to pass this Agreement and move on.

Mr. PRYOR. Mr. President, today we face one of the most important votes in the economic history of this Nation. The job growth and expansion opportunities for our country hang in the balance of this vote and it is up to us to make the right decision. As the world becomes smaller because of the explosion in communications and information technologies, we must make the transition to this global economy in a way that provides the maximum benefit for these United States of America. Will this task be easy—No. Is it possible—Yes. Well, how can we get there—By passing the Uruguay Round GATT Agreement, the United States can take advantage of our inherent competitive advantages in these new global markets.

Mr. President, our historic debate on GATT, which culminates in a final vote today, should answer a number of important questions for the American people. In the next few minutes, I would like to pose some of those questions and provide some answers.

What is GATT? Simply put, this agreement sets up a system to help govern how the various member countries will trade. With varying cultures, customs, and laws, this type of agreement is necessary to facilitate open and fair trade among nations. GATT reduces tariffs around the world by roughly one-third. Since a tariff is nothing more than a tax on exports, this translates into the largest worldwide tax cut in history of some $744 billion. Just as the NAFTA agreement has helped open markets with our trading partners to the north and south and set up a better defined system to facilitate trade, the GATT will accrue these same benefits with over 120 countries.

Is the GATT agreement perfect?—No, few things are. Will every sector of our economy win under this GATT?—No, but rejecting this agreement on behalf of a handful of industries is hardly equitable for the overwhelming majority of our economic sectors that stand to benefit greatly by expanded opportunities around the world.

What does GATT mean for my home State of Arkansas?—It means new markets, new jobs and economic growth. Just look at what Arkansas has experienced the last few years in terms of exports. In 1987, Arkansas exported merchandise worth around $408 million. By 1993, Arkansas exports had grown to over $1.1 billion—an increase of 172 percent, giving it the eighth largest percentage increase among all the States. We have clearly demonstrated our ability to compete in the world and this agreement only facilitates more opportunities with new markets.

Where are Arkansas exports going?—All over the world. In the Pacific rim

alone, exports from Arkansas totaled some $269 million. In addition, we enjoyed approximately $174 million in exports to the European union and had sales to Latin America and the Caribbean region totaling $107 million.

What kind of exports does Arkansas make?—Some 95 percent of Arkansas' export sales in 1993 consisted of manufactured goods which translate into jobs and opportunities for Arkansans. Specifically, $305 million of these from the food products industry, $185 million from the chemical products industry and nearly $122 million from the industrial machinery and computers industries, not to mention electric and electronic equipment, transportation equipment, and fabricated metal products representing over $250 million cumulatively.

Mr. President, I am confident that America will benefit from GATT. But it is also my responsibility to look after the effect GATT or any other measure before Congress will have on the State of Arkansas. Mr. President, the facts I have just mentioned make if abundantly clear that Arkansas will be a major winner under this trade agreement by increasing the trade exports that have benefited our State tremendously during the last several years. I for one, will not sit back and take a pass on an opportunity to increase Arkansas' prosperity.

If it is true that 95 percent of the world's population is outside the United States, then why shouldn't Arkansas and the rest of the Nation be the ones to sell food, goods and products to these consumers? If we don't, someone else will. We cannot afford to allow some other country to surpass our position as the world's largest exporter.

Roughly, 60 years ago, this country turned away from foreign markets and sought to build a wall around our country. This legislation was known as the Smoot-Hawley Act and helped lead us to our worst economic depression. Today, the Congress is again faced with the choice between free markets or isolationism. –I believe we should learn from our mistakes and not let history repeat itself. We should take advantage of the enormous benefits this agreement will bring to Arkansas and the rest of the country.

There have been red herring arguments galore in this debate predicting gloom and doom should we pass this legislation implementing the agreement. For example, some have argued the very sovereignty of our country may be jeopardized. Mr. President, as much or more than any member of the Senate, I am concerned anytime our sovereignty may be threatened, but this agreement does not. Even the conservative jurist Robert Bork has studied this agreement and in his legal opinion GATT does not pose a threat to the sovereignty of the United States. The Congress of the United States and only the Congress can change any law of the United States.

Mr. President, let us not fall into the easy traps of being against change especially when the benefits can be so great. The United States needs this GATT agreement and it is up to us to deliver. Let's pass the GATT and any procedural votes necessary to do so.

Ms. MOSELEY-BRAUN. Mr. President, I support the GATT implementing legislation. I believe that the GATT Agreement is good for the American people, good for our international competitiveness, and good for our collective future as a nation and a people.

The history of expanding trade opportunities has been a history of increasing economic growth, both here in the United States and overseas. Lowering trade barriers has consistently produced new jobs—good jobs—here at home.

Over the last 50 years, the United States has provided an enormous market to the countries of the world. At the same time, we have worked to gain market access for American products. Both Americans and the rest of the world have benefitted. Eliminating trade barriers and increasing trade has therefore been a win-win proposition for the United States.

The Uruguay Round Agreements of the General Agreement on Tariffs and Trade is designed to continue that "win-win" tradition. It opens markets and reduces tariff and nontariff barriers, in order to expand trade, economic growth and job opportunities.

The evidence is convincing that this agreement will be good for the American people. Over the next 10 years, United States GDP will expand by $100 to $200 billion as a result of GATT. It will create hundreds of thousands of new jobs. It will increase U.S. productivity, real wages, and living standards. In 1992, 10½ million U.S. workers owed their jobs to exports of goods and services. And jobs related to exports pay an average of 13 percent more than the national average wage.

Under the new GATT Agreement, the United States achieved a 40 percent average reduction of tariffs that our major trading partners impose on U.S. products. In the area of industrial goods, worldwide tariffs on construction equipment, farm equipment, medical devices, pharmaceuticals, steel mill products, and beer and distilled spirits will be eliminated. Tariffs on electronic equipment and scientific instruments will be halved.

These are all areas where U.S. products are of the highest quality in the world. What is more, workers who make medical devices and construction equipment are well paid. When we sell more of these products to the rest of the world, we create high skilled, high paying jobs.

In agriculture, the Uruguay round has been very successful in reducing trade-distorting subsidies. The United States Department of Agriculture expects U.S. agricultural exports to nearly double from $4.7 billion to $8.7 billion in the next 10 years as a result of the Uruguay Round Agreements. Increased exports will raise U.S. farm prices, increase farm income, and lower U.S. Government outlays on price and income support programs. Agricultural export-related employment is expected to increase by as much as 190,000 jobs in the next 10 years.

For the first time ever, the GATT Agreements establish multilateral, legally enforceable rules for trade in services. Areas such as accounting, advertising, architecture, and engineering services, as well as financial services, will come under the General Agreement on Trade in Services. Foreign governments' will no longer be able to discriminate against U.S. banking and insurance companies. Service providers from other countries will receive no less favorable treatment than that accorded to local service suppliers. U.S. firms will also have the right of repatriate profits.

Seventy percent of U.S. jobs are in the service sector. The General Agreement on Trade in Services provides new international rules that will greatly benefit this largest sector of the American economy in its effort to compete overseas, and that will mean additional new jobs here in the United States.

In the area of intellectual property, the trade-related intellectual property rights agreement establishes enforceable multilateral obligations to protect copyrights, patents, and trade secrets. Computer software and databases will finally have the same protection as a literary work.

These agreements will have a very positive effect on Illinois, because Illinois is a major exporting State. In 1993, Illinois exported just over $20 billion of merchandise and services. From 1987 to 1993, Illinois exports doubled, and the GATT Agreement will lead to further major increases in Illinois exports.

More importantly, the GATT reduces tariffs imposed by our largest trading partners. Illinois exports $4.7 billion of goods and services to the European Union. Those tariffs will be reduced an average of 54 percent. Illinois exports almost $2 billion of goods and services to Japan. Those tariffs will be reduced an average of 39 percent.

This agreement eliminates and reduces tariffs in areas where Illinois products are strongest. Illinois exported $5.5 billion in industrial machinery. We exported $3 billion in agricultural products. With the reduction of tariffs and trade distorting agricultural subsides, these numbers will only increase. And that means more Illinois jobs for urban, suburban, and rural communities.

I would like to address some of the concerns I have heard from people in Illinois regarding the World Trade Organization, and the new rules regarding dispute resolution. Under the WTO, the procedures of investigating a trade dispute will be much the same as the current process. The difference is that decisions, which are the outcomes of these investigations, will be enforceable.

The United States will continue to be able to reject a decision of the WTO. If a decision is made against the United States, and subsequent negotiations cannot resolve the issue, the plaintiff can retaliate by lifting tariffs back to where they are today. Further, the President will support legislation to establish a WTO dispute settlement review commission to ensure that the WTO acted fairly.

I do not believe that the United States will be losing its sovereignty by joining the WTO. Quite the opposite, the WTO will ensure that the rest of the world practices the kind of fair and open trade that the United States has always practiced.

I would like to take a moment to address the anxiety of labor unions, environmental groups, and consumer groups, who have expressed their deep concerns bout the GATT agreements. To my friends in the environmental movement, I would like to say that I would not support the GATT if I thought it would lower American environmental standards. I do not believe that laws that protect food safety and air quality will be found GATT illegal. As we saw in the recent ruling on cafe standards, our environmental laws are legal as long as they do not favor domestic producers over foreign ones.

With regard to labor, I understand the concerns of Americans who worry about losing jobs to low-wage workers overseas. I think it is worth keeping in mind, however, that fully 40 percent of our overall trade deficit is with Japan, a country that pays its workers even more, in dollar terms, than American workers earn. Yet Japan not only runs an enormous trade surplus with the United States, but with the entire world.

It is also worth keeping in mind that defeating the GATT will not protect Americans from low-wage workers abroad. U.S. tariffs are already far lower than tariffs in most other nations, and defeating GATT would not increase them. Our future depends not on high tariffs, but on continuing to do what we are already doing, working much smarter, working much more productively, than our international competition.

To take just one example of what I mean, it wasn't very long ago that many people were writing off the U.S. automobile industry. U.S. manufacturers were steadily losing market share to foreign competitors. Now, the U.S. is the place to manufacture. Foreign car companies eagerly build plants in the United States because of the advantages of manufacturing here, and one of the most important of those advantages is the American work force. In one industry after another, Americans are demonstrating that we are the most productive workers in the world. We can compete—and win—internationally, and that is what we must continue to do.

Mr. President, the Uruguay round builds upon the long U.S. tradition of open markets. It increases the volume of trade and investment worldwide, which will create jobs at home and abroad. It anchors the United States in the family of trading nations, and it sets fair and universal standards for us to compete in the global marketplace.

The GATT agreements are, in essence, about confidence, confidence in our future and confidence in our children. I am voting for GATT because I am confident that Americans will prosper under the new trading regime. Americans are ready to compete and succeed, and GATT will help them to be more successful.

Mr. KERREY. Mr. President, after a careful listening to those on both sides of the issue, I have decided to support the implementing legislation for the Uruguay round of the General Agreement on Tariffs and Trade [GATT], as well as the motion to waive the budget point of order against the bill. I have concluded that the Uruguay Round Agreement, on balance, offers a promising opportunity for the United States—already the largest and most open market in the world—to secure its fair share of a growing world marketplace, and more importantly, to generate here at home the kind of good-paying, skilled jobs that, in my view, give purpose to our efforts to pursue trade reform.

This agreement, as some of its detractors unfortunately fail to mention, is actually the product of nearly 8 years of negotiations involving over 120 countries. It is a work that has been many, many months in progress, and the subject of numerous hearings and debates in Congress ever since this trade round was inaugurated in September, 1986. This implementing measure would have been voted on months ago, except for the procedures governing consideration of the bill which specifically provided various committees of the Congress an established timetable to examine the bill's provisions and weight its impact. But for the fact that a single committee exercised its full rights under these procedural timetables, we would have voted on this agreement well in advance of this fall's election. Although this bill is indeed a very complex piece of legislation, this is not, in other words, a document that has been sprung on Congress and the American people without notice, without debate, and without the opportunity for challenge. It's a sad commentary on the state of civic debate in this country that the agreement's opponents have resorted to describing the current situation in a manner deliberately intended to fuel public suspicion that this is a back-room deal, written in secrecy under the direction of multinational corporations at the expense of U.S. workers and consumers, presented for rushed, last-minute approval by defeated Members of Congress.

As the largest but already the most open economy in the world, the United States has something to lose but certainly much to gain as we reduce our trade barriers still further but in turn secure from our GATT trading partners, as this agreement does, the obligation to provide even greater access to their markets. The vast majority of the economic assessments that I have seen point to the agreement's likely result in creating more American jobs, boosting national income and returning more, not less, to the U.S. Treasury, despite the known revenue loss associated with the tariff reductions included in the implementing bill.

The likelihood that this agreement will increase Treasury receipts rather than decrease them is the reason why I will support the motion to waive the budget point of order against the agreement. This bill, I believe, is as clear an example as any why our budget procedures rightly provide a limited opportunity for a waiver. Under our current budget rules, we are required to acknowledge the known costs of a bill—in this case, the revenue losses resulting from the tariff cuts. However, those same rules prevent us from assuming—on the ground that they are too speculative—the likely gains to the Treasury that most studies conclude should result from the increased U.S. employment, income, and tax revenue expected to be generated by the pact. I support the waiver, in short, because I agree that the Uruguay round is likely to lead to increased trade and increased economic activity that will offset expected tariff revenue losses, leaving our annual budget deficits no worse than currently projected. I believe strongly that free trade, fairly conducted, is good for the world economy and particularly good for the United States and its workers. From agriculture, to services, to technology, to basic manufacturing, the U.S. ranks among the world leaders and has the potential, under this agreement, to strengthen its position still more.

A central source of controversy surrounding this agreement involves, of course, the proposed new World Trade Organization [WTO] that will be established to replace the current GATT body as the forum for considering and resolving trade disputes. In my view, this issue essentially boils down to one

question: Do we favor finally putting some teeth into the enforcement of decisions that arise from international trade disputes? Or do we prefer to continue the current system under which the United States has, on several occasions, brought unfair trade complaints against other countries, and prevailed under a subsequent GATT review, only to have the offending country ignore the GATT decision and snub the United States? I believe the United States has much more to gain than to lose by giving meaning to the resolution process governing international trade.

I understand that there is strong concern, quite legitimate, about the impact of a WTO finding that may go against the United States. Despite considerable misinformation to the contrary, an adverse WTO decision could not force the United States to change a Federal, State, or local law or regulation. What it would require the United States to do, however, is to decide whether to comply with the WTO decision by enacting changes in our laws or regulations, or to ignore the decision, thus providing the opportunity for the country that prevailed in the dispute to impose compensatory tariffs on U.S. exports to that country. But it's up to the United States to decide how to comply or whether to comply, and possibly face sanctions. In any event, only the United States may change its own laws, if that's what we decide to do.

On the other hand, it must be pointed out, and I believe this is vital, that the same risks the United States accepts by becoming a member of the new WTO affords the United States, for the first time, the assurance that we can obtain redress and compensation if we win a fair trade case brought before the WTO. As the largest and most open economy already in the world today, it only stands to reason that we have considerably more to gain than to lose by agreeing to participate in a world market suddenly obliged to adhere to enforceable standards of fair trade.

Although I have reached the conclusion, Mr. Prsident, that this legislation, on balance, is good for the United States and deserving of strong support, I believe the agreement itself is deficient in some key respects.

For example, nothing in the agreement prompts the United States and its trading partners to cooperate in a deliberate way to develop the type of environmental and labor standards that we have adopted in this country to help ensure that our economic gains do not come at the cost of environmental degradation and worker exploitation. Yet, I agree with those who espouse the belief that increased trade, and the economic activity and jobs it generates, tends to list the living standards of those individuals it touches, but I think that as civilized nations, we can and should do more. Those who bring fervor and ideological force to the argument for breaking down trade barriers should be called upon to bring a concurrent commitment to elevating the living and working standards of all those who paritcipate, in whatever small part, in the world economy. We in the United States should cede no economic or trade advantage to another country simply because that country has, for example, no Clean Air Act, no Clean Water Act, no child labor safeguards, or no wage and hour standards. Such countries enjoy no real advantage because they lack such measures, and the United States bears no unacceptable burden because it has them. But we should, as a member of the WTO, do much more to ensure that all nations engaged in international commerce adhere to similar standards. This must be a central objective of the trade agreements of the future.

Finally, Mr. President, I must note that many of those who have expressed to me their opposition to this agreement have cited their deep-seated concerns about economic concentration in this country; the stressful impact of today's changing and uncertain economy on struggling workers—especially those families with children; the eroding sense of community and company loyalty; and evidence of failed domestic policies in such areas as agriculture. In short, they have expressed to me their personal anxiety about a rapidly evolving economy that they fear—and the operative word is indeed fear—is producing more losers than winners.

I say to these opponents that I understand and agree with these sentiments. But an international trade agreement alone will not and cannot be expected to overcome the effects of failed domestic policies. Those policies deserve our separate but equally focused attention. And no new trade agreement will halt the fundamental changes that are rocking our economy and are likely to continue apace with or without this agreement. But I am confident, and I urge them to consider, that one of our best opportunities, as a country, to overcome these dislocations in our economy and relieve the anxiety felt by families is to build on the strengths of the many U.S. industries that currently make up our competitive export sector and employ millions of Americans.

For all of these reasons, Mr. President, I intend to support the GATT implementing bill and urge its adoption.

Mr. DURENBERGER. Mr. President, I rise in strong support of the legislation to implement the GATT Agreement. The agreement represent 7 years of hard work by over 100 countries to overhaul a GATT system that was not working—that was not imposing the needed disciplines which enable countries to work together and prosper in a global economy.

The new World Trade Organization will enable our country, for the first time, to effectively address unfair trade practices by other countries. We will no longer have our complaints blocked by an offending country. This is major progress. A more effective dispute settlement mechanism is something we fought for during the entire negotiation process—and we got it. It will not affect our sovereignty. It will not force us to weaken our environmental protection laws. It will not impose world government. It will help Americans sell their goods and services abroad under a level playing field. It will impose a discipline which I believe will avoid the pursuit of protectionist efforts by other countries as well as to remind our own leaders how counterproductive these efforts can be in our own country.

The Uruguay round agreement achieved significant progress in many areas. Agriculture, services, investment and intellectual property rights will now be covered under GATT disciplines. Tariffs have been cut significantly and important market access goals have been met. Improvements were made in the subsidies and antidumping codes. There will be fewer standards barriers. There was an explicit recognition of the right of all nations to retain their tough health and environment standards—unless those standards are imposed solely for the purpose of restricting imports. This is important progress for Minnesota as well as the whole country.

The progress we made on tariff cuts alone—a global tax cut of $744 billion over next 10 years—and on expanded market access to help us export more of our Minnesota products and services, is worth a vote for the agreement through its implementing legislation. That is progress we can all understand.

We have also achieved major progress on more esoteric areas such as subsidies and antidumping. We now have a better system to identify and control the use of government subsidies abroad as well as to maintain and improve our own tough antidumping laws which have benefited industries such as steel. Yet we have attempted to control the kinds of changes in our antidumping laws which could result in more dumping cases against U.S. companies operating in other countries. I have worked with the steel industry in Minnesota throughout my entire career in the Senate to help them combat unfair trade practices and to improve their own competitiveness. That industry has gone through a very painful, but necessary, modernization and restructuring process and appears to be well on its way to regaining its competitiveness globally. But, it, and all of our other industries, need the level playing field of this Agreement to continue to compete.

The agreement is a definite plus for Minnesota, as an export economy which will significantly benefit from

lower tariffs abroad as well as fewer barriers and further access for Minnesota products. Minnesota exported $10 billion in 1993—the 13th largest State exporter. Minnesota's exports grew by 80 percent over 1987-93 and will only increase under this agreement. Minnesota service companies and agricultural producers will now be able to use the disciplines of the GATT to ensure that they can trade fairly. Tariff cuts will help many of our Minnesota companies cut their costs in order to increase competitive opportunities abroad. Intellectual property protection abroad is instrumental to Minnesota's huge high tech community.

In my judgement, agriculture fared very well in the agreement. Minnesota's agricultural exports are vital to its economy. Agricultural exports in Minnesota increased 25 percent from 1987-93 and totaled $2.8 billion in 1993.

The USDA has estimated that the GATT Agreement will boost agricultural exports by $5 to $14 billion over the next 5 years. Ag subsidies abroad, particularly in the European Union, have been slashed significantly, albeit not to the extent we desired. I am pleased that so many agriculture interests strongly support this agreement—the Corn Growers, Barley Growers, Pork Producers, Cattlemen's Association, the Farm Bureau, Poultry and Egg Council, Sugar Industry and many others.

The dairy industry has protested the market opening which will bring dairy imports up to about 1 percent of consumption—but dairy now has more access for its exports abroad. The soybean growers wanted lower tariffs. The administration is committed to continuing efforts to lower tariffs worldwide. The GATT Agreement does not halt that progress.

To recognize further efforts to help our important agricultural in Minnesota, I was pleased to hear that BOB DOLE has secured a commitment by the administration to propose $600 million in additional greenbox programs which will help us export even more agricultural commodities, including dairy and soybeans. Further, the administration indicates it will not propose ag program cuts in the fiscal year 1996 and 1997 budgets.

Minnesota has a long history of support for trade agreements and legislation which expands trade opportunities, My record, from my support of the Tokyo round implementing legislation in 1979, for the two major trade bills we have passed since then, and for the NAFTA has been consistent with the interests of my State. I am proud to have played a role in each one of these efforts, just as I am proud to have been an active promoter of the GATT Agreement.

Despite opposition from labor, I have been encouraged by estimates of job creation due to the GATT Agreement. The DRI-McGraw-Hill study estimates an employment gain, over that of normal economic expansion, of 1.4 million jobs by the 10th year.

I was also pleased that soon-to-be majority leader DOLE was able to work out an agreement with the administration to satisfy some of the concerns about the agreement itself, as well as its funding mechanism. While I had thought the 6-month notification period in the agreement that would enable us to withdraw from the WTO was adequate, the Dole-U.S. review panel was a positive improvement and should satisfy some of the concerns that the WTO panel process could be used unfairly against us.

Mr. President, I am well aware that this agreement is controversial, largely because it is not easily understandable by many people. It has not received much attention by the press, partly because much of it is so technical in nature. I regret the opposition by many of my friends from labor unions, from environment groups, from the dairy industry.

Particularly I regret what has been an unfair characterization of the agreement by Ralph Nader and others who have tacked many of the world's evils onto this agreement. They are the ones who do not understand the agreement—who have not read the agreement.

I admit that the agreement fell short in some areas. We did not, and could never, achieve 100 percent of our negotiating objectives. In my judgement, we reached far more of our objectives than other nations. We should not delay the agreement. It cannot be reopened next year to achieve further progress. That just will not happen—no other country would agree to that. So the significant progress we made over 7 years will be lost if that happens.

In addition, the administration communicates that even a 6-month delay would cost the united States $70 billion in lost production and reduce employment in the United States by 25,000 jobs a year for 10 years. There is no need to delay. The final agreement has been before us for well over a year. We have known our negotiating objectives and have had briefings over the last 7 years from our negotiators.

The budget waiver vote before us is the only real vote on the implementing legislation. If we do not waive the Budget Act, the GATT Agreement will die.

Earlier in the year, I joined many of my colleagues to protest what I had heard was an intention on the part of the administration to waive the full 10 years of the agreement. This was not acceptable, and I strongly communicated that to the administration. However, the administration was able to waive the first 5 years, and I believe that the economic growth this agreement will bring to us will definitely pay for the second 5 years. In fact, the Treasury Department reports $100 to $200 billion in added income per year as a result of the Uruguay round agreement progress. As a result, I will vote to waive the budget rules, although I am generally loathe to do so.

Mr. President, we have far more work to do in the area of addressing unfair trade barriers and to expand export opportunities for American interests. I wish we could have solved all of the problems in the Uruguay round, but we didn't. But we cannot scrap 7 years of hard work that is significant progress. There will be future trade negotiations. There will be efforts to improve the WTO as we gain experience with it. There will be discussions in many international fora to focus on the unfair labor practices and the need for more environmental protection efforts in other countries. We can pursue such issues as CBI parity, which is necessary to afford the same benefits to our CBI friends as that granted under the NAFTA, again next year.

We must adopt this progress and move on to develop and pursue future trade goals which will bring us even closer to where we should be. I believe that as we do move toward implementing the agreement, it will become evident to the public that this is a positive and fair agreement.

I urge the support of my colleagues for the implementing legislation. I particularly urge support for the waiver of the Budget Act and to oppose any constitutional point of order that the agreement should be considered a treaty. Trade agreements have never been negotiated as treaties, and this one was no exception.

Mr. DANFORTH. Mr. President, there has been some controversy about section 801 of the GATT implementing legislation, which requires PCS pioneers to pay at least half a billion dollars for their FCC licenses. Some have questioned whether this provision is the product of some unfair sweetheart deal for the pioneers.

I am intimately familiar with this provision, which was crafted over the course of several months in an open fashion. I am also familiar with the history of the proceedings at the FCC by which the pioneers obtained their preferences. I believe that section 801 guarantees a more than fair return for the government. That is why I supported section 801 in the first place. As far as I am concerned, the matter of the PCS pioneers should now be considered closed.

The FCC promised for four years to guarantee the pioneers a license as a reward for their innovative efforts—not just an option to purchase a license, but a guaranteed license. In January of this year, the FCC clarified that it would give pioneers free licenses, even though it now can auction licenses. Only in August of this year did the

FCC change its mind. The pioneers have taken the FCC to court, and all informed observers believe the pioneers will win. They will receive licenses for free—the taxpayers will get nothing.

The GATT bill guarantees the taxpayers will get payments of 85 percent of an average auction price from the pioneers. The pioneers will make a minimum payment of some $530 million even if bid prices are lower than expected. No other company has committed to minimum price. And the pioneers have not been granted a ceiling—if the auction yields billions, they will pay according to the GATT legislation's formula.

The GATT implementing legislation's formulation of 85 percent of the auction price for the top 20 non-pioneer markets will produce a fair return for the American taxpayer. The Office of Management and Budget estimates that the GATT bill's formula will bring in $1.5 billion—more than the FCC formula, which used a figure of 90 percent of the top 10 markets.

Whatever the projection, it is important to remember that the goal of the FCC's pioneer preference policy, which we permitted the FCC to continue in the 1993 auction legislation, was to provide incentives for innovators. Raising revenue was not a consideration. The three companies that received preferences created the new PCS technologies, and their efforts will benefit the public as a whole. Jobs will be created. Tax revenue will be produced. Competition to cellular duopolies and telephone monopolies will be created. And consumers will pay lower prices.

It would have been fair for the pioneers to have received their licenses without charge. Requiring pioneers to pay an 85 percent average auction price is more than fair. The pioneers worked for five years to develop PCS and made their research and development available to the public so that all could learn and benefit from it. The pioneers relied on a ten-times-reaffirmed promise of a free license—a promise the FCC broke only after the pioneers had performed their side of the bargain. They put millions of dollars at stake at a time when PCS was a glimmer in an entrepreneur's eye.

Some have called for an assessment after the auctions of whether the payments from the pioneers made a fair return to the taxpayers. I would like to make a few points with regard to this proposal:

First, everyone agrees that the pioneers should be immediately granted their licenses. Section 801 specifies that the FCC cannot delay issuing licenses to the pioneers more than 15 days after the legislation's enactment. I do not expect the FCC to have any difficulty complying with that mandate. The license applications have been pending most of this year, and the pleading cycle has been completed for months. The Administration's letters to Senator DOLE on November 23, 1994, recognized that the pioneers would be issued their licenses now.

Second, all of us who are involved in this issue understand that all relevant factors must be taken into consideration. These factors, as I mentioned before, include the hard work of the pioneers, their commitment of high-risk capital, their public sharing of research results, their longstanding reliance on the FCC's promises, and the extent to which the work of the pioneers created all the auction revenues that the Treasury will receive.

Third, no one involved intends the potential for some future review to have a chilling effect on the commercial plans of the pioneers. We assume that the pioneers will be turning to investors to fund the hundreds of millions of dollars needed to pay the Government for their licenses and build out their systems. These investors should not be concerned that Congress will ignore the contributions of the pioneers and force them into an unfair and retroactive payment scheme. I believe that there will be no further legislation. It is my view, and, I believe, the view of my colleagues on the Commerce Committee, that Section 801 already provides a fair return to the public. This matter should be considered closed.

Finally and most importantly, retroactive legislation to increase the price of the pioneers' licenses would be grossly unfair. For years, the pioneers were led to believe their licenses would be issued early in 1994 and would be free. Then the legislative process delayed insurance of the licenses and we required the pioneers to pay 85 percent of the average auction price for those licenses. Now that the pioneers have some finality, we cannot in good conscience enact legislation to increase the price again. We should let the pioneers get on with the business of PCS. Further retroactive legislation would just be plain wrong.

Mr. SMITH. Mr. President, I believe in free trade. I think that lowering tariffs, eliminating quotas, and reducing other trade barriers is clearly in the best economic interest of the United States. I disagree with those who have taken the floor in opposition not just to the GATT agreement before us, but to the very principles of free trade. In my opinion, the principles of free trade are clear and unwavering.

For far too long, U.S. exports have not had a real chance to compete in many foreign markets. American producers of goods and services are not looking for a handout in the international marketplace. They are looking for a level playing field. They know that they can compete in world markets if they are given adequate access to those markets.

Free trade is not a complicated proposition. If we lower tariffs abroad, American products are less expensive to the foreign consumer. It's like a permanent "sale" on American products. It is the holiday season in America, and any shopper at any store will tell you that they're more likely to buy an item on sale. After all, why pay more when you don't have to?

So free trade means more foreign consumers buying more American goods and services for less money. Foreign sales means American jobs. That is called a win-win agreement. Who could find fault with that?

Mr. President, if the GATT agreement stopped right there, this Senator would be its strongest supporter. I have no qualms with the tariff reduction schedules included in the agreement. I have no problem with the elimination of non-tariff barriers. But the GATT that we are required to vote on today does not stop at that point. It goes much, much further.

The agreement jumps off the free-trade track with the creation of the World Trade Organization (WTO). This Senator doesn't believe we need another international bureaucracy of any kind. But the WTO is particularly offensive, and it should be of grave concern to every American.

The WTO is given substantial legislative, executive and judicial authority. Under the WTO, any member nation—and there are 117 of them—can challenge another nation's law if they believe that the law is "WTO-illegal." "WTO-illegal" is a vague term that has far-reaching implications. Any domestic law that restricts free trade could be subject to challenge.

Challenges would then be investigated by a three member panel. The dispute panel—or tribunal—would be staffed by trade experts who would not have to adhere to any conflict-of-interest rules. Nor would the panels be required to adhere to previous precedents—the cornerstone of the judicial system in the United States.

The tribunal would meet in secret: no press, no citizen groups, no industry groups. Only national governments would have standing to address the tribunal. Even worse, the final decisions of the panel would be binding unless there is unanimous agreement among all WTO participants to set aside the findings—a highly unlikely scenario at best.

If a country appeals the decision of the tribunal, the resolution process is no better. Instead of an ad-hoc tribunal, the challenge would be considered by three people from the seven member WTO appellate body. The appellate panel again issues recommendations or findings that cannot be reversed except by unanimous consent of the members.

So let us assume for a moment that among the thousands of state and federal laws on the books, one is challenged as a barrier to free trade. The initial tribunal is formed and rules

that the law is "WTO-illegal." The United States appeals the decision, and the appellate tribunal also rules that the law is "WTO-illegal." What is our nation to do?

Under such circumstances, the United States can: (a) negotiate a settlement, or (b) change the offending law, or (c) face fines and/or sanctions from the WTO.

"None of the above" is not a choice under the stringent rules of the WTO.

What leverage would be United States have under such a scenario? The answer is: none. The dispute settlement procedures under the World Trade Organization are clearly and unequivocally flawed.

Other procedures governing the World Trade Organization are similarly defective. Changes to the WTO rules or interpretations will be put to a vote unless—again—there is unanimous consensus among all 117 participating nations. According to article IX of the agreement, "each member of the WTO shall have one vote." The United States is not given a veto, as it is under the United Nations security council. The United States is not given weighted votes, as it is in the World Bank. Instead, the United States is given one vote—the same as Cuba, and Chad, and Haiti, and Mexico, and on and on and on.

Mr. President, not all nations of the world are equal trading partners, and creating an international bureaucracy to make them equal just doesn't make it so.

There is no reason to believe that—when the votes are cast in the World Trade Organization—the outcome will be favorable to the United States. Let me give a few examples from the voting record of the United Nations:

Nation and percentage of Votes Against U.S.: India—81.5; Cyprus—77.6; Morocco—78.1; Sri lanka—78.8.

The rest of the 117 nations are not much better. In fact, some have worse voting records. All told, developing nations will hold 83 percent of the votes in the World Trade Organization. When the results are consistently anti-American, no one should feign surprise.

Mr. President, we have a free trade agreement burdened with the ill-conceived World Trade Organization. But the problems do not stop there.

In August, 1994, OMB Director Alice Rivlin wrote that: "We do not believe it is necessary to sacrifice budget discipline to pass GATT in the Congress."

Yet the Clinton Administration is asking Senators to do just that. Implementing the GATT is projected to result in a budget shortfall of $26.7 billion over the next ten years. Congressional budget rules require that $26 billion of this shortfall be paid for by spending cuts and/or tax increases.

The Agreement before the Senate would finance the GATT with $4.7 billion in tax hikes and $3.1 billion in spending reductions. The implementing legislation makes changes in the U.S. Savings bond program, pension law, licensing fees and a host of other areas wholly unrelated to free trade. And still, the Clinton Administration failed to reach its goal. The remaining $18.9 billion will simply be added to the national debt.

That is unacceptable to this Senator. I had looked forward to supporting a clean GATT agreement that would move America forward. Instead, I will vote against an agreement that takes us two steps back.

Mr. President, the GATT legislation before the Senate should be about free trade, and only free trade. It should not be saddled with the weight of an uncontrollable international bureaucracy and unrelated domestic provisions.

I urge my colleagues to oppose this agreement so we can support an improved GATT next year. That is the only way to achieve an unfettered, win-win free trade agreement.

Mr. HATFIELD. Mr. President, I rise today to discuss a matter of great importance to the citizens of our United States: The Uruguay Round Free Trade Agreement, a bill that needs our immediate attention and support in this turbulent era of international trade. Free trade is truly the road to economic success, both foreign and domestic. By supporting open markets and ensuring our industries have the room they need to compete internationally, the United States will remain the world's trade leader.

Conceived under President Reagan, nurtured under President Bush and finalized by President Clinton, it is time for the Uruguay Round GATT to be implemented. In the United States, lower tariffs and trade restrictions mean increased productivity. As our firms are allowed to compete globally, our workers will maximize their skills and talents. As the demand for U.S. products rises, so too will our Gross Domestic Product. We can welcome a net gain in employment and a stronger economy due to this dramatic rise in exports. When this happens, we will experience the strongest international economy the world has ever seen.

Shielding and protecting domestic industries can lead to preposterous outcomes. The U.S. has come a long way since our protectionist trade policy was so strikingly and detrimentally enacted during the pain of the Great Depression. What happened, in response to these substantially higher tariffs, could be predicted by any first-semester, economics student—international trade came to a stand-still, reduced to twenty-five percent of its pre-tariff level. The Great Depression became even greater.

A combination of the 1934 Reciprocal Trade Agreements Act, which lowered some tariffs, and World War II, which taught us the power of working with our partners and not against them, laid the groundwork for the first General Agreement on Tariffs and Trade in 1947. Anything less than multilateral negotiations for significantly reduced tariffs and the practical elimination of trade barriers, would drastically hamper the international economy. The original GATT called for this and international trade took a huge step towards increased efficiency and effectiveness through trading partner cooperation. The original GATT agreement and its successors have served us well by expanding world trade. However, the current GATT is not enough, we need the Uruguay Round Trade Agreement in order to keep pace with our rapidly changing global economy.

Be it stopping tariff wars, clamping down on import quotas, or any number of other types of restrictions, international trade needs a boost. For example, the U.S. is constantly and unjustifiably accused, by other nations, of dumping its exports into their economies—consistent, specific anti-dumping laws simply do not exist outside of the United States. Secondly, unfair agricultural subsidies have been a thorn in the side of U.S. farmers for decades. Fearing U.S. competition, nations resort to protectionist economic policies which not only hurt their industries, but their citizens as well.

When the U.S. brings these disputes to the current GATT Council in Geneva, years may go by before any settlements are suggested. Furthermore, members of the pre-Uruguay Round GATT have been known to completely ignore Agreement rules and dispute settlements. Uruguay Round GATT provisions and the World Trade Organization can bring order to the whirlwind of chaotic bilateral trade agreements and broken promises.

The current system's chaos and inefficiency represent more than mere inconvenience; it translates into lost U.S. efficiency, lost U.S. competitiveness and lost U.S. jobs. Furthermore, without a World Trade Organization, countries who are not members of GATT, who have not agreed to lower their trade restrictions, will continue to unfairly reap the benefits of trade with members who have lowered tariffs. The institution of an organization which efficiently and objectively reports on trade disputes and expedites the process through which a settlement is reached, will benefit current GATT members and give all world traders incentives to play by the rules.

The Uruguay Round includes, for the first time in history, the service sector in a world-wide economic agreement. Members of the new GATT, over 100 nations, are making commitments to open their economies to business, health, environmental, engineering and construction services, to name just a few. This is an incredible boost to the U.S. service sector.

In addition, the agreement strengthens international trade law with regard to intellectual property rights. America loses billions of dollars each year as everything from CDs to computer circuits are pirated in foreign countries. The Uruguay Round GATT would make copyrights, patents, trademarks and even trade secrets enforceable amongst all trading partners.

Advances in biotechnology would also be protected by the new patent rules. While I believe this is a positive step, I continue to express concern over the ethical and moral implications of patenting genes and animals, now magnified in the global sphere. My concern is compounded by the intrusion of "use" doctrines, currently regulated at the national or local level. Therefore, I strongly urge the establishment of a forum to discuss these issues surrounding the sanctity and essence of life, while preserving the beneficial advancement of biotechnology.

As crucial as this new GATT is to the nation's economy, it runs the risk of being lost if we do not pass the budget waiver. With one vote the Senate can approve using the PAYGO balance of $1.6 billion and waive the Senate's rule requiring the bill to be financed for ten years. I have not taken budget waivers lightly in the past, nor do I take this one lightly, but we must find the courage to pass this bill. The Budget Rule Enforcement Act was not meant to inhibit our legislative ability. Every so often, in the name of good legislation, an exception needs to be made—this is one of those times. Make no mistake, those who preach "free trade", but do not support the waiver are not friends of free trade—they are signing this agreement's death warrant.

Any fair discussion of the Uruguay Round GATT must clarify the World Trade Organization's "one member one vote" policy. Some are worrying that less developed or communist countries will have as much voting power as the United States. It is important to keep this in perspective: The United States is the world's largest importer and this assures economic and political clout, giving a major player such as the U.S. a dominant role in the WTO system; we will take a backseat to no single nation or group of special interests.

It must be emphasized that the WTO cannot change U.S. law and U.S. sovereignty is not in jeopardy. Any vote to add an amendment which affects certain fundamental GATT obligations, such as Most Favored Nation status, the General Agreement on Trade in Services and the Agreement on Trade-Related Intellectual Property Rights, requires a consensus by WTO members. Moreover, any amendments that change the rights or obligations of members, while requiring a two-thirds majority to go into affect, affect *only* those members who vote for the amendment.

While I believe the Uruguay Round satisfies all sovereignty concerns, the Administration has assured Senator DOLE that if the WTO Dispute Settlement Body rules adversely against the United States, even three times in a five year period, we will begin withdrawal from the WTO Agreement. This is only one part of Senator DOLE's efforts to make the Uruguay Round GATT more palatable. I congratulate the Republican Leader for his courage and foresight in building these safeguards into the agreement.

Finally Mr. President, I want to get specific and discuss how vitally important this legislation is to my state. The Uruguay Round GATT clears the road for statewide economic growth. Oregon has an export economy of over $6.2 billion, during its 1987 figure. While Oregon is ranked only 29th in population, it ranks 18th among all states for the number of business establishments that export. Oregon's whole economy is preparing to feel solid and significant.

The revised GATT actually provides overlapping benefits for some of Oregon's largest industries. For example, in 1993 Oregon exported one billion dollars worth of industrial machinery and computers. Under the Uruguay Round rules, the European Union, which imports more U.S. computers than any other member of GATT, will reduce its tariffs on U.S. computers by 80 percent. Not only will Oregon benefit from this reduction in trade restrictions, but strengthened intellectual property rights will aid the computer industry even more.

The hi-tech sector is not the only one which stands to gain. The paper industry, one of Oregon's largest exporters, would face tariff cuts of 100 percent. The U.S. Department of Commerce expects a $2 billion increase in U.S. paper and allied product exports—this means millions for Oregon. Electronic components, industrial and analytical instruments and semiconductor manufacturing equipment are other Oregon industries that will reap huge rewards if the Uruguay Round passes. Agriculture, one of Oregon's mainstays, generates over $1.4 billion in economic activity. Over five years, the Uruguay Round GATT would increase agriculture exports anywhere from $5-14 billion.

The Uruguay Round GATT will spur trade on with Oregon's leading trading partners. Looking towards the future, it has the potential of opening up whole new territories such as Russia, the Far East and the markets of developing economies. President Clinton, at the Asia-Pacific Economic Cooperation (APEC) forum, laid the groundwork for economies to be opened and all trade restrictions of Pacific Basin countries to be removed by the year 2020. Let the Uruguay Round finish the job so that Americans can benefit from the buying power of the Asian nations, including Japan.

The United States Congress found the courage to vote for the North American Free Trade Agreement (NAFTA). Since then, we have seen our exports to Mexico increase by 20.5 percent and Canada by 11.4 percent. NAFTA is working, let GATT work too. This is the time for the United States and our trading partners to completely turn our backs on the destructive, isolationist and protectionist policies we have seen this century.

Other countries are looking for us to take the lead—it is time we did. In the realm of international trade, the United States has no choice but to be the leader, but it requires our vote to be a member. The best way to be a champion of the U.S. economy is to support free trade. Let me have the foresight to pass the Uruguay Round Free Trade Agreement.

PIONEER PREFERENCE PROVISION

Mr. CAMPBELL. Mr. President, for a variety of reasons, I have been very torn about my vote on this implementing legislation for Uruguay round agreement of GATT.

I am in complete agreement, though, with the provision in this agreement that addresses pioneer preferences granted to innovators in personal communications systems technology by the FCC. Administration officials, FCC officials, and company officials came up with a deal that is fair, and that deal should hold regardless of whether this legislation passes. Those who decry this provision as "elitist" or worse simply do not understand the history and facts.

In 1992, the FCC awarded pioneer licenses to three PCS innovators. One of the companies is Omnipoint Communications, Inc., a small entrepreneurial company based in Colorado Springs. At that time, the FCC did not charge anything for any spectrum license. In August 1993, Congress enacted budget legislation requiring the FCC to auction off spectrum licenses. Initially, the FCC excluded the PCS pioneers from this requirement. But in August 1994, 2 years after naming the PCS pioneers, the FCC ruled that the pioneers including Omnipoint would have to pay for their licenses, up to 90 percent of average fees in other large markets.

The pioneers promptly sued, arguing that the FCC had no authority to retroactively impose such huge fees. Instead of fighting in court and risking complete failure, the FCC crafted an agreement with the House Committee on Energy and Commerce: PCS pioneers would pay fees at a rate of 85 percent of average fees for the 20 next largest markets.

Even though this compromise will cost the PCS pioneers from $500 million to $1 billion in unanticipated fees, they accepted it rather than waste time and resources in court—assuming that this

was a done deal and that they could get on with their development work. Now, however, some people are calling this a "giveaway," and some want to revisit the issue next year and attempt to force the PCS companies to fork over even more dollars.

It seems to me that the PCS companies, awarded pioneer preferences and working constructively with Congress and the FCC, make this agreement in good faith, and it ought to stand. It would be very unfair to retroactively charge these companies more money. Already, the uncertainty over this issue has hurt Omnipoint's ability to attract investors.

By converting military technology to commercial applications, Omnipoint is now the manufacturer of the only American noncellular PCS radio frequency technology. If PCS is launched soon, Omnipoint is likely to become a leading manufacturer of PCS equipment. This will mean hundreds of jobs in my State. When coupled with spinoffs and export opportunities, it also will mean hundreds of jobs for Americans elsewhere in the country. If the deployment of PCS is delayed, many of these opportunities will be lost to foreign competitors.

Whatever happens with this GATT legislation, I will continue to work to support Omnipoint's efforts and to protect jobs in Colorado.

Mr. MATHEWS. Mr. President, in the final hours of this Congress we have an opportunity to keep America on the course of economic growth and trade expansion that have been the hallmarks of the Clinton administration and the high point of bipartisan cooperation in this body. With a single vote, we have the chance to increase jobs and incomes for American families, open closed markets for American goods, and bring American consumers a broader variety of lower priced products. We have the chance to build upon the success of the North American Free Trade Agreement, and to establish the United States as an economy to contend with in a new world order. We should—and must—make these possibilities into realities by voting to affirm the Uruguay accord of the General Agreement on Tariffs and Trade.

Mr. President, the prospects from an affirmative vote are overwhelming. Conservative estimates suggest that implementing GATT will create 300,000 to 700,000 American jobs over 10 years. Over that same period, we stand to increase our gross domestic product by upward of 3 percent, an amount equal to somewhere between $32 billion and $50 billion. That translates into an average pay raise of $1,700 a year for American families.

Beyond this, strengthened trade rules under the Uruguay GATT will give American exporters the level playing field they have demanded and deserved for far too long. GATT will implement more effective mechanisms for resolving trade disputes, preserve our ability to prosecute unfair trade practices, augment our ability to combat foreign dumping, and enable us to take more effective action to assure that product standards do not bar imports.

Little wonder, Mr. President, that support for this agreement has come from businesses large and small, manufacturers and farmers, companies that have long been exporters and companies that long have wanted to be, companies with globally established products, and companies that desperately need recourse against infringements of intellectual property. These people know what is good for their business, and we must listen to them if we are to do what is good for the United States.

I know that there will be winners and losers under this accord. But that is a fact of economic life which we need to face as a fact and deal with realistically. Their experience should teach us that there is no safe haven against change, and we are foolish to deny the spectrum of American business a world of opportunities in their name.

I also find it significant that many of the loudest arguments of resistance to NAFTA have been retreaded for GATT. In the few slim months since we passed NAFTA, the evidence against those arguments has mounted. The disasters they predicted have not materialized. That giant sucking sound we were supposed to hear is nowhere to be heard.

You sure do not hear it in my native Tennessee. Tennessee sold more than $6 billion in exports last year. Our exports more than doubled between 1987 and 1993. Canada, Mexico, and Japan now are Tennessee's No. 1, 2, and 3 export customers. They purchased nearly $2.5 billion from Tennessee farms and factories in 1993—an increase of 175 percent in sales to those nations over 5 years.

The only thing that keeps Tennessee companies from selling more goods overseas and creating new jobs at home are foreign barriers to trade—the kind of barriers that GATT removes. Through substantially expanded and enforced trade rules, the Uruguay accord will be positive for Tennessee and for America's Sunbelt.

Last year, Tennessee's top manufacturing sectors ranked by exports were chemical products, transportation equipment, and industrial machinery and computers. That jives with the Sun Belt as a whole, where leading exports are electrical and electronic components, chemical products, and transportation equipment. These are the very industries that will have continued export and jobs growth because tariffs will be reduced or eliminated by whopping percentages in Japan, South Korea, and the European Community.

That goes for American farmers and farm products, too. American farmers are the most efficient producers on the globe. But what keeps them from being the most financially fertile producers is the kind of foreign production subsidies, export subsidies, and import trade barriers that GATT will reduce—especially in Europe. U.S. agricultural exports stand to gain between $1.6 billion and $4.7 billion in the year 2000 and nearly $9 billion by 2005 as a result of this agreement.

Mr. President, we are just beginning to count the winners from this accord, and one of those winners will be our trade deficit. In 6 to 10 years after we pass the Uruguay accord, the Economic Strategy Institute projects an annual improvement of $13.5 billion and 25 billion in our trade deficit, including an increase of $3 billion in annual U.S. exports of services.

Another winner will be our budget deficit. We all know what we need to do in order to waive the budgetary point of order because of the $11.9 billion in lost revenues that GATT will claim. But if we do it, GATT soon will more than pay for itself by increased economic gains that offset tariff cuts.

Yet another winner is American ingenuity and innovation. The International Trade Commission has estimated that foreigners' piracy of U.S. copyrights costs American businesses between $43 billion and $61 billion every year and costs the American economy 750,000 jobs. The Uruguay accord resolves key problems in copyright protection. U.S. software producers, pharmaceutical companies, semiconductor manufacturers, chemical producers, publishers, and entertainment industries will be beneficiaries.

Just as the benefits of action are great, so are the costs of inaction. Fast track authority expires at the end of this year. If we open this measure to amendment, a 6-month delay in implementing GATT could cost the United States $70 billion in lost production, 25,000 jobs, and $200 billion in the Nation's economic well-being. Vice President GORE is right when he says that delay of GATT will mean the death of GATT.

We must not let that happen. This accord is the culmination of American postwar trade policy, the continuation of efforts we have made with NAFTA and the Asia-Pacific Economic Cooperative, and the climax of hard efforts by three U.S. administrations. And beyond all these things, GATT is the future. Let us embrace all the possibilities that future brings—face the future without fear, confident that American workers and American businesses can compete and prosper. Let's vote this agreement into law.

Mr. MCCAIN. Mr. President, the vote before the Senate on the Uruguay round of the General Agreement on Tariffs and Trade is more than a indication of how well a Republican Congress and Democrat administration can work together. I imagine that we will

continue to have very sharp disagreements on a variety of issues.

But trade has always been a special case. There has been, since the end of the Second World War, a shared vision regarding our Nation's trade policy. The bipartisan consensus on the benefits of free trade has led to the successful conclusion of seven previous rounds of GATT and a corresponding high level of prosperity both in the United States abroad.

Far from simply signaling the level of collegiality the American people can expect from the new Congress, today's vote will determine whether free trade has a place in both parties' vision for America's future. We will decide with this vote whether to take counsel from our fears or our aspirations; whether we yield to unfounded fears of competition or affirm our confidence in the ability of the American worker.

The agreement before us is historic in its scope. It builds on previous GATT rounds by cutting tariffs by over one-third and breaching areas formally beyond the reach of international trading rules. It seeks to make transparent the sort of barriers that have been used, in lieu of high tariffs, to keep American products out of foreign markets. Nations will have a greater burden to prove that regulations governing such matters as licensing, inspection procedures, and production methods are purely a matter of domestic politics and not intended to protect national industries.

The GATT contains the first multilateral agreement to open up trade in services, an increasingly important part of the American economy. The U.S. service sector will have greater market access in the areas of general business services, professional services, information and computer services, health services, and environmental services, among many other areas. Although our Nation remains the largest exporter in terms of goods, and is the world's greatest industrial power, exports in the area of services now add $180 billion to our economy annually. Creating additional opportunities for these businesses is no small accomplishment.

All together the GATT agreement will add $100 to $200 billion to the U.S. economy annually when fully implemented and 1.4 million new jobs over the next 10 years.

In the debate on GATT, we have heard the same old arguments from opponents about these numbers: "They're cooked." "We'll lose more jobs than we produce." "Low wages in foreign countries make it impossible for American companies to compete."

During the NAFTA debate last year, Congress exhaustively considered and rejected these claims. There is no need to go over the counterarguments again. Let's just look at the facts. NAFTA has been in effect for a year. United States exports to Mexico are up 17 percent and growing. Increased trade with Mexico has already produced thousands of new U.S. jobs, and with our exports growing at the current rate, it will produce thousands more.

The gains from the GATT are goals that three successive administrations, Democrat and Republican, have sought to achieve. The Clinton administration deserves credit for bringing the negotiations to a close, but as was the case with NAFTA, it will take Republicans to put the agreement into law. Unfortunately, we will also put into law provisions in the implementing legislation that could have been more carefully crafted, or are simply unrelated to the GATT.

Many in my State, and I know many across the Nation, continue to be concerned about U.S. sovereignty and the effect that our membership in the World Trade Organization will have on our right to decide our own laws and regulations. The implementing legislation states unequivocally that "no provision of any of the Uruguay Round Agreements, or the application of any such provision to any person or circumstance, that is inconsistent with any law of the United States shall have effect."

The implementing legislation, however, is not clear with regard to the course of action should the WTO demonstrate a pattern of unfair decisions against the United States.

This is where the Republican leader's initiative to establish a WTO Dispute Settlement Review Commission is important. As a nation that demands our trading partners establish fair trading practices, we should seek no unfair advantage abroad, nor should we seek to keep competitive products out of our markets. However, we should not be in a position where we are forced to comply with the decisions of the WTO which go beyond our commitments under the GATT, or that are reached on other than an objective basis.

If there is a demonstrated pattern of unfair decisions against the United States, Senator DOLE's proposal establishes a mechanism whereby we can withdraw from the agreement—our right to set the terms of our contracts with foreign governments being the ultimate expression of national sovereignty.

In some provisions, the implementing legislation breaks with the continuity of purpose over three administrations by encompassing issues unrelated to the agreement.

In the case of patents, this tendency has created a perilous situation for our Nation's inventors—historically one of our greatest resources. The implementing legislation goes beyond any of the commitments made in the Uruguay round to seek changes the administration believes prudent in United States patent laws.

Signatories agreed that patents should run for 20 years. This is a significant achievement for American companies which lose an estimated $15 to $17 billion a year to various forms of piracy. In drafting the implementing legislation, however, the administration has sought to codify a 20-year protection from the date of filing. Because some patents take as long as 10 years—and longer—to be approved, the legislation threatens to weaken U.S. protection of patents. U.S. patents are currently protected for a period of 17 years after they are issued.

Senator DOLE also sought to address this issue. He obtained assurances that the White House would not oppose changing the terms of the implementing legislation if Congress reviews the issue and decides to guarantee the current period of 17 years. Many inventors believe this is not quite enough. There is no guarantee either that Congress will decide to change the law next year or even whether they will review it. Despite the serious effort of the Republican leader, we would have been better off had the administration simply waited until next year to address the issue at all.

There are other areas of the implementing legislation where I believe the administration exceeded the terms of the agreement, or delved into completely unrelated areas, either for the sake of convenience or to garner support. In addition to patents, the implementing legislation contains unnecessary provisions relating to rules of origin on textiles, African economic development and workers' rights.

In an effort, apparently, to gain the votes of members from textile producing States, the administration changed the rules of origin on imported textiles and apparel to prevent our competitors from spreading the production process out among various countries. Because many textile producers find it costly to produce goods wholly in one country, the provision in the implementing legislation is sure to raise the cost of production and the prices of imports.

Another provision resembling the sort of deals the President thought necessary to gain congressional approval of NAFTA is the section regarding workers rights. The President is required under section 131 to "seek the establishment * * * in the WTO of a working party to examine the relationship of internationally recognized worker rights" to GATT obligations. One cannot help but speculate that this was included in part to appease those disappointed over the administration's failure to win fast-track authority for a new round of trade talks focused on workers' rights.

Provisions such as these put traditional supporters of free trade in a very difficult position. Aware that there are many shortcomings in the legislation, we are forced to support it in order not

to jeopardize the overwhelming benefits of free trade. Unless the implementing legislation is intolerably flawed, when it comes to a vote on a historic worldwide reduction in tariffs, we have to weigh the virtues of the agreement itself against our reservations about the implementing legislation.

In the future, I hope we can avoid loading implementing legislation with deals intended to pad the voting margin. Free trade can, and should, stand on its own. Although the legislation before us today is a far cry from the Christmas tree the NAFTA implementing bill became, the extraneous provisions it does contain take away from the cause of free trade. It is difficult to portray an affirmative vote for the agreement as a vindication of the principles of Adam Smith, when opponents can justly point to provisions in the implementing legislation with no connections to the agreement.

The revenue measures contained in the implementing legislation create similar complications for the agreement.

It is a simple matter of common sense that reducing tariffs and other barriers to American products increases exports; greater exports mean greater productivity; and greater productivity means more Federal revenues. In fact, it has been estimated that for every dollar lost because of lower tariff rates, the increased economic activity resulting from the GATT will create $3 in new revenues.

Despite indications that the administration subscribes to this truism, the implementing legislation contains a score of revenue measures, at least one of which has opened the agreement to considerable criticism. It seems to me that if anticipated Federal revenues negate the need to offset a portion of the tariff losses resulting from the GATT, they should negate the need to offset any tariff losses.

Like other unrelated provisions, the revenue measures undermine the case to be made for the agreement. Those of us who are perfectly comfortable advocating free trade find ourselves defending measures that have nothing at all to do with the GATT. The most visible of these extraneous issues has been the deal struck over pioneer preferences. It seems inappropriate that discussions on GATT, an agreement likely to result in an average increase in income of $1,700 per family, would focus on the issue of pioneer preferences. We should have the opportunity to debate of pioneer preferences. We should have the opportunity to debate the issue of pioneer preferences on its own merits. It should not be settled in a manner which jeopardizes the most comprehensive trade agreement in history.

All of the shortcomings of the implementing legislation aside, I will support passage of the Uruguay round of GATT. The benefits it offers American businesses, workers and consumers are simply too great to forego. That America's advocacy of free trade is critical to our continued prosperity and world leadership should be beyond dispute. It is my sincere hope that free trade will remain at the center of both parties' vision for America, and that we will demonstrate this commitment, as the other House did yesterday, by approving the GATT.

Mr. LIEBERMAN. Mr. President, I rise in support of this legislation to overhaul the GATT, the General Agreement on Tariffs and Trade by implementing the Uruguay Round Agreements. This legislation is the end of a long road that began in 1986—the result of thousands, quite possibly millions, of hours of negotiations with our trading partners. After 8 years of wrangling over the agreement, I am tempted to agree with the observation of Lee Kuan Yew of Singapore that GATT actually stands for the "general agreement to talk and talk." Fortunately all of that talk led to something that will have concrete benefits for this country and for the world trading system as a whole.

The agreement reduces import duties with our major trading partners by an average of 40 percent. Since import duties into the United States are already quite low, one of the great benefits of this agreement for the United States is to bring down the tariff and non-tariff barriers that other countries have built, barriers that have made those markets tough for American exporters to enter. And 40 percent is just an average, in many cases, the drop in duties is much more dramatic. For instance, under the Round Agreements the duty on getting paper products into South Korea will go from 10.32 percent to 0 percent; the duty on aerospace items into Japan will go from nearly 5 percent to 0 and the duty on pharmaceuticals to the European Union will go from 5.89 percent to 0.

Reducing the cost of exporting U.S. products has particular importance for my home State of Connecticut. The dramatic rise in exports has been one of the few bright spots in my State's economy over the last decade. According to the Department of Commerce, Connecticut's exports totaled over $10 billion in 1993. Those exports translate into jobs and lots of them. Commerce's Hartford District Office says that a conservative estimate of the number of Connecticut jobs linked either directly or indirectly to exports is 176,800.

Smaller exporters are also uniquely poised to benefit from the GATT since the agreement simplifies and standardizes customs procedures. The reduction in paperwork and red tape will let small exporters spend more time making sales to a wider range of customers and less time trying to meet the paperwork requirements of each individual country. This is particularly important in Connecticut where over 95 percent of our exporters have fewer than 500 employees.

The reduced tariffs under the Uruguay Round Agreements will also mean lower tariffs for American consumers. This cut in tariffs has been described as one of the largest tax cuts in history. the U.S. Treasury Department has conservatively estimated that the round will cut tariffs worldwide by $744 billion over the next 10 years. Since tariffs are largely passed on to consumers in the form of higher prices, consumers can expect to share in lower prices as a result of these tariff reductions.

In the area of intellectual property this agreement is historic; it creates international standards for the protection and enforcement of intellectual property rights for the first time. A July 18 letter from seven former U.S. Trade Representatives rightly notes that,

> One of our greatest, strengths as a nation is our creativity. Our software, pharmaceuticals, films, and sound recordings are sold around the globe, and export revenues from products that depend on the protection of intellectual property totaled $20 billion in 1992.

While I believe we should eventually go further in reducing trade losses due to piracy and counterfeiting, I am convinced that the agreement takes a sizable step forward in this area.

As anyone who has followed this issue knows, a tremendous amount of time and energy has gone into debating the merits and pitfalls of the World Trade Organization [WTO]. I understood and shared some of those concerns about the WTO. But I have now concluded that most of those concerns have been addressed. At present, GATT decisions are made in much the same way that Parent-Teacher Associations and Kiwanis Clubs across this country make their decisions—by consensus. The WTO explicitly continues this practice of consensus. Since the U.S. is the world's largest trader, it is clearly in everyone's best interest to get our consent before any big decisions are made.

There has been understandable anxiety expressed about the WTO's potential ability to overturn U.S. law. If the WTO had the power to overturn our laws, I would not support the legislation before us today. The decision to adopt, repeal or amend U.S. laws was ours under GATT and remains ours under the WTO. To be sure, the WTO offers more than lip service to GATT's dispute settlement procedures. This was done largely at the insistence of the United States since some of our trading partners had been taking advantage of our open market and taking advantage of us in their markets. As the Chamber of Commerce noted in testimony before the House Ways and Means Committee.

The Chamber has long been concerned with the inefficient workings of both United States and multilateral dispute settlement processes. Far too often, companies with legitimate grievances against foreign trade practices have had to wait years before their cases get resolved—by which time those companies could very well end up out of business.

A Chamber survey found that unfair trade cases that went to the GATT took 4.6 years on average to resolve. By streamlining that process, organizations like the Chamber believe the WTO dispute settlement, procedures are significant improvements over the status quo for America's businesses and workers.

Even if a WTO dispute settlement panel finds that a country has not lived up to its Uruguay round commitments, it is up to the countries in dispute to decide how to resolve that dispute. One option that is not available is overturning another country's laws. A defending country might choose to make a change in its law or it may decide to offer some type of compensation to the aggrieved country or the defending country may choose to do nothing. In this case, the aggrieved country may decide to suspend a trade benefit or take retaliatory action, mindful of the fact that the consequences may be severe if they retaliate against a major trading partner. As Secretary Bentsen has observed:

The dispute settlement system is not only fair, it also plays to our strengths. Due to our enormous domestic market, the United States has far more trade leverage than any other country in the world. The new dispute settlement regime is tailor-made for us to use. Most other countries simply do not have the economic clout to make retaliation against us a credible option.

I am grateful that because of concerns that have been raised about the WTO by Senator DOLE and others the administration has developed a system which would allow the United States to leave the WTO if the organization consistently rules against the United States. This should bring a tremendous amount of comfort to those who are worried about the potential breadth and depth of the WTO's powers.

As a former State attorney general, I've also paid particular attention to what impact the World Trade Organization [WTO] would have on State and local laws. After being contacted by the National Association of Attorneys General [NAAG] I in turn asked Ambassador Kantor to respond to concerns that had been raised about how the WTO would impact State and local laws. A July 15 meeting between the U.S. Trade Representative and the NAAG resulted in a July 27 follow-up letter to Ambassador Kantor from the NAAG in which the NAAG expressed satisfaction with USTR's efforts to accommodate their concerns. The implementing package before us today ensures that State governments are alerted to any important developments affecting State laws, allow States and localities to formally participate in the defense of their laws, and makes clear that States may maintain health, safety and environmental standards that are higher than those of other States or the Federal Government. I commend USTR for acting to address the legitimate concerns that were raised by the States.

The last issue I would like to discuss is the budget waiver. Under Senate rules, we are charged with paying for tariff cuts for 10 years while the House is bound to paying for these for 5 years. Because of various constraints, the House Ways and Means Committee and the Senate Finance Committee came up with a 5-year package of tariff offsets. I am disappointed that we are not able to vote on a package that meets the 10-year test. However, I will not vote against the budget waiver and thereby prevent this important legislation from coming to the Senate floor. If there is interest in ensuring that the second 5 years of this agreement are paid for by passing a package of spending cuts in the next Congress I will support that effort. During the last Congress I joined with a bipartisan group of Senators in offering a package of $91 billion in spending cuts—elements of the package could pay the tariff cuts in the second 5 years of this agreement if need be.

Mr. President, I hope that this chamber will approve this implementing legislation. The agreement stands on its own merits. In addition, I think a strong vote to approve this implementing legislation is the right message to send about the Senate's ability to grow our economy and protect and create jobs for American workers in a bipartisan way. Begun under President Reagan, continued under President Bush and completed under President Clinton, the agreement is proof that administrations from both parties can work together in the best interests of the United States.

Mr. DORGAN. Mr. President, I hope that today is the day that our Nation's economic reality finally replaces knee-jerk ideology and business as usual in this body. Because if it does not, the loud scream for change that we heard from voters three weeks ago will seem like a quiet autumn breeze when compared with the roar and crash of outrage that surely lies just ahead on the path that we are now headed.

We are here today to discuss the most important economic decision this body has faced in many decades—and the least painful opportunity that we are likely to face for many years to change our current ruinous economic course.

The cynicism of the American people is nowhere more justified than with the steady diet of broken promises and misleading information that they are fed concerning the international economic forces that now shape U.S. jobs, incomes, business profitability and government revenues.

For some time, successive Presidents, many of my Senate colleagues, respected academics and the media have talked exclusively about expanding U.S. exports while they have ignored the far larger growth in U.S. imports. They have spoken of only 40 percent of the trade story. If we took the same blind approach in our budget debates and talked only about the growth of federal revenue—ignoring federal spending and our enormous budget deficits—would we trick the taxpayers into thinking that government finance was in great shape and that more of the same would be a terrific idea? I doubt it.

The U.S. position in international trade has collapsed since the mid 1970s. Our 1994 merchandise trade deficit (net exports) could reach a world record $160 billion. While some claim that further world trade liberalization would yield a $1 trillion tax cut, the reality since the last (Tokyo) round of trade liberalization in 1979 has been a cumulative U.S. merchandise deficit of $1.2 trillion; well over $1 trillion in all goods and services; and almost $1 trillion in manufacturing alone.

Although still very poorly understood by most Americans, and by many members of this body, global market forces and trade are no longer merely esoteric and glamorous marginal aspects of our economy. This year the U.S. will import $550 billion of foreign manufactured goods. That is almost half of total U.S. manufacturing Gross Domestic Product. We now have a net export deficit of over half a billion dollars each day just in manufacturing trade. We have enormous deficits in most high tech products of the future—including semiconductors. This has tremendous effects on every aspect of our economy.

Just this week, the U.S. Department of Commerce announced our trade deficit is reducing real Gross Domestic Product by $120.8 billion per year. That figure is particularly important to today's discussion about the budget waiver. Chronic U.S. trade losses are a constant, enormous drain on federal revenues—amounting to a loss of perhaps $30 billion in fiscal 1994 alone. And yet many GATT proponents want to ignore the tidal wave of imports into the U.S.; ignore our trade deficits; and see only our exports. Wearing self-imposed blinders, they would vote to waive our hard-won budget agreements and insist that these chronic trade losses somehow, magicly, add to federal revenue.

Does our experience with NAFTA and trade with Mexico support the idea of expanding trade world-wide through a new GATT agreement? Let me say that there has been much hyperbole about

US-Mexico trade. The U.S. does continue to have a trade surplus with Mexico and our exports are growing. But U.S. imports from Mexico are growing faster than exports. So the U.S. surplus fell by 72 percent from 1992 to 1993. Since NAFTA went into effect, our surplus has fallen another 51 percent.

Since NAFTA, the U.S. deficit in electronics trade with Mexico has doubled to $1.4 billion in just the first half of 1994, compared with 1993. Despite the export hype from the auto industry, since NAFTA, the U.S. deficit with Mexico in autos and parts worsened in the first six months of 1994 to a deficit of $1.1 billion.

Again, concerning global trade, while some promise hundreds of thousands of new trade-related U.S. jobs, the reality is no net jobs in internationally traded industries for over twenty years; all of the 44 million net jobs created over the past 20 years have come in non-traded service sectors such as health care, local governments, retail sales and building maintenance. If the U.S. Commerce Department's estimate is correct—that each $1 billion in net exports equals 20,000 high wage jobs—this year's $160 billion deficit alone would eliminate over 3 million such jobs.

In our flexible labor market, however, the major effect of our chronic deficits is not always to terminate jobs, but to erode income as workers and businesses give up wages and profits to hold on to their jobs and markets. While some promise increased prosperity, the reality is that real U.S. income growth has slowed dramatically from more than 4 percent per year 30 years ago to less than 1 percent today.

This is a very important point, Mr. President, because it is often claimed that trade provides an enormous benefit to U.S. consumers. As I have indicated, some claim that this current GATT agreement would provide a $1 trillion tax cut. The reality, however, is that only those who are independently wealthy enjoy net benefits, because the purchasing power of workers and their families have been driven down sharply by trade for a generation.

While some promise enhanced U.S. world leadership and status with further trade liberalization, the reality is that in order to pay for its massive and chronic trade deficits, the U.S. has plunged from being the world's leading creditor and banker by far to the world's biggest debtor by far. And the once strong U.S. dollar has collapsed in value; it bought 360 Japanese Yen in 1970, 260 in 1985, and less than 100 today.

This collapse in both wages and the purchasing power of the dollar is pricing more and more Americans out of foreign travel. In 1989, for the first time in the post-World War II period, the U.S. became a net host in world travel. Our services sector shows a trade surplus mostly because of the travel sector—foreign people come to the U.S., but our own citizens can no longer afford to travel abroad.

The end of the cold war and today's information technologies have given us the same sort of primitive market condition for the global economy that existed for many individual national economies 100 years ago. The current directive for GATT and the World Trade Organization is not some high-minded "world government" but a sort of world anti-government. Its mandate is not to seek prosperity for workers, adequate profits for business and a healthy environment for everyone. Instead, its mandate is to assure that nothing interferes with raw market forces, and the mandate will be carried out by a new, secretive world bureaucracy.

I cannot stress enough how extremely naive and dangerous this is. We must not approve these agreements.

The real issue, of course, is how to cope with a fundamentally new, post-cold war global economy in which our new information technologies have radically transformed the way national economies work. Until we face the fact that it costs a company $50,000 to $100,000 a year to hire a first-rate softwear engineer in the U.S., but $5,000 to $10,000, to hire the same talent in Bangalor, India or Moscow, we are not facing the real world. And the unhappy consequences of avoiding this real world are increasing every day.

Clearly, trade is vital in today's dynamic global economy. Yet this strategy now serves perversely to bring down our personal income, our levels of productivity, and standard of living, to lead our industries off-shore, to cost America millions of jobs, and, in general, to make this nation poorer.

The proposed Uruguay Round Agreements are more of the same trade policies that are already bleeding this nation. They are the wrong kind of trade agreements and ought to be rejected. They ought not be rejected in a close vote, but decisively, because they are agreements that hurt America.

Mr. CRAIG. Mr. President, the GATT, or General Agreement on Tariffs and Trade, is the regime under which we conduct international trade.

Here in the Senate we now have before us a very lengthy and complicated document referred to as the Uruguay Round Agreement. This agreement, negotiated over several administrations, will change the GATT significantly, in both good and bad ways.

I supported fast-track authority, and in general support free and fair trade.

I have expressed opposition to the Uruguay Round Agreement based mainly on the establishment of the World Trade Organization. Also, as a fiscal conservative, I have been strongly opposed to waiving the budget agreement which would allow passage without covering the cost for the full first 10 years of implementation.

In an effort to get a broad perspective on what Idahoans were thinking about the Uruguay Round Agreement, I sent out a mailing to business, agriculture and local community leaders. The limited response was mixed, even within the business community.

In unsolicited mail and phone calls, the overwhelming majority have been opposed to the World Trade Organization specifically and the Uruguay round agreement in general.

GATT is expected to be generally good for agriculture. However, the agreement has both good and bad components depending on the commodity. Unfortunately the agreement is not good for some Idaho commodities such as dairy, wheat, and sugar beets.

There has been a great deal of talk in the press about Senator DOLE's efforts in an attempt to strike a compromise agreement on the WTO language. I commend Senator DOLE for his efforts, but I am not satisfied with the results of negotiations with the White House.

The President was only willing to work on legislation dealing with this problem in the beginning of the next Congress. The administration expressed a willingness to support legislation next year to establish a WTO dispute Settlement Review Commission.

The Commission would consist of five Federal appellate judges, appointed by the President in consultation with the leadership of both houses and the chairman and ranking members of the Ways and Means, and Finance Committees.

The Commission would then review all the final WTO dispute settlement reports adverse to the United States to determine whether the panel exceeded its authority or acted outside the scope of the agreement.

In addition, Mr. President, should the Commission issue an affirmative determination a member from either the Senate or the House of Representatives could introduce a joint resolution for the President to have new dispute settlement rules negotiated, to address the problems identified by the Commission.

The agreement allows for withdrawal from the WTO if their are three affirmative determinations within a 5-year period. However, it requires an act of Congress and Presidential approval.

While the agreement is filled with good intentions, I am not confident that it provides the necessary safety-net to uphold U.S. sovereignty. The problem with this sort of arrangement is that the WTO dispute settlement panel may stay within the scope of authority in the agreement, but still pose a problem or threat to our sovereignty.

In other words, the problem lies within the parameters that have been

set in the GATT agreement. Therefore, the issue of sovereignty remains unresolved.

I have a number of concerns about a provision in the Uruguay round agreement which would establish a new international entity, referred to as the World Trade Organization [WTO].

The World Trade Organization is not a minor change to the structure of the GATT. It creates an entity that is, to me, more than an international organization. Rather, it is a regime with powers stronger than those of the United Nations.

There is a fundamental problem with the WTO. It was created as a supranational structure that would strengthen the enforcement of trade disputes under the jurisdiction of the GATT. There have been previous attempts to establish a supranational body to cover trade relations and dispute settlements.

Mr. President, after World War II, representatives from the United States and Great Britain designed a post-war economic system with three pillars: the World Bank, the International Monetary Fund, and the International Trade Organization [ITO].

The ITO was intended to be the administrating body covering the General Agreement on Tariffs and Trade [GATT]. As I mentioned earlier, Mr. President, the U.S. Congress rejected the ITO as a threat to U.S. sovereignty.

The congress took that action despite warnings from the political insiders that failure to join would impede economic recovery. Our predecessors realized that the United States and our trading partners did not need a bureaucracy to free trade.

The fear of granting broad authority over our trade rules to a mostly foreign entity led to the repeated rejection by the Senate of "The International Trade Organization" between 1947 and 1950 and a similar body known as "The Organization for Trade Cooperation" in 1955.

The WTO must be dropped or dramatically reformed so that there is no question about our sovereignty as a nation, and the sovereignty of state governments.

Mr. President, when forming the United Nations, special care was taken to ensure that the United States would have both veto power and a permanent seat on the security council. However, it is apparent that no such effort has been made with regard to the WTO.

In the WTO, the United States could be outvoted by a small coalition of nations, regardless of the overall size of their populations, their geographic sizes, their contribution to world trade, their funding contribution to the WTO, or their commitment to fair trade and democracy.

The WTO would initially consist of a diverse coalition of 117 nations. Each member nation of the WTO, including the United States, would have one vote in resolving trade disputes under the auspices of the two agreements—GATT and GATS.

The World Trade Organization would vote on amendments and interpretation of GATT provisions.

Again, Mr. President, the United States would be only one in 117 votes. Therefore, we could easily be outvoted by third world countries in the WTO, as often happens in the United Nations. Another point of frustration is that we will be paying 20 percent of the WTO budget with a voice behind only one vote.

Under the GATT as it currently exists, the United States has veto power and can block a panel decision by denying the necessary consensus to adopt a panel decision.

Consensus is also replaced in the WTO with the following guidelines: A two-thirds vote to amend the WTO; a three-fourths vote to impose an amendment on parties and to adopt an interpretation of WTO provisions. Under the interstate and foreign commerce clauses of the Constitution, States cannot discriminate against foreign businesses, including the application of State tax law.

Therefore, under the GATT currently, the failure of a State to comply with these provisions results in a United States court action allowing the parties to receive fair and open redress of their complaints.

The dispute settlement mechanism included in the Uruguay round agreement, on the other hand, would require such matters involving State tax policy and foreign businesses to be brought before the WTO.

It is my understanding, Mr. President, that a WTO dispute settlement panel can meet in secret and need not consider U.S. constitutional standards, nor follow the constraints of U.S. jurisprudence. This is a serious concern that needs clarification.

It is also my understanding that no individual U.S. State government is guaranteed representation on a WTO dispute panel. And, the United States cannot reject a WTO dispute panel mandate without facing foreign retaliation and trade penalties enforced by the WTO.

This may be a "worst case" scenario, but if it is a scenario that could occur under the WTO, then that provision in the Uruguay round agreement must be changed.

Mr. President, I would like to take a moment to discuss efforts to resolve the problems with the Uruguay round agreement and the WTO language.

Earlier this year, Senator THURMOND offered an amendment which would have been a nonbinding resolution, stating the sense of the Senate that a joint Senate-administration commission should be convened to perform a 90 day blue ribbon panel report on whether the WTO should be considered as a treaty rather than an executive agreement.

It also requested further hearings both in Washington, DC, and in the field, so that the ramifications of the WTO could be fully examined and understood.

Mr. President, let me be clear, this amendment did not make the GATT Agreement "DOA" [dead on arrival]. It simply reflected the importance of the agreement and the need to understand fully the development of a new international organization prior to our country's acceptance.

In short, it would have provided the kind of real solution I was looking for to ensure U.S. sovereignty.

In addition to the amendment, I joined Senator THURMOND in sending a letter to Senator DOLE requesting the following:

1. Mandate that the bill be fully funded.

2. Extend, for 1 year only, fast track authority, restricted solely to allow the introduction of new Uruguay round implementing language.

3. Include in the extension of fast track, requirements that the agreement establishing the WTO be considered as a treaty requiring a two-thirds approval in the Senate. The trade provisions of the Uruguay round would need only a simple majority in both Houses for passage.

4. Remove the special interest provisions such as the $2 billion discount of Federal licensing fees to three communications companies.

The intent of the letter was to allow ourselves the time necessary to resolve problems surrounding the WTO with a view to removing barriers from passage of the tariff reductions and other, positive components of the Uruguay round agreement. Unfortunately, Senator DOLE was not able to accomplish these four goals in his discussions with the White House.

Before concluding, Mr. President, I would also like to take a moment to add that I will be voting against waiving the Budget Act. The bill violates the fiscal year 1994 budget resolution agreement and will be adding $31 billion to our budget deficit.

As a fiscal conservative and long-term supporter of the balanced budget amendment, I cannot support the circumvention of deficit reduction plans.

Mr. President, any potential loss of U.S. sovereignty is not worth risking. World trade has progressed well under the current GATT system that is voluntary and requires unanimous consent for decisions. International trade has grown dramatically since the beginning of the GATT in 1948—the value of world trade has increased from about $60 billion to more than $3.7 trillion. The volume of world trade has increased about sevenfold.

Trade in Idaho has tripled from $752 million in 1987 to $1.9 billion last year.

The increase for this year is anticipated to top $2 billion.

I do not argue against the value of international trade. It is evident in the growth of Idaho's economy. However, I will argue that the WTO is not necessary for this trend to continue.

After all, this growth has occurred under the current GATT rules, without the WTO. I urge my colleagues to vote against the budget waiver and against the GATT agreement.

Mr. SIMON. Mr. President, I have decided to vote for ratification of the Uruguay Round of GATT and the budget waiver necessary under Senate financing rules.

In some areas, such as worker rights and environmental protection, the agreement fell short of the high ideals that the United States has historically championed. These issues, in particular, concerned me as I considered this wide-ranging document. I now will look to the administration to pursue further multilateral agreements to achieve the same parity in these areas that the Uruguay round brings to goods and services.

In the end, however, the agreement is about trade, and about our ability to compete in the world. As a leading export State, Illinois is a strong competitor and will be one of the first to gain from this agreement in new jobs and economic growth in our agricultural, industrial and services trade. We will see similar benefits as a nation from the leadership we are showing through this agreement.

There will be costs, and I do not vote to waive our tough budget rules lightly. I am concerned that this not be taken as precedent for widespread use of dynamic scoring. But we must be practical and realize the economic benefits that will result in the long term from this agreement.

The Uruguay round takes a further step toward a truly level playing field for American products in the world. I do not see the WTO as a threat to our sovereignty but as the common forum for global trade issues. If we are to set our own destiny we must remain engaged with the economies of the world, leading not by the bullying force of protectionism and veto power but by the strength of our workforce.

The more open global marketplace of the Uruguay round will continue to place a premium on worker skills and productivity. I hope that the passage of the Uruguay round will refocus our efforts to improve our Nation's educational systems to ensure that our workers remain the most productive in the world.

Mr. GLENN. Mr. President, I will support the legislation to implement the Uruguay round GATT agreement and hope that the full Senate will pass this measure by a substantial and bipartisan majority.

The United States is the world's largest exporter; we have the most productive workforce; and we have recently regained the distinction of the world's most competitive economy. Exports have been critical to the rebound in our economy, accounting for one half of U.S. economic growth over the past 5 years. Further, as has been stated repeatedly, we are already the world's most open market. Hence, competitive goods produced in this country, and those who produce them, have much to gain from the market-opening, tariff-reducing provisions of the new GATT agreement.

Like it or not, we are operating in a truly global economic environment from which we could not, and should not, withdraw. In 1965 exports accounted for approximately 5 percent of U.S. GDP; they have now risen to almost 12 percent. We cannot afford to ignore the substantial contribution of exports to our economic wellbeing. I have often said that if we did not have GATT to set the parameters for trade among nations, we would have to invent it, or something close to it.

I am not sure that this GATT is worthy of all the superlatives being attributed to it. However, it is a solid and substantial step forward toward the longstanding U.S. goal of freer and fairer world trade—a goal we have pursued since the origin of GATT in the aftermath of World War II.

My State of Ohio has a substantial and growing stake in the export market. We are the sixth largest exporting State. Our exports have grown rapidly in the last several years, from $6.5 billion in 1987 to $19.4 billion last year. One of every seven to eight jobs in Ohio's manufacturing sector currently produces for the export market.

In this negotiating round, spanning three administrations, Republican and Democratic, the United States made substantial progress toward realization of most of our major objectives. The new GATT mandates a reduction of worldwide tariffs by about one-third. That's a worldwide total of nearly $750 billion of tariffs eliminated, of which the U.S. share is $32 billion.

In addition to the reduction of tariffs—traditional barriers to trade which earlier GATT agreements primarily focused on—the new GATT makes significant progress in addressing another important U.S. concern—non-tariff trade barriers. For example, the new agreement requires all GATT parties to give greater protection to intellectual property rights. Lax or nonexistent protection for such intellectual property rights has proved a very effective non-tariff barrier to research- and creativity-sensitive industries such as pharmaceuticals, electronics, software and recorded entertainment, costing U.S. companies billions of dollars a year.

The new GATT agreement more fully incorporates into the GATT system major new sectors of world trade not previously covered or not fully covered; for example services, textile products, and agriculture.

In agriculture, the new GATT agreement requires non-tariff trade barriers, like quotas, to be converted to tariffs and then reduced. Further reductions in tariffs on agricultural goods in the future will be made easier by the requirement to quantify these non-tariff barriers.

The reduction of agricultural trade barriers in this GATT agreement is expected to result in increased agricultural exports by $5 to $14 billion over the next 5 years. U.S. farmers are the most productive in the world, already producing substantially more than we can consume at home. Presently, exports take about one-third of U.S. agricultural production. For U.S. agriculture to prosper, it must aggressively pursue markets abroad. This GATT provides an important tool to support that effort.

The agreement brings all parties, developing and developed, into the GATT system, with all the obligations and responsibilities that membership entails. Previously, developing countries had been free to opt out of certain GATT obligations.

Many critics of the new agreement have focused on the new World Trade Organization and its alleged ability to overturn U.S. laws. Let me reiterate, as clearly as I can, what has been repeatedly stated throughout the debate on this question—the Congress, and only the Congress, makes the laws of this country. A dispute resolution panel of the new WTO could rule that a U.S. law is contrary to our obligations under the GATT, but there is nothing self-enforcing about such a ruling. Any decision to amend that law to conform to GATT would have to be a U.S. initiative approved by both Houses of Congress and signed by the President.

In addition it has been suggested that somehow the provisions for decisionmaking and voting within the WTO create a tyranny of a majority who oppose U.S. interests. Let us examine the facts. The WTO agreement provides that the current GATT practice of decisionmaking by consensus will ordinarily be followed. This process of consensus decisionmaking is so well established within the current GATT that, it is my understanding there has never been a formal vote taken in GATT since the system was established after World War II. If consensus fails, then a matter may be decided by a majority of votes.

However, major issues such as waivers of agreement obligations and interpretations of most agreements will require a supermajority of three-fourths. Amendments to agreements will require a two-thirds majority, with those affecting basic rights and obligations of Members to take effect only for those Members that have accepted

them. Further, amendments to certain cornerstone GATT obligations will take effect only if all WTO members accept them.

I do not expect that the WTO will become a vehicle for attacking U.S. trade and economic interests. Indeed, I fear a more reasonable prediction is that an international organization with over 100 members which operates by consensus will be greatly challenged to do anything at all. Nevertheless, if experience proves contrary to my expectation, the United States should not hesitate to exercise its right under the agreement to withdraw, with 6 months notice.

As chairman of the Senate Governmental Affairs Committee, I would like to say a word about subtitle E, which makes necessary changes in U.S. law in order to implement agreements reached by the member nations of the GATT Government Procurement Code. The primary objective of the GATT Procurement Code is to ensure the establishment of Government procurement systems based on the principles of transparency, openness, and fairness.

Highlights of the revised code include a threshold of $182,000 for waiver of buy national requirements for central Government purchases. U.S. minority and small business setasides would not be affected, nor would procurements necessary for national security. Government construction contracts, with a $7 million threshold, and services will be covered for the first time.

In addition the GATT implementation bill would extend the U.S. procedure for responding to unfair Government procurement practices to cover failure to adequately enforce antibribery and corruption laws in the awarding of Government contracts.

The agreement will not impede the use of new information management and other technologies to improve the efficiency of Government procurement systems and is consistent with recently passed Government procurement reform legislation.

Is this agreement everything we could have wanted? No, it is not. Is there additional work to do? Yes, there is. Is this agreement a panacea for our economic problems? No, it isn't. Can we afford to be complacent about our productivity and competitiveness? No, we certainly cannot. However, on balance, I believe that this new GATT agreement makes a significant and positive contribution to furthering a freer and fairer system of world trade. I am convinced that it will be good for the U.S. economy—for producers and consumers alike. And I am confident that in such a freer and fairer international trading environment, American industry and American workers will prove very competitive.

Mr. NUNN. Mr. President, I rise today to support the GATT enabling legislation. The economic benefits of this agreement are, by now, familiar to everyone in this chamber. The GATT Agreement is projected by experts to: Increase U.S. national income by an additional $100–200 billion a year, and increase global income by as much as $5 trillion by 2005; reduce global tariffs by an average of one-third, producing a global tax cut of $750 billion over the next ten years, the largest in history; expand free trade rules to areas not previously covered by GATT, such as agriculture and services; and protect intellectual property rights through creation of the Agreement on Trade Related Intellectual Property Rights (TRIPs).

The result of these changes will be the creation of between 300,000 and 700,000 new American jobs and an additional $1,700 in income for a family of four by the year 2004.

Beyond the new opportunities GATT offers, its passage is vital to ongoing American global leadership. The GATT signals our continued commitment to free trade and competition, and to the conviction that consumers—not governments—make the wisest economic decisions.

The Uruguay Round is the seventh extension of the General Agreement on Tariffs and Trade, and it represents the culmination of 8 years begun during the Reagan Administration, continued throughout the Bush Administration, and concluded by the Clinton Administration. The United States was a founding member of the GATT in 1947, and we have been steadfast proponents of economic development through the reduction and ultimate elimination of trade barriers. The U.S. has been instrumental in reducing global tariffs from almost 60 percent at the conclusion of World War II to under 4 percent when the Uruguay round is fully implemented.

This strategy has worked well for America and the world. In 1987 constant dollars, U.S. Gross Domestic Product has quadrupled from $1.3 billion to $4.3 billion since the creation of GATT. The increase in trade during this same period represents a significant portion of this growth. Although we are no longer alone at the top, the United States remains the largest and most powerful economy in the world, and this agreement will help raise living standards in our country and around the world.

Mr. President, individuals fare best when they are allowed to do what they do best. Economists call this concept "comparative advantage," and it applies to nations as well as individuals. Because American workers are the most productive in the world, the GATT Agreement presents an unprecedented opportunity to utilize our advantages to export more goods and services overseas. Since the United States already has among the lowest tariffs in the world, the GATT's reduction of foreign tariff and non-tariff barriers can be expected to benefit American exports.

I believe GATT will prove to be beneficial for Georgians. For example, the forest products industry in Georgia is a $13.2 billion business, the largest in the State. The GATT Agreement includes the "zero-for-zero" agreement on wood and paper products. Paper products are already Georgia's leading export to Mexico and the second leading export to the rest of the world. As the forest products industry continues moving South, I expect that its exports will be a critical component in the region's continued economic growth.

Mr. President, Georgians are also proud of our poultry industry. Last year, poultry income in Georgia reached $1.73 billion, exceeding, for the first time, all other crop income combined. Poultry is one of the best and least expensive protein sources in the world, and nobody produces it more efficiently than Georgians. Under GATT, poultry exports are projected to increase 32 percent by 2005. The developing countries of Asia, South America, Eastern Europe, and Africa are hungry, and we want to help feed them. The GATT will help those economies grow, and will assure that as they do, their consumers have the opportunity to buy Georgia poultry.

Mr. President, the textile and apparel industry is Georgia's largest manufacturing sector and accounts for almost one-fifth of manufacturing employment in the State. I understand the industry is divided on GATT, but I would note that in Georgia, almost one-half of the industry is comprised of carpet manufacturers and suppliers, which is already benefiting from brisk overseas sales. According to the Department of Commerce, exports from the 307 ZIP code, which encompasses Georgia's "Carpet Crescent," grew 426 percent between 1987 and 1993, from $75.102 million to $395.37 million. So the carpet industry is clearly already benefiting from international markets. As for the rest of the textile industry, I note that the leadership of the American Textile Manufacturers Institute has endorsed the agreement, and is especially pleased that the Breaux-Cardin rules-of-origin requirement was retained in the implementing legislation.

Georgia is also a leader in the production of industrial machinery, chemical products, transportation, and electric equipment. These four industries accounted for more than $1.27 billion in Georgia's 1993 export sales in 1993, more than one-fifth of total exports. The same four industries grew an average of 143.65 percent between 1987 and 1993.

I have mentioned just a few Georgia industries by way of example, so let me address generally for a moment the importance of exports to Georgia. In 1993,

Georgia shipped $6.05 billion worth of goods to the rest of the world. That's at 148.8 percent increase over 1987. Mr. President, jobs supported by merchandise exports pay above average wages (17 percent above average in 1990). The growth in these exports provided new jobs for Georgians and an increasing standard of living. GATT promises more of the same.

Some of my constituents have said to me, "How can we possibly compete with or sell to a country with $1 an hour wages?" That's a fair question, but it assumes that labor is the only component that matters in trade. This is, of course, untrue. Transportation, energy, education, and investment—in a word, productivity, all play a vital role in manufacturing, and the United States offers the best total package. That's why BMW and Mercedes Benz will soon begin manufacturing automobiles in South Carolina and Alabama, and why YKK, Matsushita and other foreign manufacturers have made Georgia seventh in the nation in direct foreign investment, with 10 new manufacturing plants.

As a practical matter, Mr. President, we have no choice but to trade with the rest of the world. The United States represents four percent of the world's population and 22 percent of the world's economy. But the United States, Western Europe and Japan are mature economies and their growth potential is limited. If we close the door to the fast-growing developing world, we are resigning ourselves to a declining standard of living; and if we don't capitalize on opportunities in the developing world, someone else will. But we cannot have it both ways. We cannot demand that other countries open the door to the U.S. while we shut the door on them.

Mr. President, a final word about the World Trade Organization (WTO). I know some of my constituents are concerned about the implications of the WTO's Dispute Settlement Board on U.S. sovereignty. I have studied this issue closely, and based on my review, I do not believe it will infringe on our sovereignty. The WTO cannot change U.S. law; only Congress can. In any event, the ultimate recourse in any GATT dispute is for the United States is to withdraw from GATT. I would certainly support exercising that option if I though the GATT infringed upon our sovereignty. I believe this Agreement protects U.S. interests while increasing economic opportunities at home and abroad.

Mr. KOHL. Mr. President, I rise today in support of the GATT implementing legislation. This is not perfect legislation or a perfect trade agreement. But we are not here today to vote on a perfect trade agreement. We are here to decide whether Wisconsin and the United States will be part of the world economic market.

Both proponents and opponents of GATT are trying to answer that question using the same criteria. What vote will lead to more jobs, more economic prosperity and a better standard of living for the most Americans?

For the people in my home State of Wisconsin, GATT and entrance into a more open world market is the answer. We can try to preserve our current standard of living by shutting out the rest of the world—and that might work to preserve a few jobs in a few industries for a short period of time. Or we can try to improve our future standard of living by using the GATT to enter new world markets—and that gives us an opportunity to create new jobs in many industries for the foreseeable future. Choosing GATT is choosing the chance for a richer, better future for our children.

The U.S. economy is increasingly dependant on the international economy. In 1992, according to the Department of Commerce, over 7 million workers in the U.S. owed their jobs to merchandise exports and an additional 3.5 million U.S. workers owed their jobs to U.S. service exports. In 1993 in Wisconsin, exports totaled $5.8 billion, almost double the level of exports in 1987. The days are gone in which the rest of the world needed our business more than we needed theirs. Trade is responsible for millions of current U.S. jobs and thousands of Wisconsin jobs. It has created millions of U.S. jobs and thousands of Wisconsin jobs. And expanding trade will create millions more.

The reductions in tariffs and trade barriers will stimulate economic growth and enhance export opportunities for American business. One study by the Economic Strategy Institute concludes that the agreement would increase annual U.S. income between $100 billion and $200 billion over ten years. It is also estimated that this agreement will generate from 300,000 to 700,000 new jobs by 2004. American consumers will benefit from lower prices and increased competition, which will lead to higher quality, competitively-priced goods and services. Wisconsin's leading manufactured exports include industrial machinery, scientific and measuring instruments, and electric and electronic equipment. These three industries together accounted for nearly 60 percent of the state's total exports in 1993. Under this agreement, tariffs on these products will be reduced by over 50 percent.

For all of these reasons, I believe moving toward free trade and U.S. participation in the world market is the best choice, and that is why I support GATT. But that does not mean I believe GATT is perfect. There are some provisions of this massive agreement with which I take issue.

First of all, passing GATT requires waiving the Budget Act—something I do not take lightly. The lower tariffs in GATT will lead to a loss of tariff revenue for the United States of $10 billion over the next five years and $26.6 billion over the next ten years. When GATT was first released, I and several other Senators wrote to the President asking him to develop implementing legislation that fully offset these revenue losses. The Administration did subsequently develop a financing package that is included in the implementing legislation before us. It reduces the revenue loss to $1.7 billion in the first five years and $12 billion over ten years.

I would have preferred a full offset; I believe that is the more responsible course. But I also believe that GATT will generate new economic activity that will offset the revenue losses many times over. It is proper that we do not count such revenue in our budget figures because it is based on assumptions about economic growth that are not 100 percent certain. However, it is also proper that we waive the budget rules to pass legislation that almost certainly will lead to a healthier economy and a stronger government balance sheet. As Senator Domenici pointed out earlier today, we allow our budget rules to be waived by vote of the Senate exactly because there are some measures—like GATT—that have positive economic and budgetary effects which are not reflected by our current, conservative accounting.

Second, I have heard from some who are concerned about the effect this agreement will have on the dairy industry, one of the largest industries in my state. However, it must be noted that, in general, GATT is good for agriculture. U.S. farmers can expect to gain new export markets for products from feed grains to meat products to fruits to vegetables.

However, it is no secret that dairy farmers are unhappy with this Agreement. They are correct that U.S. negotiators did not place a high enough priority on gaining new markets for U.S. dairy products. And the mixed signals sent from U.S. dairy representatives in Geneva during the GATT negotiations made it difficult for negotiators to set a clear objective for dairy trade.

The question is, however, what do you do with that information? Oppose the Agreement and all of its other benefits or attempt to bring about appropriate changes in the GATT for dairy farmers. I have chosen the latter course. I have worked with the Administration and our trading partners to do everything possible to make this Agreement better for the dairy farmers of this nation.

One of the biggest concerns of dairy farmers about this GATT Agreement has been the large increases in cheddar cheese imports from New Zealand and Australia. Since cheddar cheese acts as a commodity cheese in this nation, increased imports of cheddar cheese have

a direct effect on milk prices paid to U.S. farmers. And milk prices are already too low.

To soften the blow to U.S. dairy farmers, several of my colleagues and I were able to work with Australia to achieve a mutually beneficial agreement to adjust the type of cheese entering U.S. markets from that nation. As a result of these efforts, Australia has agreed to swap half of their cheddar cheese allocation for an equal allocation of specialty cheeses, which do not directly effect milk prices.

Another priority for U.S. dairy trade has been access to the Canadian market. While Canada has agreed to remove their import quotas on dairy products imports, they have replaced them with high tariffs, in direct conflict with the NAFTA and U.S.-Canada Free Trade Agreement. Although this matter is still unresolved, Ambassador Kantor has assured me that he will continue negotiation with Canada on this matter, and bring formal NAFTA dispute action against Canada if necessary.

And finally, I have listened with concern to those who have argued that the World Trade Organization established by this Agreement will lead to weakening of the environmental laws of the United States. Clearly, that would be counter to the purpose of GATT, which is to further unite trading partners through reduced economic barriers. I view a general trend of increased environmental standards worldwide to be an appropriate corollary to the increased economic trade envisioned by this GATT Agreement. As a nation's standard of living increases, so also does that nation's ability to devote resources to environmental goals.

Contrary to some accounts, the World Trade Organization has no sovereignty over U.S. environmental laws. The WTO does, however, have the authority to declare U.S. environmental laws GATT illegal, but only if they are not scientifically based. If, as some suggest, the WTO consistently rejects U.S. environmental laws as GATT illegal, the United States retains the full right to withdraw from that body. But for the United States to reject this GATT Agreement, would be to discard our ability to be a force for environmental change worldwide. It is my hope that the United States will be able to join with European nations in using the power of the WTO to persuade other nations to adopt more environmentally progressive laws.

Despite these reservations, I believe that the legislation before us today is exactly the type of legislation we should hope to pass in the 104th Congress—bipartisan, practical, good for the nation as a whole. Yes, it is full of compromises. Yes, I would have drafted some parts differently. But, overall, GATT moves Wisconsin and this nation into the world market, into opportunities for a better standard of living, into a prosperous and healthy future. It does so because it is not a political document—it is a practical attempt to provide the most hope and opportunity for the most Americans. That is good legislation. And that is legislation worthy of our support.

Mr. KENNEDY. Mr. President, I support the General Agreement on Tariffs and Trade. A year ago, there was extensive debate in Congress and the Nation over whether the United States should enter into the North American Free Trade Agreement with Canada and Mexico, our two closest neighbors to the North and South. Today, the Senate will vote on whether to enact legislation implementing a much more far-reaching effort to reduce barriers to trade among more than a hundred nations throughout the world.

As with NAFTA last year, GATT has provoked strong feelings on both sides of the issue, especially with respect to its impact on the workforce. In Massachusetts, I held a hearing and heard from a number of witnesses who are deeply concerned that the long-term consequences of GATT will be further pain and dislocation for working men and women who have already been hard hit by the massive structural changes that have transformed our economy over the last two decades.

There is one fundamental principle we can all agree on. The success of our trade policies must be measured by the degree to which they improve the living standards of the people and advance the well-being of our society.

It is clear that many families have yet to experience the sense of enhanced economic security that should come with an expanding economy. Despite significant progress in the last 2 years in making up the ground lost to the recession, reducing unemployment, creating new jobs, holding inflation down and cutting the Federal deficit, there continues to be a pervasive sense of unease among large numbers of working families.

Many of them have been affected by the dislocations accompanying this period of economic change—if not directly, then through the experiences of relatives, neighbors, or friends. The prospect of expanded trade and increased international competition in these difficult times often means greater anxiety among these families for their own jobs and for their families' futures.

One answer to this increasing global competition is more investment in technology, infrastructure, and education and training. America must not engage in a "race to the bottom," where we are obliged to lower our living standards to those of Third World nations. Instead, we must compete on productivity, and that means investment, public and private.

I hope that many of my colleagues will be mindful of these needs. It isn't enough just to expand trade. We must provide necessary investments, while keeping our fiscal house in order. We must do more to alleviate the fears that many working men and women now have, and that have made passage of this agreement so controversial.

In recent years, we have been working hard in Massachusetts to overcome the effects of the recession and to create new jobs and better jobs for our workers. We have made substantial progress, especially in areas such as telecommunications equipment, software, biotechnology, construction, and other industries. Our primary goal is the retention and creation of good jobs and good wages.

In Massachusetts, we are fortunate to have a number of industrial sectors that will continue to grow and expand, as long as we continue to focus on their needs, and invest in them. We must provide an educated and skilled workforce, a quality living environment, and the infrastructure necessary to keep our State economy strong. To do so, we must maintain the competitive advantage that has made our State a place where we can create good jobs for our workers.

I have supported the administration's efforts to negotiate GATT, because I believe our economic strength depends on expanded trade. In Massachusetts alone, exports increased almost 50 percent during the depth of the recent recession. While many industrial sectors across the State and country were downsizing, those that were able to take advantage of export opportunities created 60,000 new jobs and more than $3 billion in new economic activity.

GATT will help many sectors of the economy to grow even more rapidly. Its broad provisions reducing tariff and nontariff barriers for large numbers of products will open foreign markets at long last to countless U.S. enterprises. Barriers that have long denied U.S. access to markets in Europe, Asia, and other parts of the world will be removed.

The machine tool industry, which was founded in New England and has recently begun to rebound, will have improved access to new world markets. Our medical equipment, computer, and telecommunications industries will be better able to compete in international markets.

GATT also increases the protections for intellectual property and helps to combat intellectual piracy, a significant issue for high-technology industries like computer software. More open access to foreign government procurement contracts will allow U.S. industries to compete for new business across the globe.

Our financial services sector did not gain the export opportunities that we had hoped for, but the foundation for future negotiations has been laid.

Overall, expanded world trade will help the economies of Massachusetts

and America. But no one disputes that there will be losers. The textile and apparel industry, for example, will be faced with the phase out of the Multi-Fiber Agreement, which sets the quotas that have allowed the industry to remain competitive over the years.

We should provide effective assistance to such industries, helping them to use more productive technologies and have a well-trained work force. We should take some of the benefits from expanded trade, and use them to assist those industries like textiles that have already been hurt by global competition, and that will be harmed even more by GATT.

But the consequences of failing to pass GATT are much worse than the damage that will be done by approving it. If Congress fails to pass this agreement, it will weaken America's position in the world economy. It will encourage other nations to continue with their own protectionism and unfair trading practices that have blocked many American industries from fair competition.

Like many of my colleagues, I wish that this agreement had higher standards for labor and better environmental protections. But rejection of GATT now will not advance these other worthwhile goals. If GATT fails, the world trading system will be set back for years, if not decades. In such a contentious atmosphere, it will be even more difficult to make progress on the labor and environmental issues that we care deeply about and that should be part of future trade negotiations.

Additional concerns over GATT involve the World Trade Organization, U.S. sovereignty, and our relations with other nations. In fact, though, we will be in at least as strong a position under the new organization as we were prior to GATT.

A more effective dispute resolution mechanism was one of America's principal negotiating objectives under GATT. Under current procedures, when the United States won favorable rulings against other nations' unfair trade practices—which was the case more often than not—we had no effective means of implementing those rulings.

Senator DOLE and the administration have worked well together to improve GATT on issues relating to the WTO. If the WTO truly threatens U.S. sovereignty, we can withdraw from the agreement, and Congress will now have an enhanced role in facilitating that withdrawal. I do not anticipate such a scenario taking place, but the ability of the United States to withdraw in these ways should reassure some of the critics.

For all of these reasons, and recognizing the agreement's flaws, I urge the Senate to support GATT. The real challenge we face will be to see that GATT fulfills our hopes, not our fears. Above all, we must help the industries and workers hurt by this expansion of trade, and I intend to do all I can in the months and years ahead to see that this challenge is fully met.

Mr. MCCONNELL. Mr. President, today the Senate will vote on history's most ambitious world trade agreement. Since World War II, the world economy has become increasingly interdependent and trade has played an increasing role in political affairs. For the past seven years and through three administrations, two Republican and one Democratic, the U.S. has worked to expand free trade in the Uruguay round. Studies indicate that the U.S. will receive a boost of over $100 billion annually through expanded trade. I support the agreement, because it mandates not just free trade, but fair trade for U.S. goods.

Mr. President, this agreement has been expanded to include coverage for a number of new areas such as the trade in services, agriculture and protection from piracy of intellectual property. This agreement will also implement the largest tax cut in history. The across-the-board reduction in tariff, subsidy, and quota levels will amount to a $744 billion tax cut worldwide. "Tariff" is a fancy name for "tax" and these taxes are applied to both consumers and U.S. exports. These added costs put U.S. exports at a distinct disadvantage.

Since GATT's inception in 1948, eight trade rounds have been completed that have established rules of trade reducing tariff and non-tariff barriers. As a result, world trade has steadily expanded.

In fact, between 1965 and 1990 merchandise trade has increased by a whopping 439 percent. Currently, the U.S. is the leading world exporter, with 11.6 percent of our Gross Domestic Product coming from exports. As this figure increases, so will higher paying export-related jobs.

This agreement achieves four major objectives. First, foreign markets will open to U.S. producers through the reduction in tariff and non-tariff barriers. I am especially pleased in this round we were able to crack the protectionist foreign agriculture markets which to this point have heavily subsidized their own agricultural interests.

Second, this agreement strengthens the procedures for dealing with unfair trade. The new dispute settlement procedures will ensure that nations engaged in unfair trade will be required to come to the table in good faith to resolve trade disputes. This will eliminate the delays and stalling tactics which foreign countries have used in blocking U.S. entry into their markets.

Mr. President, the third objective this agreement achieves presents the best opportunity for the U.S. to expand trade. This allows for the establishment of rules of trade in services and the protection of intellectual property.

This is the first multi-lateral and enforceable agreement to include either provision. This is a tremendous achievement for the United States. In 1991, services accounted for 62 percent of U.S. GDP, employing 57 percent of U.S. workers. Currently, the U.S. maintains a $55 billion surplus in this area.

With regard to intellectual property, U.S. corporations have lost billions because there have been no trade protection against the piracy of intellectual property. In 1987, a survey by the International Trade Commission estimated that U.S. companies lose $23 billion annually due to piracy of intellectual property. With the U.S. the undeniable leader in intellectual property, such protection is critical to ensure future innovation and prosperity.

A letter I received from the Software Publishing Association states that this new trade protection will help American software producers retain nearly $7.5 billion annually. Mr. President, this figure represents an astounding 48 percent of the software market share.

Lastly, this agreement will reduce federal subsidies and instill some discipline in international agriculture trade. For too long, U.S. farmers have fought a losing battle to gain access to European and Asian agriculture markets.

Prohibitive subsides and tariff barriers have stymied the growth of our highly productive agriculture industry. Without a doubt, exports are essential to continued market expansion. The U.S. Department of Agriculture estimates that the Uruguay Round Agreement will increase exports by $5 to $14 billion over the next five years.

What is more important for future agricultural trade expansion is the discipline that the agreement applies to countries who might otherwise choose to close markets and subsidize exports. This agreement has important consequences for our large trading partners that are currently outside of the GATT such as: China, Taiwan, and the nations of the former Soviet Union.

This agreement enables countries to use GATT rules to challenge unjustified health-related regulations that restrict trade, while protecting every country's right to ensure food safety and animal and plant health through policies based on scientific evidence. I am confident that U.S. laws will prevail and set a higher standard for our trading partners to meet. That is why the American Farm Bureau and the Kentucky Farm Bureau both proudly support GATT.

I have heard from a number of organizations who have attempted to deflect the debate away from the importance of free and fair trade to other issues. Mr. President, we must not lose sight of what this agreement is about.

It is about expanding trade and providing access to other markets that currently maintain barriers that deter the sale of U.S. products. This will ensure our own economy will grow and create new, higher-paying jobs.

Mr. President, I am not aware of any respected analysis which estimates that this agreement would have an overall negative impact on employment on the economy as a whole. Instead, GATT will reduce world tariff rates by 34 percent on average, and entirely eliminate tariffs in key exports such as pharmaceuticals, toys, medical equipment and heavy industrial machinery.

This agreement will cut tariffs worldwide by $744 billion, and the cuts borne by the U.S. represents only a small fraction of this total. It is widely accepted by economists that a reduction in trade barriers will stimulate trade.

The most recent and telling free trade success was the NAFTA agreement implemented at the beginning of this year. NAFTA has sparked the creation of more than 100,000 new jobs this year alone, and contributed to a 21 percent increase in trade with Mexico in the first nine months of the agreement. U.S. corporations are selling everything from apples to X-rays because of NAFTA.

NAFTA, though it has proven to be a stunning success, pales in comparison to the GATT which includes over one hundred countries. The Department of Treasury estimates GATT will contribute to the creation of an estimated 500,000 new U.S. jobs and over $100 billion in increased economic activity per year. This economic boost will more than offset the revenue lost in the last five years of this agreement.

There are some who claim that this agreement will serve our sovereignty up to some higher world government. This is absolutely not true. The World Trade Organization is a framework for resolving trade disputes. The decision issued by a dispute resolution panel is not self-enforcing and can't override U.S. domestic law. Only the U.S. Congress can change U.S. law. In fact. Section 102 of the Agreement states that "no provision of any of the Uruguay Round Agreement, nor the application of any such provision to any person or circumstance, that is inconsistent with any law of the United States shall have effect." As a Senator, I have sworn to uphold the Constitution and I am confident this agreement does not pose any threat to U.S. sovereignty.

Further, I am hardly alone in that view. The distinguished Judge Robert Bork, as well as the highly conservative Heritage Foundation, have both concluded the same thing.

This agreement, however, will establish the most effective and binding dispute settlement procedures to ensure compliance and fair trade. These procedures give the U.S. a stronger hand in bringing unfair trading nations into arbitration and settlement in a timely fashion. More importantly, it eliminates the ability of nations to veto their penalty for unfair trade practices under the current GATT.

If, however, the gloom and doom scenarios of protectionists do come true, the U.S. has the opportunity to withdraw from this executive agreement and continue under the old regime.

As the leading free trade nation, the U.S. stands to benefit greatly from this dispute resolution framework. Instead of looking at the glass half empty, as many protectionist have, we can be confident that the U.S. will have a mechanism for opening various unfairly protected markets. If a nation is found guilty of unfair trading, the U.S. has every opportunity to take unilateral action to even the playing field. Obviously, losing a foothold in our market would be a significant deterrent for any nation or industry.

Mr. President, I have wrestled with this decision for some time. I am disappointed that President Clinton did not remain committed to the passage of this agreement after it was signed early this year. The "lame duck" nature of this special session has fueled the mistrust of the American people. Unfortunately, we are left with zero options. Without the fast-track protection, which expires at the end of this year, this agreement would be decorated like a christmas tree, with special interests each putting their ornaments on it until it collapses from the weight. This would harken back to the Smoot-Hawley Tariff bill that led to the most proetectionist and failed trade regime the world has ever seen.

Despite receiving the endorsement of Constitutional scholars, academics, trade experts, consumer organizations, farm groups, employees, business and state and local officials, we have had to fend off assaults from the opponents of free trade and avowed protectionists. for their own reasons, the opponents have a strong desire to continue under the old system of high tariffs and record U.S. trade deficits.

Mr. President, I find it difficult to understand why the opponents of this agreement want to continue to pit U.S. exporters against our trading partners with one hand tied behind our back.

I too believe we need to reduce our trade deficit, but the only way that can happen is to expand our markets and sell more abroad. I find it incredible that the GATT's opponents believe our trade deficit will be reduced by the defeat of this bill.

For the long term benefit of the United States, we must focus on the expansion and protection of our exports, which this agreement ensures. This agreement will tear down longstanding trade barriers and create new markets for U.S. goods. We must not forego this opportunity to expand exports and create new jobs. I urge my colleagues to support a winner, support GATT, and allow America to compete freely and fairly on a more level playing field of trade.

With a new century only six years away, we must not turn the clock back now. A great future lies ahead for us, and GATT will help make us ready for it.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. I yield the remainder of our time to the distinguished majority leader.

Mr. MITCHELL. Madam President, Members of the Senate, the Senate will shortly vote on the Uruguay round of the General Agreement on Tariffs and Trade. It is one of the most important votes of this Congress for the future prosperity of our Nation.

This trade agreement, if approved, will bring enormous benefits to our economy, our businesses, our workers.

Expanding international trade has been the engine of American prosperity since the end of the Second World War. It has been the focus of all of our past international trade policies.

Immediately after the war, the United States financed the reconstruction of an international order based on stable, prosperous democracies because we saw that our Nation's security would be best preserved in such a world.

We succeeded to an unprecedented degree. The Marshall plan rebuilt European industry and fired the engines of the so-called German economic miracle.

In Japan, the introduction of democratic political institutions went hand in hand with the grant of favorable trade access for Japan and other devastated nations in the Pacific.

During that period, we undertook the defense of the free world in the interests of Western security. While our trading partners rebuilt their economies, we protected them against aggression.

But as our trading partners became our trading competitors, they began to protect not only their favored, relatively free access to our markets, but they began to protect their own markets against others, including ourselves.

We have not insisted with sufficient vigor that our trading competitors carry their own defense weight, but we will. We have asked them to open their markets to our goods. The agreement now before us is a huge step in that direction.

Immediately following the Second World War, the American economy dominated the world. We had little competition. American production, as a percentage of the world's economic production, was 37 percent. The crippled economies of postwar Europe and Japan were struggling to get on their feet. Former colonies in Pacific Asia

and South Asia were just beginning the process of economic development.

In the intervening 40 years, our economic growth has been solid. So has the growth of our trading partners and our competitors.

Former colonies in Asia are growing faster than are the mature economies. The American economy has kept pace, but in such a changed world America's share of a hugely enlarged global economy was bound to be smaller relative to others, as it is.

Today, the output of the 260 million people of the United States is about 22 percent of the combined output of the other 5.5 billion people in the world.

A lower relative share of world production means that we have to compete both for developed and emerging markets throughout the world. We cannot be satisfied any longer with simply selling American products in America. This agreement will give us the tools to compete on a more level playing field, to compete against competition, not against artificial trade barriers.

The economic miracle of the postwar world is that with the expansion of international trade, every participating nation's economy has grown. Human well-being has reached more people at higher levels than ever before in history. The leading beneficiary of that trend has been the United States.

The future of our economy depends on our ability to respond to the demands of the global marketplace. This agreement will define the American role in the global economy and in world affairs well into the 21st century.

With the passage of this agreement, the Senate will affirm the leadership role of the United States around the world. Rejection would send a far different signal: That the United States fears the challenges of the post-cold war global economy. Rejection of this agreement would be a signal of American weakness.

We should not turn our backs on opportunities in new and growing markets around the world. Our own economic security depends on our willingness and our skill at adapting to a rapidly changing global economy. American companies have adapted to the competitive international marketplace by increasing productivity through new manufacturing techniques and by streamlining production. The American worker is the most productive worker in the world.

Let me repeat that for those who fear competition with other nations: The American worker is the most productive worker in the world. But the price of these productivity increases has often been the reduction of a company's work force.

Automation and improved computer technologies have made many jobs vanish as silicon chips now perform functions that once were performed by human beings.

It is no wonder that many working Americans fear the fallout of economic change. They have a right to be wary, for too often in the past swift economic change has disrupted the lives of families and whole communities, and too often, our Government has responded slowly, begrudgingly, inadequately.

The government which wants to expand trade must recognize that it has a reciprocal responsibility to the people most at risk from the effects of trade expansion.

Those who favor the trade agreement, as I do, must acknowledge and accept the responsibility to remember that there is more than one step in our progress toward a more prosperous nation and world.

The first step is opening markets and freeing trade.

But the second and equally important step is to make certain that our people do not disproportionately pay the costs that are part of every significant economic change.

We must work together to prepare the U.S. economy for the challenges of the 21st century. Our workers must be educated and trained so the industries of the future will invest in this country and create new jobs here. We must reduce the burden that health care costs place on American businesses, which reduce their global competitiveness.

Like every one of my colleagues, every single Member of this Senate, I have seen first hand the dislocations of families and communities that occur when a production facility is moved offshore, or competition from lower wage countries gives our consumers a better bargain. The displaced workers should not be forced to pay the price of change.

But we must recognize also the benefits of change and harness them to our advantage. In my home State of Maine, companies and their workers have greatly benefited from expanded global trade.

In 1993, Maine exported more than $1 billion of merchandise to foreign markets, almost 10 percent more than in the previous year. Maine's sales to foreign markets grew more than three times the rate of the domestic economy.

Our economic future depends on expanding international trade though lower tariff and eliminating nontariff barriers. So does the economic future of every other State in the Nation.

The North American Free-Trade Agreement, passed only last November, has already produced tangible economic benefits in Maine.

In the first quarter of 1994, Maine's exports to Mexico increased 141 percent over the previous first quarter. The agreement before us today will have an even greater positive impact, a much greater positive impact, on economic growth on Maine and the Nation than did the North American Free-Trade Agreement.

For example, this agreement will eliminate tariffs on paper and paper products in European and Asian markets. The American paper industry has estimated that this tariff elimination alone will produce a $2 billion increase every year in American exports of paper and paper products.

The agreement lowers tariffs now levied against other Maine product, including semiconductors, electronic components, wood and wood products, blueberries and leather products. When those tariffs are cut, Maine-produced goods will be less costly and more attractive to foreign buyers, and Maine's exports will have a chance to grow. That is true for the products of virtually every State in the Nation.

In addition to the tariff cuts, the agreement will establish new rules to help eliminate foreign import barriers based on unjustified or unreasonable local regulations. In the past, to cite one example, foreign countries have restricted imports of American potatoes from Maine and other States, and fish products through the use of unfair sanitary and phytosanitary standards.

Under this agreement such standards will have to be based on science. Since our regulations are now based on science and others are not, we can only benefit from compelling other nations to adhere to the high standards which we already observe. The agreement will not prevent the United States or any other nation from adopting more stringent standards but it will curtail their use as tools of protectionism.

These are only a few of the benefits that this agreement will produce for the State of Maine and the Nation.

Here in the debate and across the country opponents of this agreement have attacked it because it will not immediately produce impeccable fairness in every aspect of every trade exchange among an international community whose member nations vary enormously in wealth, resources, manpower, and laws.

It has been attacked because the agreement itself does not eliminate child labor practices in foreign nations. It has been attacked because the United States currently has a balance of trade deficit, and the agreement cannot guarantee that the U.S. trade deficit will be eliminated in the future.

Of course, the reality is that the United States could never reach a multilateral agreement that would by itself solve all of these problems. But this world's nations, with all their differences in wealth, resources and laws, are the only trading partners we have.

We do not trade with Mars. We do not trade with the Moon. We do not trade with people and countries made in heaven. We trade with the countries which exist on this Earth. And so we must negotiate with them as we must trade with them.

No agreement of this scope could be perfect. This one is not. It leaves open

the potential of trade disputes in the future. That potential can never be eliminated. Foreign agriculture subsidies were not completely eliminated under this agreement, although they are substantially reduced. The transition period for imposing the intellectual property rules on developing nations is disappointingly too long. And the concerns of the U.S. audio-visual industry were not properly addressed in the services agreement.

But we should not measure this trade agreement against a perfect and unrealizable ideal. We must weigh it against the current world trading system, and the current rules. And by that comparison, this agreement is a very good deal for America, and a very great improvement on the current system.

Mr. President, I want to address that aspect of the debate which has generated the most misinformation; that is, the role of the World Trade Organization and its impact on the American sovereignty.

Let me make it clear and unmistakable. The Uruguay round agreement will not undermine the U.S. sovereignty; will not undermine U.S. sovereignty. The power to make and change American law will remain where it is right now, right here with the U.S. Congress.

And section 102 of the implementing legislation plainly states, and I quote its exact words: "No provision of any of the Uruguay Round Agreements, nor the application of any such provision to any person or circumstance, that is inconsistent with any law of the United States shall have effect."

No provision, nor its application, that is inconsistent with any law of the United States, shall have any effect.

That is a direct, unmistakable response to the allegations of a loss of sovereignty.

Neither the World Trade Organization nor any dispute settlement panel will have any authority to enjoin the enforcement of any United States law or any State law, or to impose any monetary sanctions against the United States. The dispute settlement panel will have the power only to recommend that a member nation bring its laws into conformity with its international obligations.

But that does not mean we must change our laws. If a dispute settlement panel rules against us and says that a U.S. law is inconsistent with GATT, we may offer to the complaining country compensation, or we may make another agreement.

The decision-making rules of the World Trade Organization are protective of American interests. For over 30 years, the GATT has operated by consensus—in which any member nation can block action and exercise an effective veto. There has not been a GATT wide vote on any trade policy issue since 1959.

Article Nine of the Uruguay round agreement specifically codifies this past GATT practice of operating by consensus.

If World Trade Organization members attempt to change the Uruguay round agreement in the future, the rules provide that certain important provisions, such as the most-favored-nation obligations, decisionmaking rules, and the amendment rule, can be changed only—I repeat—only—when all members of the World Trade Organization agree to the change. That means that if any amendment is against American interests, we can block it.

To allay concerns about the World Trade Organization, the President has consulted with Secretary of the Treasury Bentsen, U.S. Trade Representative Kantor, and Senator DOLE. They have reached agreement, an agreement which will create an exclusively American commission of five retired judges who will review any adverse decision made by a World Trade Organization dispute settlement panel. This American commission will determine if such a panel decision is outside the scope of the trade agreement or exceeds the panel's authority.

If the review commission makes three adverse determinations within 5 years, Congress will have the authority to approve a joint resolution for U.S. withdrawal from the World Trade Organization.

The legislation will provide another procedure to withdraw from the World Trade Organization. There is existing authority in the agreement that allows any nation, including ours, to unilaterally withdraw from the World Trade Organization after giving 6 months' notice. So let us put it to rest once and for all. The World Trade Organization will not undermine American sovereignty; it will enhance our economic interests.

On the budget issue—and that is the first vote we will have—we should not be mistaken about the impact of this agreement. If it is implemented, the agreement will lower, not increase, the Federal budget deficit. The increased economic growth will generate more revenue for the Treasury than it will lose from the tariff reductions.

The congressional budget rules are important, but we must now waive those rules in this case because the agreement serves both the national interests and promotes the goal of deficit reduction.

The potential dangers of this agreement have been much discussed and, in my respectful view, much exaggerated. Meantime, the potential benefits are much more real and realistically based.

Over time this agreement will reduce average merchandise tariffs by more than one-third. In the world's developed economies, average tariffs would decrease from 6.3 percent to 3.9 percent.

These lower tariffs will encourage economic growth in the United States and around the world.

Economists estimate that when the agreement is fully implemented, the American gross domestic product will increase between $100 billion and $200 billion every year. That will produce hundreds of thousands of new jobs for American workers.

My fellow Senators, we have come to the end of a long and vigorous debate. Eight years ago, negotiations on this agreement began. Three Presidents negotiated it. Their cumulative efforts reached a successful conclusion almost a year ago. The world's trading nations signed the accord on April 15 of this year, many months ago.

The administration and the Congress jointly drafted the implementing legislation. It was introduced more than 2 months ago. The vote we are about to cast, as we all know, was delayed for 2 months for even more hearings.

The Senate has fully, exhaustively, carefully, debated and considered this issue. Almost every provision in the agreement and the implementing legislation has been thoroughly examined.

On Tuesday, the House of Representatives gave it an overwhelming bipartisan endorsement by a vote of 288–146.

It is now the Senate's turn to act in the national interest. I urge my colleagues to vote for this agreement. It is in the Nation's best interest, and that must be our sole standard for voting on a measure of this significance. Reasonable men and women in this Chamber can disagree on how to define that interest. For myself, I say the Uruguay round trade agreement is good for America. Let us pass it now.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. MOYNIHAN. Mr. President, I yield the remainder of our time.

Mr. PACKWOOD. Mr. President, I yield the remainder of my time.

The PRESIDENT pro tempore. The question is on the motion to waive titles 3 and 4 of the Congressional Budget Act of 1974, and section 23 of H. Con. Res. 218, the concurrent resolution on the budget for fiscal year 1995, for the consideration of H.R. 5110. A vote of three-fifths of the Senators duly chosen and sworn is required for the adoption of the motion.

The yeas and nays have not been ordered.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. Is the demand sustained? Obviously, the demand is sustained.

The yeas and nays are ordered.

The clerk will call the roll, and the clerk will please repeat the name of each Senator and the vote cast so that these may be audibly heard by all people in the Chamber.

The assistant legislative clerk called the roll.

The PRESIDENT pro tempore. Are there any other Senators in the Chamber who have not voted?

The yeas and nays resulted—yeas 68, nays 32, as follows:

[Rollcall Vote No. 328 Leg.]

YEAS—68

Akaka	Glenn	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Mitchell
Bingaman	Gramm	Moseley-Braun
Bond	Grassley	Moynihan
Boxer	Gregg	Murray
Bradley	Hatch	Nickles
Breaux	Hatfield	Nunn
Chafee	Hutchison	Packwood
Coats	Johnston	Pell
Cochran	Kassebaum	Pryor
Cohen	Kennedy	Riegle
Conrad	Kerrey	Robb
Coverdell	Kerry	Rockefeller
D'Amato	Kohl	Roth
Danforth	Lautenberg	Sarbanes
Daschle	Levin	Sasser
DeConcini	Lieberman	Simon
Dodd	Lott	Simpson
Dole	Lugar	Specter
Domenici	Mack	Warner
Durenberger	Mathews	Wofford
Feinstein	McCain	

NAYS—32

Baucus	Feingold	Metzenbaum
Brown	Ford	Murkowski
Bryan	Harkin	Pressler
Bumpers	Heflin	Reid
Burns	Helms	Shelby
Byrd	Hollings	Smith
Campbell	Inhofe	Stevens
Craig	Inouye	Thurmond
Dorgan	Jeffords	Wallop
Exon	Kempthorne	Wellstone
Faircloth	Leahy	

The PRESIDENT pro tempore. Under the rules, there will be no demonstrations of approval or disapproval from the galleries.

On this vote, 68 Senators have voted in the affirmative, the nays are 32; three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to and the point of order fails.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDENT pro tempore. The clerk will read the bill for the third time.

The bill (H.R. 5110) was ordered to a third reading, and was read the third time.

Mr. MOYNIHAN. Mr. President, I ask that the yeas and nays be ordered on the forthcoming vote.

The PRESIDENT pro tempore. Is the demand sustained? The demand is obviously sustained.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

Before the clerk proceeds, the Senate will be in order and the clerk will please repeat the names of Senators and state the vote that was cast so that all within the hearing of the clerk may be able to understand.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDENT pro tempore. Are there any other Senators who wish to change their votes?

The result was announced—yeas 76, nays 24, as follows:

The result was announced—yeas 76, nays 24, as follows:

[Rollcall Vote No. 329 Leg.]

YEAS—76

Akaka	Glenn	Mikulski
Bennett	Gorton	Mitchell
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Moynihan
Bond	Grassley	Murkowski
Boxer	Gregg	Murray
Bradley	Harkin	Nickles
Breaux	Hatch	Nunn
Bumpers	Hatfield	Packwood
Chafee	Hutchison	Pell
Coats	Inouye	Pressler
Cochran	Johnston	Pryor
Cohen	Kassebaum	Riegle
Conrad	Kennedy	Robb
Coverdell	Kerrey	Rockefeller
D'Amato	Kerry	Roth
Danforth	Kohl	Sarbanes
Daschle	Lautenberg	Sasser
DeConcini	Levin	Simon
Dodd	Lieberman	Simpson
Dole	Lott	Specter
Domenici	Lugar	Wallop
Durenberger	Mack	Warner
Faircloth	Mathews	Wofford
Feinstein	McCain	
Ford	McConnell	

NAYS—24

Baucus	Exon	Leahy
Brown	Feingold	Metzenbaum
Bryan	Heflin	Reid
Burns	Helms	Shelby
Byrd	Hollings	Smith
Campbell	Inhofe	Stevens
Craig	Jeffords	Thurmond
Dorgan	Kempthorne	Wellstone

So the bill (H.R. 5110) was passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. May we have order, Mr. President?

Mr. MITCHELL. May we have order?

The PRESIDENT pro tempore. The Senate will be in order. The Chair requests that all Senators please be in order.

The majority leader.

Mr. MITCHELL. Mr. President the vote to approve this treaty was overwhelming and bipartisan. On the crucial motion to waive the Budget Act, 68 Senators voted in favor, 32 opposed. Of 46 Republican Senators voting, 31 voted in favor, 15 against. That is 67 percent in favor. Of the 54 Democratic Senators voting, 37 voted for, 17 against. That is 69 percent in favor; 67 percent of Republicans; 69 percent of Democrats, a total of 68 percent of the Senate voting in favor.

Many persons deserve credit for this result.

Mr. President, first I extend my congratulations to those who fought a vigorous battle in opposition to this agreement here in the Senate on high principle and with powerful arguments, led by the distinguished Senator from South Carolina, Senator HOLLINGS, the distinguished Presiding Officer, the Senator from West Virginia, Senator BYRD, and all of those. We respectfully reached different conclusions on how to define the national interest, but we recognize and acknowledge that every single Senator has voted in the national interest as he or she sees it.

I foremost congratulate the President, who provided crucial leadership on this important measure. He followed the path set by President Reagan and President Bush when they began and continued the negotiations, and President Clinton brought them to a successful conclusion last year. He was greatly assisted by the powerful and very effective work of the U.S. Ambassador for Trade, Mickey Kantor, a name not well known to most Americans but as a result of whose efforts Americans for generations to come will lead better lives.

Here in the Senate, of course, great credit goes to the distinguished Republican leader, Senator DOLE, who took an active role in working to improve what he saw as deficiencies in the agreement, and his work produced a better result. And our distinguished chairman and ranking member of the Finance Committee, Senators MOYNIHAN and PACKWOOD who led the debate with eloquence and fairness over these past 2 days. I thank them for their work, and I thank all Senators who saw fit to support the agreement, and I commend those who opposed it on principle.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I now ask unanimous consent that there be a period for morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senate is now engaged in a period for the transaction of morning business.

Mr. DOLE addressed the Chair.

The PRESIDENT pro tempore. The Republican leader is recognized.

THANKS AND CONGRATULATIONS

Mr. DOLE. Mr. President, first let me echo what I indicated earlier in my statement thanking the chairman, Senator MOYNIHAN; my colleague, Senator PACKWOOD; the majority leader; Secretary Bentsen; Trade Representative Mickey Kantor; and, of course, the President of the United States, and to also congratulate those who were in opposition: The Presiding Officer, Senator BYRD, and Senator HOLLINGS.

TRIBUTE TO TOM KUCHEL

Mr. DOLE. Mr. President, while I did not have the privilege of serving in this Chamber with Tom Kuchel of California, I admired his many accomplishments and was saddened by his death on November 21.

Senator Kuchel entered this chamber in 1952, when then California Gov. Earl Warren appointed him to take the place of Richard Nixon, who had been elected Vice President of the United States. Prior to his appointment, Senator Kuchel had served as chairman of the California State Republican Party, a State assemblyman, a State senator, and State controller.

Throughout his 16 years in the Senate, Senator Kuchel served California and America with great distinction—serving for 10 years as Republican whip, alongside the legendary Republican leader, Everett Dirksen.

Senator Kuchel reached across party lines throughout his years in the Senate, serving with Democrat whip Hubert Humphrey as cofloor manager of the Civil Rights Act of 1964. He also helped to write what became the Voting Rights Act of 1965.

I know I speak for all members of the Senate in sending our condolences to Senator Kuchel's wife, Betty, and his entire family.

Mr. President, like all Members of the Senate, I was saddened by the announcement that former President Ronald Reagan is suffering from the early stages of Alzheimer's disease.

And, like all Members of the Senate, I was also inspired by the eloquence and courage of President Reagan's letter to the American people. The words were typical Ronald Reagan. Honest. Open. Positive.

By going public with his diagnosis, President Reagan has also focused attention on the plight of the estimated 4 million Americans who are afflicted with Alzheimer's.

This tragic disease is now the fourth leading cause of death among American adults. And because our population is aging, it is estimated that 14 million Americans will have the disease by the year 2050.

In the past several years, Congress has moved to increase funding for Alzheimer's research and support programs for victims and their families. It is my hope that the 104th Congress will also devote careful attention to these programs.

Mr. President, I know I speak for the entire Senate when I say that our thoughts and prayers are with President Reagan as he begins what he described as "the journey that will lead me into the sunset of my life."

And our thoughts and prayers are also with Nancy Reagan, the remarkable woman who has played such an important role in his life, and who served as First Lady with such grace and dignity.

I would also ask unanimous consent, Mr. President, that President Reagan's letter to the American public be printed in the CONGRESSIONAL RECORD in its entirety.

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

TRANSCRIPT OF LETTER FROM PRESIDENT RONALD REAGAN TO THE AMERICAN PEOPLE

My Fellow Americans, I have recently been told that I am one of the millions of American who will be afflicted with Alzheimer's Disease.

Upon learning this news, Nancy & I had to decide whether as private citizens we would keep this a private matter or whether we would make this news known in a public way.

In the past Nancy suffered from breast cancer and I had my cancer surgeries. We found through our open disclosures we were able to raise public awareness. We were happy that as a result many more people underwent testing. They were treated in early stages and able to return to normal, healthy lives.

So now, we feel it is important to share it with you. In opening our hearts, we hope this might promote greater awareness of this condition. Perhaps it will encourage a clearer understanding of the individuals and families who are affected by it.

At the moment I feel just fine. I intend to live the remainder of the years God gives me on this earth doing the things I have always done. I will continue to share life's journey with my beloved Nancy and my family. I plan to enjoy the great outdoors and stay in touch with my friends and supporters.

Unfortunately, as Alzheimer's Disease progresses, the family often bears a heavy burden. I only wish there was some way I could spare Nancy from this painful experience. When the time comes I am confident that with your help she will face it with faith and courage.

In closing let me thank you, the American people for giving me the great honor of allowing me to serve as your President. When the Lord calls me home, (sic) whenever that may be, I will leave with the greatest love for this country of ours and eternal optimism for its future.

I now begin the journey that will lead me into the sunset of my life. I know that for America there will always be a bright dawn ahead.

Thank you, my friends. May God always bless you.

Sincerely,

RONALD REAGAN.

TRIBUTE TO GEORGE MITCHELL

Mr. DOLE. Mr. President, tomorrow will be a very important day on this side of the Capitol because Republican Senators will meet to elect their leaders for the upcoming 104th Congress. It is my hope that I will again have the honor of serving as Senate majority leader.

From Lyndon Johnson to Mike Mansfield to Howard Baker to ROBERT BYRD, the office of Senate majority leader has been filled by public servants who have made important contributions to this institution and to America.

But when future historians write about the office of majority leader, I think they will conclude that one of the most effective Senators to serve in that office was the current majority leader, my friend, GEORGE MITCHELL.

As I said many times these past months, while Senator MITCHELL and I may not share a political philosophy or a voting record, one thing we have shared these past 6 years is a friendship and a working relationship based on complete respect and trust.

For some, politics is a game of secret strategies and attempting to confuse and surprise your opponents.

For GEORGE MITCHELL, however, politics and public service are not games—they are opportunities to make a difference in the life of our Nation and her people.

As we sought to make that difference, Senator MITCHELL never told me anything but the truth.

As Senator MITCHELL has said, the values he exhibits every day are values he learned from his father, an orphan who worked as a laborer, and his mother, a Lebanese immigrant.

Something else that Senator MITCHELL'S parents instilled in him was the value of an education.

And the great promise of America is that someone from such humble beginnings could—through education and hard work—forge a career which included service as a United States attorney, a United States district judge, and a United States Senator.

Many organizations wanted to honor Senator MITCHELL before he left the Senate. It is typical of Senator MITCHELL, however, that he asked all efforts be concentrated into one dinner, and that all proceeds be used to set up a college scholarship fund for deserving Maine students.

All of us have been students of GEORGE MITCHELL these past years—and we have all learned a thing or two about honesty, patience, and public service.

And although he is leaving the Senate, I suspect that Senator MITCHELL—after an upcoming honeymoon—will continue to play an important role in the day-to-day work of democracy.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER (Mr. AKAKA). The majority leader is recognized.

Mr. MITCHELL. Mr. President, I thank my colleague very much for his generous remarks. They are deeply appreciated.

One of the pleasures of service in the Senate has been the opportunity to work with and to get to know so many outstanding individuals. And it has been a great pleasure to work with my friend, BOB DOLE, who has had a remarkable career going from majority leader to minority leader and now back to majority leader. I would give him advice on the transition except that he has done it and I have not.

I congratulate him and wish him Godspeed, and good luck, and thank him very much.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. DOLE. Mr. President, will the Senator yield for just one moment?

Mr. COHEN. Surely.

WISHING SENATOR THURMOND A HAPPY BIRTHDAY

Mr. DOLE. Mr. President, I did want to note that the distinguished Senator from South Carolina is on the floor, and next week he will be celebrating his 92nd birthday.

We certainly all join in wishing our friend and our colleague Senator THURMOND a happy and prosperous not only birthday but several more years. I understand he is considering term limits. I am not certain. But we know he is going to have a happy birthday.

[Applause.]

Mr. THURMOND. Mr. President, I appreciate the kind remarks of our able leader. I will be 92 December 5th, but 92 years young. I feel active and as if I were only half that age.

I appreciate the friendship of all the Members of the Senate and their cooperation and courtesies extended to me, and I thank all of them from the bottom of my heart.

[Applause.]

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

TRIBUTE TO SENATOR GEORGE J. MITCHELL

Mr. COHEN. I rise today to pay tribute to my colleague from Maine, Senator GEORGE MITCHELL. Today is the final day of the 103d Congress and marks the end of Senator MITCHELL'S service after more than 14 years of representing Maine in the U.S. Senate. From a quiet young lawyer in Waterville, ME, has come a great leader who has done his country and his State proud.

GEORGE MITCHELL had big shoes to fill when he was appointed to Senator Muskie's seat 14 years ago. When he first came to the Senate, I, in the infinite wisdom I had as Maine's senior Senator, offered to take him under my wing and show him the Senate ropes. In retrospect, that offer was a little like Larry Bird offering to give instruction to Michael Jordan on how to improve his vertical leap.

Most of you know that we share much more than just the position of Senator from Maine. We both grew up in similar circumstances. with very similar backgrounds. Senator MITCHELL is half Irish, and half Lebanese. I am half Irish and half Jewish. We both graduated from Bowdoin College. We both become lawyers before entering public service. And we wrote a book together that produced many headlines and only a few royalties. But I must tell you it was a great experience for both of us.

Since his elevation to majority leader, like Michael Jordan, he continues, along with BOB DOLE, to play well above the rim. There have been countless articles speculating on the reasons for his dramatic rise in the Senate. There is a Chinese proverb that says "when drinking the water, don't forget to remember those who dug the well." I think to really understand GEORGE MITCHELL's success one needs to look no further than the fact that he had Ed Muskie as his mentor. Ed provided Senator MITCHELL with the basic principles of public service which I think have guided him over the years. And I think it is no surprise that the Senate majority leader demonstrates many of the attributes of Senator Muskie, who had an abundance of intelligence, integrity, and independence. I believe Oscar Wilde must have had someone like GEORGE in mind when he said: "I can stand brute force, but brute reason is quite unbearable. There is something unfair about its use. It's hitting below the intellect."

Senator MITCHELL has always hit well above not only the belt but the intellect as well.

Mr. President, Justice Oliver Wendell Holmes once wrote:

> I have always thought that not place or power or popularity makes the success that one desires, but the trembling hope that one has come near to an ideal. The only ground that warrants a man for thinking that he is not living the fool's paradise if he ventures such a hope is the voice of a few masters. I feel it so much I don't want to talk about it.

GEORGE MITCHELL comes as close to the ideal public servant that I know. His voice has reminded those of us that believe public service is a noble calling that we are not living a fool's paradise. We are truly going to miss him—and I feel it so much, I don't want to talk about it.

I yield the floor, Mr. President.

Mr. MITCHELL. Mr. President, I thank my friend and colleague, Senator COHEN very much for his generous remarks. It has been a true pleasure for me to serve with him in the Senate, and under him—I as the junior Senator, he as the senior Senator from Maine. We have worked closely in behalf of the people of our State and in the process have become close personally. I am honored to serve as a Senator with Senator COHEN to represent the people of Maine, but most of all, I treasure and value his friendship.

I am very deeply grateful and moved by his remarks here this evening.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. I ask unanimous consent that I may extend my remarks beyond the 10-minute period of time for morning business.

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

ACCOLADES TO SENATOR MITCHELL

Mr. DECONCINI. Mr. President, I join the senior Senator from Maine in offering my accolades to the majority leader. I have already done so before we recessed last month. But no one has served this body as well as he has. We have had some distinguished Members here, but Senator MITCHELL has consistently been a true leader in the most effective way.

INTEREST RATES—UP AGAIN

Mr. DECONCINI. Mr. President, I rise today to comment on the fact that the Federal Reserve once again has raised interest rates. In its never-ending quest to appease the "gods of Wall Street," the Federal Reserve has raised interest rates—this time by three-fourths of a percentage point. The total Federal Reserve imposed increase in interest rates for 1994 is 2½ percent. Two and one-half percent—that makes the brokers and bond traders happy and puts more Americans out of work.

The Federal Reserve's stated goal is to slow economic growth in this country. Their objective: Approximately a 1 percent reduction in growth. The result? According to the Economic Policy Institute, this means a loss of over 1.3 million jobs.

First we need to look at who benefits from the Federal Reserve policies. The simple answer is the wealthy. You will not find any middle-income Americans with large bond portfolios. The top 7 percent of households own 60 percent of the bonds. So these new higher rates are flowing to the wealthiest of Americans.

Who is being hurt by the Federal Reserve policies? Again, the answer is simple: Working Americans.

These new higher interest rates for credit cards, car loans, home loans disproportionately hit families with incomes under $50,000 annually. These are the Americans most heavily dependent upon borrowing and least likely to be able to absorb these increases. Even before this latest increase was announced, home loans, interest rates for 30-year mortgages had jumped from 6.8 percent to 9.2 percent over the last year.

The Federal Reserve seems to have forgotten that what drives this economy is the middle Americans who spend their money and can use that buying process, but not by higher interest rates. Unemployment is down, the economy is booming, and inflation is down. There is no justification for this latest rise, in my judgment.

The middle Americans are the ones who buy the cars, homes, dishwashers, and other durable goods. They are the ones who keep our Americans employed. The Federal Reserve needs to get in touch with working Americans. They had better move fast before their

Wall Street wealthy people find out that maybe the voters in this country want the middle Americans, the workers, to succeed in this economic growth, not just the wealthy.

THE BLOOD BATH IN BIHAC

Mr. DECONCINI. Mr. President, the blood bath in Bihac, a so-called safe haven, highlights the utter failure of the international community to confront the aggression and genocide which has ravaged Bosnia and Herzegovina for the past 3 years. There is a growing chorus of those calling for further concessions to bring the Serbs back to the negotiating table.

Mr. President, the score is a familiar one dating back to the 1930's when another dictator sought to carve up a neighboring country in the name of ethnic unity. This theme was first played out in Munich in 1938. It is simply entitled appeasement.

Precious time has been lost over the past 2½ years as diplomats have shuttled to Belgrade and Pale coddling up to the very individuals responsible for the carnage in Bosnia. Precious little time remains.

The international community, through its timidity, has allowed the situation in Bosnia to deteriorate to its current low. Some have tried to pin blame on the Bosnians themselves for having tried to stand up in the face of continued aggression. This is a sad and frightening endorsement of the principle that "might makes right."

The current crisis demands immediate and forceful action. Inaction at this critical juncture will have grave consequences for the United Nations, NATO and, most importantly at this point, for the people of Bosnia and Herzegovina. Failure to act, and act with meaningful air strikes, will effectively seal the fate of the Bosnians. Winston Churchill's phrase "a small nation thrown to the wolves" fits all too well in the case of Bosnia.

The international community has failed to come to grips with the fact that the current military imbalance in the region precludes stability there. The United Nations and NATO have been rendered effectively impotent by the failure of the world's strongest alliance to stand up to a bunch of two-bit thugs. In the name of peacekeeping the United Nations, and in particular the members of the Security Council, have accepted humiliation after humiliation. Subordination of NATO operations in Bosnia to the United Nations has given the Russians a virtual veto over NATO action in this regard. Mr. President, Russian nationalists and the Russian military would take great delight in the weakening of the alliance. In the process NATO has been placed in an untenable and embarrassing position.

One administration official is quoted as saying "we are favoring NATO unity over what we have long believed the course in Bosnia ought to be." NATO unity? Unity to what end? What good is this unity if the very principles upon which the world's greatest alliance was built are rendered meaningless?

Former British Defense Minister Sir John Nott on just last Saturday accused his own government of appeasing the Bosnian Serbs. He said:

> The British, principal appeasers in this thing * * * should detach ourselves from the French and Russians and try to get back together with the Americans and come to some serious Anglo-American solution to this problem.

Former Prime Minister Thatcher, in a statement released yesterday, warned that "effective action must be taken now to help the people of Bihac and the sovereign State of Bosnia by air strikes against missile sites, artillery positions and other military targets."

I am told, and I have not seen the quote, that Chancellor Kuhl of Germany has also come out to something similar that former Prime Minister Thatcher is quoted as saying: "Forceful action is imperative."

Foolhardy attempts to lure the Serbs back to the negotiating table will only further fuel Serbian demands.

Emboldened by their repeated ability to cow the United Nations and NATO into submission, it is absurd to think that the Serbs will desist in pursuing their ultimate objective: creation of a "Greater Serbia."

Appeasement will not work. It will only fan the flames of the fire of extreme nationalism, ignited by Slobodan Milosevic, which threatens to consume all of Bosnia. Unless he is challenged there is nothing to stop the Bosnian Serb commander, General Mladic, from pursuing his recently expressed conviction that "borders are drawn with blood."

Mr. President, if the precedent continues, Europe will not be what it is planned to be and what it can be.

It needs help. These people need help. So does Europe.

THE SUCCESS OF THE CLINTON ECONOMIC PLAN

Mr. DECONCINI. Mr. President, despite predictions by Republicans that enactment of the Clinton economic recovery package would result in economic catastrophe, the opposite has proved to be the reality. Republican doom and gloom predictions that the plan would be inflationary, kill jobs, stall the economic recovery and end up increasing the deficit were dead wrong. The sky did not fall. In fact, the economic storm clouds have disappeared and the sun is out. The deficit is shrinking, the economy is growing, business is expanding and jobs are being created. Alan Greenspan, the Chairman of the Federal Reserve, said that the economy is in the strongest shape in two decades, and that the deficit reduction plan passed last August had contributed to this stronger economy. As you know, this plan was passed with NO Republican support. So let's give the President some credit. Bill Clinton was right; the Republicans were wrong. The Democrats in the House and Senate who supported the plan were right; the opponents were wrong.

Senator PHIL GRAMM of Texas purveyed the gloom and doom message to the Senate.

> I want to predict here tonight that if we adopt this bill the American economy is going to get weaker and not stronger, the deficit four years from today will be higher than it is today and not lower * * * when all is said and done, people will pay more taxes, the economy will create fewer jobs, Government will spend more money, and the American people will be worse off.

Contrary to Senator GRAMM's wishful thinking, the deficit is coming down, interest rates and inflation are low; business investment was up 18 percent in 1993 (the fastest pace since 1972); consumer confidence is up; and unemployment is down.

Senator GRASSLEY asserted: "I really do not think it takes a rocket scientist to know this bill will cost jobs."

In the Clinton Administration's first year, the economy created 1.7 million private sector jobs—70 percent more in 1 year than had been created in the previous 4 years.

Majority Leader DOLE told us "President Clinton knows * * * I know, and the American people know that the plan does not tackle the deficit head on."

After a 12 year unstoppable increase, the deficit is now projected to decline 3 years in a row, the first time since Harry Truman was in the White House.

Kudos for the Clinton plan's results has come from some unlikely places. In testimony before the House Budget Committee at the end of June 1994, the Chairman of the Federal Reserve Alan Greenspan, stated, in part: "The outlook for the U.S. economy is as bright as it has been in decades. Economic activity has strengthened, unemployment is down, and price trends are subdued." And in January 1994, he proclaimed:

> To President Clinton's credit, early last year he rejected an either/or construction for U.S. growth versus deficit reduction. Clinton's blueprint for economic revival had as its centerpiece a multi-year program of deficit reduction, but it promised higher growth in the short run. A move to restrain deficit spending, he wagered, would both lower U.S. long-term rates and energize U.S. interest sensitive sectors. Lower deficits, lower long-term rates and higher real growth were the overall promise. With the data now rolling in for December 1993, it seems clear that President Clinton delivered on all three counts over the second half of the year.

Let's take a look at the specifics of what has taken place since the election

of President Clinton. The midsession review of the budget, which was released by the Office of Management and Budget in mid-July, demonstrates that the President's economic package continues to be a remarkable success.

THE DEFICIT

The 1955 deficit is now projected to be 40 percent lower that when President Clinton took office in January 1993.

While policy changes in the deficit reduction package accounted for approximately $500 billion in deficit reduction, improvements in the economy have helped to raise overall deficit reduction predictions over 5 years to nearly $700 billion.

SPENDING CUTS

The historic deficit reduction was achieved by making very tough choices about spending cuts. Half of the President's package, or $255 billion, was devoted to cutting Federal programs. The following deserve to be mentioned: A reduction of 272,000 in the Federal work force, bringing it down to its lowest level since the Kennedy administration; cuts in 300 different programs 2 years in a row; reductions in nearly every entitlement area including Medicare, Medicaid, and Farm subsidy programs.

Perhaps the most effective measure of the success of the President's economic plan is how it has affected both individual Americans and American businesses. By any objective standard, the plan has proven to be a resounding success for both these groups. More Americans are working; more Americans are confident about their future, and more businesses are optimistic about the economic outlook.

JOBS

Since President Clinton took office in January 1993, the job situation has dramatically improved, giving hope to millions of Americans.

Since January 1993, the economy has created 3.1 million private sector jobs—almost 2 million more private sector jobs than in the previous 4 years combined.

The economy has created more than 1.237 million total jobs in the first 5 months of this year, 96 percent of which have been in the private sector. The bottom line is that this Administration has created nearly 2 million more private sector jobs than the last administration in one-third the time.

After serious declines in manufacturing jobs over the past few years, they were up in 6 of the past 8 months, an increase of 56,000.

Construction employment, one important measure of the health of the economy, has increased for 11 straight months.

The current job growth rate puts the economy well ahead of schedule to meet the President's goal of 8 million new jobs in 4 years.

One of the most impressive statistics of all is that more than 60 percent of the new jobs created since 1993 were professional, managerial, or technical jobs which paid 45 percent above the average wage.

Finally, unemployment is down from 7.7 percent in January 1993 to 6 percent in May 1994. There are names and faces associated with this dramatic decline in unemployment. Many individuals now have jobs; they have hope for the future; their families feel the security that comes with full time employment.

The success of the economic plan has had an equally impressive impact on the business sector. Fortune magazine found that CEOs of both large and small companies are more optimistic about the future than they have been in nearly a decade. And the most recent Business Week/Harris Executive Poll demonstrates broad-based, growing optimism among business executives around the country, 90 percent of whom have a positive outlook about the country's economic future, and 44 percent of whom believe the gross domestic product will increase more in the next 12 months than it did over the last year. Of the executives polled, 94 percent reported making a profit in 1993, and over 80 percent say they expect increased profits in 1994. And the good news continues, with more than 40 percent indicating their intention to hire new employees. Dunn & Bradstreet confirms the optimism within the business sector. It reported that "In 1993, the United States posted the greatest number of yearly business incorporations since Dunn & Bradstreet began reporting this data in 1946." In addition to increased business confidence, business investment in equipment in 1993 was at its highest level in 20 years; and in 1994, it is at its highest level relative to GDP in the postwar period. Equally important, consumer confidence is up as well—up over 50 percent since enactment of the Clinton economic plan last summer.

Finally, I cannot let this moment pass without again pointing out, as I did when I cast my vote last August, that all the rhetoric about the plan simply being a tax bill on middle income Americans is simply that—rhetoric. The taxes contained in the plan, a fact confirmed by H&R Block, fell on only the wealthiest 1.2 percent of Americans. And according to Citizens for Tax Justice, 81 percent of those taxes will come from Americans with incomes in excess of $200,000. In reality, middle class Americans were exempt from the tax, and low income Americans, through the expansion of the Earned Income Tax Credit, received a tax cut. This is not fiction; this is fact. In Arizona, 26.9 percent or 255,800 families received a tax cut. This is not fiction; this is fact.

I supported the Clinton economic package because I felt it was the right thing to do. I believe this President deserved to have an opportunity to implement his plan for the economic future of America. There is no doubt in my mind that I made the right decision. The report card is in. The President gets an A in economics. In fact, he should get an A plus because the plan has been successful beyond any of our expectations. And any objective observer would have to reach the same conclusion.

Although the recent election did not lead to the same conclusion. That is the political reality. But leadership means first doing what you think is right and then taking that issue to the people and leading. I think the President must and will take the issue of reduced deficit and continue again to ask the Congress to reduce the deficit again. He must and I believe will lead. It's the right thing to do.

I thank my colleagues for their indulgence.

The PRESIDING OFFICER. The Senator from Ohio [Mr. GLENN] is recognized.

TRIBUTE TO SENATOR SASSER

Mr. GLENN. Mr. President, sometimes we have people decide to leave the Senate, for whatever personal reasons, and go back home, and we hate very much to see them go. That is the case with several of our colleagues, Senator DECONCINI, Senator RIEGLE, and others, who are leaving here, whom we have worked long and hard with through the years.

At other times the voters at home and our judgment here may differ on who should be sent back to the Senate. And that makes it particularly difficult sometimes, because we make valued friendships here in the Senate. We work closely with people. We know their work up close and firsthand.

When the voters, for whatever reason—tides or political winds or whatever—see things differently than we do here and someone is not returned to office, it is particularly difficult to accept that judgment, though that is exactly what we must do.

Such a difficult time for many of us here, for me in particular, came when the people of Tennessee saw fit not to return my seatmate here, JIM SASSER, to the U.S. Senate.

JIM and I have been seatmates here for, I guess, maybe 10 years, sitting side by side; you get to know someone pretty well over that lengthy period of time, as well as working with him in committee.

JIM came from Tennessee, of course, was at Vanderbilt, spent 6 years in the Marine Corps Reserve—which I do not hold against him as far as part of his career pattern goes—and has done an outstanding job here in the U.S. Senate.

I know him from long work on the Governmental Affairs Committee where we served together, where he

was in particular there cutting waste in Government, and supported such things as the Chief Financial Officer Act, the Inspectors General Act, procurement change, and so on.

When JIM had his opportunity to take over the Budget Committee, I think he was not quite sure what he wanted to do on that, but take it over he did. He did such an outstanding job with it, that his presence and his leadership on that committee will truly be sorely missed in the U.S. Senate.

We remember some of those times in the Budget Committee when we had what was called the "dueling budgets" back and forth. Everybody had a budget they were submitting, and it was up to JIM to try to reconcile these things. We sent through reconciliation here a year ago last summer, which we will remember as one of the giant steps taken in control of our fiscal policy, I think, since I have been in the Senate, and I have been here just 2 years longer than JIM. I have been here 20 years, just finishing that up, and Jim was elected in 1976.

This was really a giant step, and it is a major step forward to help the administration and the policies that have been established that literally have reduced the budget deficit over the last years from about $300 billion down to around a little above $250 billion this year; down to $167 billion or $168 billion estimated, I believe it is, next year. The first time in 3 years in a row we had a decline in the budget deficit 3 years in row I believe since the days of Harry Truman. Much of the credit for that goes to JIM SASSER and the work he did on that committee.

He has been on Appropriation, Military Construction, Banking, and I mentioned Governmental Affairs. His interest in foreign policies go back several years when we discussing Nicaragua, Costa Rica, and so on.

I will not try to go through all of his dossier or portfolio here today. But let us just say it is particularly difficult when someone tried for re-election and the voters have a different idea, and particularly difficult when they have been a close friend, as I consider JIM to be. We have become close friends here.

JIM ran in 1976 as a believer in the United States and its people. One of his slogans repeated over and over again out of that campaign when he first ran and came to the Senate was he wanted a Government that reflects our decency, a Government that reflects our decency as a people.

I know JIM as just such a decent person himself, as an example of what hardworking Senators should be, decent, honest hard working. We certainly wish JIM and Mary well. We hope to see them around here often. Whether he is a voting Member or not he will certainly be missed here. He is a personal friend, and I personally hope that we see JIM in public service again.

JIM, best regards to you and Mary, and thank you.

The PRESIDING OFFICER. The Senator from Michigan is recognized by the Chair, Mr. RIEGLE.

TRIBUTE TO SENATOR SASSER

Mr. RIEGLE. Mr. President, I want to follow the remarks of my colleague from Ohio, Senator GLENN, in reflecting on the enormous contribution that JIM SASSER has made here in the United States Senate. Those of us who had the rare privilege to come here as Senators and see the country in terms of two individuals coming from each of the 50 States we have a chance to learn a lot about America and the regions of America, and we have the chance, the good fortune, the rare good fortune to meet some truly outstanding individuals.

And to my mind one of those people is JIM SASSER from Tennessee. The qualities of leadership that the country needs, every single one of those qualities that I count the highest I have seen in JIM SASSER—courage, wisdom, tireless effort, caring about the public, the whole public, not just part of it but the whole public, caring about the institution, making sure it works, skillfully serving as budget chairman. And I have been able to serve on that committee with JIM for many years. It is one of the toughest duty stations in this place. The budget process is complex. It is time consuming. Everybody has a different idea how to do it. The administration in power submits a budget that has to be altered, and it takes hundreds, literally thousands of hours of effort to plow through it and to sort it out and to get it right, and it takes really an amazing individual in terms of scope of talent to be able to handle that kind of an assignment

We have had a lot of budget chairmen here in the Senate who have done very valuable work but none who has had to function under as difficult a set of circumstances as Chairman JIM SASSER. He got the assignment when it was as tough as it has ever been, when the Federal budget deficits were out of control. There was a lot of mistaken economic and financial policy that had been set loose in the country. Deficits were skyrocketing. And he was given the challenge to lead that committee and lead the Senate and help lead the country through those problems, to establish a new budget discipline, to get it into place, and to make sure that it would work.

And what has been happening since that time is the Federal budget deficits have been coming down. Now, they have not been coming down because the economy has been shut down. We have brought them down at the same time the economy has been put on a growth track and unemployment has been dropping, the number of jobs in the country has been increasing, and we are getting some of the best economic performance we have had in many, many years. Not perfect; there are some problems. But we are making substantial progress and things are a lot better than they were. And JIM SASSER has been a principal architect of the economic and budget plans that has made that possible.

Now, there is no glamor in that job. The Budget Committee chairmanship is probably the chairmanship that people here would least hope would fall on them, because it is so demanding and because even an outstanding performance is not going to be appreciated because there are no simple or perfect answers. But JIM has done an amazing job in that respect. And he has done it in a way in which I think he has looked after the interests of his home State and his home region, and looked after the broad national interests. That is a tremendous accomplishment.

I have had the good fortune to have him serve with me on the Senate Banking Committee. I have served the last 6 years as chairman of that committee. We have had a lot of demanding and difficult problems to solve there. We have been able to work through them and get them solved with help from colleagues on both sides of the aisle. But no one was more valuable to me in that effort in terms of carrying my chairmanship responsibilities there than my friend, JIM SASSER.

I think the thing that probably is the most important about JIM, though, is just the kind of human being he is. You really only have to look at his family to understand who JIM SASSER is, his mother and father. His father's role in public service years back before JIM, sort of setting a model and path that JIM has followed with such distinction; his wife Mary, their two lovely children.

Balancing the requirements of having an exceptional family life and an exceptional professional life is very difficult to do and not everyone can do it. JIM SASSER has done it, and he has done it in a way oftentimes that makes it look easy when it is about the most difficult thing, particularly with respect to the mechanics of the budget process, of anything here that we have to do.

As a member of the Appropriations Committee, as well, he has blazed trails off in many directions where his responsibilities have been in that area.

We do not have many JIM SASSERs in the Senate, and that is unfortunate because we need more and we need as many as we can get.

I think those of us who had the special privilege to know JIM quite intimately understand his special qualities because he is not a self-promoter. He is not a person who is up tooting his own horn. There is a lot of that that goes on around here, and I do not say that I am

immune from it from time to time myself.

But I think JIM is probably, if you were to do a ratio of quality of effort and accomplishment to personal horn blowing, he would have the best ratio in the place in terms of modesty, on the one hand, and accomplishment, on the other. That cannot be said about very many people. It can be said about JIM.

I feel very privileged to have had this seat on the Senate floor next to my friend from Tennessee. There is no seat here I would rather have had than sitting beside him.

I just want to close by saying—we are emotional people, at least I am—I remember years ago when my father, who was a local political elected official and was mayor of my hometown, the city of Flint, was defeated in a race for reelection. He should not have been defeated because he was the best man in the race and had a remarkable record of achievement, but he lost anyway, because elections can go that way. I think that is what happened here. I do not say that disrespectfully to anybody else, but I say it knowing the qualities of JIM SASSER. And I know something of the pain that comes with those kinds of losses within a family. Well, that was my father's loss. I think I felt it maybe even more strongly than he did.

So I say to JIM, and I say to his family and to his supporters and friends and staff, his excellent staff, that you have every right to feel as proud as anybody can feel for their service here in the U.S. Senate, in this case for 18 long, hard, tough years. It has been a terrific piece of work, and it has lifted all the rest of us. It has set a standard that the rest of us have many times tried to ratchet ourselves up to in terms of making sure that we were hitting the same kind of high-quality standard and high-effort standard that JIM had in his work.

He is a terrific human being. He is a terrific husband and father. He has been an outstanding United States Senator. He will be greatly missed within this institution and by his friends who love him.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from California, Mrs. BOXER.

SENATOR JIM SASSER

Mrs. BOXER. Mr. President, I am deeply honored to be here tonight and to follow my friend, Senator RIEGLE, who will be sorely missed. I spent quite a few moments on this floor the day that he decided he would not seek reelection, saying that the people who work for a living, who work with their hands, who are not privileged, are going to miss DON RIEGLE. I reiterate that today, and I wish him every wish.

You can tell from the emotion in his voice that he is very torn. It was his decision to leave here voluntarily. Some of the rest of us do not have that privilege.

By the way, I have lost an election in my life. It is a very difficult thing. But, you know, when you lose an election, there are a lot of reasons. In the case of my friend, JIM SASSER, it had nothing to do with him. It was a much greater force that was at work. I want him to understand that and to know that.

I want to take a little different tack. I want to thank the people of Tennessee for sending us this man for 18 years. For me, it was a gift.

When I came here—I have only been here 2 years—I wanted to get on his committee, his Budget Committee. I had served over in the House for 10 years. I had spent 6 years on the Budget Committee and I watched JIM SASSER work, and this was someone I wanted to work with. I wanted to help.

I have to say, he was very tough. He wanted to make sure that I had the stuff, that I was going to be able to make the tough votes, because it is not easy on that committee. He really made sure before he supported me that I would be able to cast those votes, that I had what it took, that I would be there when maybe I had to cast a vote that was not popular. And, of course, I respected him all the more for making me pass this test.

When I got on the committee, I really became a student of JIM SASSER. In many ways, he has been a teacher here in the U.S. Senate, a teacher on the economy, a teacher on many, many issues; a teacher on how to be a good Senator, how to be brave and courageous and true to yourself, but yet understand the art of compromise that it takes to make things happen here.

If you think it is easy to get a budget resolution through this place, then you simply have not watched the U.S. Senate. And this man did it over and over and over again. Why? Because he is so respected and so trusted.

So I say to the people of Tennessee, we in politics have to accept what happens at election time. For some of us, this was a painful election; for others, it was a joyous election.

I can tell you, when I watched what happened in Pennsylvania, and my friend HARRIS WOFFORD lost a very close race, we lost a voice of reason and sanity and common sense and compassion.

And when I look to Tennessee, I lost my chairman of the Budget Committee and the people of this country lost more than they really will ever understand.

So I am a very fortunate person that I was able to serve with JIM SASSER for 2 years on his Budget Committee, on the Banking Committee. We have become very good friends. I will consider him forever to be a mentor, and if he is willing to be an adviser to me, I would consider myself very fortunate.

I think it is important to note that many of us here wanted him to be our leader. I do not think that should go unsaid. There are very few people—very few people, indeed—that win the trust of their colleagues the way this man has done. And it is because of his decency and his integrity and his caring and, yes, his toughness.

The other day, the people of Tennessee suffered a terrible natural disaster. It was a hurricane, I think. I quickly thought, how lucky they are to have JIM SASSER out there fixing it, making sure the Federal Government responded. And I caught myself and I said, "But he is only going to be here for a few more days."

And so I understand the people of Tennessee, am I right, have never really sent back a Senator more than three terms? Is that correct, Senator SASSER? Once they did? They had a second time to do it in history, and they chose to go for change. They will decide if they made the right decision.

But I can just say as someone who really for the first year watched what went on here and watched who the leaders were and watched who the consistent people were and watched who the compassionate people were, and watched for the people who really cared about the people who may not be able to afford to put on a pin-stripe suit and fly down here and make their case, I watched for who those people were here. And one of those people was my chairman, JIM SASSER.

I hope when he gets over the pain of this that he will sit back and smile at what he has been able to do for this Nation. Senator RIEGLE touched on it. Senator GLENN touched on it. We had an economy in this country that was falling apart. We had a budget deficit that was going through the roof. We had a President who went to Japan for a trip and tried to tell the Japanese to lower their interest rates, and he got sick in Japan, and that image became the symbol of our economic weakness.

But with this new President and JIM SASSER serving on the Budget Committee, we are getting our economic house in order. And I say to my friend, how many people in America could ever know that they played such a role? I say, I do not know of anybody else, personally. It is extraordinary and it was hard. My image of JIM SASSER I will always have: In this Chamber, with his charts and his pointer and his sense of knowing exactly what had to be said to make the point.

There are so many other things I could say about what JIM SASSER did for Tennessee's environment, the Smoky Mountains, all the things he did for people who will never meet him and never know what he did.

I will close and say to my friend, having lost an election myself, your life is

definitely not over. It just takes a different twist and a different turn. There are so many ways that the voice of JIM SASSER must be heard, and I am completely confident—completely confident—that it will continue to be heard.

He knows that I feel very strongly about the kind of person he is, and I will never, never forget his friendship, his help, and the many wonderful times that we spent together in the U.S. Senate.

To his family, I say you are lucky to get to see him a little more these days. And to his constituents in Tennessee, thank you for sending him back to us for 18 years. You made a gift to this Nation and this Nation will ever be grateful.

I yield the floor.

Mr. MATHEWS addressed the Chair.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Tennessee [Mr. MATHEWS] is recognized.

SALUTE TO JIM SASSER

Mr. MATHEWS. Mr. President, I want to join my colleagues this evening in paying tribute and offering a salute to my close colleague, JIM SASSER. I want to say to his wife, Mary, who is in the gallery, and his daughter Elizabeth, that the people of Tennessee are much better off for JIM SASSER's service in this assembly. The people in the Nation are better today because of what JIM SASSER has done.

If you look at the history of our State, you will find that Tennessee has a tradition of sending men and women of distinction to the Congress and to Washington to play their important role of setting the course of action for our Nation. If we look back, we see that our State has furnished three Presidents: Andrew Jackson, James K. Polk, and Andrew Johnson, all men of distinction who came from Tennessee to DC and left there imprimatur on this Nation.

We have furnished the Secretary of State, Cordell Hull, and more recently such leaders as Estes Kefauver and Howard Baker and Albert Gore, Sr., and Jr. And ALBERT GORE, JR., sits in the White House as Vice President today, and because of that, I was privileged to be appointed to serve in his place and I have served with JIM for 2 years.

So I am sure it was no surprise to anyone here that a person of JIM SASSER's ability and distinction and compassion was elected from our State to serve this Nation.

JIM came from a family of modest means, like many of us who are here. As was said by someone a couple of years ago, he was not born with either a silver spoon or a silver foot in his mouth. He was born with a heart as big as this Nation, and he has tried to share that heart in making life easier for Tennesseans, to be sure, but to make life easier for the people of this Nation by having the foresight through the Budget Committee and through the Banking Committee, and others, to stand firm on those actions that he felt were needed in order to make life better for America.

JIM, I say to you on behalf of Tennesseans, what happened is as unexplainable as the flood last year that devastated the midsection of our country. You led with distinction, and the love that we Tennesseans have for you remains today. Because of you, as everyone here has mentioned, this is a better Nation, ours is a better State, and we want you to know that we look forward to your being a moving force in Tennessee government and Tennessee politics, and we will be there when you need us. We will be there to help in any way that we can.

On behalf of the people of Tennessee, thanks for the good job that you have done.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. DODD] is recognized for 10 minutes.

DON RIEGLE

Mr. DODD. Mr. President, earlier in this session of Congress, I had the opportunity to speak regarding my good friend, DON RIEGLE, who made the decision not to seek reelection this year. He served with distinction as my chairman on the Banking Committee. I served on other committees and in other capacities with him during my 14 years here in the U.S. Senate. We have served in the minority together and the majority together. We have been through election cycles together.

I will not repeat what I said earlier about him, but I think all of our colleagues here, regardless of party, feel the same way about DON RIEGLE and his tremendous contribution to this Nation, to his State, to the Senate. He will be sorely missed, I think, by all of us.

HARRIS WOFFORD

Mr. DODD. HARRIS WOFFORD, as someone who was involved in the earliest days of the Peace Corps, had a significant impact on me at an early age. He was one of those who literally created and founded the Peace Corps, along with Sargeant Shriver and the Kennedy administration 30 years ago.

When I had a full head of black hair, Mr. President, and was a little thinner of girth, I was a Peace Corps volunteer in the mountains of the Dominican Republic for 2½ years. It was, aside from the experience of growing up in my own family, the most profound experience in my life. I owe a deep debt of gratitude to HARRIS WOFFORD and the people who came up with the creative and imaginative idea of how a younger generation of Americans could serve their own Nation by serving others.

I never imagined in those days that I would have the privilege and the honor of serving with this remarkably fine man in the U.S. Senate. I am deeply saddened that the people of Pennsylvania made a different choice on November 8—I would say to them, with all due respect, I think an unwise choice, in rejecting HARRIS WOFFORD. But I am confident, as I stand here this evening, that we will hear continuously of the efforts of HARRIS WOFFORD as he continues throughout his life to make this a stronger, a healthier, and a more decent nation. And I am saddened by his departure.

HARLAN MATHEWS

Mr. DODD. HARLAN MATHEWS, we only served a short time together. But friendships can be formed in a short period of time. I feel as though I have a new friend in HARLAN MATHEWS. We sat on the same committee, the Foreign Relations Committee. We got to be good colleagues and worked together. He served his State well. He came here under different circumstances, being asked to replace our colleague, AL GORE, and he did a great job in serving his State, serving the Senate.

I can say to you, Harlan, that even though you may have been here only a short time, you have left a lasting impression and you have permanent friends.

JIM SASSER

Mr. DODD. Mr. President, I want to speak briefly about my colleague from Tennessee, JIM SASSER. I just cannot tell you how saddened I am about the decision of November 8 in Tennessee. Tomorrow, our caucus is going to have a vote on leadership. I am a candidate in that race. I do not know this evening what the outcome of that will be. It is a close race. But I would not be a candidate had JIM SASSER been reelected from Tennessee. I say with all due respect to my opponent, and I am sure he will appreciate this in the contest tomorrow, that had JIM SASSER been reelected, he would be the new minority leader of the U.S. Senate, in my view.

I say this not just because I was a supporter of his, but because of my deep appreciation for the vision that JIM SASSER brought to the U.S. Senate. I was the most junior member of his Budget Committee for a number of years and watched a remarkable, remarkable performance by one United States Senator. Time after time, he marshalled the votes and brought together people of totally different persuasions and opinions on one of the most difficult jobs that any Member of this body has. That is to fashion a

budget in the environments that we have been living in. And he did it successfully, on six different occasions, in addition to three reconciliation bills. These victories came under the tightest and most difficult circumstances—even in a Republican administration under George Bush, when he fashioned one of the most difficult budget compromises in modern history.

So, let me just add to the words of my colleagues, DON RIEGLE and JOHN GLENN, BARBARA BOXER and HARLAN MATHEWS and many others who have spoken about JIM SASSER's contribution to the Senate, his contribution to his State, and his contribution to the country.

Let me also say that while people may look at this body through some objective lens, those of us who serve together here develop strong and deep friendships. I have developed one of those friendships with JIM SASSER.

I listened to DON RIEGLE only a few moments ago talk about his father, a person who had been involved in the politics of Michigan. And I know of JIM SASSER's experience through his father. I had a similar experience with my father. We are second-generation Democrats, second-generation members of families that believed deeply in public service.

From his earliest days of involvement as a driver with Estes Kefauver to his work putting together a new party in 1973 in Tennessee, JIM SASSER has demonstrated over and over and over again his deep, deep patriotism for this country; his deep, deep love for the values that America holds dear.

So, in these waning hours of the 103d Congress, I wanted to join my colleagues in saying to JIM that you will be missed dearly by this Member. I would have enjoyed nothing more—nothing more than to have worked with the minority leader, JIM SASSER, in trying to put together the creative alternatives that we are going to have to fashion in this coming Congress. I would have enjoyed working with him as he shepherded a Democratic Party in the Senate, as he had done in his State, to the ideals and values and principles that have been the pillars of his own life in public service.

So, JIM, to you tonight, and to Mary and your children, I say God bless and Godspeed, but know as well that you have a lifelong friend in your colleague from Connecticut. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. LAUTENBERG] is recognized for 10 minutes.

THE BEST AND THE BRIGHTEST

Mr. LAUTENBERG. Mr. President, I listened very carefully to the words of our colleagues, as we talked about some of our friends and fellow Senators who were saying goodbye on this, their last session on the floor of the U.S. Senate.

I do not want this to become too funereal. These are people who are going to make a contribution that is important in their States and to our country. But something went awry, and we are losing some of the best people that I have met in my lifetime; but also people who have made a contribution that continues to enhance the value of our Government service in this institution that we have all fought so hard to join.

Among our newer friends, HARLAN MATHEWS, someone who had an immediate response from others that was always very positive. It was always good to see HARLAN MATHEWS and to have him say hello, give you a pat on the back, encourage you. I was disappointed to hear that HARLAN MATHEWS decided that he was not going to continue to try to serve here.

HARRIS WOFFORD, from my neighboring State, who is a man with a mission which he served so diligently. He won a tough race the first time he ran. But he distinguished himself in that race and he added a dimension to this body and to all of us, on both sides of the aisle, that will last, again, way beyond his relatively short service.

We are seeing some of the best and some of the brightest and some of the most caring people leave this place, all regarded with a great degree of sadness. GEORGE MITCHELL's decision to retire; Senator DECONCINI, Senator METZENBAUM—who has been kind of our watchdog and friend to all, even those who may sharply disagree with him on some policy matters.

But there are a couple with whom I have had especially good relationship, people whose views I treasure, whose values I share, and whose friendships I value.

DON RIEGLE

Mr. LAUTENBERG. First, Senator DON RIEGLE. No one ever stood on this floor and presented the case with more force, with more commitment, with more diligence, with more sincerity, to serve his community and his country than my friend, DON RIEGLE. I learned a lot from DON, and so much of it was beyond the process.

But more important, I think, was the need to feel something really deeply and fight for it, stand up for it, even on the most contentious issue where he served a minority view: tenacious and deliberate—good guy.

JIM SASSER

Mr. LAUTENBERG. JIM SASSER: He and I served on two committees together; one was the Budget Committee, which he chaired, the job he took willingly—had people scratching their heads. Talk about the ultimate service to this Constitution, this body, this country of ours—the chairman of the Budget Committee. I know, because when I came in a mutual friend of ours, Senator BIDEN, from Delaware, whom I knew before I arrived here, said: FRANK, I am going to do you a favor. I am going to get off the Budget Committee and give you a chance to serve. I have never quite forgiven him for that.

The budget committee is a tough place to be. But JIM SASSER had a way of engaging everybody in the process, even those with whom he differed most deeply. He did it with a degree of elegance and flare that won people to his side. And I remember JIM thumbing through the charts in the caucus room one after another. I could not remember what page we were on. He was looking at the bottom page, sometimes pulling out those little glasses to make sure he saw the numbers right, but always in friendship and always making you feel good even if you disagreed with him, which was hard to do.

JIM SASSER, as was said by our colleague from Connecticut, was sure to be the next leader on our side. And I do not know whether he remembers but I remember it. I am sure everybody said this to him so far. "I was one of the first to encourage you to do that." Everybody is always the first. Like the folks back home, you cannot figure out how you got so few votes when everybody you meet said they voted for you. Similarly, here.

But JIM SASSER is someone who is always balanced in his point of view, always has charm about himself. And when Mary got into the picture, his wife, Mary, that melted the resistance altogether.

I believe that our friendship will continue to carry on. But I hope that the decision made by the voters who took away the opportunity of JIM SASSER, HARRIS WOFFORD, to continue to serve, will not discourage them from continuing to try to make a contribution.

JIM SASSER has such enormous ability. He is when I visited with him in Tennessee, I think it is fair to say, beloved by the people that I got to talk to and that I met. So it was here.

There are very few people who do not feel very deeply about JIM SASSER. Like more than just a friend, a deep bond that connected us together because of the belief that we had that our country is good and our country is right and that we fought genuinely believing that we could make it better.

I want to say that Senator SASSER, JIM, the fight that he has fought, has made this place and this country better for the engagements. I can speak for myself. Despite the fact that I differ from CHRIS DODD, I came here with white hair. I had already had a lot of experience in the business world, worked with corporate types all over the place, some of the biggest corporations. I have never seen bigger people

than the people who we are talking about tonight, bigger people than DON RIEGLE, JIM SASSER, HARRIS WOFFORD, people who put up with a lot from the outside world even as they defended the view of the smallest of them, the most needy of them, and the greatest of them.

So I say God bless, continued good health, continued friendship. I would hope that we will have a chance to share a minute or a dinner or a phone call together. I need it. This place needs it. Thank you.

TRIBUTE TO SENATOR SASSER

Mr. BYRD. Mr. President, JIM SASSER has greatly distinguished himself during his 18 years of service in the Senate as one of the hardest working, most intelligent and most dedicated and effective Senator with whom I have had the privilege of serving in my now 36 years in the Senate.

Senator SASSER assumed the chairmanship of the Budget Committee in 1989, the same year that I became chairman of the Appropriations Committee. Over the past 6 years, we have worked together on a number of important budgetary and appropriations matters. And it has been truly a joy—a joy that I shall remember as long as I serve in this body and as long as the Lord God gives me life.

We both represented the Senate at the budget summit in 1990. Although later disowned by President Bush because it was politically unpopular, that summit resulted in a number of important improvements to the Budget Act. Among those improvements were the institution of binding caps, enforceable through a sequester on discretionary spending, along with provisions to hold appropriations harmless for miscalculations and economic and technical forecasts.

The agreement also created the pay-as-you-go requirements on entitlement spending. I think that JIM SASSER was the key Senator at that budget summit. He worked tirelessly to protect the prerogatives of Congress in budgetary matters, while at the same time cutting the budget deficit by an estimated $450 to $500 billion.

JIM SASSER also serves on the Appropriations Committee, where he has been the very able chairman of the Military Construction Subcommittee for a number of years. As the subcommittee chairman, Senator SASSER ran a very tight ship. He—unlike some of the other subcommittee chairmen—often recommended cuts in the military construction budget, below what the President requested. Yet, he was always careful to ensure that the vital needs of the military were met and that they were kept.

More than this, JIM SASSER has been a very pleasant man with whom to work, a man who has a way of putting other people at ease in his presence. He is my friend; he has been my friend, and he will always be my friend.

He has served this Nation and the State of Tennessee with great integrity and distinction throughout his service in the Senate.

Darius the Great was sitting at dinner with others in his court and he was presented with a pomegranate. He was asked what he would like to have if he could indeed have a wish fulfilled, and he turned to his brother Artabanes and said, "If I could have as many Megabazes, as many Megabazes"—Megabazes was the name of one of his foremost generals—"If I could have as many Megabazes as there are seeds in that pomegranate I would be pleased more than if I could be ruler of all Greece."

So, Mr. President, I have that feeling about JIM SASSER. If I could have had as many effective and loyal and dedicated friends and colleagues as was JIM SASSER, then I would have enjoyed my service on the Senate Appropriations Committee as its chairman even more than it was my pleasure to enjoy.

JIM SASSER, perhaps more than any other person that I know of, embodies the word of the official slogan of the State of Tennessee. "Tennessee—America At Its Best." JIM SASSER is Tennessee and JIM SASSER is America at its best.

It is not enough to say in your heart that you like a man for his ways. It is not enough that we fill our minds with songs of silent praise. Nor is it enough that we honor a man as our confidence upward mounts. It is going right up to the man himself and telling him so that counts.

Then when a man does a deed that you really admire do not leave a kind word unsaid for fear to do so might make him vain or cause him to lose his head but reach out your hand and tell him well done and see how his gratitude swells. It is not the flowers we throw on the graves. It is the word to the living that tells.

My wife Erma joins me in the expression of these sentiments, and I must say that here was a man who really had the markings of not only a good Senator but a great Senator.

Any individual who can bring that Budget Committee together and develop a consensus and bring tough controversial well-crafted measures out of that committee had to have ability. He must have had a more than ordinary portion of patience. And I personally, as one who was a majority leader upon two different occasions, want to express my gratitude to JIM SASSER for the service that he rendered as chairman of the Appropriations Committee. I will express my gratitude to him for the service he rendered there and as the former minority leader in this body together with service as majority leader, as I have already mentioned, it was my experience always when I wanted to call other Senators together, when I called other Senators together to get a feeling of what the situation was with respect to the body and in what direction we should prepare to move as we looked ahead, how we could best craft the program of our party, JIM SASSER was one of those whom I always called to sit in on those deliberations.

I have seen men and women come and I have seen men and women go, but I am truly sad to see JIM SASSER say farewell as a Member of the body.

The roses red upon my neighbor's vine
Are owned by him, but they are also mine.
His was the cost, and his the labor, too.
But mine as well as his the joy,
their loveliness to view.
They bloom for me and are for me as fair
As for the man who gives them all his care.
Thus I am rich, because a good man grew
A rose-clad vine for all his neighbors view.
I know from this that others plant for me,
And what they own, my joy may also be.
So why be selfish, when so much that's fine
Is grown for me, upon my Tennessee neighbor's vine.

I thank God for the privilege of working with JIM SASSER, and I am grateful for the opportunity to say this publicly. I am sorry it is under such circumstances, but we all know that life has its ups and downs, its defeats and its victories, and we accept them as they come, always looking upwards, not backyards and believing that the future may present the opportunities still to serve, especially to one who is so capable in service to his country and to his State.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I want to thank my colleagues and friends for those touching and generous words.

I must say that I feel a bit like Tom Sawyer peeping out from behind the church balcony listening to his own funeral eulogy.

I am looking forward to the next chapter of my life with the same energy, exuberance and expectations that I brought to Washington 18 years ago.

Today I look back with no bitterness, with no remorse and with no regrets.

The memories I will take with me from the Senate will be warm ones.

I have had 18 wonderful years in this great institution doing what I knew best, doing what I loved best, and doing it with passion and devotion.

Not many men and women have been so fortunate.

It has been my greatest reward and my greatest honor to represent the people of Tennessee.

I did my very best to ease their burdens and to nourish their dreams.

Abraham Lincoln once remarked:

I want it said of me by those who know me best that I always plucked a thistle and planted a flower where I thought a flower would grow.

I would hope that my Senate career will be recollected and characterized in such a warm and caring light.

Mr. President, our Nation seems to be in the midst of a very troubling season, a day and age often punctuated by high anxiety, a time when cynicism whittles away at our time-honored institutions of democracy.

But I depart this great institution with only the highest esteem for it and for the men and women who serve our Nation, men and women who give so unselfishly of themselves, men and women who bring the hopes, dreams, and fears of the American people to be played out on this stage, men and women who still hear and give shape to the thundering promise of America.

I have been privileged to serve with them.

Finally, Mr. President I want to take a moment to thank my wonderful wife, Mary, and my children, Gray and Elizabeth, for everything they have done, for the enormous sacrifices they made for me. They have been the center of my life and they always will be.

I want to thank my staff for their tireless work and for the loyalty they have shown me. It has been my honor to serve with these dedicated, fine individuals.

Mr. President, the hour approaches. And even though time often seems to stand still in the Senate, it's time for me to say to all of my friends and colleagues, "Thank you, Godspeed and Goodbye."

Mr. President, may I just say to my distinguished friend from West Virginia how much I appreciate the remarks that he has made this evening and say that the distinguished President pro tempore over many years has taught me many things, including an enormous respect for this institution. And I leave here feeling very reassured that our friend from West Virginia will be here to instill in other new Senators as they come the sense of tradition of the U.S. Senate and its place in our system of Government.

I thank the distinguished President pro tempore for his remarks.

The PRESIDING OFFICER. The majority leader, Mr. MITCHELL, is recognized.

Mr. MITCHELL. Mr. President, I listened with great interest to the words of the distinguished President pro tempore of the Senate about our friend and colleague, Jim SASSER. And while I know that I cannot match his eloquence, I can match his affection for Senator SASSER and his regret at the fact that Senator SASSER will be leaving the Senate.

I thank the distinguished President pro tempore for his truly eloquent and obviously heartfelt words about someone who he and I and many other Senators share a great affection and immense respect.

I first had the pleasure of meeting Jim SASSER a quarter a century ago when we were both active in political campaigns in our respective States.

I have had the pleasure of calling him a friend over those many years. When I entered the Senate, he was already here and because of our earlier friendship, he welcomed me, made me feel at home, greatly assisted me, as he has so many others who followed.

I do not think any Member of the Senate has a tougher job than the chairman of the Budget Committee. I think every Senator recognizes that.

Indeed, Mr. President, one of the most fortuitous moments of my life occurred when, 14 years ago, after having been appointed to the Senate and then in the election of 1980, having seen the Senate revert from Democratic to Republican control, I was summarily kicked off the Budget Committee after only 5 months of service there. At the time, my feelings were hurt. But I shortly thereafter was able to gain appointment to the Finance Committee, where I served since then. In my mind, that is the best trade since the Yankees got Babe Ruth from the Red Sox for a couple of minor leaguers many years ago.

I saw firsthand, in my limited time on the Budget Committee and in my prior experience with Senator Muskie, who was the first chairman of that committee, and since then, especially as majority leader, the extremely difficult and demanding, indeed, the punishing task of serving as chairman of the Budget Committee.

Everyone here has one or more tough tasks. And I think it is fair to say Senator BYRD, as the distinguished former leader, and myself serving in this position, being majority leader is no piece of cake. But there is nothing here that compares to serving as chairman of the Budget Committee. It is the toughest job there is.

No one has ever done it with greater skill, tact, patience and, most importantly, success than has Jim SASSER. He has led the way courageously, at great political risk and cost to himself, to economic policies which have benefited the people of this Nation. As a direct result of what Jim SASSER has done, unemployment in America is today much lower than it has been at any time for several years, the Federal budget deficit next year will go down for the third year in a row, the first time that has happened in 50 years, economic growth is rising and the economy is growing, nearly 5 million jobs have been created in the past 21 months. All of that directly resulting, at least in part, from the actions taken by the Congress shaped and guided by Senator SASSER.

We are going to miss him very much, not just in personal terms, which will be large enough, but in terms of his service to the Senate and to the country. And I know, because I regard Jim SASSER as a very close and dear friend, that he will be sorely missed.

Mr. President, I thank Senator SASSER for all he has done. It has been a real pleasure to serve with him and now to leave the Senate with him.

SENATOR HARRIS WOFFORD

Mr. MITCHELL. Mr. President, I want to, if I might, say a word also—I see our other colleague here, Senator WOFFORD—about Senator WOFFORD.

We share something in common, both having been appointed to the Senate. We are a tiny minority of an already very tiny minority; that is, people who have been appointed to the Senate. As Senator WOFFORD knows, it is an unusual, truly extraordinary experience and one which he handled with great skill and talent.

Senator WOFFORD, I think, is an outstanding example of a person who has devoted his life to helping others, to public service from his very early days organizing the Peace Corps, fighting hard for justice and equality in our society and culminating in extraordinary service to the Senate where he championed the cause of health care. He did not succeed, I did not succeed, we did not succeed, but we hope very much that what we did is a building block for the future, and that ultimately when, as I am certain it will, meaningful health care reform occurs in this country, historians will trace it to that day in November 3 years ago when Harris WOFFORD made it his cause and brought it to the attention of the Senate and the Nation.

It has been a real pleasure to serve with Senator WOFFORD and I thank him for his service and wish him very well.

Mr. WOFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania, Mr. WOFFORD, is recognized.

AN HONOR TO HAVE SERVED IN THE SENATE

Mr. WOFFORD. Thank you, GEORGE MITCHELL and JIM SASSER and my other colleagues. Thank you most of all for your leadership, but also for your warm words.

I am almost but not quite happy to be on the distinguished roll of those who are departing, the top of which is GEORGE MITCHELL who gave such great leadership in this body.

As I say my last words from this desk, I want to tell my colleagues what an honor and what an opportunity it has been to serve here. The ties of friendship with so many on both sides of the aisle are important to me and are going to be lasting.

One of the memorable moments for me came when I was asked in my first year to do the annual reading of George Washington's Farewell Address. Little did I think then that I would be making my own so soon.

But my thoughts tonight are most of all on how lucky I have been, how very lucky, first, to have been appointed by

Governor Robert Casey and then to have been elected by the people of Pennsylvania to fill the unexpired term of Senator John Heinz.

When I first addressed this body, I said I had vowed to do everything in my power to make something good come out of the tragedy of the loss of a good Senator, a great Senator like John Heinz. So, I am lucky to have had the chance to help shape and shepherd the National Service bill, the Civilian Community Corps, the new CCC bill, the school-to-work opportunity bill, the college reform bill, and to have had the chance to work and to fight on so many fronts in this body, some of which bore fruit, and in all of which, all of these matters it was bipartisan cooperation that worked; and in my case, with the help of a wonderful staff.

Luck ran out for me and for the American people when we failed to find common ground for a health reform bill that would assure all Americans of the kind of choice of private health insurance that Members of Congress and millions of Federal employees and their families enjoy.

That simple test for health reform that what has been good for Members of Congress is an example of what must be assured for the American people, I have often put to this body and to the people of Pennsylvania. I will continue to use that test as I follow from the outside what you do inside this Chamber in these next years. I hope to be able to do something more than to follow. I hope to help from the outside to see that we find the ways and means to assure all Americans do have the right to a choice of affordable health care and it becomes a reality for all Americans.

Now, the past is said to be prolog. And I am going to go a little further back in the past than GEORGE MITCHELL just did, about my activities. I want to note that this half a term in the Senate has been the high point of more than half a century of involvement with the Senate—most of it as a private citizen.

The other day, when I was asked to carve my name inside this desk, I discovered the names of the Senators who preceded me. At the top of the list were the names of Copeland and Wagner, of New York. It made me remember that when I was 11 or 12 years old, in a brief Republican period, I conducted a letter-writing campaign to the Senate against the court packing plan of Franklin Roosevelt. I have in my scrapbook letters from a number of the Senators who sent back responses, and two I vividly remember were Royal Copeland, of New York, and Robert Wagner, of New York.

Let me go back just a little further, elaborating on this. This is my unknown long life with the Senate. In 1940 and 1941, I was an interventionist who wanted to fight against Hitler and I actively lobbied the Senate in favor of Roosevelt's lend-lease plan.

At age 17, in the summer of 1943, just before joining the Army Air Corps, I spent many days around the halls of the Senate, seeing Senators and asking their support for the B-2-H-2 bill, the Ball-Burton-Hatch-Hill bill, a bipartisan bill to promise that the Senate would not go isolationist after the war but would join a world organization to keep the peace.

Then, in 1947, on the way back from Europe on a converted troop ship, with hundreds of students who had gone to Europe for the summer, Claire, my spouse of 46 years—not quite, then—and I organized a petition on shipboard to support the Marshall plan. I came down to the Senate to deliver it before going back to college.

In the 1950's I spent a good deal of time lobbying, unpaid, for the first Civil Rights Act since reconstruction. After we got that in 1957, a lot of us kept at it until we won the Comprehensive Civil Rights Acts of 1964 and 1965. And in the 1960's, too, there was the effort that took seeing every Senator in the U.S. Senate—Sargeant Schriver did, and Bill Moyers, and I was at their side often—to get the first Peace Corps bill passed. Before long, some of us, including JAY ROCKEFELLER and PAUL SIMON, and later joined by Peace Corps volunteer CHRIS DODD, who spoke earlier, started the campaign for national service to bring the idea of the Peace Corps home to this country. The first victory there was the Volunteers in Service to America bill, VISTA.

So if past is prolog, and it often seems to be, all this suggests that you may see more of me—not as a Senator, but once again as a citizen who will do his best to help the Senate do its duty.

On election night I said something, but it was cut off on television so not many would have known that I said it. But on election night, after thanking so many people—I had about half the voters of Pennsylvania minus 80-some thousand to thank—I said: To all things there is a season, turning to some good old words.

There is a time to win and a time to lose; a time to plant and a time to reap. And, above all, I think in this country today, where we know there is a time to tear down, the time has come for us, together, to build.

Thank you.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The 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.

LOBBYING DISCLOSURE ACT

Mr. PRESSLER. Mr. President, during the debate on S. 349, the Lobbying Disclosure Act, just prior to the recess, I was deluged with hundreds of phone calls, faxes, and letters urging me to oppose that legislation, which I did. My constituents and the organizations to which many of them belong were concerned with the provisions proposing to regulate grassroots lobbying.

Illustrative of their concern is a letter recently published in newspapers across my home State of South Dakota. As I am sure many of my colleagues had similar experiences with this issue, I would like to share this letter with them.

Mr. President, I ask unanimous consent that the letter appear in the RECORD immediately following my remarks.

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

PRESSLER VOTED RIGHT WAY ON REFORM

TO THE EDITOR: Sen. Pressler deserves our thanks for opposing the so-called "lobbying reform bill." This legislation would have made many citizens hesitant about contacting their elected officials in Washington. Making ordinary citizens register as lobbyists is not what the founding fathers intended.

The regulations and paperwork required under this law would have placed a great burden on our organization and its members in South Dakota. I'm sure many of our members would not have bothered contacting our elected leaders about upcoming legislation if it meant living under this law.

Grassroots organizations like ours try to make it easy for our members to get in touch with elected representatives. This so-called lobbying reform bill was merely an attempt by some lawmakers to make it harder for grassroots organizations to lobby Congress.

We thought the ban on gifts to members of Congress and their staffs was a good part of the bill. So did Sen. Pressler. But legislative rules prevented passing just the good parts of the conference report. Hundreds of grassroots organization members called, wrote and faxed Sens. Daschle and Pressler and Rep. Johnson to urge a vote against the bill. Sen. Pressler was the only one who voted the right way. He did the right thing in voting against this bill, while stating his continued support for a separate gift ban.

ED GLASSGOW,
Chairman, South Dakota Christian Coalition, Rapid City.

ON THE NORTH AMERICAN WETLANDS CONSERVATION ACT

Mr. CHAFEE. Mr. President, I rise today to pay tribute to a dramatically successful wetlands conservation program and the architect of that program, our majority leader, Senator MITCHELL.

Last month, the New York Times reported that after decades of decline, waterfowl populations are on the rebound in North America. The spring of 1994 is reported to be the most successful breeding season for ducks since the

1950's. According to this article the population of breeding ducks among the 10 most common species jumped to an estimated 32.5 million in 1994. This represents an increase of 24 percent above last year and 5 percent above the long-term average.

The Times article cites the North American Wetlands Conservation Act, authored by Senator MITCHELL in 1988, as one of the major factors accounting for the resurgence of waterfowl populations. In drafting this legislation, Senator MITCHELL looked beyond State, regional, and even national boundaries and recognized that only a comprehensive, international conservation effort would stem the decline in migratory bird populations.

The North American Wetlands Conservation Act is a model for public/private sector cooperation and innovation. The act encourages partnerships among public agencies and private interests to conserve wetlands ecosystems for migratory birds and other fish and wildlife in the United States, Canada, and Mexico. One of the major purposes of the act is to help accomplish the goals of the North American Wetlands Waterfowl Management Plan—which sets out specific continentwide conservation measures. Thus far 342 public and private partner or partner groups have contributed to over 317 wetlands conservation projects across North America.

Under Senator MITCHELL's leadership, the North American wetlands program has made substantial progress, despite the severe budgetary constraints of recent years. In just the 5 years since the act was passed, over 860,000 acres of critical wetlands habitats have been protected, restored, or enhanced pursuant to the act.

This has been possible because the North American program requires that Federal contributions be matched by private funding. As a result, $76 million in U.S. Federal moneys has been matched by $154 million in non-Federal funding. In this cost-effective program, Federal dollars have been used to leverage non-Federal contributions by more than a 2-to-1 margin. In addition, the involvement of the States and private conservation groups have lowered the cost of restoring and enhancing wetlands and spurred innovation.

Senator MITCHELL has also played an active role in building support for the North American program and ensuring it receives adequate resources to achieve its potential. He has helped enlist the support of other Senators, including Senators STEVENS, NICKLES, and BYRD, whose support has been critical to the North American program's continued success. In recognition of this impressive record, I was pleased to cosponsor, along with Senator MITCHELL, a bill to reauthorize the North American Act, which the Congress approved last month.

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The North American Wetlands Conservation Act is a landmark law, which has already made a major contribution to the conservation of this Nation's wildlife. It will benefit the natural resources of this continent and will be an enduring legacy of the environmental leadership of Senator MITCHELL. The success of the Wetlands Conservation Act is proof that one Senator—GEORGE MITCHELL in this case—can be an extraordinary force for good.

I ask unanimous consent that the New York Times article be printed in the RECORD.

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

[From the New York Times, Oct. 11, 1994]

PRAIRIE DUCKS RETURN IN RECORD NUMBERS

(By William K. Stevens)

Few birds are more avidly sought after by nature fanciers and hunters alike than the ducks, and a lot of people have been distressed to watch the sharp decline of wild duck populations over the last decade.

Now, though, the biggest flocks in years are forming up on marshes across the mid-North American continent for their annual migration south. The once-dwindling numbers of mallards and widgeons, pintails and teal, redheads and canvasbacks, gadwalls, shovelers and scaups have suddenly and spectacularly rebounded, according to the United States Fish and Wildlife Service, raising hopes for a long-term recovery.

The population of breeding ducks this year was double the average of the last four decades in the "prairie pothole" region of the Dakotas and Montana, the heart of the midcontinental "duck factory" where most of North America's ducklings are fledged—vivid evidence of how profoundly the restoration of lost habitat can affect wild creatures.

Under Federal legislation passed nearly a decade ago, millions of acres of farmland in the prairie pothole region have been converted to grassland reserves where ducks can nest in safety from predators. At the same time, hundreds of thousands of acres of prairie potholes and other wetlands that attract and feed ducks have been restored. And two wet years in a row, after a decade-long dry spell, doubled the number of ponds and puddles in much of the pothole region during last spring's breeding season.

Together these three factors made the spring of 1994 the most successful breeding season for ducks since the 1950's and 1970's in the midcontinental United States and southern Canada.

The success confirms the operating premise of the North American Waterfowl Management Plan, a program in the United States, Canada and Mexico to rebuild waterfowl populations over the long term, said a member of the program, Michael W. Tome. "When you put good habitat and water conditions together at the same time, you're going to produce ducks," said Dr. Tome, a Fish and Wildlife Service specialist in migratory birds.

But the permanence of the duck recovery is in doubt. The Conservation Reserve Program created by the Farm Security Act of 1985, the main purpose of which is to combat erosion on fallow land, rescued more than 10 million acres of farmland in the prairie pothole region. As it happens, the land is prime duck nesting habitat. But wildlife experts and conservationsts are worried that Congress may not renew the program when it expires next year. They are also concerned that farmers may not sign up for a new program.

While "it's good to hear" about this year's resurgence of ducks, "it would be a mistake to say we've turned some permanent corner," said Dr. Joseph S. Larson, a wetlands biologist at the University of Massachusetts at Amherst.

Still, conservationists see this year's convergence of positive factors as a chance for further progress. It is "probably the best opportunity to produce waterfowl on a broad-scale basis we've had since the 1950's," said Jeff Nelson, chief biologist for Ducks Unlimited, a private conservation organization and leader in conserving duck habitat. "The reason is, we haven't had this extensive an area of grass with this kind of water since those days."

While wet and dry climatic cycles cause natural fluctuations in duck populations, few ducks will be hatched even in the wettest of years if there is insufficient nesting habitat. "Water attracts ducks to the landscape, but water doesn't make ducks," said Ron Reynolds, a wildlife biologist who heads the Fish and Wildlife Service's habitat and population study team based in Bismarck, N.D.

Different species of ducks make different use of ponds and wetlands. There are dabbling ducks and diving ducks. Dabbling ducks, also known as puddle ducks, feed in shallow water, dipping their heads just below the surface to eat plants, insects and small fish. They build their nests on uplands near the water. Mallards, pintails, teal, gadwalls, widgeons and shovelers are dabblers. Diving ducks like the redhead and canvasback, on the other hand, plunge into deep water to feed on the bottom and make their nests on floating mats of vegetation.

The dabbling ducks took a double hit when the wetlands were drained and their nesting areas converted to farmland. The loss, combined with a prolonged midcontinental dry spell, sent breeding populations into a tailspin. The number of Northern pintails shrank by nearly two-thirds; that of blue-winged teal, widgeons and mallards dropped by nearly a third each, and the population of readheads by nearly a quarter. By the 1990's, North American ducks seemed in serious trouble. Most of the decline took place in the midcontinent, the very heart of duck country. The climate was more favorable and the habitat more stable on the eastern and western ends of the continent. But far fewer ducks breed there.

"The reason ducks have declined is low nesting success," said Mr. Reynolds. Diving ducks had fewer wetlands for their floating nests and the dabblers, confined to shrunken patches of grassland, could not conceal their eggs and young from foxes, crows and many other predators.

Governments have joined forces with private organizations like Ducks Unlimited and the Nature Conservancy to restore wetlands in the prairie pothole region, an especially important development for diving ducks. But the Conservation Reserve Program has brought the biggest habitat dividends by far. The program paid farmers to protect formerly cultivated land that lay fallow, often because of fallen crop prices.

Although the main purpose of the program was to prevent soil erosion, it turned out that as the grasslands grew back, an abundance of thick cover was created for ducks, as well as other birds like meadowlarks, black terns, bobolinks and sandpipers. Along with the grasslands and birds there returned a variety of wildflowers, small mammals and invertebrates.

The grasslands also tipped a balance between two of the duck's main predators in the victims' favor. Foxes, which hunt a small area intensively and are the greater threat to ducks, gave way to coyotes that hunt a larger range and plunder fewer nests. "When we see coyotes on the landscape, we see that as being good news," said Mr. Reynolds.

At the same time, the biological enrichment that followed the regrowth of grasslands has been good for creatures like meadow voles and white-footed deer mice, offering predators a broader menu: "They don't have to key in on just duck eggs," he said.

The other good news for the ducks was heavy precipitation in 1993 and early 1994. Though the historic floods they caused wreaked havoc with the upper Mississippi basin, the summer rains of 1993 also filled many dry potholes and other wetlands. A snowy winter in 1993–94 further increased the number of spring ponds in prairie Canada and the north-central United States to six million, according to the Fish and Wildlife Service—47 percent more than a year before and a third more than the long-term average of 1955 through 1994. In Montana and the western Dakotas, the heart of the duck-producting region, the number of ponds was double the long-term average.

From this confluence of factors, more ducks congregated this year on the midcontinent breeding grounds than in many years. In a standard survey area encompassing the northern midcontinent and Alaska, the population of breeding ducks among the 10 most abundant species jumped to an estimated 32.5 million in 1994, up 24 percent from last year and 5 percent above the long-term average. The increase was mostly accounted for by Montana and the Dakotas, where the population roughly doubled between last year and this, and nearby southern Saskatchewan, where it grew by 64 percent.

Just as important, the hatching rate of ducks also went up this year. In the case of mallards, the most abundant and familiar species, about 30 percent of the eggs hatched, compared with 10 or 12 percent before the Conservation Reserve Program's benefits took hold, said Mr. Reynolds. "Mallards need a nesting success of about 15 percent to maintain their population," he said.

The Fish and Wildlife Service predicts that when the mallards that hatched last spring join their parents on this fall's migration to wintering grounds in the southern United States and the tropics, 12 million in all, 36 percent more than in 1993, will make the trip. Over all, the fall migration flight from the standard survey area is expected to total 71 million, 20 percent more than in 1993.

In fact, said Dr. Tome, this year's 32.5 million breeding ducks in the standard survey area approaches the North American Waterfowl Management plan's long-term recovery target of 36 million for that area—roughly the average count of the 1970's, when at one point it exceeded 40 million for a record. For the entire continent, the recovery target is a breeding population of 62 million by the year 2000, with a fall migration flight of 100 million. No continentwide survey of the present population has been made.

The immediate concern, said Mr. Nelson of Ducks Unlimited, "is that we get them up to where they were in the 1970's before the next dry spell."

For now, anyway, pothole and pond resonate once more with predawn sounds that evoke images of abundance in the mind's eye. Aldo Leopold, the naturalist and conservationist, put it this way in his book "A Sand County Almanac": "When you hear a mallard being audibly enthusiastic about his soup, you are free to picture a score guzzling among the duckweeds. When one widgeon squeals, you may postulate a squadron without fear of visual contradiction."

It will be almost like old times this October as squadron after squadron, species after species rises and, in Leopold's phrase, heads toward the equator "on quivering wings, ripping the firmament neatly into halves."

WHEN CONGRESS DOESN'T DO ITS WORK

Mr. PRESSLER. Mr. President, immediately before Congress recessed on October 8, 1994, the House of Representatives and the Senate passed H.R. 5060 to provide funding for the Securities and Exchange Commission for fiscal year 1995. The course which this legislation followed points up how damaging it can be for Congress to procrastinate and stumble about in passing legislation necessary to keep our Federal departments and agencies operating.

Last July, the Senate passed its version of H.R. 4603, a bill making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies. Senate amendments to the bill included a provision extending for the Securities and Exchange Commission a self-financing, higher rate of fee for registering securities. The Senate Appropriations Committee forewarned in its report, "If the House version of H.R. 4603 stands, the SEC will be forced to shut down and cease operations on October 1, 1994."

Nevertheless, because of a jurisdictional dispute between committees in the House, the Senate amendment extending the higher rate of fees was deleted in conference. Hence, it became necessary for the House finally to take up and pass a special measure (H.R. 5060) extending the higher rate of registration fees for fiscal year 1995. The bill was not received in the Senate until September 27.

Members of Congress had been forewarned by the Senate Appropriations Committee report of what might occur if funding for the Securities and Exchange Commission were not provided by October 1, 1994. Further, Arthur Levitt, the capable and highly regarded Chairman of the Commission, stated in very clear terms what some of the consequences would be if funding were delayed beyond September 30. Nevertheless, the prior and continued delays resulted in the Senate not passing H.R. 5060 until October 8.

I am informed, Mr. President, the following resulted from failure to pass this legislation prior to October 1:

From October 1 through October 9—date of enactment—fees paid by filers to register securities offerings were reduced from one twenty-ninth to one-fiftieth of 1 percent of the offering amount, resulting in a loss of revenue to the Government of over $20 million.

The Commission was forced to cancel 6 mutual fund inspections, 30 broker-dealer examinations, 77 sessions of investigative testimony, and 18 trips to pursue enforcement investigations.

Executive and administrative staff also spent hundreds of hours trying to resolve the agency's budget crisis and preparing the agency's slowdown and possible shutdown.

The staff prepared for a furlough of at least 3 days per week beginning mid-November and for severe reductions in overhead expenses: telephone, travel, mail, enforcement support, automated data services, and supplies.

Mr. President, this is a glaring example of how the Government should not operate. Hundreds and hundreds of hours are lost in a fruitless effort to pass legislation necessary for the operation of an important agency. The agency is crippled in its operations. Law enforcement suffers. Over $20 million of taxpayer funds are lost—only to benefit large security registrants who shrewdly took advantage of the loophole created by Congress. I hope somehow we will learn from this experience.

IS CONGRESS IRRESPONSIBLE? YOU BE THE JUDGE ABOUT THAT

Mr. HELMS. Mr. President, before contemplating today's bad news about the Federal debt, let's have a little pop quiz. How many million dollars would you say are in a trillion dollars? And when you arrive at an answer, remember that Congress has run up a debt exceeding $4½ trillion.

To be exact, as of the close of business yesterday, Wednesday, November 30, the Federal debt stood down to the penny at $4,778,520,357,397.29. This means that every man, woman, and child in America owes $18,328.80 computed on a per capita basis.

Mr. President, to answer the pop quiz question—how many million in a trillion—there are a million million in a trillion, for which you can thank the U.S. Congress for the present Federal debt of $4½ trillion.

COMMENDING THE ANTARES GROUP, INC., OF LANDOVER, MD

Mr. JOHNSTON. Mr. President, I would like to take this opportunity to recognize and commend the Antares Group, Inc., of Landover, MD, for their work on energy and environmental technologies. The Small Business Administration has awarded the Antares Group the Administrator's Award for Excellence for outstanding contribution and service in a joint Government-industry project as a subcontractor of the National Renewable Energy Laboratory [NREL]. The Antares Group came to my attention through their work on a biomass energy project to utilize switchgrass in electric power generation. This is an actual testing and demonstration project involving the NREL and several electric utilities.

The Antares Group is a young company of engineers and economists with the expertise and drive to move technology from the research and development stage to demonstration and commercialization. The United States is recognized around the world for its initiative and creativity in energy and environmental technology. Companies like Antares are key to maintaining our edge internationally in commercial applications of energy and environment technology.

Ms. MIKULSKI. Mr. President, I would like to join with Senator JOHNSTON in recognizing the Antares Group of Landover, MD. As a small business contractor, Antares has earned a reputation for engineering and economic excellence. With outstanding companies such as Antares working with Government and industry, we are able to achieve maximum leverage for our Federal dollars in developing and commercializing energy and environment technology, and creating jobs in Maryland.

STATE REPRESENTATIVE JIM SIMPSON

Mr. COCHRAN. Mr. President, a few weeks ago, my State of Mississippi lost one of its finest public officials when former State representative, Jim Simpson, died.

Many of my colleagues know Bill Simpson, who was a key staff member for Senator James D. Eastland and President Jimmy Carter.

Bill Simpson delivered the eulogy at his older brother Jim's funeral, and I invite Senators to read it. While it conveys in an eloquent way the special bond of friendship and love among the members of Jim Simpson's fine family, it reminds all of us in public office how important our families really are.

Incidentially, Jim Simpson was one of the most effective, hard-working, and respected members who has ever served in our State legislature. He died while working for the election of his son to serve in the seat he had held for over 20 years, and I am sure his son will be a distinguished and successful representative, too.

With a loving and supporting family of Simpsons on his side, he cannot miss.

I ask unanimous consent that a copy of the eulogy of Bill Simpson be printed in the RECORD.

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

EULOGY OFFERED FOR JAMES C. SIMPSON, NOVEMBER 11, 1994, BY WILLIAM G. SIMPSON

I would offer a few remarks about my only brother and my faithful friend.

This day, Veterans Day, is the time for me to speak of a brave and proud Marine. He was a forward observer for artillery in Korea out in front where danger was ever present.

He brought his dedication to duty home with him. He was always willing to put himself in harm's way to take the risks to protect and serve others.

When he was chosen by his people to go to the legislature, he did two great things.

First, when he raised his hand and committed himself to well and faithfully discharge the duties of his office, he was not participating in a ceremony, he was binding himself to what he saw as a solemn duty.

Second, the term representative was not a title to him. It was the sum of his mission. He sought with all his strength to represent the citizens of his district and of this beautiful coast and of the State he loved.

Seven times his people sent him to Jackson to be out in front for them and at the end of a distinguished career. He returned the office to them with the honored term integrity engraved upon it.

I would tell you from my heart, several personal things.

The bond between my brother and me stretched from his birth to this day and will stretch into the future until the end of my life.

He was my always friend: Through my service in the Governor's office to Senator Eastland's office, to the White House, and to the present. He was there: solid as a rock to advise, to guide, to encourage, to remind me that we are not here to curse the darkness, we are here to light a candle.

My other observation deals with family and with abiding love.

Jim loved the wife he was blessed with. He loved his children and their mates and their children. He loved his brother and my family and his sister and her family. To close this shining circle each of us returned his love in full measure.

During the passage of the Simpson family through this valley of sadness, you should know that our hearts have been lifted and our spirits strengthened by the flood of affection and support that many hundreds of friends, like those gathered here, have given so freely to us.

Finally, even on an occasion like this one, something so right occurs that it must be marked.

I would point to the small group who are Jim's pallbearers today. He shared with them his hopes and dreams and his life. They carried each other for more than a quarter of a century. I wish I possessed the talent to say how far they have carried this State and her people. It is fitting and proper that they should bear Jim to his rest from the labors that will now be taken up by one of his beloved sons.

As we bid farewell to this good and decent man, let us take comfort from the certain knowledge that Jim Simpson fought the good fight. He finished the course. He kept the faith.

VERMONT GAINS A LEADER

Mr. LEAHY. Mr. President, yesterday Vermont's Gov. Howard Dean announced that Theresa Alberghini will become the head of Vermont's Health Care Authority. It is one of the most challenging, difficult jobs in all of Vermont. In Theresa Alberghini, Governor Dean could not have made a better choice. Theresa is my legislative director, and has been my senior adviser on health care matters for many years.

Governor Dean takes his commitment to providing health insurance to every Vermonter seriously. In Theresa, he has hired a brilliant, loyal Vermonter who will help make that commitment happen.

Theresa began working in my office almost 10 years ago, answering phones in my front office. From there, she has risen to become one of the most senior and respected staff members on Capitol Hill. Her knowledge of health care issues is unsurpassed. Her ability to work with everyone, whether they are the largest corporations in our society, or those Americans with the greatest needs but the quietest voices, is one of her greatest strengths.

Theresa is one of my closest advisers. She is also a close friend. A native of Barre who grew up in Burlington, Theresa has served our Nation with distinction. Her parents, Roy and Concetta Alberghini, should be proud of their daughter. The people of Vermont are lucky that one of their native daughters is coming home.

TRIBUTE TO CHARLES JOHNSON

Mr. COCHRAN. Mr. President, during the recent recess of the Senate, a distinguished citizen of the State of Mississippi, Charles Johnson, passed away.

He was a good friend of my family for many years, and his assistance to me as an adviser on education issues will always be remembered and deeply appreciated.

A wonderful article describing his career and his valuable contributions to the State of Mississippi and to public education was written by Danny McKenzie and published in the Jackson Clarion Ledger. I ask unanimous consent that this article be printed in the RECORD.

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

[From the Clarion-Ledger, Jackson, MS, Oct. 16, 1994]

CHARLIE JOHNSON TOUCHED PEOPLE IN ALL WALKS OF LIFE

(By Danny McKenzie)

So today we must say goodbye to another of the all too few Southern gentlemen who for so many years played a major role in the shaping of Mississippi.

Today we say goodbye to Charles A. Johnson Jr., who for nearly 50 years was involved in the education of Mississippi children.

Johnson died Sunday, following a long and tough fight with cancer. His funeral is 10 a.m. today at Briarwood Presbyterian Church in Jackson with burial at 3:30 p.m. in Odd Fellows Cemetery in Aberdeen.

He was known simply as "Charlie" and his nickname fit him perfectly. There was not one ounce of pretentiousness about Johnson.

MORE THAN AN EDUCATOR

Charlie Johnson's specialty was education, but his qualities transcended job descriptions and reached across all human boundaries and touched people in all walks of life.

Johnson was superintendent of schools in Canton and Starkville and he was president of Chamberlain-Hunt Academy in Port Gibson.

For 10 years he was the executive secretary of the Mississippi Education Association.

He was a progressive leader in education during a time when progress and education were often mutually exclusive terms.

John Hartman, Johnson's executive assistant during his days with MEA, recalled a program the quiet leader came up with in 1967 that was too bold for many in the state Legislature, but one that endeared him to teachers.

"He convinced the MEA board of directors to fund a program called 'You Decide'," said Hartman, now the executive director of the Mississippi Association of School Boards. "We trotted out everything that was absolutely true about public schools, and some of it was not exactly positive.

"But the complete honesty of it caught the attention of Gov. (John Bell) Williams, and he then took the reins and turned it into a $1,000 pay raise for teachers—something that was unheard of in the South during that time.

"Charlie was totally loyal to the proposition of providing to schools the absolute best that could be provided."

"SUPREMELY HONEST"

Hartman also recalled Johnson's dealings with the Mississippi Legislature during some extremely turbulent years.

"Charlie was supremely honest," he said. "One of the things he insisted on were legislative hearings on matters that had to do with education. That's another thing that was just not done back then."

David Barham, the director of operations of the Mississippi Lions Eye and Tissue Bank, was an MEA staff member during Johnson's tenure. He said it was Johnson's dignity that made the deepest impression on him.

"That above all else," Barham said.

"Charlie always maintained a very quiet dignity in the toughest of situations. I'm sure that's why he had so much respect from the Legislature—his complete equanimity during some really trying circumstances."

Hartman concurred. "I think he could be characterized as being supremely honest with an absolute absence of any pretense, and he was kind to the core."

Both Hartman and Barham also mentioned another of Johnson's traits: strength.

Charlie Johnson was not a physically imposing man; he was tall and extremely slim. But those who knew him best knew his strength, and those who didn't know him and judged his inward strength by his outward appearance soon found how wrong they had been.

Johnson's resolve, his dignity and his caring all stemmed from a close relationship with his Lord. He was one of those rare individuals who truly knew right from wrong, and who had the Christian courage to carry out his convictions.

It is, I suppose, a cliche to state that Charlie Johnson was a man who made better people of all of us who knew him.

He did, though, and that will be Charlie Johnson's legacy.

GEORGETOWN UNIVERSITY LAW CENTER

Mr. LEAHY. Mr. President, earlier this year, I had the honor to give the commencement address to the class of 1994 of the Georgetown University Law Center.

The address was given on a beautiful spring day on the main campus of Georgetown University in Washington. It was a most meaningful day for my wife and myself because 30 years before, I had graduated from Georgetown with a law degree but was unable to attend the graduation because I had returned to Vermont to begin my clerkship in preparation for admission to the Vermont Bar.

Both my wife Marcelle and I talked later about how Georgetown had finally given me the graduation I had waited 30 years for, and the gratitude felt for that opportunity.

Mr. President, I ask unanimous consent that a text of my remarks at Georgetown be printed in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

HUMANITY AND SERVICE ARE FORMATIVE PRINCIPLES FOR A SUCCESSFUL LEGAL CAREER

It was 30 years ago that I had the opportunity to sit where you are today. I had been inspired by the knowledge that was gained at this magnificent law school and I was confident of my sharply honed reasoning skills. After all, I had survived the unmerciful pounding of my law professors, these olympian Gods of this institution, and I was surrounded by friends that were going to last me a lifetime. And my generation had been inspired by another young president. He had called on the privileged, which included a lot of us, to serve the underprivileged. He lifted us all in the cause of civil rights. He encouraged us to dedicate ourselves to democratic principles. It was Camelot and it was a brief shining moment in our history. So I remember these years at Georgetown.

But in the many years since, the thing I remember most was standing with my wife on a cold November day in my last year of law school—standing on Pennsylvania Avenue with a half a million people so silent you could literally hear the lights click as they changed on the stoplights, and standing near where the law school was at that time we heard the drums as the cortege left the White House bringing the body of John Kennedy up Pennsylvania Avenue. Any one of us who were there will never forget that day, and we knew the future wasn't as structured or predictable as an idealistic young law student had imagined.

When I graduated from Georgetown Law School I didn't have the chance to sit here and listen to a graduation speaker. I missed my own commencement exercises. I had to rush home to Vermont, start work, start a clerkship. Marcelle and I packed up our worldly possessions in a rented car, bundled up our infant son, and we held tight to the family fortune of $150. We had Marcelle's final paycheck as a nurse from a local hospital as we headed back to an uncertain future. But in the intervening years I have been fortunate to serve in ways that I really enjoyed: as a lawyer, as a prosecutor, as a United States Senator. And the people of Vermont have been very kind to me. They overlooked the fact that I am a Democrat and the only one they have ever elected. They don't expect me to agree with them all the time, but they expect me to show character and strong and thoughtful representation and integrity, which are the things you have learned if you have really understood what was taught here.

These qualities are the greatest assets of a lawyer: to use good judgment and integrity in representing a client. Judgment and integrity are all that separates good lawyers from a mere wordsmith and don't ever forget that because Georgetown has given you the tools of your trade. Learn how to use them. Of course you will read cases, of course you will study the law, of course you will use honest effort, but judgment rests on far more. Good lawyers remain students all their lives because they refine their skills through experience, both inside and outside of the courtroom and law office. Remember what Walter Scott said, "a lawyer without history or literature is a mechanic, a mere working mason. If he posseses some knowledge of these he may venture to call himself an architect." So enjoy the experience of living and teaching others to live. Place a priority on the spiritual life you give your family and then protect that closeness and that privacy with as much zeal as you bring to the courtroom or the negotiating table. The law is going to consume your professional life, but don't let it overwhelm it. Take time for music and literature, tend your gardens however they might be, share with friends and take pleasure in your family, just as your parents or spouses or sons or daughters and family take great pride in you. Take time to take pride in others after this day. You can be a good lawyer and still be a good person. It's possible. It is!

Take advantage of the opportunities your education has given you. Take advantage of being happy. You are entering an honorable profession, believe it or not. It's too easily belittled, it's too often reviled for its apparent fixation on money, whether in people or principle. Look at Judge McDonald, look what she has done in serving not only as a federal judge but as a professor and now stepping into the maelstrom of what will be some of the most difficult questions after the tragedy of Bosnia-Herzegovina.

You know the image of the miserable lawyer is shared by too many who are miserable in what they do in their work. They're trying to figure out how they bill 30 hours a day as some do, how to collect fees, how to generate new cases, and they fail to find a way to work on matters they care about. I was fortunate. I found serving in government important and satisfying. I loved being a trial attorney. I thoroughly enjoyed being a prosecutor—incidentally the best job one might have—and then went to the second best job in the United States Senate. And there I have had an interest in health care and the health of children. I have been active on our federal nutrition programs and have written most of them as they now exist, to expand the WIC program for poor pregnant women and their infants and children. We are the wealthiest, most powerful nation on eath. Nobody in this audience goes hungry except by choice. But let me tell you, you can walk five minutes from here and see people who don't have that choice. Work as lawyers and Americans to get rid of hunger in this country.

I go to work with scores of professionals, Republicans and Democrats, on Capitol Hill every day. There are young lawyers and older lawyers who work hard to make this nation a better place. So when you leave law school, remember, don't buy into an endless rat race that is made all the more depressing by its apparent meaninglessness. There are other options. Find a way to be happy in your professional life or you have failed the magnificent opportunity you have been given. Think about why you came here.

In January of last year another Georgetown graduate took the Presidential oath of

office and called upon your generation to serve in the renewal of America in its defining moment and the life of this nation. Now, change is upon us. When I vote on Judge Stephen Breyer's nomination I will—in a short 20 years—have voted on all nine members of the Supreme Court. Think of that change. Think of the change coming for you. Most of you are going to live most of your lives in the next century and that is where our needs are, to balance health care system with privacy requirements, to find out how you can maintain your own privacy, to weigh law enforcement desires for wiretap authority in the age of digital switching with Fourth Amendment rights, consider how intellectual property rights and privacy and security concerns are going to be accommodated along an information superhighway.

All these things will involve you as lawyers. But think what it means to you always as an individual if we can put all the information about you in your whole life on a credit card, to be read by a computer. Think about whether you want to give up that privacy. Think of whether your interest is the environment or equal justice or promoting access to those isolated in urban and rural communities and respond to the challenge of what the President has called a "season of service" to act on your idealism.

The practice of law is not about clever arguments or stirring up lawsuits, but about good men and women resolving disputes, by creating opportunities affecting other people's lives for the better. That is what you can do: seek to maintain faith with our history as we journey to the future.

Think of what you have been handed, think of what your responsibilities are. But don't forget you are a person before you are a lawyer. And you have to be true to yourself in that regard. Don't ever forget it. Don't let the rat race get away with you. Keep the promise that you made to yourself when you came here.

And let me give a word of thanks. Thirty years ago I had to miss my graduation at Georgetown. Today you gave me the graduation I thought I'd never have and I will always be grateful.

RETIREMENT PROTECTION ACT OF 1994

Mr. MOYNIHAN. Mr. President, I want to take this opportunity to recognize the many staff people who played an important role in crafting the Retirement Protection Act of 1994, the pension reform legislation that is in title VII of the GATT implementing bill.

Staff of the Pension Benefit Guaranty Corporation have provided invaluable assistance to the Finance Committee in this regard. In particular, I wish to thank Martin Slate, PBGC's executive Director; Judy Schub, Assistant Executive Director for Legislative Affairs; Nell Hennessy, Chief Negotiator; William Posner, Chief Operating Officer; Stuart Sirkin, head of the Corporate Planning and Research Department; Carol Connor Flowe, General Counsel; and their staffs, most notably, William Beyer, Terrence Deneen, Deborah Forbes, Russlyn Guritz, Richard Ippolito, William James, Leslie Kramerich, Linda Mizzi, Mrichael Rae, Gail Sevin, and Gretchen Young.

Special note should be made of the actuaries whose advice and testing of alternative proposals helped us formulate major changes to the complex pension funding rules: from the PBGC, C. David Gustafson, Jane Pacelli, Eric Palley, Gary Gilliam, John Langhans, and Ruth Williams; from the Office of Benefits Tax Counsel at the Treasury Department, Harlan Weller; and from the IRS, James Holland.

The Treasury Department also provided us with the invaluable assistance of Leslie Samuels, Assistant Secretary for Tax Policy; Randolf Hardock, Benefits Tax Counsel; and Mark Iwry, Deputy Benefits Tax Counsel.

Finally, I would like to express my appreciation to Joe Gale, Will Sollee, Mark Prater, and Doug Fisher on the tax staff of the Finance Committee, whose tireless efforts to smooth out the rough edges in the legislation made it possible to include the Retirement Protection Act in GATT.

JOHN PODESTA

Mr. LEAHY. Mr. President, earlier this year, the Washington Post wrote an article about one of the most extraordinary people in Washington.

John D. Podesta is an assistant to the President and is also White House staff secretary.

John Podesta is also a very special friend, a valued adviser, and an admired public servant. John has worked with me as a key political adviser and with me and the U.S. Senate in capacities ranging from legal counsel to chief of staff. In every capacity, he has set the standard of excellence.

I have benefited greatly from his friendship and advice. Our country is benefited every day by his service to America.

Mr. President, I ask unanimous consent that an article from the Washington Post profiling John Podesta be printed in the RECORD at this point.

I yield the floor.

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

[From the Washington Post, May 5, 1994]

WHEN CLEANING UP IS THE WORST JOB: A WHITEWATER SUCCESS STORY

(By David Von Drehle)

John Podesta has been questioned before a federal grant jury, he has been obliged to correct the president of the United States—*veeerry* carefully—he has been assigned to explain the First Lady's commodities trading, and then to change his explanation.

And he is a Whitewater success story.

This has been life among the ruins of the Clinton administration's early Whitewater damage control. Podesta's job is to clean up the mess that was made the first time around. But so extensive was the mess that the cleaning man got dirty.

A lot of insiders say Podesta has the worst job in Washington. They're not talking about his official role. Officially, he is White House staff secretary—one of those gray but powerful jobs. (The staff secretary controls the paper going to and from the president, and is best known as the guy with the arm that reaches into famous scenes, like the Israeli-PLO peace accord signing, to put a historic document on the president's desk.)

What folks call the worst job in Washington is Podesta's unofficial duty: White House cleanup chief. When bombs go off in the nation's capital, most people assume the classic Washington position—duck your head and cover your posterior. Podesta shoulders a shovel and trudges into the rubble.

Ever since subpoenas began arriving at the White House, and the administration began to understand that finger-wagging and wounded pleas would not solve the crisis, Podesta has been trying to pull together documents, recreate long-lost wheelings and dealings, and generally patch up the image of a dissembling White House. Slowly, with frequent setbacks, he may be making some progress.

The most obvious sign came late last month, when Hillary Rodman Clinton called a news conference and fielded Whitewater questions for an hour and a quarter. As she spoke, Podesta—an intense, slight man with sharp features and a quick laugh—watched happily from the edge of the room. Much of the senior White House staff was caught flatfooted by the news conference; Podesta helped in the First Lady's preparation.

Along came the deputy White House counsel Joel Klein and Clinton family lawyer David Kendall, Podesta fields scores of telephone calls each day from reporters. Instead of scolding them, he generally tries to answer their questions. He has collected and released hundreds of pages of documents: old tax returns, commodities trading records, Whitewater corporate tax documents.

"There's been a distinct change of approach since John's taken on this job," said one senior administration official. "Since John has gotten in, you've seen a fairly aggressive presentation of facts and documents, and a tightly coordinated effort."

Colleagues at the White House give Podesta high marks for pooling the Whitewater frenzy in a few offices—giving the rest of the staff a chance to tackle other tasks. As Podesta says: "People are back to business, and I'm absorbing most of the arrows."

One veteran Democrat knowledgeable of the inner workings at the White House, called Podesta's appearance as Whitewater troubleshooter "the most hopeful sign in a long time" that the administration might calm the tempest. Why? "He's strong as a political organizer, strong as a lawyer. He knows Congress, and he can talk to the press. He has the probity. And he understands a lawyer's job is simple: to solve your client's problem."

Podesta's strategy is simple. Get the facts and make them your weapon. An example of the Podesta style came recently: He and Kendall were plowing through Hillary Clinton's investment records, and they discovered a profit on which the Clintons failed to pay taxes in their 1980 return. Fact was, the statue of limitations was long past; moreover, an Internal Revenue Service auditor had approved the Clintons' 1980 return. Legally, they were on solid ground.

But Podesta hustled to 'fess up. Painful as it was, it was better than having some newspaper reporter discover the unpaid tax. An old foul-up is better than a fresh expose.

Former White House counsel Bernard W. Nussbaum probably would not have handled it this way. When he was dealing with Whitewater, Nussbaum—an accomplished

Wall Street lawyer—preferred the classic Wall Street approach: Lock the files, hunkerdown, occasionally flip your enemies a middle-finger salute.

New York's ways are not Washington's ways. Here, we bury people in paper and make nice by phone. "You've got a lot of people who can sit down and tell you the law," said Sen. Patrick J. Leahy (D-Vt.), Podesta's boss for a number of years. "But they don't have a sense of the political ramifications."

Podesta learned by doing, coming up through Democratic Party ranks on the heels of his older brother, Tony, a longtime political strategist. In state and national campaigns spanning a generation—from Eugene McCarthy's presidential bid in 1968 to the Clinton victory in 1992—Podesta, 45, learned the art of the sound bite, the care and feeding of the press, the importance of answering fire with fire (without wounding friends.)

As Leahy's top aide on the Judiciary Committee, and later chief counsel to the Senate Agriculture Committee, Podesta also mastered the fine print of government. Over time, he became the rare Washington figure who can match the nerds detail-for-detail on, say, intellectual property law in the digital age and hatch strategy with the backroom politicos. "John's both a rigorous lawyer and good pol and they don't usually go together," said Leslie Dach, who worked with Podesta on Michael S. Dukakis's ill-fated 1988 presidential campaign. "He can memorize bank records and also know how they'll play in Peoria."

The lousy jobs began coming his way almost a year ago: The first mess was the travel office. Seven employees of the White House travel office had been fired, and the press was full of charges of cronyism, money-grubbing, manipulation of the FBI. Normally, the White House counsel's office would handle it, but Nussbaum's staff was involved. Enter Podesta.

With his deputy, Todd Stern, Podesta went from office to office around the White House asking people how they managed to screw up so badly. Then he published his findings. He linked important people—like Vince Foster, presidential adviser George Stephanopoulos, even the First Lady hereself—to the debacle. Annoy your colleagues, embarrass your boss . . . the worst job in town.

Except: Podesta pulled it off. His come-clean strategy deflated the issue. "It ended the story," Stephanopoulos said.

Podesta then was called in to preserve the nomination of Joycelyn Elders to be surgeon general, when it seemed like Elders might talk herself out of the job. Then he shepherded William Gould's nomination to head the National Labor Relations Board through a pack of grumbling conservative senators. Next, he persuaded the Senate Foreign Relations Committee that resort owner M. Larry Lawrence had qualifications to be an ambassador beyond writing fat checks to the president's party.

Then came Whitewater.

Podesta has made mistakes, including one doozy. When he announced the tax error, he produced supporting documents, which undermined an earlier description of one Clinton commodities trading account. A reporter asked if the new material made the old version "inoperative." And Podesta confirmed: "That is inoperative."

"I can't believe you repeated it!" a colleague said to him after the briefing. Only then did the scope of the error sink in: "Inoperative" is a Watergate word. He had echoed the quote of a Nixon aide. "And the blood drained out of my face," Podesta recalled.

But in a White House where gaffes often turn into gaping wounds, Podesta minimized the damage. Since uttering the fateful word, Podesta has jumped on any reporter who has tried to use "inoperative" to stand for anything beyond the specific details of a single ancient commodities account. For example, he fired off a letter chiding a Washington Post columnist: "I have to publicly eat my mistakes. I hope you acknowledge yours."

Podesta denies he has the worst job in Washington. "I actually like defending the president and the First Lady and the administration," he said. But Whitewater is dramatically more complex than his earlier crises: The stakes are higher, more people are watching, the questions are more complicated, the documentation is more sketchy.

Sometimes, Podesta says, when he ventures into the First Lady's office with the latest question about her finances, Mrs. Clinton slaps her hand to her forehead and, exasperated, says, "I just can't remember any more!" (Or words to that effect) Podesta allows that he doesn't know all the answers—and so each quiet Whitewater day feels like the slow climb to the top of a roller coaster.

"I'm trying to get the truth as best I can," he said recently. "And I believe in the truth of our position. We're trying to get information out quickly, to avoid the appearance of stonewalling. As we gather more information, we correct our mistakes.

"I expect we'll take some more hits before it is over," he said, "but I believe we are going to get through it."

FAREWELL TO SENATOR JIM SASSER

Mr. ROCKEFELLER. Mr. President, I want to pay tribute to a departing colleague who will be sorely missed in the Senate. A review of Senator JIM SASSER's record and commitment is a reminder of how much one individual can contribute through public service.

We all are hearing the charge that Congress has lost touch with the people we represent—that the beltway is a border of sorts between the lives of Members and the lives of people we work for. I hope to never allow that wall come between my service here for West Virginians and the people

If you want to find an example of a colleague at work who not only disapproves that view of Congress, you turn to Senator JIM SASSER. His energy and his deep affection of the people of Tennessee he represents set the standard for how we should be involved in the life of our home States.

I have always been amazed at how JIM managed to visit each and every one of Tennessee's 95 counties each and every year. This is a man who hiked through Tennessee's Cherokee National Forest every year to check on how fish are affected by water pollution. For 18 years, JIM SASSER has been a fixture in Tennessee even as he has been such an effective leader in Washington—and we all should learn from his example.

Senator SASSER's departure will leave us short of a role model for senatorial grace, excellence, and achievement. He never wore this office as a title. Rather, he worked across geographic, political, and ideological lines with a very real, very serious sense of responsibility. This is a trust to be earned and to be maintained, and we will miss the way Senator SASSER made the entire institution look better for his seriousness and integrity.

Senator SASSER has earned some private peace and quiet. He fought some of the toughest battles here in the Senate—not in the spotlight, but in the trenches where our real work gets done. As chairman of the Budget Committee, he had the unenviable task of setting spending levels for thousands of programs. And determined to be true to his principles of honesty, fiscal prudence, and progress, he had to wage hard-fought battles to persuade his own colleagues to make real choices and tough choices. JIM SASSER was a voice of fiscal reason and common sense when a path of lesser resistance would have been much easier. As our Nation's economy grows and strengthens, this country owes JIM SASSER for the dividends of his difficult work.

The standard of excellence Senator SASSER helped set will be a challenge to match. I have always respected his moderate, even-handed leadership and I frequently was amazed at the quiet way he so effectively went about his business. This style is something I hope future Members will embrace and appreciate.

JIM SASSER learned from his father, an agricultural official who traveled all over rural Tennessee working on Government programs, that Government should be an active, helpful, nurturing, and encouraging force in people's lives.

Because of that background, because of that personal history, he kept the Senate from losing sight of the world beyond Capitol Hill. He pushed us to have the courage to ignore political expediency, because being a Senator is about hard work and hard decisions that sometimes have hard consequences.

That has been JIM SASSER's role in the Senate for nearly 20 years and that work ethic has made Tennessee proud. Even when you did not agree with JIM, he always dealt with you honestly and respectfully. If the Senate is supposed to be a place for individuals to disagree, Senator SASSER maintained that practice with aplomb.

But that willingness to work together and to seek common ground should never be taken for weakness or apathy. The famous Southern streak of independence is alive and well. Senator SASSER followed his heart in the face of pressure, stood firm when yielding was just plain wrong, and was never outworked.

I know that in Tennessee colloquialism, when you show someone how to do

something, you "learn" them. Well, I think JIM SASSER "learned" many of us on how to go about our business with dignity and care.

Pearl Buck said of Tennessee, "It appears to be a very American State, this Tennessee, and inhabited by very American people." Senator JIM SASSER definitely reflected that sentiment—he came to Washington with his sleeves rolled up. He took his work seriously for his 18 years here and he took great pride in not just what he did, but in what the entire Senate achieved. He has been a straight-forward, low-key, dignified, and determined Senator. And he's never let the 600-plus miles that separated his home State from his work here weaken his Tennessee roots.

I wish Senator SASSER the greatest happiness and success as he leaves Congress. He has done himself, his marvelous family, his State, and all of us—his colleagues—so very proud. Tennessee and the 104th Congress will feel a void as JIM SASSER leaves here, and he leaves with my greatest admiration, respect, and wishes for his next challenge.

TO OUTGOING SENATOR HARRIS WOFFORD

Mr. ROCKEFELLER. Mr. President, with deep feelings, I want to pay tribute to a colleague, HARRIS WOFFORD, who now embarks on the next chapter of a life that could already be called a masterpiece.

Claude Pepper, a fixture here in Washington for two generations whom I had the privilege of working with, used to say, "If more politicians in this country were thinking about the next generation instead of the next election, it might be better for the United States and the world."

Perhaps Senator WOFFORD's election results prove that he was in that special breed. HARRIS WOFFORD, my good friend from Pennsylvania, has been an effective, dignified leader, working for the future, since the day he walked into this Chamber in 1991.

Many of us recall that it was a tragic loss, the death of Senator Heinz, which first brought HARRIS here. That is something he himself never lost sight of, and he carried himself with the care and courtesy and seriousness of one who knew that his position shouldered an extra, intangible responsibility. His earnest, straightforward approach to the Senate, which eschewed distraction and hyperbole, was rooted in a sense of duty not just to his fellow Pennsylvanians but to his predecessor.

No one here should be surprised by the hard work and seriousness that drove Senator WOFFORD. But we should have expected nothing less from him. This is the man who influenced Martin Luther King with his own writings on nonviolence in India. Who persuaded President Kennedy to telephone Coretta Scott King in October 1960 after Dr. King had been jailed in rural Georgia, putting the national spotlight on the case and protecting Dr. King when his life was in danger. And who helped establish the Peace Corps.

So it is little wonder that Senator WOFFORD spent his time here as a driven, focused Member with a sense of mission that did not include self-promotion.

With all that he had done—with all the lives he touched and bettered—Senator WOFFORD could have stayed in academia at Bryn Mawr, or could have continued on in private life. Instead, he took on greater challenges in public service. Because the same fire that drove him to work for Civil Rights and to help send some of America's best and brightest young people across the globe to make a difference never ebbed or faded.

I have been fortunate enough to work with him on one of the issues that he cared deepest for: health care reform. As a candidate in 1991, he seemed outgunned by a higher profile opponent. But HARRIS WOFFORD knew there was one fear, one worry running through every single working household in America—the fear that a serious health care need could very well drag a family into bankruptcy.

In West Virginia, health care concerns have long been one of our most important issues. But it was HARRIS' election in 1991, a referendum on just how precarious and confusing and ultimately undependable health care really was in America, that woke up much of the Nation to this very real problem. He took that problem as his top priority in the Senate. If Pennsylvania sent him to Capitol Hill because he understood their health care worries, then he was going to do everything in his power to allay those fears.

We all know that health care reform fell short in the 103d Congress. But the issue moved from the subject of academic symposia and economic modeling into the national conversation. Topics like managed care, alliances, and shared responsibility made their way into discussions in factory cafeterias and around dinner tables and in just about every office, business, and household in America. Television, newspapers, and magazines put more and more of their time and resources into looking at the American health care system—what worked, what did not, what we need, and what we have.

HARRIS WOFFORD was one of the first leaders to really hear how frightened this Nation was about health care. And when he started to work on it, the people of Pennsylvania responded. So Congress took its cue—from his startling election and from the anger and fear of the electorate.

We did not get the job done for a variety of reasons—distractions, delays, and a $100 million media blitz ran out the congressional clock before we could really get to work. All that arguing and posturing was the Senate's legislative engine revving loudly while stuck squarely in neutral. But health care reform is firmly entrenched at the top of our political agenda and serious reform came farther than ever before in Congress. Senator WOFFORD supplied much of the fuel which fired that movement. His candidacy, his election, and his service in the Senate were a release for the built up pressures parents and children, workers, and employers were all feeling about health care in America.

I do not want to weigh the terms of his leaving the Senate, because that is unimportant. I will miss him as a friend and as a colleague of uncommon patience, respect, and thoroughness. America will miss him as a champion for health care reform and for seeing the charge of the Senate as being active and concerned and compassionate.

And the challenge Senator WOFFORD brought here in 1991—to fix the American health care system—still confronts us. I have every hope that the 104th Congress will understand that we have not done anything to relieve the health care worries of our people and that the problems still continue. When we answer this call, it will be in large part due to Senator WOFFORD'S work here and to the constant reminder he served as while in the Senate.

HARRIS WOFFORD never wore his office as a title. He believed being a Senator meant carrying very real, very serious responsibilities—a trust to be earned and to be maintained.

Most people with HARRIS WOFFORD's record and years of contributing would close the book with a chapter of tremendous service in the U.S. Senate. Somehow, I would guess that this will not be his instinct. I look forward to where the next pages in the life and career of this great patriot and human being will take him. I will miss his smile, his wisdom, and the fruits of his labor in the Senate. He and his talented, dedicated staff have earned infinite respect and thanks from the State and Nation they served so well.

TRIBUTE TO ASHLEY DANIELLE HAMMOND

Mr. NICKLES. Mr. President, I am saddened to report that early Tuesday morning, the Senate lost a vibrant and enthusiastic young staff member, Ashley Hammond, to cancer at the age of 23. She served as a staff assistant for the Republican Policy Committee, of which I am chairman.

Ashley Hammond was a talented, exuberant, and delightful young woman. She faced her cancer with courage and strength. Throughout her ordeal, she always maintained a positive outlook and encouraged others by her cheerfulness and caring attitude. The cancer which took her life never did take

away those attributes of character for which she will be remembered.

My family and I extend our condolences to Ashley's family. I know that I also speak for the Policy Committee staff, the staff of my Senate office, and many others within the congressional community. We miss Ashley, and we pray that her family will be comforted and strengthened.

Ashley joined the Policy Committee staff in the fall of 1993. I was eager to hire her because she had interned in my Senate office in the summer of 1991 and had distinguished herself in that capacity. When she completed her bachelor's degree, I was pleased that she agreed to rejoin my Senate staff. Shortly after beginning her job in the Policy Committee Office, she learned that she had cancer.

Ashley fought her personal battle with courage and perseverance. Most of the staff for many months did not know she had cancer: She just wanted to continue on with her normal life and do her job. Even after the repeated bouts with chemotherapy took away her beautiful shoulder-length brown hair, Ashley maintained her composure and her sense of humor. She was the first person any visitor to the Policy Committee would see, acting as our hostess with her warm smile beneath her newly acquired baseball cap. If she was embarrassed by her appearance, no one could ever tell. She continued to come into work, even on days when her condition was so weak that the office manager would be forced to send her home. She loved working as much as her fellow staffers loved having her there.

Ashley earned a degree in English from Sweet Briar College in the spring of 1993. While at Sweet Briar, she was very active on the campus and within the community. She chaired the College Republicans and was an officer of the junior class. She also was a member of the lacrosse team and the diving team. She was honored by being chosen to participate in leadership development programs and interned with the Office of Community Planning and Development in Lynchburg, VA. She later was a volunteer at a children's cancer clinic. Little did she know that her selfless service at that clinic would be recalled as she, too, would have her own battle with cancer.

Ashley's high school years were equally busy and productive. She was graduated in 1989 from Casady Episcopal Day School in Oklahoma City where she participated in numerous school and civic activities. Somewhere between soccer and French Club and yearbook and field hockey and cheerleading and civic work she found time to volunteer at the Canterbury Nursing Home and to help with the Harvest II Food Drive. In an expression of her faith, she was also a member of the Fellowship of Christian Athletes.

During her junior high and high school years she was a counselor at Kamp Kristley, an Oklahoma City day camp for children ages 3–12. During high school and college years she worked at Allied Drilling Fluids of Oklahoma City.

We have lost a friend, a coworker, and an outstanding young woman. We have also lost a talented broadcast journalist because Ashley had planned to work on the Hill for a few years, and then return to school, get a degree in communications, and become a political reporter for CNN. She would have been terrific.

We all will deeply miss her and, at the same time, we are grateful for having known this warm and very special person. May God grant her family peace and comfort with the knowledge of His love.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I offer on behalf of the Members of this side, our condolences, indeed, to the Senator from Oklahoma for truly a lovely person who will be missed.

TRIBUTE TO PRIDE INDUSTRIES OF ROSEVILLE, CA

Mrs. FEINSTEIN. Mr. President, I rise today to recognize PRIDE Industries of Roseville, CA. I had the distinct pleasure of meeting employees of PRIDE, and I want to share what I learned of this truly impressive organization.

PRIDE Industries, the only not-for-profit organization run as a business, began in 1966 when a group of parents sought to provide meaningful opportunities for their physically and developmentally disabled sons and daughters. By 1983, the organization had a budget of $400,000, most of which came from the government. In 1983, Michael Ziegler became president and CEO, and by 1993, PRIDE had a budget of almost $20 million, 90 percent of which is selfgenerated. PRIDE boasts of impressive contracts with both private companies, such as Intel and Hewlett Packard, and the government, including contracts with McClellan Air Force Base.

The success of PRIDE can most certainly be attributed to its employees. Out of a total of 1,600 persons employed, 1,100 are disabled. Additionally, PRIDE provides vocational training to disabled persons and helps them find jobs outside of PRIDE. All in all, PRIDE demonstrates the business and human success to be found from a truly empowered work force; a work force of individuals in charge of their destiny, and with a sense of independence rarely found.

And PRIDE's success will certainly continue for the long-term. Given 90 percent self-generated revenues, PRIDE has taken an original base of government funds and created a prosperous business. It is no surprise that PRIDE has received numerous business and human service awards, including the chairman's award of the President's Committee on Employment of People with Disabilities.

I am honored that PRIDE Industries is from my home State of California, and I commend the employees and President Ziegler for their continuing contribution to both persons with disabilities and to the business community.

FEDERAL AVIATION AUTHORIZATION

Mrs. BOXER. Mr. President, with your permission, I would like to engage in a brief colloquy with Senator FORD, who sponsored the recently enacted Federal Aviation Administration Authorization Act of 1994.

Section 505 of that act provided additional authority for the FAA to participate with the National Park Service and the United States Air Force in funding asbestos removal and building demolition and removal work at Mount Tamalpais in Marin County, CA. Section 505 is intended to enable the FAA to aid in the cleanup of the site, participate with other agencies in the overall cleanup of the site, and thus share in the cost of carrying out the necessary demolitions and removals. I know that we specifically discussed this issue prior to Senate passage of the bill and all agreed on the intent. No one wanted to have FAA pay for the entire cleanup, but rather wanted to ensure that the FAA pay a portion of the costs. This issue has been a longstanding issue, and now appears to finally be resolved.

I would like to confirm with the Senator from Kentucky that the intent of the language is to facilitate FAA participation by authorizing the FAA to assist these other agencies in the cleanup activities. I understand that the FAA's earlier agreed upon one-third share of the remaining costs, meaning the FAA's additional costs, would not exceed $320,000.

Mr. FORD. The Senator from California has correctly stated the intent of this provision. As you stated, we did specifically discuss this matter on the Senate floor, and in crafting the provision, sought to facilitate the cleanup, and put a reasonable limitation on the FAA's share of the project. In providing the additional authority to assist in the cleanup activities at Mount Tamalpais, the provision will enable the FAA, as you indicated, to expend an additional $320,000 at the site. This represents FAA's share of the remaining costs. The other agencies will provide their fair share, which constitutes the remaining two-thirds of the cleanup costs.

JERRY TINKER REMEMBERED

Mr. SARBANES. Mr. President, I want to pay tribute to Jerry M. Tinker, who until his unexpected death this year at the age of 55 was the Staff Director of the Subcommittee on Immigration and Refugee Affairs of the Senate Judiciary Committee. Jerry has already been memorialized most eloquently, by both the chairman of the subcommittee, the senior Senator from Massachusetts, and the subcommittee's ranking minority member, the senior Senator from Wyoming. It is important to me now to add my voices to theirs, and while my tribute will be brief, it is profoundly heartfelt.

Although Jerry Tinker and I did not work together on a regular basis, I got to know him rather well. In the area of immigration and refugee issues which inevitably had ramifications beyond the limits of the subcommittee or even the full committee, he could always be counted upon for solid information and sage counsel. Jerry was, in my view, precisely what a public servant should be: knowledgeable and hard-working; judicious and fair-minded; a person of real integrity and courage. He, himself, was a person of great intelligence and tact.

Jerry joined the staff of the Subcommittee on Immigration and Refugee Affairs in 1970, at the age of 31. Thus he gave the past quarter-century—most of his adult life—to issues as complex and wrenching as any this Nation has faced. In one capacity or another he devoted much of the decade of the 1980's to immigration reform, beginning with the study conducted by the Select Commission on Immigration and Refugee Policy in 1979–81 and continuing with the landmark legislation of 1986 and 1990, which implemented the Commission's recommendations. Yet he made time to travel when pressing refugee problems required it; he kept a phenomenal schedule. There are few refugee camps in the world that Jerry did not visit, and his experience made his voice all the more powerful on questions of effective humanitarian aid.

I do not know precisely what led Jerry to make the commitment to which he gave his working years. Just out of college, he went to India in 1962–63 as part of the Maxwell Fellowship Program at Syracuse University and, by then a Ph.D. candidate, he returned to India in 1969 to carry out research on his dissertation. He then went on to a year at the International Peace Research Institute in Oslo, Norway, after that year returning to the United States and joining the staff of the Immigration and Refugee Subcommittee. Was it the experience of India that inspired him, or his undergraduate years, or perhaps his family? I do not know. I know only that Jerry Tinker was conscience as well as draftsman of this immigration and refugee legislation for more than two decades. His wise presence will be greatly missed, and I feel deeply the loss of a kind and trusted friend.

DEATH OF FORMER FOREIGN RELATIONS COMMITTEE AIDE MILRAE JENSEN WIRSIG

Mr. PELL. Mr. President, I regret to report that an esteemed former professional staff member of the Foreign Relations Committee, the former Milrae Jensen, died on September 20.

Milrae Jensen was on our committee staff from 1956 until her retirement in 1973. For the first 2 years she was a valued assistant to Dr. Carl Marcy, the longtime staff director of the committee.

Starting in 1958 she held a newly created position with responsibility for relations with other parliamentary bodies. In this capacity she arranged meetings of congressional delegations with international organizations, and with their counterparts in other countries. She was also responsible for arranging the Senate reception of distinguished foreign visitors.

In 1967, Dr. Marcy nominated her for the Federal Woman's Award, stating "She handles Senate relations with other parliamentary bodies the world over and does a magnificent job—an assertion that no less than two-thirds of the Senate would endorse." It turned out that this award was limited to candidates from the executive branch so Milrae Jensen could not be considered for it, a restriction to which Dr. Marcy took strong exception at the time.

Milrae Jensen had worked previously in the State Department's Office of Congressional Relations where she began her service to Members of Congress traveling abroad. Her State Department and Foreign Relations Committee experience combined to make her the invaluable arranger for Senate participation in international meetings and Senate reception of foreign government leaders.

I am one of the few Senators still serving who recalls Milrae Jensen and her gracious and devoted service not just to the Foreign Relations Committee, but to all Senators.

After her retirement, she married former Army Maj. Gen. Otto L. Nelson, Jr., who died in 1985. In 1990 she married Woodrow Wirsig and moved to Florida. At the time of her death she was traveling with her husband on a cruise to the Far East. She is survived by her husband, a brother, and three nieces.

She is remembered for her many years of dedicated service to Members of this body.

SHELDON WHITEHOUSE'S THOUGHTS ON DEMOCRACY

Mr. PELL. Mr. President, I would like to call the attention of the Senate to a very thoughtful article written recently by the new U.S. attorney for Rhode Island, Sheldon Whitehouse.

Mr. Whitehouse, who was my choice for the post of U.S. attorney, has a distinguished record of public service, having served as executive counsel and director of policy to the Governor of Rhode Island before being named director of the State's department of business regulation in 1992.

A graduate of Yale and the University of Virginia Law School, he clerked for a State appeals court judge in West Virginia before returning to Rhode Island to practice law in 1983. Two years later, he joined the civil division of the Rhode Island attorney general's office, specializing in utility regulation.

It was against this background that Mr. Whitehouse reflected on the current plight of government and the democratic process, in an article entitled "Learning to Live with Democracy" which was published in the Providence Journal of October 15, 1994.

His article is a plea for citizen involvement as an antidote to the current mood of disenchantment with electoral government. The mood is nothing new, Mr. Whitehouse reminds us. It results from the inevitable tension between the promise and actual performance of democracy, which now is accentuated by the superficiality of the electronic age. Americans must "learn to become discerning consumers of information about government," he says, and must "avoid the easy lure of cynicism."

Mr. Whitehouse has given us much food for thought and I commend his article to the attention of the Senate. I ask unanimous consent that the article entitled "Learning to Live with Democracy" be reprinted in the RECORD.

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

LEARNING TO LIVE WITH DEMOCRACY

(By Sheldon Whitehouse)

"There is a compelling need for a revaluation of our public attitudes toward political life. The national attitude that politics is somehow a degrading occupation for which no man of intelligence or ambition should aspire is becoming too deeply ingrained in our national thinking."

Robert F. Kennedy opened a speech with that very sentence on the day I turned four years old.

Now my own daughter has passed her fourth year. In the intervening generation, the view that political life is degrading has become more widespread. A recent survey by the Volcker Commission on Public Service showed that only 3 percent of college honor society students ranked the federal government as their "most preferred employer." State government rated less than 2 percent, and local government less than 1 percent.

What is the trouble with democracy that keeps this problem so current across the generations?

To say that it is the degraded nature of politicians is too easy. There is a natural tension built into democracy that may explain it better: On the one hand, we need to

believe in our democracy in order for it to work; on the other hand, the way it works makes it sometimes hard to believe in. The opposing forces creating this tension have been described in the words of two of democracy's heroes: Ben Franklin and Winston Churchill.

Benjamin Franklin warned that we must have a good opinion of our government if it is to serve us well (note: not vice versa). He said: "Much of the strength and efficacy of any government, in procuring and securing happiness to the people, depends on opinion, on the general opinion of the goodness of that government as well as of the wisdom and integrity of its governors."

At the end of World War II, Winston Churchill rose to speak in Parliament. Churchill was the political embodiment of the wartime courage of his small nation. Under the circumstances, he could be excused for exaggerated praise of democratic government. Instead, Churchill said, "Democracy is the worst form of government, except all those other forms that have been tried from time to time."

The tension exists because Ben Franklin and Winston Churchill were both right. In a nutshell, that's the trouble with democracy: How do we, the people, keep a "good opinion" of this "worst form of government"? Democracy is never going to be easy; and we shouldn't expect it to be easy. The ancient Greeks had one name for those who participated in their democratic process and another name for those who did not. Those who were involved were called civites. From this ancient word comes a host of modern terms: civil, civilization, civic, city, citizen, civilized. Those who were not involved were called idiotes. Perhaps the Greeks were giving us a hint.

Indeed, Pericles said of democratic Athenians that they "regard the man who takes no part in public affairs, not as one who minds his own business, but as good for nothing."

Not only is democracy not easy, it's getting harder. We are now on the edge of a third major revolution in U.S. democracy, and these revolutions increase our obligations as citizens.

The first was our ideological revolution denying the divine right of kings to govern, and establishing self-governance by the people. We often refer to the war of 1775–83 as the Revolution, but the real revolution was the emergence of this idea.

In the second, quieter, revolution, the benign and idealistic paternalism expected by the Founding Fathers was overwhelmed by vigorous local political representation. This second revolution is represented in U.S. history by the election of President Andrew Jackson. The recent passing of Tip O'Neill perhaps marks the end of that "all politics is local politics" era.

Before these two revolutions, political life for the average citizen was very simple: You obeyed the king and paid your taxes. The first revolution made life more difficult: It gave us the obligation to select our own government from a small meritoracy of educated, property-owning white men. The second revolution required us to seek among a broader candidate pool the white male who best represented our local community's interests, and required us to decide for ourselves what those local interests would be.

In the modern age, elected officials are of every race and both sexes; local issues compete with national, international, economic, ideological and factional issues for our attention. It is a great achievement that our political mainstream is becoming broader and more diverse, but it makes our job as citizens harder than ever.

The difficulties compound as government and politics try to find their way in the electronic information age. Look at what is happening to politics and government already, as we enter this third revolution. Devotion to image and appearance has replaced loyalty to party and constituency. The old-fashioned ward heeler is out; the opposition research consultant is in. Hundreds of single-issue special interests besiege the political process, each ready, willing and able to deploy vast arsenals of dollars and disinformation on the electronic superhighway at the first whiff of threat.

Political aspirants themselves are willing to attack the institutions they seek to join, to gain an advantage in getting there. And of course there now seem to be no holds barred between candidates in political contests. Our sources of information about government and politics—the media, opposition research consultants and spin doctors—are all richly rewarded by concentrating on the superficial and the scandalous. All of these changes make the information we receive more negative, more divisive and more simplistic.

How could we possibly keep a "good opinion" of this mess? First, we need to get smart. We must learn to be discerning consumers of information about government.

We should no more rely on the information these sources feed us than we should rely on McDonald's and Dunkin' Donuts for our food. A junk food diet of information creates a public that is more likely to know what the yacht "Monkey Business" is than what the national debt is. (I looked it up: Roughly $4 trillion.) We've gotten a lot smarter about our food diets, and we're healthier as a result. Now we need to get smart about our information diet. We need to encourage legitimate efforts to expose and address real problems, and reject media scandal-mongering, interest group propaganda and partisan political posturing; we need to separate the real food from the junk food.

We also need to avoid the lure of easy cynicism. The harder the task of being a citizen becomes, and the more we are required to think for ourselves, the more seductive is this lure. Cynicism about government hurts us. It hurts us in two practical respects. First, it is an excuse for us an individuals to draw the limit on our obligations as citizens to participate in our own democracy. It is an excuse to become idiotes rather than civites. Second, as Ben Franklin pointed out, cynicism about government actually weakens government's ability to do the things we need government to do.

This is not to say that we should ignore misdeeds in government. We must root out misdeeds and corruption with a vengeance.

But we must also recognize that cynicism about government has its own price.

And we need to understand the problems we find in government to be a call to action, rather than an excuse to condemn. There comes a point when the accumulation of contempt for government, like a run on a bank, threatens the viability of the institution itself.

It is time to restore our faith in our beliefs and our principles, and it is time to be prepared as citizens to act on that faith. The most precious thing we as a country have to provide to ourselves, to future generations, and to the world, is our democracy. Franklin Delano Roosevelt said, "Our constitutional system has proved itself the most superbly enduring political mechanism the modern world has produced." It has provided unparalleled civil liberties and economic freedoms to our people, it has survived a bitter civil war and emerged strengthened; and it has sheltered and sustained for more than two centuries the growth of an ever fairer and more prosperous society.

The battle is a long way from over, but our democracy remains the model for freedom-loving people around the world.

We all want to restore our faith in our government; to do so we need to solve the riddle of keeping a "good opinion" of our "worst form of government."

The question is, how do we do it?

The answer is the one that Greeks hinted at when they called the group civites and the other idiotes. It is self-evident in the phrase "participatory democracy." It is contained in the central phrase of Abraham Lincoln's description of our government as "of the people, by the people, and for the people."

The answer is to get involved. Inform yourself. Don't be discouraged. Get involved in government yourself. (Don't be afraid to start small. Your local school committee or town council probably makes a bigger difference in your family's life than the U.S. Supreme Court.)

The way to a good opinion of this worst form of government is to restore our belief in its principles.

The simple way to restore our belief in its principles is to participate in it and participate in it and participate in it, until we respect those who participate in it.

IMPROVING RELATIONS WITH TAIWAN

Mr. PELL. Mr. President, I wish to commend the President for his decision to send Secretary of Transportation Pena to Taiwan next week to participate in the annual meeting of the U.S.-R.O.C. Economic Council.

This is an important development that, coming on the heels of the successful Asian Pacific Economic Cooperation meeting in Indonesia, signals the administration's intent to advance American economic interests in Asia.

Secreatary Pena's visit is the result of President Clinton's policy review of our relations to Taiwan. Last August I wrote the President concerning our policy, advocating such measures as have just been taken. For the first time since the formulation of the Taiwan Relations Act, the United States will now permit visits by cabinet officials to Taiwan.

As a long time proponent of up-grading our relations with this emergent democracy, I hope that this visit will be followed by many more and will include visits by Taiwanese officials to the United States.

With a population of approximately 22 million, a gross national product of $209 billion that has grown on average at the astounding rate of 9 percent per annum for the past 3 decades, Taiwan has achieved a remarkable position in the international economy. Taiwan is our 6 largest export market and ranks 13th among the world's major traders. This astonishing pace has earned Taiwan foreign exchange reserves amounting to almost $84 billion. In terms of its

reserves Taiwan is now the world's richest country.

Modernization plans now underway represent a significant market opportunity for American business. The change in American policy represented by Secretary Pêna's visit should help American businessmen to benefit from the growing Taiwanese economy.

Once again, the President has demonstrated his commitment to advancing American economic interests.

THE LAW OF THE SEA CONVENTION ENTERS INTO FORCE

Mr. PELL. Mr. President, on the 16th of this month, the United Nations Convention on the Law of the Sea entered into force. The event passed relatively unnoticed. Nonetheless, the convention, and the Senate's decision on whether the United States should participate in the convention, will have a significant impact on our country for years to come.

The arguments in support of Senate advice and consent are compelling.

First and foremost, the convention will strengthen our national security. It establishes as a matter of international law, navigational freedoms critically important to the operation of our military forces. The significance of these freedoms was underscored in a letter from Secretary of Defense William Perry in which he stated, "To send a strong signal that the United States is committed to an ocean regulatory regime that is guided by the rule of law, General Shalikashvili and I urge your support in securing early advice and consent to the United Nations Convention on the Law of the Sea and implementing Agreement." I ask unanimous consent that the letter appear in the RECORD immediately following my remarks.

The United States also has significant economic interests in the oceans regime established by the convention. The shipping industry, and Americans whose jobs are dependent on ship-borne commerce, will benefit from the stability of the legal order on which such commerce depends. U.S. telecommunications companies, world leaders in advanced communications technologies, will benefit from the convention's provisions on undersea cable protection.

Mr. President, in 1982, the Reagan administration announced that it was prepared to support ratification of the convention, provided that its concerns with the convention's provisions on deep seabed mining resolved. It took almost a decade and a half, but that aim was achieved through an agreement signed earlier this year in New York. As a result, both the convention and the agreement were transmitted to the Senate for its approval on October 7 (Treaty Doc. 103-39).

In granting its advice and consent to the convention and agreement, the Senate now has the opportunity to advance a long-held, bipartisan foreign policy objective: The establishment of internationally recognized laws and norms to govern the oceans and their uses and to protect our rights to use the seas off our own coast and off distant shores throughout the world.

We should seize this opportunity and we should seize it soon. The convention has entered into force. With or without the United States as a party, decisions will be made that will significantly affect this country. Virtually all of our NATO allies and most other developed nations have indicated their intention to ratify and are expected to complete their national approval processes within the next 1 to 2 years.

The longer the United States delays its accession to the convention, the less influence we will have in shaping the institutions, rules, and procedures under which it will operate. This would be unfortunate, particularly given the critical, positive contributions the United States has already made in achieving the agreement modifying part XI.

Mr. President, in August the Foreign Relations Committee held a hearing to examine the convention and the modifying agreement (S. Hrg. 103-737). That hearing underscored the strong support for the convention and its importance to the United States. I hope that in the 104th Congress, these arguments will find resonance and that the Senate can proceed to fulfill its constitutionally mandated responsibilities.

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

SECRETARY OF DEFENSE,
Washington, DC, July 29, 1994.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In 1982, the United States made a decision that it would not become a party to the United Nations Convention on the Law of the Sea because of its concerns about the deep seabed mining provisions, contained in Part XI of the Convention. The Convention is due to enter into force on November 16, 1994, now that the requisite number of other states (60) have ratified it. However, consultations were recently concluded which resulted in an Agreement to correct what the United States has long viewed as the Convention's flawed deep seabed mining provisions. The United States now intends to sign the Agreement at the United Nations on July 29, 1994. Accordingly, the Convention as modified will be transmitted to the Senate for its advice and consent at the end of the 103rd Congress.

The Department of Defense fully supports U.S. signature of the Agreement, and ratification of the Convention as modified by the Agreement. In the Administration's view, the new Agreement satisfactorily resolves the issues that the U.S. Government and ocean mining interests raised in the early 1980's during deliberations over whether the United States should sign the Law of the Sea Convention. The new Agreement meets these objections by correcting the serious institutional and free market deficiencies in the original Convention. We have received indications from other industrialized nations that, with adoption of the new Agreement, they will soon accede to the modified Convention.

The Convention establishes a universal regime for governance of the oceans which is needed to safeguard U.S. security and economic interests, as well as to defuse those situations in which competing uses of the oceans are likely to result in conflict. In addition to strongly supporting our interests in freedom of navigation, the Convention provides an effective framework for serious efforts to address land and sea-based sources of pollution and overfishing. Moreover, the Agreement provides us with an opportunity to participate with other industrialized nations in a widely accepted international order to regulate and safeguard the many diverse activities, interests, and resources in the world's oceans. Historically, this nation's security has depended upon the ability to conduct military operations over, under, and on the oceans. The best guarantee that this free and unfettered access to the high seas will continue in the years ahead is for the U.S. to become a party to the Convention, as modified by the Agreement, at the earliest possible time.

In the coming months, we anticipate heightened public debate of the merits of the Law of the Sea Convention. To put that debate into perspective, you will find enclosed a paper which briefly outlines the history of the original Convention, the steps leading to the formalization of the Part XI Agreement, and the nation's vital national security and other interests in becoming bound by the modified Convention.

To send a strong signal that the United States is committed to an ocean regulatory regime that is guided by the rule of law, General Shalikashvili and I urge your support in securing early advice and consent of the United Nations Convention on the Law of the Sea and implementing Agreement.

Sincerely,

WILLIAM J. PERRY.

SLOVAKIA SHOULD STAY THE COURSE

Mr. PELL. Mr. President, I recently visited Bratislava, Slovakia, where I met with, among others, President Michael Kovac, Foreign Minister Eduard Kukan, and Parliament Chairman Ivan Gasparovic. As many of my colleagues may know, I have a special tie to Slovakia where I served as a young foreign service officer at the time of the Communist takeover in 1948. It was indeed a pleasure to return to free Slovakia once again.

This trip was particularly gratifying for me, as I presented a U.S. Government check to one of my former foreign service national employees, Frank Sporka, to compensate him for the years he spent in prison because of his service to the U.S. Government. As I told Mr. Sporka, he can never be compensated for his 7 long years of maltreatment and imprisonment, but that he should view the check as a token of the U.S. Government's high regard for his service.

Recalling the difficult days of 1948 that ushered in 50 years of oppression

in Slovakia, I emphasized during my meetings the importance that the United States places on Slovakia's democratic and economic progress and its continued adherence to the constitution and the rule of law. I was very encouraged by the commitment of those with whom I met to do just that.

Slovakia is going through a very difficult period, but I hope the current situation will not derail the important process of creating institutions such as a free press, and of moving forward with privatization. Slovakia's desire to become more fully integrated into the institutions of Europe and the West will depend on its continued commitment to democratic and free market principles. The parliamentary elections held earlier this fall yielded no clear majority, although the Movement for Democratic Slovakia received a plurality. Party leaders continue discussions about forming a new government, and I am hopeful that the new government that emerges will stay the course.

GEORGE KENNAN'S WISDOM

Mr. PELL. Mr. President, I would like to bring to the attention of my colleagues a speech recently delivered by Ambassador George F. Kennan on the occasion of his receipt of the first George F. Kennan Award for Distinguished Public Service.

Ambassador Kennan, a self-described man of this century—and I would add, one of the century's most visionary statesmen—offers some perspectives on the 100 years. I was particularly struck by the fact that Ambassador Kennan, who defined the overriding theme of the cold war period—containment—does not believe a central policy thrust is definable at this time. He says: "What we need is not any single policy. That would be quite impossible at this point. What we need is a variety of policies."

I would like to extend my congratulations to Ambassador Kennan, for whom I have the highest regard, for his speech and for his award. Without objection, I would ask that the full text of Ambassador Kennan's speech be printed in the RECORD at this point.

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

ADDRESS OF AMBASSADOR GEORGE F. KENNAN ON THE OCCASION OF HIS RECEIPT OF THE FIRST GEORGE F. KENNAN AWARD FOR DISTINGUISHED PUBLIC SERVICE

Waldorf-Astoria, New York City

October 17, 1994

Ambassador George F. Kennan: Mr. Flynn, Doctor Schwab, ladies and gentlemen: I think you will all know without my laboring the point how deeply I appreciate this honor. I feel very inadequate to know how to acknowledge it. It would be difficult for anyone, I think, to respond to the honor itself and to the lovely things that have just been said. If the task of this committee is, as I have always assumed it to be, to promote sound and constructive thinking about the problems of American foreign policy, then the conferring of this award enables me to think that my own efforts of these past years have been at least supplementary to those of the committee, and that in itself gives me deep satisfaction and encouragement.

When Dr. Schwab first spoke to me last spring about the possibility of such an occasion, I told him that honored as I would be, of course, by the award, I could not, for reasons of age and health, contemplate giving an address. This remains, for better or for worse, the situation, but I have been told recently that there were expectations in one quarter or another that I would say something about my view of what should constitute the general thrust of American foreign policy in this post cold war era, and this I will try do do, although necessarily very briefly.

I must say, before I begin my remarks, that this is a very intimidating group of people I have before me. I see a great many people who know a lot more than I do about the things I'll be talking about, and I feel a certain hesitation in saying anything at all about our policy of the present day. I am, after all, a man of this past century, and what we are getting into now is the century that is about to dawn on us. At times I thought I knew something about the century that will soon pass; but I'm sure that I do not know nor can I foresee a great deal about the century that is coming. Nevertheless, I will say a few words.

If the suggestion is that I outline a central thrust of American foreign policy to replace that which preoccupied us during the period of the cold war, then I can say only that this is a very difficult thing for me to respond to. I don't think there is any central thrust of policy possible at this time. It is a varied, very confused, very unbalanced, and uncertain world that we face. What we need is not any single policy. That would be quite impossible at this point. What we need is a variety of policies. But perhaps there is one unifying factor that could bring these things together, and that is the question of motivation, of purpose, and what we conceive ourselves to be doing. This question, I think, can take two forms: One is a very natural traditional and unavoidable concern for our military and political security and for the security of our closest allies. The other is the hope, endemic, I think, to all generations of Americans, that we, as a great democratic people, will be able to play a useful and effective role in promoting peace, stability, and humane government in other parts of the world.

In the years since communism broke down, our military security, providentially, has not been seriously threatened. That is true for most though not all of our allies. So perhaps it was only natural that we should have concentrated a large part of our attention on and invested a large part of our efforts in being helpful to others in troubled situations involving, for the most part, countries other than those in the advanced areas of Europe and the Far East. I have in mind, of course, such places as Korea, Iraq, the Balkans, the Near East, Somalia, and now Haiti.

I have few criticisms to make of the way in which we have handled these situations. I have only admiration and pride for the way in which our armed forces have conducted themselves in performing the tasks to which they have been assigned, tasks that, in many instances, were quite the limits of their traditional training. I think that they have been models of what military people can do in difficult circumstances.

With the exception of Somalia and the still unfinished intervention in Haiti, I do not see that our government had any choice but to respond to those situations in the way that it did. And, finally, after all the political wrangling and jousting and mutual denunciations about foreign policy that have gone on here at home, I consider that both administrations, that of Mr. Bush and that of Mr. Clinton, have handled these various situations diplomatically in a reasonably sound and creditable manner. I hope that when these involvements have been liquidated in a way that is consistent with the preservation of the honor and dignity of this country (and, in this instance, that is going to be, I am afraid, a very long time), we will not be in too much of a hurry to replace those involvements with others.

All that being said, I still have some anxieties to voice about various ventures. But, first, I must say (and some of you may find this hard to believe) that I have anxieties about the highly dangerous and urgent problems, social, political, and economic, that we have right here in our own country. They are problems that the media have found it hard to recognize and that the politicians have found it hard to admit but I hope that these problems will soon become the subject of national debate, that they will receive the attention and the discussion that they deserve, and for this it is desirable that we be not too distracted with the involvements and problems beyond our borders.

Second, we have our relations with the other great powers, and we must not permit our preoccupations with the less developed world to distract us from doing justice to the importance of those relations. We have before us in this respect a situation, a providential situation, I think, namely, that for the first time in modern history—the first time that I can think of—there is a group of major powers to which we belong whose relations are not marked by any great and serious conflicts, by no conflicts, at least, that cannot be alleviated by patience, understanding, negotiation, and compromise. We have every reason to appreciate this situation, to cherish it, and to do all in our power to perpetuate it, remembering that good relations with great powers, like those with small ones, require constant attention and nurturing not only in crises but at all times. Here too we must be careful not to take our relations with great powers for granted, not to allow ourselves to be too heavily distracted by involvements in other parts of the world.

There is one other thing that I would like to mention about the various involvements that we have been concentrating on in the last two or three years. That is a very difficult one for me to talk about, for it's one on which one can be easily misunderstood: We have had a tendency to focus most of our efforts (or, it seems to me, a great many of them) on attempting to ensure democracy and human rights in other parts of the world. Though this ideal does credit to our own life and to our own aspirations and is one with which no one can argue, I must say that I don't think that all of the world is going to become democratic in our time no matter what we do. And I'm always a little afraid, a little disturbed, when I hear Americans talking to others about democracy and human rights because I always hear an undertone of self-congratulation, which I don't like. I don't like speaking down to people. In many instances the problems of other countries have been as severe as ours. And while we can tell them or can show them by example

the way that we feel about these things, I think we should be very careful about telling them how to behave. One of the things that bothers me is that we have had a tendency to cast so many of these involvements in terms of our own struggle for democracy and human rights and done this in instances in which what we really should have been talking about (but which, for some curious reason, Americans never like to talk about) is simply our own national interest.

Not least among the problems that we have to handle in our relations with the major powers and some of the others as well is the continuing widespread development, cultivation, and proliferation of nuclear weapons and other weapons of mass destruction. That is not merely a regional problem; it is a global one that involves a little less than the whole future of humanity and its stake in the future of civilization. I have never forgotten Robert Oppenheimer's reply when Ed Murrow asked him in a television interview whether humanity could survive a major nuclear war. "I don't know, I don't know," Oppenheimer replied. "But it would take the greatest act of faith to believe that what might survive it would be human." That remark, if anything, remains as true today as it was when Oppenheimer made it, for the control of this form of weaponry now rests in a larger number of hands. I believe that we, as the first country to have developed those weapons and the only one to use them against another population, and a largely helpless one at that, have a great and special responsibility and even a duty to take the lead in bringing those weapons under eventual control either through international organs or in having them eliminated from national arsenals.

Meeting this responsibility will require us to persuade others and to impose no small measure of restraint and scrutiny on our own words and actions. I welcome and commend the measures that we, the Russians, and others have undertaken recently. They are encouraging developments but are far from sufficient to meet the need. I greatly hope that we will now take a new look at this entire problem and will give to it the attention that it warrants. This is the least we can do for our children and our grandchildren.

There you have it: a voice from the century that is now passing to the inhabitants of the one about to begin. As always, when an older person tries to talk to younger people (and, believe me, practically everyone in this hall is younger than I), much of what he or she says is boring, for older people have a tendency to repeat themselves and talk about things seemingly removed from the interests and thoughts of their listeners. But it has been known to happen, here and there, that a small portion of what an oldster has had to say had relevance for the future as well as for the past. In this instance I leave that for you to judge. I cannot. I thank you for your attention.

GEORGE MITCHELL'S NEW JOB

Mr. PELL. Mr. President, I am delighted by the news that President Clinton today named Senator MITCHELL to be the special adviser to the President and Secretary of State for economic initiatives in Ireland. This news is doubly welcome. First, I am pleased that the President has decided to create the position of an adviser on initiatives in Ireland. Second, I can think of no one better than GEORGE MITCHELL to take on this difficult but extremely important task.

Today's announcement signals President Clinton's continuing commitment to the peace process in Northern Ireland. I am pleased by the emphasis the administration has placed on trade and investment as an instrument of the peace process, which has been a constant theme in meetings with leaders from Northern Ireland, including with my good friend John Hume. These leaders have driven home to me the importance of offering economic hope to the communities torn apart by years of violence. Investment and trade, they have told me, are more important than assistance.

In fact, I encouraged the President to create a point person for economic initiatives. Today's announcement, together with Commerce Secretary Ron Brown's upcoming trip to Belfast for a British-sponsored trade conference are concrete signs of the administration's commitment.

Those of us who have served with GEORGE MITCHELL know that he is the perfect candidate for the position of special adviser. He has a close working relationship with the President and the Secretary of State; he is well-respected by his colleagues in the Congress, who of course, are important partners in the administration's efforts to encourage the peace effort; he is known and trusted by the leaders of Ireland, Britain, and the various actors in Northern Ireland.

BUDGET SCOREKEEPING REPORT

Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 309(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report, which is the first for fiscal year 1995, shows the effects of congressional action on the budget through October 8, 1994. The estimates of budget authority, outlays and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 287), show that current level spending is below the budget resolution by $2.3 billion in budget authority and $0.4 billion in outlays. Current level is $0.1 billion below the revenue floor in 1995 and above by $0.1 billion over the 5 years, 1995–99. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $239.6 billion, $1.4 billion below the maximum deficit amount for 1995 of $241.0 billion.

Since the last report, dated October 7, 1994, Congress has approved and the President has signed the following bills, Public Law 103–354, Public Law 103–352, Public Law 103–365, Public Law 103–375, Public Law 103–387, Public Law 103–394, Public Law 103–415, Public Law 103–433, Public Law 103–434, Public Law 103–438, Public Law 103–446, Public Law 103–448, and Pvt. Law 103–8. These actions changed the current level of budget authority, outlays, and revenues. The President also signed Public Law 103–337, and Public Law 103–353.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, November 30, 1994.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the 1995 budget and is current through October 8, 1994. The estimates of budget authority, outlays and revenues are consistent with the technical and economic assumptions of the 1995 Concurrent Resolution on the Budget (H. Con. Res. 218). This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, and meets the requirements of Senate scorekeeping of section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated October 5, 1994, Congress has cleared and the President has signed the following bills: Continuation of certain SEC fees (P.L. 103–352), Federal Crop Insurance Reform Act (P.L. 103–354), Arizona Wilderness Land Title Resolution Act (P.L. 103–365), North American Wetlands Conservation Act Amendments (P.L. 103–375), Social Security Domestic Employment Reform Act of 1994 (P.L. 103–387), Bankruptcy Reform Act (P.L. 103–394), State Department Authorization Technical Corrections Act (P.L. 103–415), California Desert Protection Act (P.L. 103–433), Yavapai-Prescott Indian Tribe Water Rights Claims Settlement Act (P.L. 103–434), International Antitrust Enforcement Assistance Act of 1994 (P.L. 103–438), Veterans Benefits Improvements Act (P.L. 103–446), Healthy Meals for Healthy Americans Act (P.L. 103–448) and a bill for the relief of James B. Stanley (Pvt.L. 103–8). These actions changed the current level of budget authority, outlays, and revenues. The President has also signed the National Defense Authorization Act for 1995 (P.L. 103–337), and the Uniformed Services Employment and Reemployment Rights Act (P.L. 103–353).

Sincerely,

ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1995, 103D CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS OCT. 8, 1994.

[In billions of dollars]

	Budget resolution (H. Con. Res. 218)[1]	Current level[2]	Current level over/under resolution
ON-BUDGET			
Budget Authority	1,238.7	1,236.5	−2.3
Outlays	1,217.6	1,217.2	−0.4
Revenues:			
1995	977.7	977.6	−0.1
1995–99	5,415.2	5,415.3	0.1
Maximum Deficit Amount	241.0	239.6	−1.4
Debt Subject to Limit	4,965.1	4,597.5	−367.6
OFF-BUDGET			
Social Security Outlays:			
1995	287.6	287.5	−0.1
1995–99	1,562.6	1,562.6	(3)

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1995, 103D CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS OCT. 8, 1994.—Continued

[In billions of dollars]

	Budget resolution (H. Con. Res. 218)[1]	Current level[2]	Current level over/under resolution
Social Security Revenues:			
1995	360.5	360.3	−0.2
1995–99	1,998.4	1,998.2	−0.2

[1] Reflects revised allocation under section 9(g) of H. Con. Res. 64 for the Deficit-Neutral reserve fund.

[2] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[3] Less than $50 million.

Note: Detail may not add due to rounding.

TRIBUTE TO JUDGE R. CLIFFORD FULFORD

Mr. HEFLIN. Mr. President, U.S. Bankruptcy Judge R. Clifford Fulford, a strong force in Alabama politics for two decades, passed away on October 29, 1994. He has been a Federal bankruptcy judge in Birmingham since 1985. He will probably best be remembered for his role in keeping the Alabama Democratic Party from being taken over by the Dixicrats in 1948 and for keeping it in touch with the national during a turbulent time in the State's history. he was one of those rare individuals who got into politics to do the right thing, regardless of what might be popular at the moment.

Clifford Fulford served as president of the student body at the University of Alabama, from which he graduated in 1940. He received his law degree there in 1942. He served in the Navy during both World War II and the Korean war. After serving with the Office of Price Stabilization as an enforcement officer, he entered private law practice in Birmingham. He served as assistant U.S. attorney in Birmingham in 1953. During the 1960's and 1970's, he served as attorney and treasurer of the Alabama Democratic Executive Committee. Over the years, Judge Fulford proved himself to be an honest and successful politician and an outstanding lawyer and judge.

I extend my sincerest condolences to Judge Fulford's wife Toula and their entire family in the wake of their tremendous loss.

TRIBUTE TO WILLIAM POPE SWIFT, JR.

Mr. HEFLIN. Mr. President, longtime Selma, AL businessman William Pope Swift, Jr. passed away on September 26 in Birmingham. Bill was president of Swift Drug Co., where he practiced pharmacy for more than 40 years.

Bill Swift received his bachelor's degree in pharmacy from the Alabama Polytechnic Institute—now Auburn University—in 1940, and served in the U.S. Army Air Corps during World War II. His college and military years were the only periods of his life during which Bill was away from Selma. He was an avid sportsman and successful trainer and handler of field trial bird dogs, including two national champions.

In Selma, Swift Drug Co. has been a part of downtown for longer than most of its residents can remember, just as it seemed Bill Swift had been filling prescriptions forever for hundreds of Selmians. Bill was known for his wit and friendly manner, which contributed significantly to his professional success. His leadership and generosity will be greatly missed not only among his family and friends, but throughout Selma, Dallas County, and the Black Belt.

I extend my sincerest condolences to Bill's wife Cornelia Morrissette Swift and their entire family in the wake of this loss.

TRIBUTE TO BEN HALEY

Mr. HEFLIN. Mr. President, Ben Haley, of Atmore, AL, will long be remembered as a man who loved life and served his community well. Ben passed away on November 13.

Ben Haley moved to Atmore in 1933 with his family, served with the Navy and Marine Corps during World War II, returning to Atmore in 1947. He was employed by Retail Credit Corp. until 1956, when he became a partner in Maxwell-Haley. He continued with the firm as a broker until he died. He was elected to the Atmore City Council in 1968, serving until 1980.

Ben was a great friend to me personally, as well as a close political adviser. He helped me numerous times when I campaigned in Escambia County. He knew everyone throughout the county and was friends with virtually all of them. His hard work and drive led him to prominent positions not only in the Atmore city government, but also with the Alabama Real Estate Commission.

Ben was one of those people you immediately took to. He had a pleasant and warm demeanor and always made me feel at home when I visited Atmore and Escambia County. He had an engaging personality.

Ben Haley will be sorely missed by those of us fortunate to have known him over the years. My condolences and prayers are with his wife, Barbara, and their children during their time of mourning.

TRIBUTE TO ELEANOR UNGER INGE

Mr. HEFLIN. Mr. President, Eleanor Unger Inge, long recognized for her contributions to the world of art and education, passed away on October 22 at her home in Mobile, AL.

Mrs. Inge's life was one characterized by community service. She worked with the Mobile Public Library, the University of South Alabama and was president of Friends of the Saenger Center of the Arts. She also served on the boards of the Mobile Mental Health Association, the Allied Arts Council, the USA Arts Council, Mobile United, and was a member of the Board of Trustees of Alabama A&M University.

Her spirit of activity and goal for betterment of the community reflects well on her profession of Christianity and membership of St. Paul's Episcopal Church.

Earlier in her life, Mrs. Inge graduated from Smith College WAVE Officers School and served as a lieutenant junior grade in the U.S. Navy during World War II. She also attended international graduate school at Oxford University and the University of London.

Eleanor Unger Inge will be missed greatly by the community which she served so well for so long and by all who knew her.

My sincerest condolences are extended to Eleanor's husband, Herndon Inge, Jr., and their entire family during this time of sadness.

CHANGING ROLE OF THE UNITED NATIONS

Mr. HATCH. Mr. President, I rise to offer for the record some reflections on the changing role of the United Nations. Many of us recognize that the U.N. must change. It must change in response to the radical geopolitical transformations of the past five years that began with the unraveling of the Soviet communist empire and led to the largest creation of new states since the period of decolonization following World War II. It must change in response to the demands placed upon it by these new nations striving for stable independence. And it must change in response to the conflicts that continue to arise throughout the developing world. Indeed, the role played by the United Nations in liberating Kuwait from Iraqi occupation was a pivotal point in the history of the United Nations.

There has been much debate about the role the United Nations will play in the future. Regrettably, there still exists in this debate vague notions about ideals, ideals that, however benign, detract from the realistic thinking necessary to keep the U.N.'s participation in world events relevant.

Recently the distinguished Ambassador Joseph Verner Reed has the occasion to present the commencement address to the graduating class of Southern Utah University in Cedar City, Utah. Ambassador Reed, who serves as Under Secretary General of the United Nations and Special Representative of

the Secretary General for Public Affairs, shared some very realistic thinking about the future of the United Nations with the students and faculty of this respected institution.

The ambassador recognized that "there is irony in the present moment because for all the shortcomings of the Cold War period there was a stability and a sense of international coordination in those years that today we are lacking."

"We live in an inescapably and absolutely interconnected world," the ambassador said. "What affects one society will come to affect others. Environmental degradation, trade, migration, violations of human rights, a concern for democracy—unite and affect us all. These issues know no national borders."

He is correct to say that the U.N. "is asked to carry out the multiple and difficult demands of peace-keeping, peace-making, peace-building and post-conflict development and security...(and) it is not surprising that the United Nations has faced difficulty in carrying out such ambitious, complex tasks." As the Ambassador reminds us: "The United Nations has entered complex crises * * * because the Security Council and member states have asked it to do so.

While we will continue to debate the role the U.N. must play in many of these issues, I am heartened to note that the distinguished ambassador recognizes that there is no question that states are the repositories of authority and international legitimacy. I also agree with the ambassador when he says: "But that authority and legitimacy is today called upon to answer international concerns and shared global problems."

As the ambassador told the class of 1994 of Southern Utah University: "It is not idealism to support the United Nations. It is realism. With all its merits and all its defects, the United Nations represents our joint experience as citizens of this planet. Our task is to improve the organization, to consolidate international commitment to its necessary purpose, and to make this a peaceful and nurturing world for the peoples the United Nations represents."

Ambassador Reed shared his realism with the graduates from my state when he told them: "The United Nations cannot carry out such tasks alone. The organization reflects the support, political and financial, that it receives from the member states, including the United States of America, founder-member of the United Nations, host country, permanent member of the Security Council and its largest contributor. Without such support the United Nations cannot act, cannot grow, cannot improve its capabilities. There has been a tendency to ask the organization to take on task after task, without significantly increasing its resources. The United Nations is not perfect, but it is obviously a mistake to criticize it for stumbling while at the same time demanding that it run on one leg."

The ambassador's comments and observations, regardless of one's point of view on the United Nations, contribute greatly to our reassessment of the role this country should play at the United Nations. As a result of this debate, I hope that we will more concretely determine what functions the United Nations can best perform in the future.

TRIBUTE TO SENATOR SASSER

Mr. JOHNSTON. Mr. President, for 18 years, Senator SASSER has done the heavy lifting, the hard, painstaking, nuts-and-bolts work of this body. Concentrating on the details of programs and policies, he has served as Chairman of the Budget Committee, as Chairman of the Subcommittee on Military Construction of the Appropriations Committee, on the Banking and Governmental Affairs Committees, and on the Democratic Working Groups on Central America and on Drug and Substance Abuse. JIM SASSER worked quietly and without fanfare to make government work, to make it more efficient, less costly and more responsive to the needs of the nation and its citizens.

For instance, he established a GAO Fraud Hotline which enabled people to report fraudulent and wasteful government practices. Thousands of citizens called in tips, and million of taxpayer dollars were saved as a consequence. The Pentagon procurement scandal first came to light on the Fraud Hotline.

On Appropriations he did his homework, traveling to uncomfortable and even dangerous parts of the world to see how American military dollars were being spent. He went to Thailand to see how Cambodian refugees were being treated, he checked out the Contras in Nicaragua, the Afghan war and the Persian Gulf. He inspected the USS Stark after it was hit by Iraqi missiles. Only after seeing the situations for himself did he make up his mind about the policies the United States should follow. This is what distinguishes Senator SASSER as a legislator, that he learns the facts, makes up his own mind and trusts his judgment.

My colleague from Tennessee is one of those members who has brought to the Senate the qualities of common sense and rationality all too often missing from the heated discourse in this body. That has been manifest in our close association as members of the Appropriations Committee and especially in his work in the thankless but critical role as a member and as Chairman of the Committee on the Budget.

It is fair to say that the latter has been a forum for considerable partisan posturing since its creation some 20 years ago. And it is certainly true that the role and contribution of that committee has been maligned and underappreciated by the press and even members of this body. The Senator from Tennessee has always been a voice of cool reason in the Budget Committee, and I truly believe that years from now people will look back on the role that Senator SASSER played in the budget summit of 1990 as one of the critical components in finally awakening the administration and the Congress to the need to take Draconian steps to curb runaway budget deficits.

But if there is one thing in particular that Senator SASSER's colleagues will miss, it is his sense of humor and his fine sense of irony about the Congress and its cast of characters. No one in my years here has taken his job more seriously or has worked more diligently for the people who sent him here. But no Senator has possessed more of a gift for laughing at himself and at the foibles of those who would confuse the seriousness of public service with the fatuousness of self-importance. Many of the seemingly endless late-night Senate sessions have been enlivened and enriched by the wit and endless repertoire of political stories and anecdotes of the Senator from Tennessee.

One of those stories which the Senator often tells is about the candidate in Tennessee who would finish every stump speech with the declaration, "Them's my views, and if you don't like 'em, I'll change 'em." It can be said here of the Senator from Tennessee that, in fact, he brought a set of views and convictions to his work in this body that greatly enriched the public product, not only for the people of Tennessee, but for all the people of this country. If those views changed at all, it was owing to common sense and evolving circumstances, not because JIM SASSER legislated with a finger in the wind. He spent eighteen years in this body doing only what he thought was right for a State he loves deeply. For that, he will be long remembered and greatly missed by those of us who were honored to call him a colleague.

TRIBUTE TO SENATOR RIEGLE

Mr. JOHNSTON. For his 27 years in Congress, including 18 years in this body, Senator DON RIEGLE has believed—to paraphrase another famous man from Michigan—that what was good for Detroit and the automobile industry was good for the country. As chairman of the Committee on Banking, Housing and Urban Affairs, and as a senior member of the Finance and Budget Committee, he has been in a position to make his views known, and often, to see them enacted into law.

While he supports free trade and open markets, Senator RIEGLE has consistently insisted that free trade must be

fair trade, and that foreign markets must be open to American products. Section 301 of the trade bill, which he authored, protects American workers by addressing the issue of trade barriers which harmed American exports.

Senator RIEGLE's commitment to rebuilding American cities, especially the rust-belt communities of the Middle West which were devastated in the economic dislocation of the 80's, is well known. He fought for urban development grants and was an early advocate of enterprise zones. The landmark legislation coming out of the Banking Committee during his term as chairman strengthened communities by stabilizing financial and real estate markets thrown into chaos by the S&L collapse.

But his principal concern has always been for workers and their families affected by the structural changes in the Nation's economy. Over a Presidential veto, he led the fight to extend unemployment coverage. He put a human face on the health care crisis in his weekly floor statements featuring Michigan citizens and their problems with the health care system. His legislation setting uniform standards for "Medigap" policies protected vulnerable senior citizens from exploitation.

DON RIEGLE leaves the Senate with the economies of Michigan and the United States healthier than they have been for many years. Much of the robust growth they are currently enjoying is due to the understanding of the economics of industrialized societies, his stubborn insistence that the Nation prospers only when its citizens prosper and his political skills which allowed him to incorporate his insights into legislation. His accomplishments in the Senate served his constituents and his country well, and represent an enduring legacy.

TRIBUTE TO SENATOR BOREN

Mr. JOHNSTON. Mr. President, during his 15 years in the Senate, and before that, during his legislative and gubernational career in Oklahoma, Senator David Boren's legislative agenda could be summed up in three words, innovation, reform, and education. With energy, uncommon intelligence, highly developed parliamentary skills, and rigorous honesty, he has advanced that agenda much farther than anyone would have thought possible, and both Oklahoma and the Nation are in his debt.

Building on educational programs he instituted during his term as Governor of Oklahoma—at the time, the youngest Governor in the United States—Senator Boren established in 1985 the Oklahoma Foundation for Excellence. He serves as the chairman of this innovative effort to provide private sector support for the Oklahoma public school system.

As chair of the Senate Select Committee on Intelligence, Senator Boren led the effort to reorder American priorities for a post-cold war world, stressing bipartisan cooperation and streamlined intelligence operations. In the Finance Committee's Subcommittee on Tax Policy, which he also chairs, he has worked to reform Federal tax and energy policy. As a leading member of the Agriculture Committee, he authored the Farm Credit Act of 1987 which saved thousands of farmers from bankruptcy.

In 1992, the Congress recognized Senator Boren's commitment to making government institutions more honest, efficient, and responsive. He was appointed chairman of the Joint Committee on the Organization of Congress, and asked to lead an investigation into congressional bureaucracy and gridlock. Unfortunately for the Congress, academe made him a better offer. He is leaving the Senate to become president of the University of Oklahoma. I can only say, speaking for myself and his colleagues in this body, that the search committee made a superlative choice, and predict that in this new career David Boren will once again perform superlatively.

TRIBUTE TO SENATOR DECONCINI

Mr. JOHNSTON. Mr. President, in his 4 years as the Pima County Attorney, DENNIS DECONCINI was the busiest law enforcement official in the State of Arizona. He implemented programs in drug enforcement and consumer affairs, prosecuted organized crime bosses and ran an office which was named the model office of its size in the nation by the National District Attorneys Association. In his 18 years in the Senate, he has continued this pattern of productive activity, attention to detail and concentration on the basic problems on the nation: the health and safety—physical, mental and economic—of American families, the health of the economy and the safety of society.

Working Americans and the companies they work for have much to thank him for. He played a major role in passing legislation to provide quality affordable child care for families, and led the fight to establish fair and flexible laws for unpaid parental leave. He sponsored bills to provide employer tax incentives for public-private partnerships for on-site child care.

In an era of indifference, DENNIS DECONCINI has demonstrated concern for those whom Hubert Humphrey described as being in the "dawn and dusk of life." He has consistently supported funding for child nutrition and education programs, and sponsored legislation creating a national program for the identification and prevention of elder abuse. He has been particularly sensitive to the health needs of the elderly, leading the fight for increases in funding for home health and hospice care.

At the same time, he has vigorously opposed threats to the fabric of society: crime, drugs and violence. He authored the Anti-Drug Abuse Act of 1988, the most comprehensive anti-drug legislation in our national history, and made it possible for military aircraft to protect U.S. borders from drug smugglers.

DENNIS DECONCINI believes that a sound society requires a sound economy. For many years, he has been leading the battle to cut Government waste, and has succeeded in limiting funds the Federal Government can spend on public relations and motor vehicles. He is the founder and co-chairman of the Senate Grace Commission Caucus, a bipartisan group which looks for ways to eliminate waste and abuse. And he literally puts his money where his mouth is. He opposed a pay raise for Members of Congress. When the legislation passed, and his paycheck got bigger, he gave the increase to the Treasury to reduce the national debt.

DENNIS DECONCINI is a real Westerner, from a long time Arizona family. He brought to the Senate the candor and directness of the Old West, and the commitment of a man who has spent his life in the law, as lawyer, law enforcement official and legislator. The Senate and the Nation will miss him.

TRIBUTE TO SENATOR WOFFORD

Mr. JOHNSTON. Mr. President, Senator HARRIS WOFFORD is, like Thomas More, "a man for all seasons": lawyer, writer, teacher, college president, politician. In his eventful life, he has been acquainted with important political figures from Gandhi to Martin Luther King to John Kennedy. He has studied and practiced their philosophies, from nonviolence to citizen service, and observed the seminal social movements of the second half of the 20th century. More to the point, he has participated actively in events, acting as a catalyst for change and betterment. He was one of the founders of the Peace Corps, one of those drafting the first civil rights act in 1956, and the candidate who focused the attention of the American people on the issue of health care.

Senator WOFFORD brought to the Senate this wealth of service and insight, and sponsored legislation drawing upon his experiences. The National and Community Service Trust Act which he successfully managed on the Senate floor offers young Americans an opportunity to earn an education in exchange for a community service. It incorporates the principles of PennSERVE, the Governor's Office of Citizen Service, which Senator WOFFORD founded when he was Pennsylvania's Secretary of Labor and Industry.

It has been a privilege to know and serve with HARRIS in the Senate.

TRIBUTE TO SENATOR MITCHELL

Mr. JOHNSTON. Mr. President, before GEORGE MITCHELL was a Senator, he was a Federal judge. He has been quoted in Down East magazine as saying that it was a wonderful job, that he loved the work. He then went on to say "So is being a Senator wonderful, only in a different way. If I were able to order my life completely, I would have done it in reverse. I would have gone the conventional route: Served a couple of terms in the Senate and then become a judge."

I, for one, am glad that Senator MITCHELL didn't go the conventional route. The Senate has been the better for his experience as a judge. The dignity, the calm deliberation and careful thoroughness, the judicial temperament which was reinforced during his service on the bench have proved to be a great asset both to the Majority Leader and to those whom he led. Throughout his term in the Senate, and especially in his memorable exchange with Oliver North, Senator MITCHELL has demonstrated "gravitas", the quality of high seriousness which the ancient Romans demanded of their leaders.

If seriousness of purpose is his defining characteristic, competitiveness runs it a close second. I can testify from first-hand experience, having seen him on the tennis court. He learned about hard work from his parents, immigrants who urged their five children to go to college, and from his brothers, who were all star athletes. In competition, in the Senate or on the tennis court, GEORGE MITCHELL is well prepared and fiercely competitive, but he is always a good sport. He plays hard, but he plays fair. And he always tries to win.

Those of us who have served with him, on and off the tennis court, respect him for his determination. He has worked extraordinarily long and hard during his term as Majority Leader. We admire his dedication to duty, but we hope that in his next career, there will be time for reading books, playing tennis and watching Red Sox games. He leaves with our thanks and the thanks of the American people.

TRIBUTE TO SENATOR METZENBAUM

Mr. JOHNSTON. Mr. President, everyone has a defining characteristic, and Senator HOWARD METZENBAUM's is loyalty, loyalty to the New Deal principles of President Roosevelt, to the Democratic party, to his family, and above all, to the working people of Ohio threatened by structural changes in an industrial society. In their service, he has spent more than 50 years in politics, serving in the Ohio legislature and the United States Senate. In this body, he has fought fiercely and tenaciously for his principles, not always winning but always making his opponents aware that it is not safe to ignore him. In his mastery of parliamentary and Senate procedure, he has made himself the "majority of one" who often prevails against a less well-prepared numerical majority.

He is a legislative wizard, called a "leader without portfolio" by Congressional Quarterly, who has a 65 percent success rate in getting his bills enacted into law. In response to the needs of his constituents in northeast Ohio, he passed worker retraining legislation. Among the high points of his distinguished legislative career were plant-closing notification legislation, the 7-day waiting period of the Brady bill, and the FIRREA legislation of 1989.

Given his history of involvement in both private industry and public service, it is not possible to think of HOWARD METZENBAUM in retirement. He doesn't have the temperament for it. By 1996 I predict he will have found some new outlet for his indomitable spirit, abounding energy, fierce combativeness and intellectual curiosity. I expect that he will make a success of anything that he does and join his colleagues in wishing him well.

TRIBUTE TO SENATOR MITCHELL

Mr. CONRAD. Mr. President, soon the 103d Congress will be history. The end of the 103d Congress also will mean the end of the historic and distinguished career of Senator GEORGE MITCHELL as the majority leader of this body. Mr. President, today, I want to pay tribute to a man that every Member of this body holds in the highest regard.

Earlier this year, Senator MITCHELL was mentioned as a candidate for commissioner of baseball. He was asked about dealing with the egos of the 28 baseball owners. His reply, that the commissioner's job would be a 72-percent reduction from his role as Senate majority leader, has now become famous. But I think his reply also illustrates Senator MITCHELL's approach to what is surely one of the most difficult jobs in Washington. There are 100 Members of the U.S. Senate. We come from 50 different States. We are members of different political parties, and we represent a wide variety of personalities, views, and political philosophies. Yet, we are able to work together. Our successes over the years are in no small part due to the fairness, perseverance, integrity and the good humor of Senate Majority Leader MITCHELL. I know that many of my colleagues on the other side of the aisle—even while they might have disagreed with him on various issues—respect Senator MITCHELL's ability to deal with them fairly. Senator ALAN SIMPSON, the minority whip, recently said of Senator MITCHELL: "Not once, ever did he do anything he said he would not do. He wouldn't cut a corner." All of us who have served with Senator MITCHELL would agree with that assessment.

It has been my great pleasure to serve with the distinguished majority leader. Like many of my colleagues, I have admired his intelligence, his patience, and his steady leadership. As majority leader, he guided legislation through this body with great skill. As a Senator representing the citizens of Maine, he worked diligently on behalf of his constituents, just as he worked for the well-being of Americans throughout the Nation.

We all know GEORGE MITCHELL could have left this body earlier this year and taken his place on the Nation's highest court. There is little doubt he would have served in that capacity with great distinction, and continued to make a significant difference in the history of our country. But he chose not to take that opportunity. Instead, he decided to remain in the Senate and to attempt to reform our national health care system. Mr. President, he made that decision because of his deep and sincere dedication to accomplishing a goal he felt was in the best interests of our Nation. He put the national interest above his personal interest.

While we were not able to pass legislation reforming our Nation's health care system this year, it was certainly not due to a lack of commitment or determination on the part of the distinguished Senator from Maine. Senator MITCHELL put his personal convictions ahead of personal gain, and demonstrated to every other public servant the true meaning of public service.

In that spirit of public service, Senator MITCHELL has established a scholarship fund with the remainder of his campaign fund and the donations of many, many generous people from across the country. That fund will help needy and deserving students receive a higher education. At the fundraising dinner for the scholarship bearing the majority leader's name, GEORGE MITCHELL said: "Public service must be and is its own reward, for it does not guarantee wealth, popularity, or respect." I know many of us share those sentiments.

While he may be correct that serving in the Senate does not guarantee those things, Senator MITCHELL has earned the respect and admiration of his colleagues. He will leave this Chamber with a wealth of memories of legislative battles—he has won some impressive victories, and suffered some disappointing defeats. But above it all, he has earned the respect of everyone who has had the privilege of working with him. Although he may be retiring from the Senate, I know that will not mean the end of his desire to serve his country.

Indeed, just today President Bill Clinton announced that GEORGE MITCHELL has agreed to serve as a special U.S. adviser for economic initiatives in Ireland. As that troubled area moves toward ending decades of violence and confrontation, efforts to ensure economic stability and growth will be an essential part of helping Northern Ireland achieve peace and prosperity. The President said he needed someone of "great talent, great stature and great wisdom" for the job as special economic adviser to Northern Ireland. Mr. President, I think all of us who have served with Senator MITCHELL agree the President has found the right man. All of us in this Chamber have been fortunate to serve with him in the Senate, and his steady and distinguished presence will be missed.

ON THE RETIREMENT OF SENATOR DON RIEGLE

Mr. CONRAD. Mr. President, I rise today to pay tribute to the senior Senator from Michigan, Senator DON RIEGLE, as he prepares to retire from this body. During my eight years of service in the Senate, I have had the opportunity to serve with Senator RIEGLE on both the Budget and Finance Committees and have enjoyed the chance to work with him on a wide range of issues—particularly fair trade and health care reform.

Senator RIEGLE has spent eighteen years in the Senate fighting for the working families of Michigan while protecting and expanding job opportunities and economic growth for our nation. His expertise in economic and financial policy issues and his voice on trade issues, industrial policy and U.S. competitiveness will be greatly missed.

Senator RIEGLE has made it a priority in the Senate to ensure that American workers and businesses are competing in an open and free environment. He and I agree that free trade agreements are often not free or fair trade but negotiated trade that pits one American business interest against another while giving our global competitors an unfair advantage. As a result he has been an effective advocate of a tough trade policy. He has worked to end trade barriers that shut out American exports and to halt unfair dumping by foreign manufacturers.

Senator RIEGLE has long warned of the need to address the health care crisis in this country and has worked for a new system that would decrease the number of uninsured and contain the increasing costs of health care. During the historic health care debate this past year, Senator RIEGLE met with me and other members of the Finance Committee, both Republicans and Democrats, to seek out common ground and areas of agreement. He served as a calm voice of reason during the long hours of often contentious debate. Although we were not able to reach agreement, in the end, I am confident that any health care reform enacted in the future will bear the mark of DON RIEGLE'S hard work.

While serving the people of Michigan in the Senate, Senator RIEGLE has also served his nation as chairman of the Senate Banking Committee for the past 5 years. During that time his committee has overhauled the banking industry, increased accountability for financial institutions, increased protection for consumers and expanded home ownership opportunities for low- and middle-income Americans.

I have been constantly impressed with Senator RIEGLE'S ability to write and pass legislation in an efficient, fair and effective manner. I have always found him accommodating and helpful with questions or concerns I have had with legislation that fell under the Banking Committee's jurisdiction. His highly praised role as a fair and unbiased chairman during this summer's Whitewater hearings serve as evidence of his substantial leadership abilities.

Not content to focus on economic issues, Senator RIEGLE has fought hardest to protect the children and senior citizens of our country. He is largely responsible for providing immunizations for uninsured children and has supported increased funding for expanded day care facilities for latchkey kids. He is well-known for his continual efforts to make good on the government's promises to the eldest members of our society.

Mr. President, DON RIEGLE has served with distinction for eighteen years in the Senate and before that, ten in the House of Representatives. The people of Michigan, the country and his colleagues here in the Senate will greatly miss him, and I wish him and his family good fortune in the future.

THE RETIREMENT OF SENATOR DENNIS DECONCINI

Mr. CONRAD. Mr. President, it has been more than 20 years since DENNIS DECONCINI made his first bid for public office in Arizona and was elected Pima County attorney. Just 4 years later in 1976, he was elected to the U.S. Senate. Now, after 18 years, Senator DECONCINI has decided to retire from this body. Mr. President, today I want to comment on our colleague's distinguished career in the Senate. His retirement will be a loss for the Senate.

When he was a freshman Senator, the Wall Street Journal described him as the most likely member of that class to succeed in the Senate. He has lived up to those high expectations. As a chairman of the Select Committee on Intelligence and a member the Appropriations and Judiciary Committees, he has served Arizona and this Nation with dedication. Senator DECONCINI and I have shared the view that reducing the Federal deficit must be our top priority even if it means we have to make difficult choices on reducing Federal spending. On the wall in Senator DECONCINI's office there is a short poem that reads: "Politics is like a rose, it has beauty and thorny issues." As Members of the Senate, we often face difficult choices on thorny issues. Senator DECONCINI was always able to meet that challenge and make those choices.

He was the sponsor of a constitutional amendment to require a balanced budget. Senator DECONCINI also was a founder and cochairman of the Senate Grace Commission Caucus, a bipartisan group of Senators dedicated to looking for ways to eliminate waste in the Federal Government. On many occasions, I have worked with Senator DECONCINI on the floor of this Chamber to help reduce wasteful Federal spending. He has shown courage in supporting the budget package we passed in 1993 that proved Congress could deal with the thorny issue of reducing Federal spending and making a serious attempt to reduce the Federal deficit.

Senator DECONCINI has taken tough stands on other issues. As an example, he cosponsored with Senator DIANNE FEINSTEIN the assault weapons ban that eventually became part of the comprehensive anticrime bill. Against all opponents Senator DECONCINI stood his ground. Like many of us, he knew these weapons were used by criminals and drug dealers to kill—often to kill innocent bystanders and police. In the end, the assault weapons ban became the law of the land, thanks in no small part to Senator DECONCINI's courage and perseverance.

While has career in the Senate has been one of fighting for what he believed was right, it has also been a career of accomplishment and compassion. One area where Senator DECONCINI has been a consistent leader is in the effort to help children. He played a major role in passing legislation to provide quality, affordable child care for families and children. He has been a leader in efforts to reduce child abuse and to increase funding for programs to improve the nutrition and health of pregnant low-income women, infants, and preschool children.

On a wide variety of issues, Senator DECONCINI has been at the forefront. He sponsored legislation to promote increased cooperation between Mexico and our country to stop the flow of illegal drugs and to promote trade and commerce along our southwest border with Mexico. He is the principal author of the most comprehensive antidrug legislation in history, the Anti-Drug Abuse Act of 1988. He founded the Western Coalition Work Group made up of western Senators working together on clean air issues. I personally have worked with him on legislation to protect our Nation's air and water quality

and to strengthen the historic clean water legislation. Mr. President, Senator DECONCINI's career in the Senate has touched a wide variety of issues of national importance. His leadership and experience will be greatly missed by those of us who have had the pleasure of serving with him in the Senate. I wish him the best as he ends his outstanding service to his State and our Nation.

TRIBUTE TO SENATOR JIM SASSER

Mr. CONRAD. Mr. President, I rise today to pay a tribute to Senator JIM SASSER of Tennessee, who will be leaving the Senate at the end of this session of Congress. Senator SASSER has served his State and the country extremely well during his three terms in the Senate, and next year this body will be a lesser institution without him.

It has been an honor and a real privilege to serve with Senator SASSER, and work with him in the Budget Committee. He has chaired that committee with great skill, searching for realistic, achievable solutions to one of our Nation's toughest problems—cutting the Federal budget deficit.

He has put a great deal of energy and thought into putting our fiscal house in order, and in the coming years we will truly miss his experience and his insights on that very complex and difficult issue.

Every year for 6 years, Chairman SASSER had the immensely difficult job of finding consensus among conservative, moderate and liberal members of the Budget Committee in one of the toughest annual political battles on the Hill. Several major reconciliation bills were enacted on his watch, and he has earned our thanks and appreciation for guiding that legislation skillfully through the Senate.

I was proud to have worked closely with my friend from Tennessee on legislation reforming the procurement practices in the Department of Defense and on legislation to get our allies to pay more for the defense we provide them.

The Senator from Tennessee also established a national toll-free fraud hotline, which he intended to be used to report fraud and waste in the Federal Government. Mr. President, that hotline has been used by thousands of people reporting wasteful Government practices, and has helped save taxpayers millions of dollars.

JIM SASSER's innovative ideas for cutting unnecessary spending, and his steadfast devotion to sound fiscal policies have made a significant and lasting difference in this country. Without the leadership of Senator SASSER, many important reforms may have never come to pass.

JIM SASSER has also served the needs of his State extremely well. He fought to create jobs for Tennessee and bring economic opportunity to the Nation as a whole, and has been a leader in the fight for many other programs important to his State.

He has always kept the needs of Tennessee in the forefront of his thinking—his constituents can be proud of the job he has performed.

It is with great sadness that we say farewell to the Senator from Tennessee. He will be missed in this Chamber, and I wish him the very best as he returns to private life.

THE RETIREMENT OF SENATOR HOWARD METZENBAUM

Mr. CONRAD. Mr. President, as you know our colleague from Ohio, Senator HOWARD METZENBAUM, will not be returning to the Senate when the 104th Congress convenes next month. I would like to take a moment to praise his accomplishments and wish him well in the future.

Over 50 years ago HOWARD METZENBAUM was elected to the Ohio Legislature, beginning what would prove to be a highly distinguished and productive career in public service. During his time here in the Senate, Senator METZENBAUM has been a tireless crusader for those in our society who are often without a voice: consumers, children, and workers.

His work on behalf of our Nation's disenfranchised is unequaled in the Senate. In this Congress alone, Senator METZENBAUM has worked to reform the insurance industry, provide pension security for retirees, increase civil rights, increase environmental protection, and increase child safety and labor fairness. During my 8 years in the Senate, I've seen his worker retraining bill, plant closing notification legislation, and food labeling requirements become law.

I have long admired Senator METZENBAUM'S dogged determination as he struggled to fight special interests and Government waste. Senator METZENBAUM is a man with deeply held convictions—agree or disagree—you rarely wonder where he stands on an issue. I am sure that my colleagues who have opposed him on the floor will attest that his debating skills are unmatched, and he has not been reluctant to use these skills to promote or defeat legislation in defense of the principles and causes in which he strongly believes.

This knowledge of the inner workings of the Senate combined with his experience as a successful businessman have served him well on issues relating to American business. As a Senator he successfully led the fight for stiffer penalties for child labor law violations, increased job training opportunities for women in nontraditional jobs, expansion of antitrust laws and stronger penalties for contractor fraud.

Mr. President, our colleague Senator SIMON has called HOWARD METZENBAUM the "tiger of the Senate." After viewing the ferocity with which he mounts a filibuster or questions a Supreme Court nominee, I agree with that assessment. While his retirement brings to an end his battles in this Chamber, I strongly doubt it will mark the end of his fight to see that all Americans receive a fair opportunity to live a happy, successful life. HOWARD METZENBAUM has been a champion for the left out and the left behind. He can be intensely proud of his service in the U.S. Senate.

TRIBUTE TO SENATOR BOREN

Mr. CONRAD. Mr. President, I rise today also to pay tribute to Senator David Boren of Oklahoma. While Senator Boren no longer serves in this Chamber, having retired 2 weeks ago to become president of the University of Oklahoma, he has certainly left a lasting impression on many of his colleagues, including me.

David Boren's public life has been impressive. He served in the Oklahoma House of Representatives for 8 years before becoming Governor of Oklahoma for one term. Following his stay in the Oklahoma Governor's mansion, he began his distinguished, 16-year career here in the U.S. Senate.

And now he has returned to Oklahoma to concentrate on higher education and improving the lives of the youth of this country. The Senate's loss will surely be the University of Oklahoma's gain.

It has been a real pleasure to work with Senator Boren during the 8 years we have both served in the Senate, from the time we spent together on the Agriculture Committee working to reform the Farm Credit System to the past 2 years working together on the Finance Committee seeking solutions on health care, international trade, and energy issues. Watching him work, I have gained a real appreciation for his intelligence, his dedication, and his passion for getting things done.

The effort to save the Farm Credit System, which he led, was a model of how the U.S. Senate should work. Senators working together on a bipartisan basis spent over 100 hours in markups preparing legislation to rescue the seriously threatened Farm Credit System. David Boren, as chairman of the Credit Subcommittee, led those sessions with enormous skill, intelligence, and wisdom. The result was a Farm Credit System saved from bankruptcy that did not cost the taxpayers of America one dime. It was a legislative accomplishment of great importance. Senator Boren deserves most of the credit.

Senator Boren's willingness, indeed his desire, to work together in the spirit of bipartisanship should serve as a lesson to us all. His preference to seek bipartisan solutions to our country's problems rather than seeking partisan

political gain demonstrates his desire to work for the good of the people who elected him to represent them.

Senator Boren has continuously attempted to reform Congress to make it more efficient and responsive to the needs of the American people. He has fought to reform our system of financing campaigns in this country, and his work will not be forgotten as we once again consider campaign finance reform during the next Congress. Year after year, he has striven to improve this institution, and to restore the reputation of the Senate as a thoughtful, deliberative body.

I wish Senator Boren well in his new position, and thank him for his 16 years of distinguished service to our country as a Member of the U.S. Senate. It has truly been a pleasure to work with Senator Boren, and we will miss him.

THE RETIREMENT OF SENATOR JOHN DANFORTH

Mr. CONRAD. Mr. President, when the U.S. Senate begins its next session in January, one of our most distinguished colleagues will no longer be among us. As you know, Senator JOHN DANFORTH of Missouri will retire when his current term ends. I wanted to take this opportunity to comment on Senator DANFORTH's career and his service in this body.

Several years ago, David Broder of the Washington Post wrote that if you were to ask members of the Washington Press Corps for a list of Senators who had distinguished themselves for their dedication and service to the Nation one of the names you would hear most often is that of Senator JOHN DANFORTH. U.S. News and World Report singled him out "as an honorable" man. When Senator DANFORTH retires from the Senate it will be the end of a 20-year career in public service beginning in 1968 when he was elected attorney general of Missouri. Senator DANFORTH is the only Republican in the history of his State to be elected to three terms as a U.S. Senator. When he served as chairman of the Senate Commerce Committee, it was the first time a Missouri Senator had chaired a major congressional committee since the end of World War I.

As a senior member of the Finance and Commerce Committees, he has devoted significant attention to international trade policy. The trade goals were aimed at expanding U.S. exports and establishing the concept of reciprocity in trade by removing foreign trade barriers to American goods and services. Senator DANFORTH has authored laws to require strict on-the-job testing of key transportation workers for drugs and alcohol, to strengthen Federal and State laws against drunken driving, and to improve the inspection of safety equipment on commercial trucks and buses. He also has sponsored legislation to modernize airports and our Nation's air transportation system. He was the principal sponsor of the Cable Television Consumer Protection Act that stimulated competition in the cable industry and allowed greater local authority over cable television rates in markets where service was a monopoly. He has been a leader in efforts to reduce hunger and malnutrition throughout the world, and among the many awards he has received is the Presidential World Without Hunger Award.

But perhaps it is his sponsorship of the Civil Rights Act of 1991 that will be best remembered in this Chamber. At times, Senator DANFORTH's convictions forced him to take issue with a President of his own party. But he put what was morally right above what was politically expedient. Discussing Senator DANFORTH's work on the Civil Rights Act, Senator GEORGE MITCHELL cited Senator DANFORTH's "unshakable commitment to a society free of discrimination." As the only ordained minister among us, Senator DANFORTH has over and over reminded us what was morally right.

Senator DANFORTH's dedication to working for the American people without regard to partisanship or parochialism was demonstrated earlier this year when he joined me and several other Senators of both parties to form what came to be called the Mainstream Coalition—a bipartisan group dedicated to reaching a compromise plan for national health care reform. Let me say we did not always agree, but we listened to each other, worked together and eventually came up with a proposed bill that would have dramatically increased access to health care for millions of Americans. In the end, time ran out on health care reform. But as Senator DANFORTH returns to private life we should remember that in his last year here he remained committed to working for the greater good of the people of our Nation. As a friend, I will miss Senator DANFORTH. As a body, we will miss his dedication and service to our Nation.

THE DEPARTURE OF SENATOR HARRIS WOFFORD

Mr. CONRAD. Mr. President, I would like to take a moment to salute the Senate career of our colleague from Pennsylvania, Senator HARRIS WOFFORD. Senator WOFFORD can leave this body proud of an impressive list of accomplishments during a relatively brief tenure here in the Senate.

Senator WOFFORD brought a lifetime of public service to his role as United States Senator. Prior to being appointed to the Senate, he had served as an assistant to President Kennedy, an adviser to Dr. Martin Luther King, a founder of the Peace Corps and a college president. In all these positions he worked to protect the rights and opportunities of all Americans no matter their color, age or economic standing—a fight he has continued here in the Senate.

Perhaps more than anyone, Senator WOFFORD is responsible for placing health care at the top of our Nation's agenda. His election to this body reflected the widespread insecurity felt by America's middle-class about their health care coverage and gave many of us in Congress the impetus to take action.

Senator WOFFORD has worked to author several key reform efforts and I wholeheartedly agree with him that we must reach consensus on health care, and that we must do it sooner rather than later. While we have not been able to reach a viable solution yet, his work on the issue has certainly brought us closer to giving Americans a health care system on which they can depend.

Although well known for his work on health care, Senator WOFFORD has also played a major role on other important issues facing American families during the past 3 years. Last year he sponsored the National and Community Service Act which provides college funds for the youth of this country in exchange for community service. I recall Senator WOFFORD's call for an American Peace Corps as he successfully managed the bill through the Senate. And because of his efforts, Congress passed legislation making it easier for middle-class families to pay for their children's college education.

Mr. President, based on his previous achievements it is clear HARRIS WOFFORD does not need to be a U.S. Senator to make a positive difference in the lives of middle-class America. I have no doubt he will continue to ably serve this country outside this Chamber and to play a major role in the fight for health care security for all Americans. He has served the people of Pennsylvania with great distinction and as he prepares to depart, he should do so with the satisfaction of a job well done.

THE RETIREMENT OF SENATOR HARLAN MATHEWS

Mr. CONRAD. Mr. President, I want to take a few moments today to salute Senator HARLAN MATHEWS of Tennessee. As you know, Mr. President, when our former colleague Senator ALBERT GORE, Jr., of Tennessee was elected Vice President of the United States, HARLAN MATHEWS was appointed to fill his unexpired term.

When he came to this body, HARLAN MATHEWS listed three major goals for his service in the Senate—working to balance the Federal budget, reducing the deficit, and reforming our Nation's health care system. Those concerns

were shared by many of us. Before coming to the Senate he served as Tennessee Commissioner of Finance for 10 years, the longest tenure of any commissioner in his State's history. In 1974 he was elected State treasurer of Tennessee and his 13 years in that office again were the longest of any treasurer in Tennessee history. When he came to Washington, HARLAN MATHEWS brought with him a clear understanding of the need for fiscally responsible government.

A fiscal conservative, he demonstrated his commitment to his personal beliefs by cosponsoring legislation calling for a balanced Federal budget and supporting efforts to reduce the Federal deficit. He can point with pride to the fact that during his service in the Senate, we passed by far the most sweeping budget deficit reduction plan in decades. During his tenure as a member of the Senate Commerce Committee, he supported efforts to strengthen U.S. trade policy. Senator MATHEWS felt strongly that our Nation's economic future was linked directly to improving our Nation's trade performance. In line with that view, he sponsored legislation to emphasize the importance of trade relations between the United States and the Asia Pacific nations in an expanding global market.

As a member of the Energy and Natural Resources Committee, Senator MATHEWS was a strong voice for Tennessee on issues ranging from coal production to research and development at the Oak Ridge National Laboratory and preservation of the Great Smoky Mountains National Park. He cosponsored legislation to strengthen the Department of Energy's ability to work with industry and educational groups to share research and technological advances. Senator MATHEWS also has been a team player. He has repeatedly assumed responsibility for presiding over the Senate to relieve other Senators from that obligation. His many courtesies and kindnesses to his fellow Senators will long be remembered in this body.

THE RETIREMENT OF SENATOR DAVID DURENBERGER

Mr. CONRAD. Mr. President, I rise today to speak on the retirement of one of this Chamber's most dedicated Members, Senator DAVID DURENBERGER of Minnesota. In 1988, Senator DURENBERGER became the first Minnesota Republican elected to three terms in the U.S. Senate. Now, Mr. President, Senator DURENBERGER has decided to retire from this body after 16 years of dedicated service to the Senate and to the Nation. Since I came to the Senate 8 years ago my respect for my colleague from Minnesota has grown with each opportunity of working with him on matters of common concern. My home State of North Dakota and his home State of Minnesota share a common border. And although we are of different political parties, we often have worked together in a spirit of bipartisan cooperation on issues of common interest to the Upper Midwest and to the Nation as a whole.

Senator DURENBERGER once said: "We need to measure government by outcomes—not how much government spends." I share that view. He also said one of the problems in Washington is that too often accomplishments are framed by how much money we spend or how much we save rather than what is most important—"what we produce for the American people." Again, I share those sentiments. Time after time Senator DURENBERGER has cast votes to restrain Federal spending even when they were sometimes not politically popular. It is that spirit of political courage, rather than political expediency that has characterized his years in the Senate.

But I think the historic health care reform debate of 1994 may be considered the fitting culmination to the career of my colleague from Minnesota. As a member of the Jackson Hole Group, chairman of the Senate Health Subcommittee from 1981 to 1986, and as a member of the Senate Finance Committee, he has for years been a leader in the effort to enact health care reform. The term managed competition is now a household word, but it wasn't when Senator DURENBERGER began his effort to promote managed care in the early 1970's. In 1993, he cosponsored with Senator JOHN BREAUX of Louisiana the Managed Competition Act, which was based on the experience of Minnesota on the health care issue.

This spirit of bipartisanship has been a hallmark of Senator DURENBERGER's service in this Chamber. He has been called an architect of compromise. he was one of a group of seven Senate conferees who hammered out a realistic compromise to end a 10-year impasse over the Clean Air Act. I have worked with him in a spirit of cooperation on that legislation and other major environmental laws, including the Superfund Act, the Clean Water Act, and the Safe Drinking Water Act. In 1993, he was a leader in the effort that secured the bipartisan compromise allowing passage of a campaign finance reform bill in the Senate. I believe the record of Senator DURENBERGER in working to achieve bipartisan consensus on crucial issues is what the people of this Nation want from their elected officials.

Earlier, I mentioned his years of work to achieve reform of our Nation's troubled health care system. Those efforts continued this year. As you know, Mr. President, Senator DURENBERGER and I joined several other Senators to form what came to be called the mainstream coalition. This was a bipartisan group of Senators who worked to come up with a compromise health care plan that would not create a huge new bureaucracy, but would instead rely on our existing private system to expand access to health care for millions of Americans.

We spent countless days and nights working together to try to reach a compromise. As the debate continued, the mainstream coalition's numbers grew as other Members of this body joined us in the effort at bipartisan accomplishment. It is unfortunate that in the end time ran out and we were unable to see our mainstream plan enacted into law. But that in no way diminishes the work of Senator DURENBERGER and other Members of our group. Although Senator DURENBERGER now will return to private life, he can take satisfaction in the fact that he fought the good fight for health care reform and for the people of our Nation. It is my hope one day he can look back and see the plan he worked on so many hours in his final months in the Senate become the basis for the eventual reform of our country's health care system.

Mr. President, I wish Senator DURENBERGER well as he returns to private life. I also hope those of us who remain will remember his legacy of compromise and bipartisanship as we take on the new issues that will confront us in the next session of Congress.

TRIBUTE TO MS. NANCY BRODERICK

Mr. NUNN. Mr. President, I would like to recognize the retirement of Ms. Nancy J. Broderick, Deputy Staff Director for Congressional Affairs at the Defense Logistics Agency (DLA), who is retiring after 25 years of dedicated public service.

For the past 15 years, Ms. Broderick has worked closely with the Armed Services and Appropriations Committees on numerous defense readiness and acquisition issues. She has worked hard to ensure that the Congress has had ready access to the material necessary to make informed decisions. She was especially effective in assuring that the impact of military logistics was properly considered in our readiness-related initiatives and in helping to clarify the tremendous complexity of acquisition reform.

Ms. Broderick has been a consumate professional. Her candor, energy, and dedication have served as an inspiration to her colleagues, and reflect the best traditions of public service. I wish her the best in her retirement.

THE SATELLITE HOME VIEWER ACT OF 1994

Mr. HATCH. Mr. President, before the 103d Congress finishes its business, I would like to comment on one of the important bills passed by this body,

but one that has not, in my judgment, received sufficient attention. I am referring to the Satellite Home Viewer Act, S. 2406, which passed both Houses of Congress in early October and which has already been signed into law by President Clinton.

I was pleased to be a cosponsor of that legislation along with my good friend Senator DECONCINI, Senator LEAHY, Senator THURMOND, and many others. Its principal provision was an extension of the satellite compulsory license, section 119 of the Copyright Act. That provision was scheduled to expire at the end of this year. It will now expire at the end of 1999. The importance of this provision lies in the fact that it ensures uninterrupted reception of basic television service to many Americans who depend on the satellite dish for their television reception. This means most, of course, to our many rural citizens. I know, for example, that in my home State of Utah there are at least 28,000 satellite dishowners who cannot receive television signals in the normal over-the-air manner that most of us enjoy. For them, extension of the satellite compulsory license was necessary at the time, if they were to continue to receive such programming at an affordable price.

I must at this point, Mr. President, note that I have long been an opponent of compulsory licensing as a general proposition. And so it was with some reluctance that I came to cosponsor S. 2406. Instead, I have always believed that our free market system and our copyright laws are strong enough, and flexible enough, to permit our television and cable industries to clear copyrights without the need for Government regulation.

There was, to be sure, a point in time—some 20 years ago—when the cable industry did in fact need the Government assistance which the cable and satellite compulsory licenses provide. But that time has clearly passed. Neither the satellite license nor the cable compulsory license—section 111 of the Copyright Act—was ever intended to subsidize successful companies in perpetuity. However, it became clear as we approached the end of the satellite license's first 5-year experiment that all parties involved in the home delivery of satellite signals needed an acceptable transition to the marketplace, and the final text of S. 2406 provides just such a transition.

I, therefore, commend my colleagues on the Patent Subcommittee for supporting the extension of the satellite compulsory license through 1999. It is my hope that this bill will promote a transition to the marketplace by ensuring that Government established compulsory license rates will reflect the fair market value of the programming on all stations, as specified in the text of the bill.

The decision to seek a compulsory license fee based on "fair market value" under S. 2406 was the result of many compromises, which is the way that most legislation, particularly in the copyright field, is crafted. And, as is often the case with legislative compromises, not all parties are entirely satisfied with the outcome. But I am confident that the legislative language contained in the final text of S. 2406 makes sufficiently clear the intent of the legislators who voted on it that the arbitration panel which must carry out the mandate of S. 2406 will have no need for recourse to the remarks of Senators such as myself when they set about the business of determining the fair market rates required under the law.

One salutary benefit of the compulsory license is its ability to minimize the problem of excessive transaction costs. But the license is fairly criticized for failing to mandate rates that clearly represent the true market value of the programming. I hope that the new arbitration panels established under S. 2406 will develop the practice of encouraging true negotiation among the parties and that this will ultimately lead to a time when the license itself is no longer necessary. In establishing market rates, the arbitration panels must weigh all relevant information supplied by the parties. Although royalty rates paid by cable operators will certainly be considered, their significance will no doubt be affected by the fact that cable charges to subscribers are regulated by the FCC whereas satellite carriers are not subject to rate regulation.

In summary, Mr. President, I would simply restate my desire that license fees which reasonably reflect the true worth of programming be recognized as the ultimate goal of our legislative efforts in this area. That is the only fair way that we can honor America's creative community and protect their valuable, hard-earned copyrights. It may be that the inflexibility written into the cable compulsory license will prevent us from reaching that goal under our current legislative framework. If so, I will not hesitate to suggest again, as Senator DECONCINI and I did in the 102d Congress, that it may be time for a complete overhaul of all compulsory licenses under the Copyright Act.

ROSS EARL THOMAS, SR.

Mr. MITCHELL. Mr. President, on November 19, 1994, Mr. Ross Earl Thomas, Sr., passed away. Mr. Thomas was an employee of the Sergeant at Arms and Doorkeeper of the Senate with 24 years of Federal service.

In 1954 he enlisted in the U.S. Army and during his military career he served in Europe and Asia. In 1963, Mr. Thomas attended Officers Candidate School at Fort Benning, GA and was commissioned as a second lieutenant in the U.S. Signal Corp. He served in the Vietnam war at which time he received many awards and decorations, including the Bronze Star. During his distinguished military career, he served as a member of the elite Green Beret. In 1976, he retired from the Army with the rank of Major.

In June 1992, Mr. Thomas joined the staff of the Senate Sergeant at Arms as Supervisor of Environmental Services. He took great pride in his position as caretaker of the U.S. Capitol Building. Through his efforts, remarkable strides have been made to improve facility services and to meet the needs of Members of the Senate. As a result of his hard work, many visitors to the U.S. Capitol have been provided the opportunity to view this historic building at its very best. Mr. Thomas will be sincerely missed by all and on behalf of the Senate, I extend our sincere sympathy to his family.

RETIREMENT OF MAJORITY LEADER GEORGE J. MITCHELL

Mr. MOYNIHAN. Mr. President, President Clinton announced today that our distinguished majority leader, Senator GEORGE J. MITCHELL, who cast his last vote in the U.S. Senate this evening, will be appointed U.S. Special Advisor to the President and Secretary of State for Economic Initiatives in Ireland.

It is welcome news that the majority leader will continue, at least in the near term, in public service, for it is a pursuit to which he seems to be uniquely qualified—although by no means limited. Senator MITCHELL is in fact the ideal candidate for any job requiring vision, wisdom, integrity, and leadership. Indeed, how many other Americans—in the space of less than 1 year—are deemed to be the number one candidate for a seat on the U.S. Supreme Court, Commissioner of major league baseball, and now Special Advisor to the President on Ireland?

The answer, of course, is none. For Senator MITCHELL is a leader of singular abilities and singular achievements. Since his election as majority leader in 1988, he has led us with incomparable strength and unwavering conviction, but also with immeasurable patience and an uncompromising sense of fairness befitting a former Federal judge.

It is difficult to imagine how we will get along without Senator MITCHELL's formidable presence here in this Chamber. Just prior to the votes on the General Agreement on Tariffs and Trade implementing legislation, the majority leader delivered a masterful speech—as he does before every major vote—in favor of the GATT legislation. It reminded me how much we will miss the majority leader's superb oratory, his lawyerly precision, and his rare gift for persuasion.

The majority leader's retirement from the Senate will be a great loss to this institution, to the State of Maine which he has represented so ably, and to the Nation. We are terribly saddened at his departure, but gratified and comforted by the knowledge that he will be continuing on in service to his country.

HAWAII AIR NATIONAL GUARD'S HOLIDAY FAIR WILL BE TURKEY

Mr. AKAKA. Mr. President, as we enter the holiday season, on December 3, some 200 members of the Hawaii Air National Guard's 154th Operations Group will be taking off for Turkey—the country, that is. There, they will become a part of Operation "Provide Comfort II," furnishing protection to Iraqi Kurds by preventing Iraqi air forces from flying above the 36th parallel. Return to Hawaii is expected to take place on or about January 12 of next year.

The move is intended to temporarily relieve active duty forces who are stationed in Europe. In January, the 154th itself will be replaced by members of the Louisiana Air National Guard.

The 20 F-15 pilots attached to the 199th Fighter Squadron and the 120 maintenance and support personnel accompanying them will be a half-world away from their families during the Christmas and New Year season. Still, as Maj. Wayne "Wildman" Wakeman told a local newspaper recently, his family knows "it's important that we do this, so they feel like they're participating by letting me go. We'll celebrate some other time." 1st Lt. Wade "Ninja" Oganeku stated it most simply and directly: "It's our turn to go. This is what we signed up to do."

That, of course, is true. These dedicated individuals have willingly accepted the obligation of answering their country's call—whenever that call may come. To them, they are just doing their jobs. Nonetheless, as a fervently and deservedly proud representative of Hawaii, I raise this matter for one reason * * * that it is too-often forgotten that the Aloha State is as integral a facet of all our Nation's affairs as any other.

In specific point of fact, the 154th Group is more than integral. It is exemplary. This September, it was presented its fifth Distinguished Flying Unit Plaque from the National Guard Association of the United States. It is also a five-time recipient of the U.S. Air Force Outstanding Unit Award.

I pay high tribute to these committed citizens of Hawaii and the families who sustain them. The sacrifices you make in service to your country are acknowledged with profound gratitude.

WAH KAU KONG, THE NATION'S FIRST CHINESE-AMERICAN FIGHTER PILOT

Mr. AKAKA. Mr. President, this year, we commemorated the 50th anniversary of the Normandy Invasion, which set into motion the liberation of an anguished Europe. D-Day was a monumental undertaking and a stunning achievement. However, Mr. President, during the very same year, the war in Europe was the backdrop of another event—far less historically noted but historic nonetheless—and I would like to bring it to the attention of the members of this body.

On February 22, 1944, Army Air Corps Second Lieutenant Wah Kau Kong flew his 14th and last mission. From his position as wingman to the squadron commander, Kong sighted a Messerschmidt 109. He attacked, streaking in from above, a deadly torrent spewing from the machine guns of his P-51 Mustang. His aim true, Kong's tracers ripped into the German's wing tanks, the exploding fuel rending the craft's airframe.

Kong pulled swiftly out of his dive to avoid a collision and throttled past the burning plane. As the Mustang shot in front of the Messerschmidt, incredibly, a lethal fusillade issued from the flying inferno. Bullets coursed through the P-51's wings, igniting the fuel within, and Kong's fighter erupted in a mass of searing flame. It plummeted into the forest below, slicing through a tree before plowing into the ground.

Wah Kau Kong, the first Chinese-American fighter pilot in United States history had valiantly given his life in battle to the cause of liberty.

Born twenty-five years earlier in the quiet Honolulu neighborhood of Palama, Wah Kau Kong grew up an exceedingly bright young man with an abiding, sardonic wit. He went on to the University of Hawaii and graduated with a bachelor's degree in chemistry, with honors. Possessed of great athletic aptitude as well, Kong was a skilled competitor in swimming, basketball and track and field.

He also undertook another endeavor. Wah Kau scraped together enough money to take up flying lessons. It was the whetting of what would be a lifelong thirst for the freedom of flight.

As a chemist working toward his master's degree when the U.S. entered World War II in 1941, Kong found himself in great demand, particularly by the Federal Government. However, not having been called to active duty, when so many others had, gnawed at Wah Kau. He decided to join the fighting and enlisted in the Army Air Corps in early 1942, recording the highest national score in his entrance examination. Combined with his commissioned officer status through ROTC participation in school and his flying experience, it meant immediate acceptance into the aviation cadet training program.

By the end of the year, Kong had completed the primary elements of flight school. Then began the greater rigors, and often-harsh treatment, of advanced training. The threat of failure was a constant companion, and a number of his comrades "washed out." In May of 1943, though, Wah Kau Kong got his wings.

Now, in the final stages of combat preparation, he moved from the old training planes to a powerful P-39 Airacobra. Skillful, intelligent and gutsy (with the keen reflexes to match his daring), Kong emulated the British tactic of "rhubarb," where trains and other ground targets would be attacked from levels as low as 20 feet. Not surprisingly, he was an adept practitioner. Unfortunately, he was grounded for it when two other pilots were badly injured when they crashed while attempting to do same.

Writing to his family, Kong said, "Flying around here is getting sissified . . . just because of an accident or two. If they keep this up, there will be no difference between us and bomber pilots * * * However in the future I'll cut it out and not try to out-do others too much."

Finally, in October of 1943, Kong was sent to England and assigned to the 353rd Fighter Squadron of the 354th Fighter Group.

The conditions were totally miserable—cold and muddy, with barely-edible food and primitive facilities.

His P-51B Mustang was utterly wonderful—new and powerful, with the ability to escort bombers at high altitude all the way to Germany and back.

While others christened their craft with the names of girlfriends or mothers, exhortations of bravado and the like, it was all far too prosaic for Wah Kau. With typical, unabashedly irreverent flare, he had emblazoned on the cowling of his Mustang: "Chinaman's Chance" and "No Tickee-No Washee."

Weeks passed before Kong was able to see any action, and he was champing at the bit. During an interview with an Army public relations officer, Wah Kau thought to spice up his reputation in a more unique way, having yet to score any victories in the air. "Well," he said, "you could announce that Kong is without question the handsomest Chinese fighter pilot in the ETO." When it was pointed out that he was the only Chinese pilot in the ETO, he replied, "Well, we could drop the ETO and eliminate the Chinese. There's a story, the handsomest pilot."

Finally, on February 11, 1944, he garnered his first air conquest, and what a moment it was! The feat even caught the attention of Time magazine, which reported:

KONG GETS A GERMAN

The frustrated Nazi was at 27,000 feet, madly popping his Fokke-Wulf's guns at U.S. bombers well out of his range. A U.S. P-51B Mustang turned into him and the Nazi peeled

off into a diving turn. Ten thousand feet farther down the Mustang pilot nailed his man with a long close-in burst. First the FW's wheels fell out, then the plane exploded and its pieces tumbled earthward. Second Lieut. Wah Kau Kong, pilot of "Chinaman's Chance" and one of the U.S. Fighter Command's hottest aerobats, had made his first kill.

"The handsomest Chinese fighter pilot in the European Theater of Operations" is what the slight, Hawaiian-born Lieut. Kong calls himself (he is the only one * * *).

Time magazine! National recognition! "The handsomest Chinese fighter pilot in the ETO!" "(he is the only one . . .)"

Wah Kau would have been overwhelmed with pride, and surely overcome with laughter, about it all. Would have been. The article was published on February 28, six days after he had flown his last mission in the skies above Blomberg, Germany.

As one would expect, Wah Kau himself summed it all up best. In a letter to his parents, he wrote:

To me, to sit on the sideline and cheer when I'm needed in the battle, brings a distaste in my conscience and thoughts. I'd like to know and feel that I had a part in the fulfillment of my kind of world and creed—glamour, excitement, adventure, and thrills have something to do with it, but mainly, 'twas my beliefs.

Mr. President, a far more comprehensive biography, "Wah Kau Kong, America's First Chinese-American Fighter Pilot," from which facts and excerpts in my statement were gleaned, has been written by Mr. Dean C. Sensui and Mr. Mun Charn Wong. It was a genuine labor of love and respect for Mr. Wong, who had been a dear friend of Wah Kau Kong since their high school days together. In 1944, determined to find out exactly what had happened, he embarked upon a personal journey of friendship that eventually took him up into the mountains near a little village north of Blomberg, Germany—to the exact spot where Wah Kau Kong's Mustang had crashed. Mr. Wong was instrumental in establishing a special scholarship in Kong's name for academic excellence among Air Force ROTC students at the University of Hawaii. I would like to thank Mun Charn Wong for enlightening me about the historic and inspiring life of Wah Kau Kong.

RETIREMENT OF SENATOR GEORGE MITCHELL

Mr. NUNN. Mr. President, I rise today to pay tribute to GEORGE MITCHELL, our majority leader, on his retirement from the United States Senate and to wish him well on the challenges which await him in the future.

When the 104th Congress convenes next January, the Senate will elect a new Majority Leader. We can and will do that, but we will not be able to replace GEORGE MITCHELL. He will leave a tremendous void in this institution. It will be less wise, less savvy and less compassionate. We will also miss his calm demeanor, his carefully thought out arguments, his great passion when he is fighting for the rights of ordinary people, and his judicious temperament. GEORGE MITCHELL combined great skill in analyzing both legislation and the temperament of this body at any given moment.

In the 22 years I have had the honor of serving in the Senate, I can recall no Senator that I hold in higher regard than GEORGE MITCHELL. We have served together since 1980 when he was appointed to serve the remainder of Ed Muskie's term. I consider myself privileged to have been able to work closely with GEORGE MITCHELL on many occasions, including our work on the Iran-Contra Committee.

Those of us who have had the responsibility as committee chairmen in moving a bill on the Senate floor appreciate Senator MITCHELL's unique talents perhaps more than others. The 2 to 3 weeks that it sometimes takes to complete debate on our Armed Services authorization bill have given me a close vantage point to see the kind of extreme stress and pressure that our Majority Leader has endured in our behalf. From both sides of the aisle, we call on him for special consideration in the schedule, in accommodating our amendments, in enduring or breaking filibusters, and on and on.

Through all of this, GEORGE MITCHELL has maintained his warmth and courtesy and kindness. His dignity and sense of fairness have enhanced this institution at a time when that contribution was particularly important to the Senate and to the country.

GEORGE MITCHELL is a man of many talents. He served with distinction in the United States Army in its counter-intelligence branch. He later worked in the Department of Justice. He served as a United States Attorney and as a United States District Judge before beginning his service as a U.S. Senator. Most of his adult life has been dedicated to public service.

To GEORGE MITCHELL, public service is a high calling, not to be undertaken to fulfill one's selfish ambitions or for one's own rewards, but to serve the people. He has had the courage to govern—to endure the long, tedious hours and the delicate negotiations necessary to reconcile opposing parties, to be resolute when that was required, but without rancor or recklessness, always respectful of both those who opposed him, and those who followed his banner.

As Senator MITCHELL so wisely stated the other night at the Senate Spouses' and Retiring Members' Dinner:

Public service must be and is its own reward, for it guarantees neither wealth nor popularity. And, to paraphrase Rodney Dangerfield, you don't get no respect, either. It's often frustrating. But when you do something that will change the lives of people for the better, then it's worth all the frustrations.

Ours is virtually the only Government in history dedicated to opening doors, not closing them. In America today, I believe anyone can go as far and reach as high as work, talent, and education allow. We can't equalize effort or talent. But we can equalize opportunity—the promise of a fair chance to succeed.

Mr. President, I believe these comments by Senator GEORGE MITCHELL reflect his life's story. GEORGE MITCHELL represents the ideal of the American dream. As a son of immigrant parents of humble means, he worked hard to acquire a superb education. Fortunately for this nation, he has chosen to use that education and his talents and skills and the opportunity they opened for him to serve his country and better the lives of its people. I am confident that his future plans will not stray from this course either.

Although in a short time he will no longer be with us day to day here in the Chamber, I and his many friends in the Senate look forward to continuing our friendship.

MOMENT OF TRUTH IN THE MIDDLE EAST

Mr. PELL. Mr. President, we have entered a crucial moment in Middle East diplomacy. In the past several weeks, Islamic extremists from the Hamas and Islamic Jihad organizations have carried out a number of bloody and violent acts that threaten to unravel the peace agreement between Israel and the PLO. The extremists have succeeded in polarizing the Palestinian population to the point where Yasir Arafat's power and influence are in serious doubt. Several extraordinary public demonstrations against Arafat, coming on top of the Palestinian Authority's woeful lack of progress in establishing an economic system, have undermined both Palestinian and Israeli confidence in Arafat's ability to maintain order in Gaza and Jericho.

At the same time—and on a more positive note—Israel and Jordan have made great strides in implementing their landmark peace treaty. The two countries recently announced the establishment of formal diplomatic relations and are expected to exchange Ambassadors before the end of the year. In addition, Israeli and Jordanian citizens have begun cross-border tourist exchanges, and early accounts lend a fair amount of hope to those who look for a warm, cooperative Israeli-Jordanian relationship.

These striking fluctuations in the Middle East peace process underscore the delicacy and uncertainty of the current situation. The noble thoughts and sentiments that were expressed in the Israel-PLO Declaration of Principles, were, after all, only paper and ink. The true test of peace comes now,

and success will require hard work, steady concentration, and immense patience on all sides. Even though it seems clear that the parties in the region want to move forward, they are entering a period when they must follow through on promises made, and when they must make some very tough choices so additional agreements can be reached.

A number of difficult issues need to be resolved in the coming year if a comprehensive peace is to remain a possibility. These include establishing mechanisms to prevent the spread of Palestinian violence and terror against Israel, to shore up the Palestinian economy, and to promote an acceptable compromise between Israel and Syria on the Golan Heights. All of these issues will require a tremendous amount of effort from the United States. As my colleagues well know, the Middle East peace process has been a cornerstone of U.S. foreign policy for decades, spanning Republican and Democratic administrations alike. Our interests here have been well defined and seldom constrained by partisanship. I, for my part, expect to work very closely with the administration and with the incoming Republican leadership during the next session to continue to promote this fundamental U.S. interest.

POTENTIAL WASTE OF TAXPAYERS' DOLLARS IN THE FEDERAL GOVERNMENT'S MILITARY FACILITIES PROGRAM

Mr. DORGAN. Mr. President, on Wednesday, June 22, 1994 I conducted a hearing of the Governmental Affairs Committee's Task Force on Government Waste, to examine the potential waste of taxpayer dollars in the Federal Government's Military Facilities Program.

This hearing focused on the fact that poor planning and failure to heed early warning signs have resulted in wasting hundreds of millions of dollars in unneeded and unnecessary construction projects. Further the hearing highlighted the fact that the Department of Defense [DOD] does not have adequate controls in place to ensure the continued need for a facility as it moves through the approval process. Finally, there is overwhelming evidence to suggest that Defense Department routinely ignores the recommendations of the DOD IG or their in-house auditors with respect to redefining or cancellation of unneeded or bloated projects.

This was the case with the Army's plan to construct new office space for 30,000 personnel at Fort Belvoir, VA.

The Army plans to develop new office space at the 820-acre Engineer Proving Ground [EPG] in Fairfax County, VA to consolidate 30,000 Army employees currently in leased space throughout the Metro Washington Area.

An independent report prepared by Tai Realty Consultants of McLean, VA for the Fairfax County Office of Comprehensive Planning and released in October 1993 questioned the viability of the project.

Due to substantial differentials between the value of development rights at the site, and the cost of required infrastructure and of Army buildings, the Tai Consultants concluded the EPG Development Program, as originally envisioned, is simply not feasible. We estimate that the Army's Development Program will result in total, outstanding lease obligations of over $200 million following the sale of the Phase V Development Rights. Based upon somewhat more conservative estimates, this figure would exceed $270 million, and county staff estimates of additional infrastructure costs could increase this amount of by possibly $80 million, or more.

Because of these concerns, I requested that the U.S. Army Audit Service review the feasibility of the proposed project and report their findings to the task force on government waste.

On November 16, 1994, the U.S. Army Audit Service released Audit Report SR 95-753.

Overall Conclusions:

The Army's plan to obtain 2.9 million gross square feet of office space in exchange for development rights on the Engineer Proving Ground was overly optimistic and not financially feasible.

Requirements in the draft request for proposals weren't clear enough to make sure the Army selects the developer that can provide the best value.

The Army's requirement for 2.9 million gross square feet of office space was overstated.

Procedures for keeping potential tenants up to date are inadequate. But procedures for identifying potential tenants needed improvement.

The program manager didn't maintain adequate documentation to support cost analyses. Because adequate documentation wasn't maintained, we couldn't determine if documentation was accurately prepared.

Procedures for identifying the information mission area infrastructure are generally inadequate.

The program office didn't have adequate documentation to support its market projections. We couldn't determine if the projections were reasonable.

Procedures for ensuring the Army receives fair market value for its property were properly documented and reasonable. However, we can't determine how effective they are, until they are implemented.

Because of this report I will request that the Secretary of the Army report to Congress any contractual commitment impacting the EPG at least 10 working days prior to ratification. This action will insure that the project can indeed be completed without cost to the taxpayer and that it meets legitimate military needs.

GEORGE MITCHELL

Mr. KENNEDY. Mr. President, all of us were surprised when we learned last March about Senator MITCHELL's decision to retire at the end of this session of Congress. But that was then and this is now. And now we know why he did it. GEORGE has always been able to see farther ahead than the rest of us.

But seriously, GEORGE MITCHELL has been an outstanding majority leader for the past 6 years and an outstanding Senator for the people of Maine since 1980.

He began his political career in the office of another outstanding Senator from Maine, Ed Muskie. Even before coming to the Senate, GEORGE had already served his State and his country with great distinction, first as the State Democratic Party Chair, then as the U.S. attorney for Maine, and then as a Federal judge.

When Ed Muskie left the Senate to become Secretary of State in the Carter administration in 1980, GEORGE MITCHELL was appointed to fill the Senate vacancy. He won a dramatic victory to a full term in 1982, and that's when the true MITCHELL legend began. Six months before that election, he trailed his opponent by more than 30 points. But he performed as brilliantly on the campaign trail as he has in so many other endeavors. With the wit, intelligence, charm, determination, and patience that all of us know so well, he won that race by more than 20 points. And in the years since then, it can well be said just as Maine went for GEORGE MITCHELL, so did the Senate and so did the Nation.

When Democrats regained control of the Senate in 1986, it was GEORGE MITCHELL who led us to that victory as chairman of the Democratic Senatorial Campaign Committee. Two years later, he was chosen to be our majority leader—and what a brilliant job he has done ever since.

GEORGE will be missed by every member of this body. Attending to the needs and schedules of 99 other Senators is probably one of the most difficult and thankless jobs in the American political system. But he did it superbly, treating requests from all Members of the Senate equally, and with the fairness and wisdom that have always been his hallmark as leader.

But he also set an ambitious and positive agenda for this body, and he never stopped pushing for its completion. The Clean Air Act. The Minimum Wage. The Americans With Disabilities Act. The 1991 Civil Rights Act. The Family and Medical Leave Act. The Crime Bill. The Goals 2000 and Direct Loan Bills. The dramatic victory for

President Clinton's budget. None of these measures would have passed without the energy, intelligence, and tireless commitment of GEORGE MITCHELL.

I especially commend Senator MITCHELL for his effective role in health reform. His leadership has been indispensable in bringing this issue to the center of the national agenda. In the last Congress, Senator MITCHELL decided to make health reform a Democratic leadership issue. He worked hard to unite our party around the HealthAmerica bill, and his efforts were essential in raising the Nation's consciousness on health reform and laying the groundwork for President Clinton's successful use of the issue of the issue in the 1992 campaign.

In this Congress, Senator MITCHELL knew that the gap between campaign rhetoric and actual legislation would be large, and that the goal would be difficult to achieve. But he made the decision early that this cause was of the highest importance to the American people and deserved the highest priority for action by Congress.

Last summer, Senator MITCHELL led a skillful effort to write a bill that could command the support of most Democrats. In the fall, he worked just as hard to try to achieve a compromise with the bipartisan mainstream group that could command the support of the full Senate.

Senator MITCHELL passed up a nomination to the Supreme Court in order to continue the battle for health reform. Had he been nominated, he certainly would have been confirmed. It is a measure of his dedication and patriotism that he made the choice he did. While his efforts were unsuccessful in this Congress, the progress we made under his leadership has brought us closer than ever to the goal. For this, and for so many other causes that he selflessly and tenaciously supported during his years in the Senate, the American people owe him a profound debt of gratitude.

While he worked hard on these and other national priorities, his first priority was always the people of Maine. Whether creating jobs through Navy contracts for the Bath Iron Works, enacting legislation to help rural Maine communities find doctors and nurses, fighting to keep the Brunswick Naval Air Station and Portsmouth Naval Shipyard open, or working to protect Maine's magnificent environment and natural resources, the needs of the people of Maine were always GEORGE MITCHELL's highest concern.

Of course, he always made time to help his colleagues as much as possible—so much so in fact that JOHN KERRY and I often thought of GEORGE MITCHELL as Massachusetts' third Senator. I have no doubt that many other Senators felt the same way about him. He's been their Senator too—he's that able, and that fair.

But whether we think of him as a great colleague, a great leader or a great friend, we know that we will miss him, just as the people of Maine will miss him. We honor him for his years of outstanding service and for his commitment to his constituents, to this institution and to the Nation. We hope very much that he will soon be back in public service. The Nation needs him.

JIM SASSER

Mr. KENNEDY. Mr. President, I'm honored to join my colleagues in paying tribute to JIM SASSER and his outstanding service to Tennessee, the Senate, and the Nation for the past 18 years.

His friends and colleagues, and especially the people of Tennessee, will miss his dedication to the issues, his hard work for his constituents, his compassion for the average working person, his eloquence in debate, and especially the extraordinary sense of humor he brings to everything he does.

One of the mottoes of JIM's State is "Tennessee—America at its best." And all of us know how well that quality is reflected in JIM.

JIM comes from a family that has always believed government can make a positive difference in the lives of citizens. His career in public service began in his work in the 1960 Senate campaign of another great Tennessee Senator and one of the great populist Senators of all time, Estes Kefauver.

In 1973, JIM was elected chair of the Tennessee Democratic Party. In 1976, he was elected to the Senate, and for the past 18 years, he has been an outstanding leader on issue after issue and a close friend to many of us.

He was effective in championing local economic development projects such as the Oak Ridge National Laboratories and the Tennessee Valley Authority, and equally effective in leading the way on national issues that have made a difference in the lives of millions of Americans.

Above all, we have come to know and admire his outstanding leadership abilities during his brilliant service as chairman of the Senate Budget Committee. He had a special ability to bring even the most difficult negotiation to a successful conclusion. One of his most superb achievements was passage of the 1993 Deficit Reduction Package that has cut the Federal deficit by more than 40 percent.

JIM also ably used his role as Budget Committee chairman to protect America's senior citizens. He skillfully defended Social Security and Medicare against budget cuts. And he was equally a leader in developing more effective ways to make long-term care accessible and affordable to senior citizens who need it.

We honor JIM now for his many outstanding accomplishments. But most of all, we honor JIM for his friendship. We wish him well in the years ahead, and we will miss him dearly.

DON RIEGLE

Mr. KENNEDY. Mr. President, after 28 years of service to the people of Michigan in both the House and the Senate, DON RIEGLE is retiring. His friends, colleagues and constituents will miss him deeply, and his outstanding service to the people of Michigan will be long remembered.

DON's knowledge of business and finance is extensive, and his able leadership of the Banking Committee has been impressive. But his real strength has always been his ability to understand the concerns and defend the rights of average citizens and working families.

He is the son of a small businessman from Flint, Michigan, and early in his career, he seemed to be following in his father's footsteps. He received his undergraduate degree from the University of Michigan and his MBA from Michigan State. He also studied business and government at Harvard before working in financial services for IBM in New York.

But in 1966 DON went home to Michigan, ran for Congress as a Republican, and won. He was a Republican for his first 7 years in the House, but he finally saw the light in 1973 and joined the Democratic Party. In 1976, DON was elected to the first of three terms in the United States Senate.

DON has always been known as a fierce defender of Michigan and its people. Whether it was pushing through the Chrysler Assistance Bill, passing the National Affordable Housing Act, shepherding the HUD Reform Act through Congress, or working hard to deal with the savings and loan crisis, DON RIEGLE has done an outstanding job for Michigan and the country.

On all of these issues and many others, DON has worked tirelessly to provide fair opportunities for all Americans. And he has educated us all on the Senate floor with his eloquence in debate and his brilliant and passionate arguments for the causes he leads.

DON will be especially remembered for the sense of humor, loyalty, and friendship he has shown to all of us in the Senate, and for the leadership that he has always brought to so many issues. To DON and Lori and their five children, we say well done, goodbye and good luck. He has served Michigan, the Senate, and the Nation with extraordinary ability, dedication, and achievement, and we will miss him very much in the years ahead.

HOWARD METZENBAUM

Mr. KENNEDY. Mr. President, I learned with real regret of HOWARD METZENBAUM's decision last summer to

retire from the Senate. His retirement is a great loss to the Senate, and to the people of Ohio whom he served so well. It is also a great loss to the country, because HOWARD METZENBAUM is a wise and brilliant and dedicated Senator who has left an indelible mark on virtually every aspect of the Nation's life for the past two decades of his outstanding service.

If President Kennedy were writing his book today, he would have a special chapter on HOWARD METZENBAUM as a profile in courage for our times.

Day after day on the Senate floor, year in and year out, HOWARD METZENBAUM has taken principled stands for the people of America and against the special interests. He has stood up with eloquence and insight and wisdom for the working men and women of America, for the consumers of America, and for the hard-pressed taxpayers of the country. In the years ahead, it will be said of HOWARD METZENBAUM, as it was of Franklin Roosevelt, "He was loved for the enemies he made."

Senator METZENBAUM was often at his best in the closing hours of each Congress—insisting that special interest legislation shall not pass. He has stood up for countless courageous whistleblowers, and in fact he has been a courageous whistleblower himself, insisting that the Senate meet its responsibility to the people.

I could single out a thousand issues and a hundred bills that HOWARD METZENBAUM has left his mark on—and the "Metzenbaum Mark" is like the Good Housekeeping Seal of Approval. It means that these issues and these laws are in better and fairer shape, because HOWARD METZENBAUM cared enough to roll up his sleeves, get to the bottom of the issue, and persuade a Senate committee, the full Senate, and even the entire Congress to do the right thing.

He and I have served together on the Labor Committee and the Judiciary Committee for many years, so I feel his loss especially deeply and personally. His leadership on those two committees from health care and education to the Brady bill and the most arcane issues of antitrust policy, has set the highest standard of excellence for us all.

All Senators, when we take the oath of office, solemnly swear to support and defend the Constitution. Few, if any, Senators have been more committed to that document and to "We the People." Often, in battles for civil rights and on Supreme Court nominations, Senator METZENBAUM's ability and his passionate commitment to the basic principles of the Constitution have carried the day and won the battle. He would have made a great Supreme Court Justice too.

I know the decision to retire was a difficult one for Senator METZENBAUM to make. And I suspect that all of us, on both sides of the aisle, wish it had come out the other way. It has been both a privilege and a constant learning experience for us all to serve with HOWARD METZENBAUM. He will rank as one of the greatest Senators in the long and enduring history of this institution. We will miss his leadership and his statesmanship—but most of all, we will miss his friendship.

HARRIS WOFFORD

Mr. KENNEDY. Mr. President, it is an honor to join in the tributes to our outstanding colleague from Pennsylvania, HARRIS WOFFORD. His Senate years, like his entire career, have been extraordinary.

I suspect it all began as a young man, when HARRIS went to India to study the career of Mohandas Gandhi. In many ways, HARRIS exemplified that ideal—the ideal of the Philosopher-activist. There could have been no more appropriate joining of student and subject, because HARRIS WOFFORD—in the Senate for the past 3½ years and throughout a lifetime of public service—has been an American version of that ideal.

All of us who know HARRIS recognize his outstanding qualities, especially his unflinching commitment to doing what is right. He knows the details of policy issues as well as the broader social and historical context from which they emerge. He is able to reach across partisan and ideological lines to bring about far-reaching agreements that are compromises on details and tactics, but that are never compromises of basic principles. He is a Senator I have been proud to work with in the Labor and Human Resources Committee and on the floor of the Senate on so many issues to improve the quality of life for hard-working men and women across this country.

HARRIS served in the Army Air Corps during the Second World War.

He went from the Army to the University of Chicago, to India, to a kibbutz in Israel, and to Howard University Law School. After he graduated from law school, he enlisted in one of the great moral struggles of our time here in the United States, the fight for civil rights for American of all races. HARRIS was an adviser to Martin Luther King from the time of the Montgomery bus boycott onward. He helped draft the first Civil Rights Act in 1966 and was counsel to the U.S Commission on Civil Rights under Rev. Theodore Hesburgh.

HARRIS' work in civil rights had a special significance for the Kennedy family. He was a key aide to Senator John Kennedy in his 1960 campaign, and he was a special assistant to President Kennedy with responsibility for chairing the sub-cabinet group on civil rights. He also worked with Sargent Shriver on the creation of the Peace Corps, and was its associate director.

After leaving the Peace Corps in 1966, HARRIS served as the president of two colleges, as well as practicing law. He entered public service again in 1987 as secretary of labor and industry for the State of Pennsylvania.

HARRIS was appointed to the Senate in 1991. He won re-election in his own right later that year in a dramatic victory over Dick Thornburgh. HARRIS' election sent a shock wave through Washington, because it showed that universal health care was an issue that mattered deeply to the people of Pennsylvania and to the people of this country. HARRIS crystallized the issue in two simple sentences: "Under the Constitution, those accused of a crime have the right to a lawyer. It should be just as fundamental that when a person is sick they should have the right to see a doctor."

Just as securing the right to equal justice under the law for African-Americans was a basic test for the Nation in the 1960's, securing the fundamental right to health care for all Americans is a basic measure of our national character in the 1990's. HARRIS WOFFORD had the vision to understand both of the imperatives, and the commitment and courage and skill to help others to understand the need for action.

I have worked most closely with HARRIS on the causes that engaged us on the Labor Committee over these past 3 years—the struggle for universal health care, for community service, for an effective school-to-work educational program to improve job opportunities for the young, and for many other important issues. HARRIS' contributions to our work cannot be over estimated.

Community service was a cause HARRIS brought with him from his days at the Peace Corps, and even more from his life experience and his vision of citizenship. He was a strong and effective voice for passage on that landmark legislation in 1993. On the school-to-work legislation, the programs he created in Pennsylvania provided an important model for our committee's efforts, and he helped immeasurably in shaping the legislation and moving it to final passage.

On health reform and universal health care—the cause with which his Senate career has been most identified—he worked to bridge bipartisan differences by cutting bureaucracy and streamlining the program. He was the principal author of the provisions in the bill protecting privacy and creating administrative simplification. He authored important provisions protecting retirees, and he worked to include a program giving senior citizens and others a chance to participate in a voluntary program providing insurance against high nursing home costs at a reasonable price.

But more than any specific provision, it was HARRIS' constant and unremitting effort to push the committee and the Senate toward reform that

was his unique contribution. And until the very end of the debate in the full Senate, he worked with his usual optimism, extraordinary spirit, and deep commitment to find some way of enacting at least a down payment on reform this year. We did not reach the goal line this year, but surely no one moved the ball farther toward that goal than HARRIS WOFFORD.

When the framers of the Constitution conceived the idea of a U.S. Senate, they had in mind the notion of an assembly of wise statesmen, philosophers who would take the long view of the Nation's needs and an expansive vision of its interests. HARRIS WOFFORD has been the kind of Senator the founding fathers would have liked the most. I am proud to have had the opportunity to serve with him, and I am confident that the Nation will have future opportunities to call on his unique talent for public service.

DENNIS DECONCINI

Mr. KENNEDY. Mr. President, as this Congress ends, I would like to offer a few words in tribute to a colleague who is retiring after 18 years of distinguished service, Senator DENNIS DECONCINI.

Senator DECONCINI has been an able leader in the Senate's efforts to reduce crime, gun violence, and the use of illegal drugs. For many years, he worked to assure that the fight against illegal drugs received the attention and support of the executive and legislative branches. And he played an indispensable role this year in securing passage of a comprehensive ban on the sale of semiautomatic assault weapons.

Senator DECONCINI also was a leader in the Senate's successful effort to extend temporary safe haven to refugees from the bloodshed in El Salvador. Through his determined efforts, that program was enacted into law.

Senator DECONCINI also performed admirably as chairman of the Subcommittee on Treasury, Postal Service, and General Government on the Appropriations Committee. All of us know how difficult it is to allocate Federal dollars in this era of scarcity. Senator DCCONCINI did an excellent job in these very difficult times.

Senator DECONCINI also did an excellent job as chairman of the Intelligence Committee, where he diligently examined the failures of the CIA in the Aldrich Ames case.

I had the privilege of serving with Senator DECONCINI on the Judiciary Committee, where he ably chaired the Subcommittee on Patents, Copyrights, and Trademarks. That panel plays a tremendously important role in shaping our Nation's policies regarding technology, innovation, communications, literature, and the arts. During his tenure, DENNIS skillfully crafted patent and copyright legislation that advanced consumers' interests while carefully balancing the rights of others.

We worked closely together on a number of important measures, including the Visual Artists Rights Act, which enables painters and sculptors to prevent the desecration of their work, and legislation to enable biotechnology firms to better protect their innovative products.

These are but a few of Senator DECONCINI's many accomplishments. He was a very able Senators, skilled at finding common ground with Senators from both sides of the aisle.

I want to join my colleagues in extending our very best wishes to DENNIS DECONCINI for every happiness in the years ahead.

DAVID DURENBERGER

Mr. KENNEDY. Mr. President, it is a privilege to take this opportunity to pay tribute to our able colleague from Minnesota, DAVE DURENBERGER, who is retiring at the end of this Congress.

DAVE and I have worked together on many issues, but I have especially valued and long admired his understanding of our health care system and his commitment to better health care for the American people. We have sometimes differed on the best way to achieve that goal, but I have always admired his willingness to work as hard as possible to achieve this objective.

I have worked with DAVE on health care issues since 1986, when we jointly introduced the Access to Health Care Act. We worked closely together on the COBRA extension of coverage legislation in 1986. It now makes insurance available at employer group rates to more than three million people a year who otherwise would have lost their coverage when they lost their job, when they were widowed, or when they were divorced or disabled. We also worked together in 1986 to modify the formula for calculating the Medicare hospital deductible which unfairly burdened our senior citizens.

Since DAVE joined the Labor and Human Resources Committee in 1989, our work together has extended far beyond health. Senator DURENBERGER played a vital role in the passage of last year's national community service legislation, which is giving thousands of Americans the opportunity to serve their communities and receive educational aid in return. When we considered the bill in the Labor Committee, he urged us to emphasize not just national service, but also community service, and at his suggestion we changed the bill's name to the National and Community Service Trust Act of 1993.

On the Senate floor, at Senator DURENBERGER's request, we included a provision requiring the Corporation for National and Community Service to look closely at some of the essential aspects of national service, such as the importance of educational awards in attracting participants and the significance of diversity in service programs. Most important, when Republican Senators had concerns with the committee-reported legislation, DAVE DURENBERGER served as an able negotiator, worked out key compromises, and helped draft the alternative bill that eventually passed the Senate with strong bipartisan support.

Senator DURENBERGER has been a steadfast and indispensable leader in shaping bipartisan education legislation. He helped develop a new Federal agenda that moved away from support for categorical, fragmented programs and toward greater support for locally-developed school reform.

On Goals 2000, he was an unwavering supporter of the legislation itself and of the cloture vote that became necessary for the bill to pass. He also was a principal architect, along with Senator HATFIELD, of the "waiver flexibility demonstration" that will give 6 States the authority to waive Federal education regulations that are barriers to coherent planning by local schools.

On the Elementary and Secondary Education Act, he crafted a sound and far-reaching charter school provision and shepherded it through the legislative process. Federal support for charter schools is now an important reality for Massachusetts and many other States. He was also a dependable partner in the cloture petition on that legislation. In addition, Senator DURENBERGER was an early, consistent, and effective advocate for direct student lending, which Congress passed as part of the Budget Reconciliation Act of 1993.

On each of these occasions, Senator DURENBERGER was willing to fight for what he believed, despite strong pressures to oppose it. Instead, he helped mold in it ways that broadened its appeal, improved its quality, and made it genuinely bipartisan, in the best tradition of leadership.

His willingness to fight for what he believed to be the right course was nowhere more apparent than in the battle for universal health care. As a key member of the "Mainstream Coalition," he worked hard to pass a constructive alternative to President Clinton's plan and to resist proposals that he felt would not sufficiently expand coverage or use true market principles to reduce health costs.

DAVE DURENBERGER achieved a great deal during his career in the Senate. I will miss him greatly as we continue to deal with the issue of comprehensive reform of the health care system, and I wish him well in the future.

JACK DANFORTH

Mr. KENNEDY. Mr. President, as this Congress draws to a close, I would like to pay tribute to one of our retiring colleagues, Senator JOHN DANFORTH. Throughout his 18 years in the Senate JACK DANFORTH has ably represented the people of Missouri, and he has earned the admiration and respect of each and every one of his Senate colleagues as a man who stands by his principles.

Over the years, I have had the opportunity to work closely with him in many efforts to preserve and extend the laws protecting the civil rights of all Americans. When the Bush Administration refused to support legislation to overrule a series of Supreme Court decisions that had carved large loopholes in those laws, Senator DANFORTH worked tirelessly to craft a bill that could and did overcome that opposition. In the highest tradition of the party of Lincoln, Senator DANFORTH rejected the harsh politics of division, and the Nation owes him a debt of gratitude for his outstanding efforts.

Senator DANFORTH has been a voice of conscience on other issues as well. An ordained minister in the Episcopal Church, he has steadfastly resisted efforts to breach the Constitutional separation of church and state. And after the Supreme Court's decision in the flag burning case, when some sought to limit the First Amendment's guarantee of freedom of speech, Senator DANFORTH studied the issue carefully, and his thoughtful and effective opposition to a constitutional amendment turned the tide in the public debate. When JACK DANFORTH spoke of the liberties guaranteed by the first amendment, Senators listened.

He and I did not agree on every issue. But he has been a man of his word, open to compromise, and free of partisan bitterness. He has been an outstanding Senator. We will miss him in the Senate. We wish him and Sally every happiness in the years ahead.

ON THE RETIREMENT OF SENATORS

Mr. RIEGLE. Mr. President, several of my Senate colleagues will be retiring with me at the end of this Congress. Some of them, like Senators SASSER, DANFORTH, WALLOP, and DECONCINI, were elected in 1976 just as I was. Others, like Senators BOREN, MITCHELL, MATHEWS, WOFFORD, and DURENBERGER, arrived in later elections. But we all arrived in the Senate with a common goal; to help improve the lives of our constituents, and the Nation as a whole. Although we may have had differing views on how to accomplish our goal, each of us has endeavored to do our best for our constituents and our country.

I have been very fortunate to work closely with some of these Senators over the past years, and I would like to congratulate them on their important public service.

HOWARD METZENBAUM has had a great impact on my life, and the lives of many of us here. It is an understatement to say that he is both a great Senator and a great human being. He has brought special qualities to the Senator—he is a man of conscience with the courage and skill needed to act upon his conscience. Every debate was elevated by HOWARD's participation, and his fearlessness in confronting tough issues is the stuff of political legend. Nobody works harder or accomplishes more than he does, and this institution will be diminished by the lack of his presence. I have been honored to have worked shoulder to shoulder with HOWARD on countless issues that matter to the working people of our states, and I am especially privileged to be his friend.

When HOWARD announced his retirement, he paid tribute to his wife, Shirley. HOWARD has had the good fortune to have a loving wife and partner, and a family situation from which great children and grandchildren have come. I know that he's looking forward to spending more time with Shirley and their family, but I'm glad to know that as the head of the Consumer Federation of America HOWARD METZENBAUM will still be on the political front lines, fighting for the interests of working Americans.

The end of this Congress will also mark the departure of our majority leader, GEORGE MITCHELL. I have rarely seen such exceptional talent and grace in a person as one sees in GEORGE MITCHELL. He has one of the toughest jobs in Government, even tougher than the President's at times, and he has helped elevate the Senate with his dignity, brilliance, and fierce determination. In every way, GEORGE MITCHELL has been the model of what a majority leader should be. Had fate been different, he might well have served as President. He would have had my vote.

I have also worked with him in Finance Committee on an issue of great importance to all Americans—health care reform. GEORGE MITCHELL worked tirelessly over many years with every Senator who genuinely wanted to forge a meaningful compromise on this issue. In the past 2 years, the majority leader endeavored to find a workable middle ground and, although we were finally blocked from passing health reform legislation, he continued to work on this issue until the very last days of session.

A couple of months ago, most of our colleagues attended a dinner for GEORGE MITCHELL during which he gave a most moving speech, reflecting on his years of service and the pivotal moments of his life. It is the kind of speech that can change a young person's life, and so I ask unanimous consent that it be printed in the RECORD.

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

STATEMENT OF SENATE MAJORITY LEADER GEORGE J. MITCHELL, OCTOBER 5, 1994

I'm grateful to President Clinton, to my colleagues from the Congress, and to all of you for your support for this scholarship fund. This is as important to me as anything I've done since I entered public service.

Before I entered the Senate, I had the privilege of serving as a Federal judge. In that position, I had great power. The one I most enjoyed exercising was when I presided over what are called naturalization ceremonies. They're citizenship ceremonies. A group of people gathered before me in a federal courtroom. They'd come from every part of the world. They'd gone through the required procedures. Now in the final act, I administered to them the oath of allegiance to the United States. And then I made them Americans.

It was always emotional for me because my mother was an immigrant, my father the orphan son of immigrants. They had no education and they lived hard lives. But because of their efforts, and more importantly, because of the openness of American society, I, their son, am today the Majority Leader of the United States Senate.

After every ceremony I spoke personally with each of the new Americans. I asked where they came from, how they came, why they came. Their stories were as different as their countries of origin, but all were infused with a tangible and inspiring love for this, the country of their choice. The answers of the new Americans to my question of why they came were different. But a common theme ran through them. It was best expressed by a young Asian man who replied, in slow, broken English: "I came because here in America everyone has a chance." A young man who'd been an American for five minutes summed up the meaning of America in a single sentence. Here, everyone has a chance.

But in the twenty-first century, and the third century of American history, everyone will not have a chance to succeed unless they first have a chance to learn. The competition will be fierce and unforgiving. Those who lack knowledge and skill will not succeed. I consider myself to be especially fortunate. I had a chance. I got an education.

My mother spent her entire working life on the night shift in textile mills. She was a woman of strength and substance, the most influential person in my life. My father was a laborer and a janitor. Like many in their generation, they devoted their lives to providing for their children the education they never had. They had a profound, perhaps even exaggerated sense of the value of formal education. Although they died without property of prominence, my parents had rich and fulfilling lives by their standards—and mine.

I experienced early in life the value of learning. In my junior year at high school, I met an English teacher named Elvira Whitten. I was fifteen years ago, naive, totally lacking in self awareness or self-confidence. I had never read a book, other than what was required to move from one grade in school to the next. She was elderly, intelligent and kind.

One day she asked me to come back to class after school. I did, not knowing what to expect. She talked for a few minutes, then she asked me what and how much I read. I told her. She picked a book up off her desk and handed it to me, and said she thought I would find it interesting.

She made it clear I didn't have to read it, but she asked if I would, for her, and, if I did, to come back and tell her what I thought of it. I agreed to read the book because I respected her and knew that it would please her. That night, I got into bed, opened the book and began reading.

It was "The Moon is Down," a short novel by John Steinbeck about a wartime military occupation—presumably the Nazi occupation of Norway. I stayed up most of the night reading it, and could hardly wait to tell Mrs. Whitten about it. She smiled, handed me another book and said, "I thought you'd like it. Here's another one you might like."

It went that way for a few months, and then she gently suggested that I start picking out my own books. I did so, and felt the first stirring of self-worth. It was my exposure to the world of books, to the excitement of knowledge, and it was my first step to adulthood.

I've often wondered what would have become of me if I had not met Mrs. Whitten, or if she had not taken an interest in me. I will always regret that before her death I never went back to tell her what a difference she made in my life. This is my way of doing so, and through her, all of the other teachers who hold the wondrous power to open young minds and inspire young lives.

Earlier this year, when I announced that I would not seek reelection, I received hundreds of requests from groups who wanted to honor me in some way. I asked that all such offers be concentrated into this one effort. The money raised tonight will be combined with the remainder of my campaign fund to set up a scholarship foundation to help needy and deserving students get a college education.

Nothing is more important to success in American life than a good education. I believe that, because of my own experience and because of what I expect to be the rising demands of the next century.

I once needed help and got it. Now, fate has provided me the opportunity to help others. I'm grateful for that opportunity. And I'm grateful to you for helping to make it possible. I've been proud to serve the people of Maine in the United States Senate. It's a great honor, the greatest of my life. But when the 104th Congress convenes in January, I will not be there to take the oath of office as a United States Senator.

My decision not to seek reelection was based solely on my personal concept of public service. I will miss the Senate. I will miss my colleagues. Most of all, I will miss public service.

I've been in the private sector and then in the public sector, and I'm now returning to the private sector. I take nothing away from private life when I say that nothing can ever give the deep and meaningful satisfaction that comes from public service. Public service gives work a value and meaning greater than mere personal ambition and private goals.

Public service must be and is its own reward, for it does not guarantee wealth, popularity, or respect. It's often frustrating. But when you do something that will change the lives of people for the better, then it's worth all the frustrations. We are the most fortunate people ever to have lived, to be Americans, citizens of the most free, the most open, the most just society in human history. Ours is virtually the only government in history dedicated to opening doors, not closing them.

In America today, I believe anyone can go as far and reach as high as work, talent, and education allow. We can't equalize effort or talent and we shouldn't. But we can provide equal opportunity—the promise to everyone of a fair chance to succeed. It's because of the promise of America that I was able to become the Majority Leader of the United States Senate.

Whatever new problems arise, whatever unforeseeable challenges come, if we can keep that promise alive for our children and theirs, America will lose her way. For me, that's the purpose of public service, its inspiration and finally, its reward.

Thank you for your support, your trust, and your friendship.

Mr. RIEGLE. Mr. President, JIM SASSER and I came to the U.S. Senate together in the 1976 election. We've served together on Budget Committee for many years now, and we have been most fortunate to have him as the chairman of that committee. He was masterful and tireless in handling the many complex aspects of the budget process. His important accomplishments will leave a lasting mark on our country.

JIM SASSER and I have worked closely together, we have relied upon each other's counsel and advice, and I deeply admire and respect him—and feel very privileged to have been his seat mate on the Senate floor.

On the Budget Committee, JIM has led our country to greater economic stability and a dramatically declining deficit—without draconian cuts to vital human programs. He fought to keep the budget firewalls down and to make fair and reasonable program cuts where necessary. JIM SASSER has led the charge for policies of economic expansion, job growth and increased economic investment. He has represented the people of Tennessee with integrity, and he has served his country with strength and honor.

JIM has also managed to do something that is all too rare around here—he's successfully combined the roles of husband, father, and Senator. JIM's wife, Mary, has been with him for 32 years and she and their two children, Gray and Elizabeth, deserve great credit in putting up with the often harsh demands of public life.

Senator DAVID BOREN is another colleague who is leaving the Senate, in fact he has just resigned his seat so that a new Oklahoma Senator could be sworn in. DAVID announced many months ago that he had been asked to become the next president of the University of Oklahoma. With his exceptional talent, the University and its students will be very fortunate indeed.

DAVID BOREN began his public service career in the Oklahoma House of Representatives in 1966. He was the youngest sitting Governor when he was elected in 1974, and he served in that office until 1979 when he won his first Senate election.

As a member of Agriculture Committee, DAVID has pushed policies that have positively affected farmers in my State of Michigan and across the country. The Farm Credit Act of 1987 stabilized the Farm Credit System and saved thousands of borrowers from bankruptcy. He has also taken a lead role in pushing for improved export programs which will increase our farm products' markets overseas. As DAVID has now embarked on his new life as president of the University of Oklahoma, I wish him and his wife, Molly, happiness and success.

The 104th Congress will also mark the departure of my good friend Senator DENNIS DECONCINI, who has been in public service for over 22 years. His first successful Arizona campaign was for Pima County attorney in 1972, a position in which DENNIS distinguished himself as a tough prosecutor, especially on drug crimes.

Four years later, he and I were both elected to our first terms as U.S. Senators. In the years since then, DENNIS has continued championing drug enforcement issues on the Judiciary Committee and as chair of the Select Committee on Intelligence, as well as being active on the Appropriations Committee, Veterans' Affairs Committee, and the Select Committee on Indian Affairs. He has served the people of Arizona with distinction, and has continued the tradition of public service established by his parents, Evo and Ora.

DENNIS is a man of heart and conscience, who cares deeply about the public interest and our country's future. He has been devoted to his work as a Senator and he has accomplished much that is good and that will be enduring. He will be missed by the Senate—and missed by me.

Another Senator who has dedicated his life to public service is HARRIS WOFFORD of Pennsylvania. Few people have led a life as touched by history as HARRIS WOFFORD. He was a key aide to John F. Kennedy in his 1960 presidential campaign, and effectively forged the bond between Senator Kennedy and Dr. Martin Luther King that was a key event in the closing days of that historic election. HARRIS went on to become Special Assistant to President Kennedy and helped found the Peace Corps, an organization in which he later became Associate Director and Special Representative to Africa.

HARRIS was an advisor to Dr. Martin Luther King from the time of the Montgomery Bus Boycott in 1955, was chairman of President Kennedy's Sub-Cabinet Group on Civil Rights, and has been a tireless advocate for civil rights and liberties in our country for the past 40 years.

HARRIS WOFFORD has also been a leader in voicing the concerns and needs of working men and women in our country, served admirably as Pennsylvania's Secretary of Labor and Industry, and continued to actively champion those issues here in Congress. The U.S. Senate has benefited greatly from HARRIS WOFFORD's great

decency and effective service, as have the people of Pennsylvania. We need more people like HARRIS WOFFORD at all levels of public service. I wish HARRIS, his wife Clare, and their family all the best in the years to come—I have no doubt that they will continue their active lives of public service.

Finally, I would like to say a few words about my good friend and able colleague Senator HARLAN MATHEWS. HARLAN has served the State of Tennessee, in various roles, for the past 44 years. In the 1950s, he was a staffer for Governor Browning, became a budget advisor to Governor Clement, and went on to become Commissioner of Finance. HARLAN held that post through Governor Ellington's administration and, after a decade, became the longest-serving Finance Commissioner in Tennessee history.

He went on to be elected as Tennessee State Treasurer in 1974 and, again, he went on to hold that position for a record 13 years. HARLAN was serving as Deputy to Governor McWherter when he was asked to serve the remaining 2 years of Vice-President GORE's Senate term.

Here in the Senate his has always been a voice of reason and clear thinking. His insight has shaped our actions here and I, like others, have come to greatly value his counsel. I shall miss his company. As he has in the past 40 years, HARLAN represented the people of Tennessee with integrity and dedication, and I send to him and to Patsy our best wishes for their future.

FINAL ADDRESS

Mr. WALLOP. Mr. President, 18 years ago, and again 12, and again 6 years ago, the people of Wyoming sent me to Washington to reaffirm their vision of America—to protect the America they know and love against all enemies foreign and domestic. In each of my campaigns, I made no bones about who those enemies were, and what we should do about them. Today, as I choose to end my years in the Senate, I am delighted that our main foreign enemies have collapsed, happy to have been among the staunchest opponents of communism and the Soviet Union, and thrilled to have played a major part in leaving our country a splendid new weapon against new enemies who might arise. But I regret that the domestic enemies against whom I campaigned—big government and the culture of statism—are a greater threat than ever to the American way of life. The only encouraging sign on this front is that illusions about the benevolence of government have well-nigh vanished among ordinary Americans. Perhaps politicians will get the message.

Far be it from me to claim credit on behalf of conservatives for the fall of communism. I thank God alone for the fact that the bloody hammer and sickle was hauled down the Kremlin's flagpole on Christmas Day 1991. And I recognize that the Communist system, corrupt in every way, would still be aiming missiles at us except for the total, comical incompetence of Mikhail Gorbachev. It is both presumptuous and futile to speculate what effect, if any, foreigners had on the minds of the Soviet officials who made decisions that inadvertently destroyed the Soviet Union. Their intramural discussions at the time contained nothing either about the hardness or the softness of American policy. Nor for that matter are they about economics. The evidence points to Gorbachev, his friends, and his antagonists being motivated by the pettiest politics. Moreover, living in the house that Stalin built, they had lost the will to rule by mass murder, as Stalin had.

But we can be precisely certain of what Americans were trying to do with regard to the Soviet Union. There can be no doubt about some of us. I told anyone who would listen, every chance I got, that the Soviet Union and its empire were our mortal enemy, that we ought to do everything in our power to throw it on the scrap heap of history, and that we ought to prepare to fight, survive, and win a war against it. President Reagan felt this passion but there is little doubt how ridiculed this point of view was in high places. Just look up the countless declarations of the Secretaries of State about how brilliant Gorbachev was, and how dedicated we should be to a United States-Soviet partnership. Or look up theirs and the prestige press' disdain for the view that communism was something to be destroyed, not compromised with. These same sophisticates opposed providing the key weapons to the Afghans who defeated the Soviet invasion of their country. As chairman of the Budget Subcommittee of the Intelligence Committee, I doubled the budget for our Afghan operations every time it came before me, and put in provisions for Stinger missiles. I also fought these same officials to put weapons into the hands of the Nicaraguan Contras who defeated a Soviet-Cuban takeover of their country that could have put Mexico onto a path far worse than the excellent one that it is now treading. When these officials, never mind liberal Senators, put their faith in arms control and in the Soviet Union's observance of treaties, I preferred to trust in American defensive weapons. The Soviet Foreign Minister acknowledged that the American officials and Senators felt no inclination to apologize to those whom they had maligned for being right. But that was not surprising. A press that had joined them in maligning us was not about to insist upon contrition.

Most of all I am proud of the role I played between 1978 and 1983 in starting many of the Defense Department programs that would later be labeled SDI. Let me emphasize the difference: The programs I helped to start did not aim at research. Nor did they aim at abstract, grand schemes: They aimed to produce actual, individual weapons and sensors to kill missiles that could kill Americans. Then President Reagan put the SDI Program into the hands of people who, sad to say, wanted to use it for every imaginable purpose—except to build real weapons. And so, in the name of SDI, hucksters spent billions of dollars for never-never projects, while arms controllers handicapped real weapons programs diluting, delaying, and usually dooming them.

But, I am happy to say, one anti-missile program managed to survive SDI better than might have been expected. This is the chemical-power space based laser, the very weapon that first raised interest in serious missile defense 15 years ago. No program was so maligned as this. Everybody from Edward Teller to Sidney Drell said this laser weapon couldn't be built, and—paradoxically—said it would be dangerous to try to build it. None was so politically incorrect. But in a nutshell, by adhering to the guidelines I laid out for it 15 years ago, this program has produced all the pieces of a weapon that could destroy any missile ever built or designed within 2 seconds, at distances greater than 3,000 miles. If this country and this Congress want protection against the missiles that Saddam Husseim, Kim Jong-Il, or anybody else might send against us or our allies, they have only to say so, and this defensive weapon can be put together. It is there. Now.

Sure, the arms controllers in the U.S. Government made certain that no program would produce any component of a weapon. But the good guys can play with definitions as well as the bad guys—and sometimes the good guys win. The Space-Based Laser Program was broken up into any number of pieces. But the people running the pieces remembered: Don't build laboratory devices. Build only things that can be mass-produced. If you must scale down a piece of equipment, do it by using a fraction of other parts you would use in the real McCoy. Thus the laser you can see at the TRW facility at San Juan Capistrano, CA develops about 2 megawatts of power. But it has only one-third of the pieces that an 8-megawatt missile killing device would have. And what is there is laid out in a frame designed from the outset to accept the remainder of other pieces. So it is with the rest of the weapon.

The credit goes to the marvelous American engineers who did it. I hope that the incoming Congress takes the opportunity to spend some of the money that the American people mistakenly believe is spent on our mutual protection to buy this device, which could save millions of American lives. If this happens, I will be glad I had

something to do with making it possible.

But why continue to worry about foreign enemies now that communism is gone? In short, because as Charles de Gaulle used to say, "The future lasts a long time." During the past half century we have been involved in only two major wars, and the parts of the world that are most important to us have been relatively peaceful because the United States of America has been militarily strong. But in recent years, under Presidents of both parties, we have been living under the assumption that history has ended. Nothing could be further from the truth. No assumption could be more dangerous. American military power—and nothing but American military power—has kept a Pax Americana over Europe and the Northern Pacific Rim. Now that American power is withdrawing, we see NATO humiliated on its doorstep, and Japan and South Korea cowering before North Korea's budding nuclear arsenal. We risk losing the world that our grandfathers won for us in World War II, and we risk the birth of a world disorder that may require a lot more from our children than the post-war world has required of us.

Our country needs better defense policy. Reversing the shrinkage and denuclearization of our Armed Forces, as well as providing a serious anti-missile defense, would be good places to begin. More important, we need a more serious national discussion of foreign and defense policy. I am leaving the Senate, but will take part in that discussion.

The people of Wyoming first sent me to Washington in 1976 in part because I articulated their frustration with Federal occupational safety and health regulations. Who could be against health and safety on the job? Who could be against clean air and water? Certainly not the good people of Wyoming. Certainly not me. Our beef—if you will pardon the expression—is with a government that uses these and other lofty purposes as a means of exercising arbitrary bureaucratic power. Government at all levels taxes, spends, and regulates roughly twice as much as when I grew up. It touches every aspect of our lives, and harms just about everything it touches. It will fine you for not wearing a seatbelt, but will not protect your life from criminals. It will deliver contraceptives to your children, but cannot deliver the mail. It prohibits a Jewish community in New York from having a school district—who knows what politically incorrect things their kids might learn from reading the bible—and it forces the culture of abortion on the whole country. In the name of racial equality, the Government forces us to discriminate on the basis of race. Once upon a time, our Government was a bulwark against domestic enemies. Now big Government has become our chief domestic enemy.

In 1980 the American people voted for the Republic Party, hoping that the Republicans would shrink the Government and make it switch sides in the great cultural conflict that is raging among us. But the Republicans put on their tuxes and spent their time trying to make the system work. And so taxes rose, regulations multiplied, officials became more arrogant, courts took over more of other people's powers, and society continued to become less recognizably American. In 1992 the American people threw out a Republican President who, obviously was on the side of the Government rather than of the people. Now the electorate has put its hopes in a Republican Congress, but the American people have made clear that they do not trust Republicans very far. Almost three out of five Americans say they would like to see a new political party—and most of those who say so usually vote Republican. To me, this means that the Republican Party has one more chance to be on the side of the America's people and against their Government. If it muffs this chance, it will be abandoned—deservedly so. The electorate asked republican politicians to do something very unnatural to any politician—yield back power. Restore the people's dominion over turf you have now occupied from democratic plantation managers.

What should the Republican Party do? Nothing less than to pursue a vision of America radically opposed to that of contemporary sophisticates—the America our Founding Fathers established, our fathers fought for, and the America we grew up in. Our Founders—Washington, Jefferson, Lincoln—set this country on the path to greatness by making sure that our Government would be small and frugal, that it would be on the side of the virtues necessary to preserve the system. Lincoln, for example, argued that accepting slavery as an alternative source of labor would undermine respect for all labor, and that it would foster the habit of living off one another. Lincoln taught that fear of God, respect for human life, freedom and property, would allow generations of Americans who had no blood ties to the Founders to become "flesh of the flesh and blood of the blood" with them. The Government established by the Founders did not make us moral. But it took pains to be on the right side of the great moral questions.

This country was peaceful and secure not because the streets were patrolled by Government agents, but because citizens enforced high standards of civil behavior, because citizens were armed and protected their own property, and because local police were highly responsive to the demands of local citizens. The police knew the difference between the decent citizens whom they served, and the deviants against whom they worked.

This country was wealthy not because of its natural resources—the Indians had lived in violent semi-starvation—or because Government gave us this or that, nor because Government forced wages up nor because it granted privileges to favorite companies. Americans created more wealth than the world had ever known because Government in America taxed less, regulated less, and gave fewer privileges than any other government in history.

This country became a world power not because there are so many of us—the Chinese are six times as numerous—or because we are so rich—the European Union has a bigger economy—or because we have so many weapons—Russia has more. Our numbers, our wealth, and our weapons became military power because the American people are more patriotic, and more apt to think that we have a duty to do what is right and reasonable than any other people in the world. And we became powerful because until recently our leaders honored the American people's religion and manliness, and because they themselves served in the Armed Forces.

With each passing year, however, our America resembles less and less what the Founders left us and looks more and more like the countries our immigrant forefathers tried to get away from. This is happening in large part because the people who are running this country want it to happen and have used the enormous powers of the U.S. Government to make it happen.

But Why? It is all too plain that the people who are running this country deeply dislike the America of the Founders. If the people who run our Government, our universities, our media, the entertainment industry, the arts, and the so forth had their way, you and I would be placed in re-education camps—financed by us, of course—to learn new ways.

What do the elites of this country have against us? They think our patriotism is unsophisticated at best, and chauvinistic at worst. They thought our opposition to communism was dangerous and anti-progressive. The current generation of American leaders thought that we were on the wrong side in the Vietnam war. Two-thirds of our Congressmen have never served in the Armed Fores. Military service is the rare exception in the families of those who have the most to say about putting Americans in harm's way. Many in power say that America is nothing special, and that our troops ought to do the bidding of the United Nations. Moreover, our patriotism exalts qualities that they abhor: manliness, righteousness, the capacity to use force.

Often as not American political elites dislike the American people's

prosperity. It is the stated policy of the U.S. Government that the American people consume too much of the world's energy and natural resources, that our appetite for automobiles, for meat and comfortable houses, is a drag on the planet and contributes to poverty in the Third World. So, those who run this country want to tax us to support the United Nations, and they want us to make cars and industry more expensive. They think that America suffers from public poverty amidst private luxury, so they want to tax more and to regulate more, to shift power and wealth to people like themselves. Whether the excuse is environmentalism, or poverty, or crime, the recipe is always the same: Take money away from independent working Americans and give it to the favorites of the governing class. It transfers only power—not solutions, only dependency, not liberty.

Of course, this is a recipe for economic decline. I would remind the Senate that nowhere in the writings of the Founding Fathers is there anything about managing the economy. Our Founders wanted to promote prosperity. So they set about ensuring that Government would be small, frugal, impartial, and moral. We became a wealth country because Government, in Jefferson's words, would not "take from the mouth of labor the bread it had earned." If we abandon the Founders' mores, no economic policy can keep us out of the poorhouse.

Our leaders dislike our tradition of self-government. They equate local control of crime with brutality and racism. Local zoning is racism. Local control of schools is racist. We are all racists—except they. The have turned laws that prohibit racial discrimination into mandates for racial preferences in everything from school admissions to congressional districting, to hiring and firing and promotions, and contracting, and insurance, and lending. A whole industry has grown up to administer this American form of apartheid. If you want your town or business to stay out of trouble nowadays, you need highly paid and well-connected human relations specialists. Within the U.S. Government, in schools and businesses, there are mandatory counseling sessions—not unlike under communism.

Of course this sows racial hatred amongst us. It emboldens young blacks to demand menacingly, and creates new classes of victims among young whites, Hispanics, Asians and politically unconnected people in general. But in the end, this has nothing to do with race, and everything to do with leftist politics. The people who run these programs are white men, who are not about to give up their own privileges to anybody. In the name of racial justice, and at the price of racial harmony, they are increasing their own power to privilege their friends at the expense of everyone else, and to diminish competition for themselves.

The people who run this country don't care about public safety, having made it very difficult for States and localities to police themselves, having left ordinary citizens with no choice but to protect themselves as best they can. They are now trying to take our guns away. In fact they blame us and our guns for crime. This is so wrong that it cannot be an honest mistake. The don't want safety for us. The want to strike at our culture.

The people who run this country don't care that our children are being diseducated or that schools are becoming factories of ignorance and decay. Every proposal regarding education that has come out of the establishment has called for more money. Over the past 30 years we have tripled the amount of money that we pay to the public schools per pupil, in real terms. And guess what? Not only has educational performance dropped everywhere, but it dropped worst where we spent most. The places where kids are not being hurt too badly, where test scores are highest, are out in the sticks—in places like Utah, Iowa, and Wyoming, where the establishment has not yet been able fully to implement its model of big, bureaucratically controlled districts that give out condoms, banish prayer, teach self-esteem, and bash all American history prior to the 1960's, maybe we hicks aren't so stupid after all. But the establishment continues to want money, tries to grab more control, and keeps looking down on us.

Above all, the people who run this country have deep contempt and enmity for the culture on which it rests. What must be the moral priorities of those who run the Democratic National Committee, who declared that the Christian pro-family movement is the most serious threat to America today? What vision of America must be in their minds that they are frightened by the prospect of more moms, dads, and children going to church? Clearly their's is a vision very different from George Washington's and Abe Lincoln's. And are Republican leaders so different? The tell us we are zealots if we talk about social issues and about the role of religion in public life. I say, what else is worth talking about? They say: concentrate on the economy. But prosperity comes from the morality and sense of responsibility of the population, as well as from small government. It comes from the culture, not from recipes dreamed up in Government offices or think tanks.

So how do we safeguard, how do we promote the culture that made us prosperous? Do we do it by celebrating people who terminate their responsibility to the child they have conceived by killing him or her and at the same time use Medicaid to provide fertility medicines? Do we say, as Stephen Douglas said about slavery, that we "don't care" one way or the other? I think Lincoln would warn us against expecting that any sort of prosperity, never mind decency, could be built on such views of responsibility and human life. Again, can education turn out competent workers, never mind decent citizens, if it continues to stress condoms over continence and relativism over religion? And again, are we going to be healthy economically—never mind in other ways—if our establishment keeps on talking and spending as if alternative families and alternative lifestyles were on the same moral plane as mom, dad and the kids? Not a chance.

The sum of all this is that our Government is run by people who are using the powers vested in them by the Constitution, and the powers that come from spending $1.5 trillion per year of our money to undo what remains of the culture, the habits, the freedoms that made this country unique. There is a struggle about what kind of country we will be. Government and its allies in the media, education, and big business are on the wrong side.

It is all too easy to list the ways in which the U.S. Government is providing incentives to break up families, to put generations and races at war with one another, to devalue honest work, to dumb-down and coarsen children, for bureaucrats to seek their own interest, for businesses to court regulators, to seek protection, and the public be damned. It is also easy enough, as well as satisfying, to discuss remedies for all these phenomena.

We can and should end welfare—not "as we know it." Just end it, period. Charity for those who deserve it is something with a long and honorable history. But the short history of welfare tells us that as a Federal program it does no good, only harm.

We can and should eliminate Social Security. Just as certainly people who are already retired or about to retire should get every penny already promised. But just imagine if every penny deducted from us henceforth went into individual retirement accounts. We could all look forward to a lot more money, and the Government would have a lot less to spend from day to day.

For the monsters of Medicare and Medicaid we can and should substitute individual medical savings accounts, backed up by vouchers.

We can be rid of the ponderous educational establishment by giving parents vouchers for whatever amount any level of government taxes them to educate their children.

We can be rid of the most noxious parts of the university world by cutting all direct aid to higher education and substituting tuition scholarships to individual students which they must

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repay. Where this scheme has been tried, students deserted rotten professors in droves.

We can stop our tax system's pressure against families by increasing deductions for children. Perhaps those moms who want to will be able to raise their own children again.

We can be rid of the terrible bureaucracy of the IRS, and of all the distortive inequities of the system just by instituting a flat tax.

We can restore self-government by reducing the power of the Federal courts to review the acts of State courts and the enactments of State legislatures.

The objective of these and many other provisions would be to shrink Government and to stop it from doing further harm.

The good news is that all these things are double. Sure, the American people are sick enough of big government and have learned to distrust the establishment so much that a reform program of this kind stands a chance. The bad news is that no set of legislation or even constitutional amendments is going to sweep away the entrenched interests and bad habits built up over a generation. Our moral fiber has been damaged. We are no longer quite the virtuous people for whom the Founding Fathers wrote the Constitution, the people who fought at Gettysburg and at Omaha Beach. That is why to set us back on the Founders' path we need moral leadership. By this I mean that we must understand every change we make above all as a means of restoring the character that made Americans unique.

We want to cut taxes not primarily because doing so will put more money in our pockets, but principally because it will put the means of freedom in our hands. We want to cut the Government's power to grant privilege not primarily because privilege is economically inefficient, but because we don't want to be a nation of favor-seekers. We want to keep and bear our guns not because we want to shoot somebody, but because we have an irreducible right to take care of ourselves. Moral leadership, today as in 1789, does not mean that the President of the United States forces anyone to go to church or synagogue. But it does mean that by word and deed he leads the country in giving unto God the things that are God's. Today according to the current Supreme Court, Abraham Lincoln's proclamation of Thanksgiving Day would be unconstitutional. I say that Lincoln knew better, and that recent Supreme Court decisions on religion are unconstitutional.

It is impossible to lay out all the instances in which political leaders can exercise moral leadership precisely because every act of Government influences our habits in some way. Let us not forget that the Greek philosophers taught that we are the sum of our habits, and that the Greek word for habits is "Ethics." If we want to live like Americans, we had better shun the ethics of the people who are tearing down this country, and strive for the ethics of those who built it.

Let me conclude by noting that I have not mentioned the name "Clinton," and that I mentioned both the Republican and Democratic Parties as part of the problem. America faces a choice between two radically opposed views of itself and of the good life. On one side is the view you and I grew up with, the view of the Founders, the way of life of most families in this country. On the other is the view you can read in the pages of Time magazine, the New York Times, and the Prestige Press. This is the view that animates the U.S. Government. The great question of our time is whether Government will continue to work against the original American way of life, or will switch and support it as it once did. The only possible way of enabling Government to make this switch, I think, is to cut it down to a small fraction of its current size. Now, this is an issue that transcends parties. It is an issue that, most likely, will cause a realignment of Parties, or even the death of one or both of our current parties and the birth of a new one. The more secular we have become the more we pray to Government for that which we once prayed to God. Nothing happens anymore. Everything is caused and is therefore to someone's credit or blame. This is nonsense and is unsustainable policy. Decency yields no more credit than indecency. How can we sustain families on this notion?

All of that is not so important. The only important thing is that the American people and the American way of life be defended against their enemies, and that they be defended worthily.

In all my public life, nothing has cheered and sustained me as much as the constantly recurring evidence of the good sense and virtue of the American people. And nothing has angered and dispirited me more than politicians' and other so called elites' disdain for the average American.

I recall that during the first half of the Vietnam war, the wise men of foreign policy, from McGeorge Bundy to George Ball, were belittling the American people's demand, echoed by Barry Goldwater, that we win the war or get out. No, they said. This insistence on victory is simplistic, unsophisticated, outdated, and lacking in maturity. In our modern age, victory is impossible but involvement is inevitable. Knowledgeable professionals, namely themselves, were going to adjust the conflict to a mutually acceptable solution, if only the children of lesser Americans—not their own—would continue to get themselves shot. Then in the second half of the war, as well as after the war, these same people told us that our militarism had pushed us in, that we had gotten the lesson we deserved, but that now we, the American people, had become incapable of supporting a meaningful foreign policy, namely one led by them. This was Henry Kissinger's constant theme in the 1970's. Remember the tones of Spenglerian gloom with which he justified renouncing the United States' right to protect itself against ballistic missiles? The weakness of the American people made him do it. By the same token, during the 1980s, from Strobe Talbott in Time magazine as well as from Harvard and Stanford, we heard how dangerously stupid the American people were to harken to Ronald Reagan's call to defend this country and to relegate the Soviet Union to the dustbin of history. The elites knew better—or thought they did. Now the same people decry as neo-isolationism the elites' call to send the children of average Americans—surely not their own—to so-called peace-keeping and nation-building missions. Meanwhile they strip this country's military while their bungling diplomacy stores up future troubles. And they wonder why the American people think foreign policy is a mess?

Well, the American people lack neither wisdom nor the capacity for generous sacrifice. The same year the people of Wyoming sent me to Washington, the country also elected Jimmy Carter. Carter had campaigned for "A government as good as its people." He had seemed to reject the establishment's prescriptions for America's managed decline, most eloquently expressed by Henry Kissinger. Sadly, he brought in a wing of the establishment that was even further out of sympathy with America. Almost the same can be said of the American people's choice of Bill Clinton my point is this: the American people always vote for the Presidential candidate who seems to embody the old American virtues, the traditional, common sense view of America in the world. More often than not, alas, politicians have not been worthy of the people's trust. They have drawn on the well of the American people's generous patriotism, but have done nothing to refill it. Thank God that well is deep.

Today it is fashionable among Republican as well as Democratic elites to ascribe the ills of big government to the American people's supposedly insatiable appetite for government checks and privileges, combined with their miserly unwillingness to pay for them. According to what one can hear from practically every talking head in the mainstream media, pork and corruption are demand-side problems. The politicians and their bureaucratic allies are innocent, just following orders.

This is nonsense. The social programs that have done so much harm to this country have been sold to the

American people with false pretenses. Sometimes the very names of the programs are Orwellian reversals of reality—none more so than "aid to families with dependent children." Who would have voted for Social Security if it had been presented as what it is, a chain letter, a ponzi scheme, that spends the workers money the moment it comes in, and that cannot return it unless each generation is taxed more heavily than the previous one? Who would have voted for Medicare if it had been made clear that this would bureaucratize and render much more expensive all health care in America? And who the heck voted for the Supreme Court decisions that ended America's tradition of local self-government, and made pornography, abortion, and vagrancy into basic rights while pushing religion out of public life? Who ever voted to institute a system of racial classification in this country? Certainly not the American people. All of these things are anathema to the average American.

But now comes the crucial questions: How long can any people, no matter how virtuous, remain uncorrupted when governed by laws and elites that tend to corrupt? This week's New York Times carries an account of widespread tax evasion in Germany. In Germany? That most order-loving of countries? Buy why? Simply because it seems that tax burden has grown so great that the people think it unreasonable. There is no doubt that our own laws and administration, fiscal and otherwise, have become so burdensome and unreasonable that our own tradition of law-abiding is fading.

There is no doubt that entitlements and privileges corrupt those who give and those who receive them, whether they are rich or poor. This list of threats to the American people's virtue is long. No one can say how long the character and habits bequeathed to us by the Founding Fathers will last and whether they will vanquish the threats or be overcome by them.

The size our continent, its fabulous wealth, its indescribable beauty, the ships, tanks, and airplanes in our arsenal, are no treasure compared to the moral character of the American people. I pray to God that he will graciously help us preserve and improve it.

REGULATORY DIFFERENTIATION OF ANIMAL FATS AND VEGETABLE OILS

Mr. HARKIN. Mr. President, on this final day of the 103d Congress I want to mention my interest in continuing to work in the next Congress to enact legislation to clarify Congressional intent regarding the regulation of animal fats and vegetable oils under provisions of the Oil Pollution Act of 1990. I was pleased to have the opportunity during this session to work with Senator LUGAR on legislation designed to bring a common sense resolution to the regulation of these animal fats and vegetable oils. I hope that we will be able to bring these efforts to fruition in the next Congress.

Last spring, with Senator LUGAR's cosponsorship, I introduced legislation, S. 2065, to require that Federal agencies, in implementing the Oil Pollution Act, differentiate between animal fats and vegetable oils, and other oils and greases, including petroleum products. Later in the session we worked to enact provisions addressing this problem as a part of other legislation, and did finally succeed in gaining unanimous Senate passage on October 8 of S. 2559, a free-standing bill consisting of language similar to that which had previously been passed only by the House as parts of larger bills. Unfortunately, there was no opportunity for the House to take up S. 2559 during this Congress.

This legislation, designed to alleviate burdensome and unnecessary regulations, is straightforward and eminently reasonable. It would simply require that agencies differentiate in their regulations between animal fats and vegetable oils, which are nontoxic, and other oils, including petroleum oils, based on their physical, chemical, biological and other properties, and on their environmental effects. The differentiation would apply to agency classifications of such oils and to regulations governing response plans and other aspects of the transportation and handling of oils. The legislation would in no way exempt animal fats and vegetable oils from appropriate regulation. It would simply require that agencies use commonsense to devise reasonable regulations which take into account the particular properties and characteristics of animal fats and vegetable oils.

Because of the clear merit of and need for this legislation, I can foresee no good reason why we should not be able to obtain its enactment very early in the next Congress.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, 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.)

MEASURES REFERRED

The following bill, previously received from the House of Representatives, was read the first and second times by unanimous consent and referred as indicated:

H.R. 5292. An act to amend the Defense Base Closure and Realignment Act of 1990 to extend the deadline for the submission of nominations for the Defense Base Closure and Realignment Commission; to the Committee on Armed Services.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3494. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the report of proposed obligations for fiscal year 1993; to the Committee on Armed Services.

EC-3495. A communication from the Secretary of Defense, transmitting, pursuant to law, the report on program activities to facilitate weapons destruction and nonproliferation in the Former Soviet Union for fiscal year 1994; to the Committee on Armed Services.

EC-3496. A communication from the Deputy Under Secretary of Defense (Logistics), transmitting, pursuant to law, the report on cargo preference for the period June 1, 1993 through May 31, 1994; to the Committee on Armed Services.

EC-3497. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-3498. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-3499. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-3500. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-3501. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-3502. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-3503. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-3504. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-3505. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the notice of a determination to use less than full and open competition to award a contract; to the Committee on Commerce, Science and Transportation.

EC-3506. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report on the status of public ports of the United States for calendar years 1992 and 1993; to the Committee on Commerce, Science, and Transportation.

EC-3507. A communication from the President of the United States, transmitting, pursuant to law, a report relative to the efforts of the United Nations and North Atlantic Treaty Organization in Bosnia-Herzegovina; to the Committee on Foreign Relations.

EC-3508. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report on the correction of the automated visa lookout system; to the Committee on Foreign Relations.

EC-3509. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report on the designation by the State Department of a senior advisor on women's human rights issues; to the Committee on Foreign Relations.

EC-3510. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of certifications and justifications for waiving certain prohibitions for certain countries; to the Committee on Foreign Relations.

EC-3511. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Presidential determination for assistance for Independent States of the Former Soviet Union; to the Committee on Foreign Relations.

EC-3512. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Presidential determination relative to Rwanda and Burundi; to the Committee on Foreign Relations.

EC-3513. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Presidential determination relative to Serbia and Montenegro; to the Committee on Foreign Relations.

EC-3514. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a determination relative to the countries of Europe and the Independent States of the Former Soviet Union; to the Committee on Foreign Relations.

EC-3515. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, notice of a proposal relative to Serbia and Montenegro; to the Committee on Foreign Relations.

EC-3516. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, notice of proposals relative to the Non-Proliferation and Disarmament Fund; to the Committee on Foreign Relations.

EC-3517. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report on U.S. agreements and commitments relative to efforts in Haiti; to the Committee on Foreign Relations.

EC-3518. A communication from the Assistant Legal Adviser (Treaty Affairs), Department of State, transmitting, pursuant to law, a report of the texts of international agreements and background statements, other than treaties; to the Committee on Foreign Relations.

EC-3519. A communication from the Assistant Legal Adviser (Treaty Affairs), Department of State, transmitting, pursuant to law, a report of the texts of international agreements and background statements, other than treaties; to the Committee on Foreign Relations.

EC-3520. A communication from the Assistant Legal Adviser (Treaty Affairs), Department of State, transmitting, pursuant to law, a report of the texts of international agreements and background statements, other than treaties; to the Committee on Foreign Relations.

EC-3521. A communication from the Assistant Legal Adviser (Treaty Affairs), Department of State, transmitting, pursuant to law, a report of the texts of international agreements and background statements, other than treaties; to the Committee on Foreign Relations.

EC-3522. A communication from the Executive Director of the Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting, pursuant to law, the annual report for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3523. A communication from the President and Chief Executive Officer of the Enrichment Corporation, transmitting, pursuant to law, the report of the Office of Inspector General for the period July 1, 1993 through October 31, 1994; to the Committee on Governmental Affairs.

EC-3524. A communication from the Executive Secretary of the Barry M. Goldwater Scholarship and Excellence In Education Foundation, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3525. A communication from the Chairman of the Defense Nuclear Facilities Safety Board, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3526. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the annual report relative to the Program Fraud Civil Remedies Act of 1986 for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3527. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the annual report relative to the Program Fraud Civil Remedies Act of 1986 for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3528. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the report of the allocation by agency and account of procurement-related budgetary resources; to the Committee on Governmental Affairs.

EC-3529. A communication from the Chairman of the Farm Credit System Insurance Corporation, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3530. A communication from the Director of the Federal Mediation and Conciliation Service, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3531. A communication from the Chairman of the Federal Mine Safety and Health Review Commission, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3532. A communication from the Chairman of the Federal Reserve System, transmitting, pursuant to law, the report of the Office of Inspector General for the period April 1, 1994 through September 30, 1994; to the Committee on Governmental Affairs.

EC-3533. A communication from the Executive Director of the Federal Retirement Thrift Investment Board, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3534. A communication from the Commissioner of the General Services Administration, transmitting, pursuant to law, the report on the utilization and donation Federal personal property programs; to the Committee on Governmental Affairs.

EC-3535. A communication from the Executive Director of the Japan-United States Friendship Commission, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3536. A communication from the Chairperson of the National Commission on Libraries and Information Science, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3537. A communication from the Chairman of the National Endowment For the Arts, transmitting, pursuant to law, the report of the Office of Inspector General for the period May 1, 1994 through September 30, 1994; to the Committee on Governmental Affairs.

EC-3538. A communication from the Chairman of the National Endowment For the Humanities, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3539. A communication from the President of the Overseas Private Investment Corporation, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3540. A communication from the Chairman of the Postal Rate Commission, transmitting, pursuant to law, the annual report on the system of internal accounting and financial controls in effect during fiscal year 1994; to the Committee on Governmental Affairs.

EC-3541. A communication from the Board Members of the Railroad Retirement Board, transmitting, pursuant to law, the annual report relative to the Program Fraud Civil Remedies Act for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3542. A communication from the Chairman of the National Endowment For the Arts, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3543. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report on the valuation of the U.S. Coast Guard Military Retirement System for fiscal year 1993; to the Committee on Governmental Affairs.

EC-3544. A communication from the Chief of Staff of the White House, transmitting, pursuant to law, a report relative to the Executive Office of the President's Drug Free Workplace Plan; to the Committee on Governmental Affairs.

EC-3545. A communication from the Director of the Woodrow Wilson Center, transmitting, pursuant to law, the report of the Office of Inspector General for fiscal year 1994; to the Committee on Governmental Affairs.

EC-3546. A communication from the Secretary of Labor, transmitting, pursuant to law, the report of the Office of Inspector General for the period April 1, 1994 through September 30, 1994; to the Committee on Governmental Affairs.

EC-3547. A communication from the Director of the Division of Commissioned Personnel, Department of Health and Human Services, transmitting, pursuant to law, the report on the Public Health Service Commission Corps Retirement System; to the Committee on Governmental Affairs.

EC-3548. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the report of the Office of Inspector General for the period April 1, 1994 through September 30, 1994; to the Committee on Governmental Affairs.

EC-3549. A communication from the Director of the Office of the Personnel Management, transmitting, pursuant to law, the report on the physicians' comparability allowance; to the Committee on Governmental Affairs.

EC-3550. A communication from the Director of the Office of the Personnel Management, transmitting, pursuant to law, the annual report on drug and alcohol abuse prevention, treatment and rehabilitation programs and services for Federal civilian employees; to the Committee on Governmental Affairs.

EC-3551. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the reports and testimony for September 1994; to the Committee on Governmental Affairs.

EC-3553. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled "Analysis of Fiscal Year 1995 Consolidated Cash Flow Statement"; to the Committee on Governmental Affairs.

EC-3554. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled "Program Review of the District of Columbia Lottery and Charitable Games Control Board For Fiscal Years 1988 Through 1993"; to the Committee on Governmental Affairs.

EC-3555. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled "D.C. Auditor Testimony on the Government Managers Accountability Act of 1994—Bill 10-705"; to the Committee on Governmental Affairs.

EC-3556. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled "Review of Implementation of the D.C. Depository Act During Fiscal Years 1992 and 1993"; to the Committee on Governmental Affairs.

EC-3557. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled "Program Review of the Economic Development Finance Corporation For Fiscal Years 1989 Through 1993"; to the Committee on Governmental Affairs.

EC-3558. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-331 adopted by the Council on October 4, 1994; to the Committee on Governmental Affairs.

EC-3559. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-332 adopted by the Council on October 4, 1994; to the Committee on Governmental Affairs.

EC-3560. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-333 adopted by the Council on October 4, 1994; to the Committee on Governmental Affairs.

EC-3561. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-334 adopted by the Council on October 4, 1994; to the Committee on Governmental Affairs.

EC-3562. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-335 adopted by the Council on October 4, 1994; to the Committee on Governmental Affairs.

EC-3563. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-336 adopted by the Council on October 4, 1994; to the Committee on Governmental Affairs.

EC-3564. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-337 adopted by the Council on October 4, 1994; to the Committee on Governmental Affairs.

EC-3565. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-338 adopted by the Council on October 4, 1994; to the Committee on Governmental Affairs.

EC-3566. A communication from the Assistant Secretary of Interior for Indian Affairs, transmitting, pursuant to law, a proposed plan for the use and distribution of the Mission Indian's judgement funds; to the Committee on Indian Affairs.

EC-3567. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the Refugee Resettlement Program; to the Committee on the Judiciary.

EC-3568. A communication from the President of the United States, transmitting, pursuant to law, the President's report on Immigration; to the Committee on the Judiciary.

EC-3569. A communication from the National President of the Women's Army Corps Veterans Association, transmitting, pursuant to law, the annual audit of the Association for the year ending June 30, 1994; to the Committee on the Judiciary.

EC-3570. A communication from the Assistant Attorney General, transmitting, pursuant to law, the annual report of the Bureau of Justice Assistance for fiscal year 1993; to the Committee on the Judiciary.

EC-3571. A communication from the President of the National Safety Council, transmitting, pursuant to law, the combined report of the audit of the financial transactions of the National Safety Council; International Safety Council; Foundation for Safety and Health; and the Texas Safety Association/National Safety Council Joint Venture; to the Committee on the Judiciary.

EC-3572. A communication from the Assistant Secretary of Education (Office of Special Education and Rehabilitation Services), transmitting, pursuant to law, the report of final priorities—Early Education Program for Children with Disabilities; to the Committee on Labor and Human Resources.

EC-3573. A communication from the Assistant Secretary of Education (Office of Special Education and Rehabilitation Services), transmitting, pursuant to law, the report of final regulations—Training of Interpreters for Individuals Who Are Deaf and Individuals Who Are Deaf-Blind; to the Committee on Labor and Human Resources.

EC-3574. A communication from the Secretary of Education, transmitting, pursuant to law, the biennial report of the waivers approval list of schools with significant minority enrollment; to the Committee on Labor and Human Resources.

EC-3575. A communication from the Chairman of the National Advisory Council on Educational Research and Improvement, transmitting, pursuant to law, the annual report for fiscal year 1994; to the Committee on Labor and Human Resources.

EC-3576. A communication from the Secretary of Labor, transmitting, pursuant to law, the report of the Department's Advisory Council for Employee Welfare and Pension Benefit Plans for calendar years 1992 and 1993; to the Committee on Labor and Human Resources.

EC-3577. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the implementation of the Breast and Cervical Cancer Mortality Prevention Act of 1990; to the Committee on Labor and Human Resources.

EC-3578. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report entitled "Older Americans Act: Funding Formula Could Better Reflect State Needs"; to the Committee on Labor and Human Resources.

EC-3579. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the Substance Abuse and Mental Health Services Administration; to the Committee on Labor and Human Resources.

EC-3580. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on the Child Care and Development Block Grant; to the Committee on Labor and Human Resources.

EC-3581. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of the Department's Council on Alzheimer's Disease; to the Committee on Labor and Human Resources.

EC-3582. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on the Low Income Home Energy Assistance Program for fiscal year 1993; to the Committee on Labor and Human Resources.

EC-3583. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of the User Fee Feasibility Study; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and

were referred or ordered to lie on the table as indicated:

POM-671. A joint resolution adopted by the Legislature of the State of California; to the Committee on Appropriations.

"ASSEMBLY JOINT RESOLUTION NO. 87

"Whereas, The Congress of the United States enacted the Education for All Handicapped Children Act of 1975 (Public Law 94-142), now known as the Individuals with Disabilities Education Act (IDEA), to assure that all children with disabilities in the United States have available to them a free appropriate public education which emphasizes special education and related services designed to meet their unique needs, to assure that the rights of children with disabilities and their parents or guardians are protected, to assist states and localities to provide for the education of all children with disabilities, and to assess and assure the effectiveness of efforts to educate children with disabilities; and

"Whereas, The Congress of the United States developed a formula in 1975 to determine the maximum amount of funding to which states are entitled for purposes of implementing the federal mandates to provide special education and related services. That entitlement amounts to "40 per centum, for the fiscal year ending September 30, 1982, and for each fiscal year thereafter, of the average per pupil expenditure in public elementary and secondary schools in the United States," multiplied by the number of children receiving special education and related services; and

"Whereas, 1995 budget appropriations measures currently pending before Congress only propose to fund special education programs in the states, under Part B of IDEA, at approximately 7 percent. That amount is 3 percent less than Section 1411 of Title 20 of the United States Code authorized for the fiscal year ending September 30, 1979; and

"Whereas, The California Master Plan for Special Education was approved for statewide implementation in 1980 on the basis of the anticipated federal commitment to fund special education programs at the federally authorized level; and

"Whereas, The Governor's Budget for the 1994-95 fiscal year includes $1.6 billion in General Fund support for special education programs; and

"Whereas, The State of California anticipates receiving approximately $220 million in federal special education funds under Part B of IDEA for the 1994-95 school year, even though the federally authorized level of funding would provide over $900 million annually to California; and

"Whereas, In addition to the $168 million local general fund contribution required by state law, local educational agencies in California have to pay for the underfunded federal mandates for special education programs, at the cost of approximately $600 million annually, from regular education program money, thereby reducing funding that is available for other education program; and

"Whereas, Whether or not California participates in the IDEA grant program, the state has to meet the requirements of Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 701) and its implementing regulations (34 C.F.R. 104), which prohibit recipients of federal financial assistance, including educational institutions, from discriminating on the basis of disability, yet no federal funds are available under that act for state grants; and

"Whereas, California is committed to providing a free and appropriate public education to children and youth with disabilities, in order to meet their unique needs; and

"Whereas, The California Legislature is extremely concerned that, since 1978, Congress has not given states the full amount of financial assistance necessary to achieve its goal of ensuring children and youth with disabilities equal protection of the laws; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature respectfully memorializes the President and Congress of the United States to provide the full 40 percent federal share of funding for special education programs by the year 2000, so that California and other states participating in these critical programs will not have to take funding from other vital state and local programs to fund underfunded federal mandates; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to the Chair of the Senate Committee on the Budget and the Chair of the House Committee on the Budget, to the Senate Committee on Appropriations and the Chair of the House Committee on Appropriations, to each Senator and Representative from California in the Congress of the United States, and to the United States Secretary of Education."

POM-672. A joint resolution adopted by the Legislature of the State of California; to the Committee on Armed Services.

"ASSEMBLY JOINT RESOLUTION NO. 62

"Whereas, Violent felons account for nearly two-thirds of all prisoners; and

"Whereas, Recent events, however, have demonstrated that many violent felons who should be incarcerated for the protection of the public, are instead out of prison and free to prey upon helpless citizens; and

"Whereas, The lack of adequate prison space significantly contributes to this situation and will continue to result in the early release of inmates who constitute a danger to public safety; and

"Whereas, The recent enactment of the "3 strikes, you're out" law has been said to be too costly in that it will require the construction of new prisons; and

"Whereas, The Governor has called for the construction of six new prisons to be financed through the issuance of two billion dollars ($2,000,000,000) in state general obligation bonds; and

"Whereas, California has many major military bases scheduled for closure; and

"Whereas, It is reasonable to argue that living facilities that are adequate for our fighting men and women are adequate for housing prisoners; and

"Whereas, While some security related modifications of closed military bases may be necessary in order for the bases to be used for state prison purposes, some security measures are already in place, and the modifications would in many cases require relatively minor expenditures; and

"Whereas, California's base closures will result in the loss of 250,000 jobs and forty billion dollars ($40,000,000,000) to the local economy; and

"Whereas, California has already lost 800,000 jobs due to the recession and California continues to lag behind the rest of the nation in recovery from the recession; and

"Whereas, The federal government should assist in the economic recovery of California; and

"Whereas, Allowing conversion of closed military bases in California for state prison use would provide an opportunity for the federal government to assist in this recovery by providing the state with the needed savings in capital outlay expenditure and by facilitating the replacement of lost defense-related jobs in the affected communities; and

"Whereas, Conversion of closed military bases to state prisons would address the need for new prison space without the need for the issuance of construction bonds, thus saving the state two billion dollars ($2,000,000,000) plus the financing costs at a time when the state should do whatever possible to maximize its resources; and

"Whereas, The conversion of local area military bases to state prison use shall be approved by the local area reuse commission or entity; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to allow California to, upon local approval, convert closed military bases to state prisons; and be it further

"*Resolved*, That the Speaker of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the United States House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-673. A joint resolution adopted by the Legislature of the State of California; to the Committee on Banking, Housing, and Urban Affairs.

"ASSEMBLY JOINT RESOLUTION NO. 24

"Whereas, Fraudulent payment of charge card and credit card accounts with misappropriated checks is becoming increasingly common; and

"Whereas, Thousands of inquires are being made each week to charge card and credit card companies regarding the misappropriation of checks intended for payment on a particular account but which were applied to another account; and

"Whereas, An illegal practice has developed among dishonest persons employed in a bookkeeping or accounting capacity, wherein these dishonest persons have taken advantage of existing industry practice which holds that the remittance stub is controlling as to the payment of checks which were submitted with the remittance stub of one account, although the checks were intended for payment on another account; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States, and the Federal Reserve Board and its Board of Governors, to review the Truth in Lending Act (15 U.S.C. Sec. 1601 et seq.), Regulation Z, and other related statutes and regulations that control the information required to be disclosed on the billing statement for charge cards and credit cards, and make appropriate revisions thereto, such that cardholders are required to be advised that the only way to ensure that their check is credited to their account is to inscribe the payee's name and the words "for credit to account number——only," with their account number, on the portion of their check designated "Pay to the order of"; and be it further

"*Resolved*, That the Legislature of the State of California urges that Congress enact a statute or the Federal Reserve Board adopt

a regulation, or both, which would deem this inscription controlling in cases in which the account number inscribed on the payee line on the check is different from the account number on the remittance stub; and be if further

"*Resolved*, That the Legislature of the State of California urges Congress and the Federal Reserved Board to make it clear that this statute, regulation, or both, will apply to all charge cards and credit cards, regardless of use or cardholder status, and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Chairman and each member of the Board of Governors of the Federal Reserve Board."

POM-674. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation.

"ASSEMBLY JOINT RESOLUTION NO. 58

"Whereas, Violence has increased in the lives of young children who live in California; and

"Whereas, The United States is now the country with the most violence in the industrialized world, leading the world in homicides, rapes, and assaults; and

"Whereas, California is home to 12 percent of the nation's 65 million children; and

"Whereas, California's 7.8 million children represent one-quarter of the state's total populations; and

"Whereas, In 1990, handguns were used to kill 87 people in Japan, 68 in Canada, 22 in great Britain, 10 in Australia, and 10,567 in the United States; and

"Whereas, In 1990 Handguns were used to kill 222 children under the age of 10 and 6,795 youths under the age of 25; and

"Whereas, National Trauma Center data reveals a 300 percent increase in hospital admissions involving gunshot wounds to children who were shot by other children (age of 16 or under); and

"Whereas, Gun-related violence takes the life of one American child at least every three hours and the lives of at least 25 children—the equivalent of a classroom—every three days; and

"Whereas, Since the Federal Communications Commission's 1982 decision to deregulate children's commercial television, television time for war cartoons jumped from one and one-half hours per week to 43 hours per week; and

"Whereas, Since deregulation of children's television in the early 1980s, the marketing of violent toys through the media has increased tremendously; and

"Whereas, The incidence of violence in children's television programs has increased from 18.6 acts of violence per hour a decade ago to 26.4 violent acts each hour today; and

"Whereas, Years of research show that children exposed to excessive viewing of television violence become less sensitive to the pain and suffering of others, more fearful of the world around them, and are more likely to behave in aggressive or harmful ways toward others; and

"Whereas, Research also shows that exposure to media violence leads children to see violence as a normal response to stress and as an acceptable means of resolving conflict; and

"Whereas, California's diversity makes it imperative that children develop respect for all cultures and learn about nonviolent means of conflict resolution; now therefore be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature memorializes the Federal Communications Commission to review television's efforts and accomplishments in addressing the impacts of violence on children; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Chairperson of the Federal Communications Commission, and to each Senator and Representative from California in the Congress of the United States."

POM-675. A resolution adopted by the Municipal Assembly of the City of Barranquitas, Puerto Rico relative to Presidential elections; to the Committee on Energy and Natural Resources.

POM-676. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources.

"ASSEMBLY JOINT RESOLUTION NO. 56

"Whereas, Six contiguous years of drought in California and western Nevada have contributed to insect-caused tree mortality rates of 25 to 80 percent in the forest stands within the Lake Tahoe Basin; and

"Whereas, Unless removed, these dead trees will remain for decades and provide the heavy material to fuel intense, disastrous fires into the next century; and

"Whereas, National forest land with heavy tree mortality is located within, and adjacent to, high value urban areas, and even the more removed forest areas present a threat if serious fire conditions occur; and

"Whereas, National forest land occupies 75 percent of the lands within the Lake Tahoe Basin; and

"Whereas, The USDA Forest Service-Lake Tahoe Basin Management Unit has demonstrated that, with adequate funding, it can satisfactorily remove excess quantities of dead and dying trees that pose a serious fire threat; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully requests the Congress of the United States to allocate to the USDA Forest Service-Lake Tahoe Basin Management Unit sufficient funding to meet the immediate and long-term vegetation management needs to address the following:

"(a) Fire hazard reduction on urban lots on national forest land; and

"(b) Reduction of forest fuels accumulations caused by insect-caused tree mortality in the national forest lands surrounding urbanized areas; and

"(c) Forest health on national forest lands throughout the Lake Tahoe Basin to prevent the recurrence of fire threat problems in the future; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, and to each Representative and Senator from California in the Congress of the United States."

POM-677. A resolution adopted by the Lafourche Parish Council of the City of Thibodaux, Louisiana relative to the proposed Floodplain Management, Environmental Restoration, and Recreation Act of 1994; to the Committee on Environment and Public Works.

POM-678. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"ASSEMBLY JOINT RESOLUTION NO. 21

"Whereas, Social security laws, with respect to the taxing of social security as income at the federal level, have not been changed since the additional law was passed in 1993; and

"Whereas, Social security is still taxable if personal income is more than $25,000 (single) or $32,000 (married); and

"Whereas, During that period of time, inflation has increased more than 35 percent, with no change in the limits of taxable income; and

"Whereas, On top of the initial tier of social security taxes, a federal law that imposes an additional higher social security tax was recently enacted whereby, under specified conditions, in the case of a single person earning $34,000 and a married couple earning $44,000, 85 percent of social security benefits are added to taxable income without an upward shift in the first tier threshold of taxable income; and

"Whereas, Senior income increases at a very low percentage but the amount of social security that is taxed is increasing each year; and

"Whereas, The people who are affected by this inflation are the people who can least afford it; and

"Whereas, Those income limits, which include both social security and any tax-free income, no longer represent a fair amount of earnings to warrant tax on social security; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to enact legislation to eliminate the two tier taxation of social security by allowing a single person to earn $34,000 and a married couple to earn $44,000 before any portion of their social security is taxed; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice president of the United States, to the Speaker of the House of Representatives, to the Chairpersons of the House and Senate Committees on Aging, and to each Senator and Representative from California in the Congress of the United States."

POM-679. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"ASSEMBLY JOINT RESOLUTION NO. 66

"Whereas, A child under the age of 18, or a son, daughter, or spouse who provides in-home care services to a disabled family member for compensation from that disabled family member may not be subject to employment taxes; and

"Whereas, Among 13 million households with disabled persons, there are 7 million Americans who are spouses or children of an older adult with a disability; and

"Whereas, 80 to 90 percent of the care for disabled older Americans is provided by a family member; and

"Whereas, The federal government requires a disabled person, who compensates any immediate family member over one thousand dollars ($1,000) per quarter for providing in-home domestic services, to pay certain employment taxes; and

"Whereas, If a disabled person is able and willing to compensate any immediate family member for in-home domestic services in order for the person to maintain his or her quality of life and independence, that person should not be considered an employer; and

"Whereas, In order for an immediate family member to perform in-home domestic services for a disabled family member, the immediate family member may have to be compensated in order to maintain his or her livelihood and should not be considered an employee; and

"Whereas, Exempting disabled family members from paying employment taxes could potentially result in additional family members taking on the role of providing in-home care services and thereby allow those immediate family members who have been providing those services to better maintain their livelihood; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to enact legislation that would exempt disabled persons from paying any employment taxes when they compensate any immediate family member who provides domestic services in their home; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-680. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

"ASSEMBLY JOINT RESOLUTION NO. 55

"Whereas, The people of the State of California enjoy a sister state relationship with the people of the Republic of China on Taiwan; and

"Whereas, Commercial interaction with the Republic of China on Taiwan has grown substantially in recent years, to the benefit of our state; and

"Whereas, A democratic, multiparty political system has been smoothly established in the Republic of China on Taiwan in recent years; and

"Whereas, The direct role of the Republic of China on Taiwan in international development programs and humanitarian relief operations has expanded significantly during the past decade, often in close coordination with our nation's efforts; and

"Whereas, Seven Central American countries have proposed to the Secretary General of the United Nations that a supplementary item be included in the provisional agenda of the 48th General Assembly session to consider the exceptional situation of the Republic of China on Taiwan in the international community, based on the principle of universality, and in accordance with the established pattern of parallel representation by divided countries in the United Nations; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That our ongoing commercial relationship with the people of the Republic of China on Taiwan should be recognized as serving our mutual interest in an equitable and reciprocal manner; and be it further

"*Resolved*, That the record of the Republic of China on Taiwan in light of her democratization at home and humanitarian service abroad, be accorded appropriate recognition by the people of this state; and be it further

"*Resolved*, That due consideration should be given by the United States to the readiness of the Republic of China on Taiwan for the latter's further contributions to the broader participation in the international community, including the United Nations and such forums as multilateral trade associations, and humanitarian relief organizations; and be if further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the United States House of Representatives, and each Senator and Representative from California in the Congress of the United States."

POM-681. A resolution adopted by the Town Council of Kittery, Maine relative to unfunded Federal mandates; to the Committee on Governmental Affairs.

POM-682. A resolution adopted by the City Council of Augusta, Maine relative to unfunded Federal mandates; to the Committee on Governmental Affairs.

POM-683. A resolution adopted by the City Council of Saco, Maine relative to unfunded Federal mandates; to the Committee on Governmental Affairs.

POM-684. A resolution adopted by the Town of Skowhegan, Maine relative to unfunded Federal mandates; to the Committee on Governmental Affairs.

POM-685. A resolution adopted by the City Council of Camarillo, California relative to unfunded Federal mandates; to the Committee on Governmental Affairs.

POM-686. A resolution adopted by the Town Council of Gorham, Maine relative to unfunded Federal mandates; to the Committee on Governmental Affairs.

POM-687. A resolution adopted by the Board of County Commissioners of Catron County, New Mexico relative to unfunded Federal mandates; to the Committee on Governmental Affairs.

POM-688. A joint resolution adopted by the Legislature of the State of California; to the Committee on Governmental Affairs.

"ASSEMBLY JOINT RESOLUTION NO. 72

"Whereas, The California Department of Finance has calculated that the state faces federal mandates in 1993-94 of $7.5 billion and in 1994-95 of $7.7 billion; and

"Whereas, These mandates place the economy of the State of California in a precarious position since these mandates divert funds whose use could be better determined by the people of the State of California; and

"Whereas, The federal government should provide the necessary funds for federally mandated programs or relieve the State of California from those mandates; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California, respectfully memorializes the President and Congress of the United States to provide funding for, or relieve the State of California from, federally mandated programs; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

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. GORTON (for himself, Mr. BRYAN, and Mr. MCCAIN):

S. 2567. A bill to amend the Internal Revenue Code of 1986 to extend the exemption for commercial aviation from the transportation fuels tax ; to the Committee on Finance.

By Mr. WALLOP:

S. 2568. A bill to enhance the management of public lands, reduce Federal expenditures associated with such lands, and empower states with respect to the ownership and control over lands that are or have been part of the public domain, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 2569. A bill to prohibit the United States from entering into any international agreement which would prevent full implementation of the United Nations moratorium on large-scale driftnet fishing on the high seas; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HATCH (for himself, Mr. STEVENS, Mr. BURNS, Mr. BENNETT, and Mr. MURKOWSKI):

S. Res. 288. A resolution to request that the Secretary of the Interior withdraw proposed regulations concerning rights-of-way granted under section 2477 of the Revised Statutes, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOLE:

S. Res. 289. A resolution to authorize the President of the Senate to administer the oath of office to the Honorable Fred Thompson of Tennessee; considered and agreed to.

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 290. A resolution appointing a committee to notify the President concerning the proposed adjournment of the session; considered and agreed to.

S. Res. 291. A resolution tendering the thanks of the Senate to the Vice President for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate; considered and agreed to.

S. Res. 292. A resolution tendering the thanks of the Senate to the President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate; considered and agreed to.

By Mr. DOLE:

S. Res. 293. A resolution to commend the exemplary leadership of the Majority Leader; considered and agreed to.

By Mr. MITCHELL:

S. Res. 294. A resolution to commend the exemplary leadership of the Republican Leader; considered and agreed to.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON (for himself, Mr. BRYAN and Mr. MCCAIN):

S. 2567. A bill to amend the Internal Revenue Code of 1986 to extend the exemption for commercial aviation from

the transportation fuels tax; to the Committee on Finance.

THE COMMERCIAL AVIATION FUEL TAX EXEMPTION EXTENSION ACT

• Mr. GORTON. Mr. President, today I am introducing legislation on behalf of myself, Senator BRYAN, and Senator MCCAIN to extend the current tax exemption on commercial aviation fuel which is due to expire on October 1, 1995.

Over the past 4 years, U.S. airlines have lost over $12 billion. During that time they have either canceled or deferred orders and options for more than 1,000 aircraft. As a result, 125,000 aircraft manufacturing jobs have been eliminated. Each aircraft order that is canceled translates into job losses of approximately 250 airline employees and almost 5,000 manufacturing employees.

If the 4.3-cents-per-gallon tax goes into effect on October 1, 1995, it will cost the airlines more than $527 million annually. It will only escalate employee layoffs, aircraft order cancellations, and service cutbacks. Recognizing this, the chairman of President Clinton's own National Airline Commission has written to the President to urge that the exemption be extended.

Mr. President, I recognize that this is the last day of the 103d Congress, and that this legislation will not be enacted prior to adjournment. Nonetheless, I am introducing this bill to underscore the importance of this issue and to serve notice that I will reintroduce it at the beginning of the 104th Congress.

Mr. President, a majority of Senators have already indicated their support for an extension of the jet fuel tax waiver. I ask unanimous consent that the following items be printed in full in the RECORD.

A copy of a letter to President Clinton signed by 56 Senators.

Letters to the President from Senators HOLLINGS, FAIRCLOTH, and HELMS and Congressmen KYL, INHOFE, SANTORUM, WATT, QUINN, MCCURDY, and BYRNE.

A letter to the President signed by the leadership of the House Public Works Committee.

Letters from Arkansas Governor Jim Guy Tucker, Texas Governor Ann Richards and Hawaii Governor Jim Waihee.

A list of organizations supporting extension of the waiver.

A letter to the President from the Transportation Trades Department of the AFL-CIO.

A letter to the President from former Virginia Governor Gerald Baliles, chairman of the National Airline Commission.

A list of airports that support extension of the waiver.

Mr. President, extension of the fuel tax exemption for the airlines is vitally important to the health of the entire aviation industry. This industry has suffered through four devastating years and is just now beginning to show signs of improvement. The airlines must be allowed to recover and cannot afford one more enormous tax increase.

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

U.S. SENATE,
Washington, DC, October 7, 1994.

President William J. Clinton,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: In 1993, when Congress enacted the Administration's $500 billion deficit reduction plan, an overwhelming majority of Members of the United States Senate believed that the 4.3 cent per gallon tax on transportation fuels should not apply to the financially troubled airline industry. While the Senate passed version of the bill included a full five year exemption for the airline industry, the compromise reached by the conference committee reduced the exemption to two years. The exemption expires on October 1, 1995.

In the meantime, the airline industry continues to struggle. Over the past four years, the industry's losses have totaled a staggering $12.8 billion. Although there have been some signs of recovery, the industry suffered $150 million in losses in the first half of 1994. The possibility of the fuel tax applying to the industry could not come at a worse time. The industry is faced with massive fleet replacement restrictions mandated by the government. It is conservatively estimated that it would cost $7–$8 billion a year for the industry to meet noise requirements, as well as replace aging aircraft.

In its final report last year, the National Airline Commission stated that to return the industry to profitability, Congress must act to "relieve the airline industry of its unfair tax and user fee burden." In addition, the Commission recognized that the airline industry is already under an enormous tax burden. Adding an additional tax at this point will cause even greater losses and layoffs, and is not in the best interests of our nation's travel and tourism industry.

Given the current state of the airline industry, and the potential adverse impact of new taxes on the industry, we are requesting that the Administration include in its FY 1996 budget an extension of the tax exemption on domestic jet fuel through September 30, 1998. Providing this exemption will give this beleaguered industry a chance to resolve other pressing financial issues and find firmer economic ground in its attempt to compete in the global marketplace.

Sincerely,

Richard H. Bryan, Paul Simon, Claiborne Pell, Lauch Faircloth, John Glenn, Richard Shelby, Jim Sasser, Don Nickles, Byron Dorgan, Kay Bailey Hutchison, Charles Robb, Ben Nighhorse Campbell, Harris Wofford, John McCain.

Also, Harlan Mathews, Arlen Specter, Christopher Dodd, Larry Pressler, Kent Conrad, Ted Stevens, Harry Reid, Dan Coats, Orrin Hatch, Paul Sarbanes, John Danforth, David L. Boren, Slade Gorton, Frank H. Murkowski, Sam Nunn, Thad Cochran, John Warner, and Connie Mack.

Also, Howell Heflin, Alfonse D'Amato, Malcolm Wallop, Strom Thurmond, Daniel K. Akaka, Joseph I. Lieberman, Patty Murray, Nancy Landon Kassebaum, Bob Dole, Mark Hatfield, Carol Moseley-Braun, Dennis DeConcini, Jeff Bingaman, William S. Cohen, Herb Kohl, Robert F. Bennett, Tom Harkin, Pete Domenici, Robert C. Smith, Kit Bond, Paul D. Coverdell, Barbara A. Mikulski, Daniel K. Inouye, Hank Brown.

COMMITTEE ON COMMERCE, SCIENCE, *and Transportation,*
Washington, DC, November 4, 1994.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: On October 7, 1994, fifty-six of my colleagues wrote to you expressing their desire to extend the current gasoline tax exemption for the airline industry. I want to let you know that I too support the need to extend further the exemption. In 1993, in accordance with the Administration's $500 billion deficit reduction plan, the House and Senate both agreed that a two-year exemption of the 4.3 cents per gallon gasoline tax should apply to the commercial airline industry due to its precarious economic situation. The exemption expires on October 1, 1995, and I believe it should be extended.

When you first took office, you visited Seattle and met with the aircraft manufacturers and airline CEOs to stress the importance of this industry to our economic recovery. While the economic recovery of our nation continues, the imposition of a fuel tax could have a harmful impact on the airlines' chances for economic recovery. Over the last four years the industry has lost more than $12.8 billion. The airlines' ability to provide service, particularly to small communities, is at risk and could be at greater risk should the fuel tax apply to them. I urge you to support an extension of the exemption until September 30, 1998, so that the industry may continue to work on its economic problems.

With kindest regards, I am

Sincerely,

ERNEST F. HOLLINGS,
Chairman.

U.S. SENATE,
Washington, DC, October 10, 1994.

Hon. WILLIAM J. CLINTON,
Office of the President,
Washington, DC.

DEAR MR. PRESIDENT: In 1993 when Congress enacted the Administration's $500 billion deficit reduction plan, an overwhelming majority of Members of the United States Senate believed that the 4.3 cent per gallon tax on transportation fuels should not apply to the financially troubled airline industry. As a result, a compromise was reached to defer the implementation of the tax on the airline industry until October 1, 1995.

As you recognized when you established the National Airline Commission, the industry—which is critical to the economic development of our country and to our balance of trade payments—continues to struggle. Over the past four years, the industry's losses have totaled a staggering $12.8 billion. Although there have been some signs of recovery, the industry suffered $150 million in losses in the first half of 1994.

The prospect of this jet fuel tax applying to this industry effective in October of next year is alarming. If the tax had been in effect this year, it would have added a new tax burden of $527 million per year to the industry—clearly worsening the industry's financial situation. As recognized by your Commission, this industry is already under an enormous tax burden. In addition to federal income taxes and state taxes, the passenger and cargo excise taxes which are equivalent to a 45.82 per gallon fuel tax. In addition, the airlines indirectly pay or collect a 10% ticket tax and numerous other fees. Overall,

about 25% of the price of a ticket goes to taxes.

The possibility of the fuel tax applying to this industry could not come at a worse time. The industry is faced with massive fleet replacement restrictions—mandated by the government. it is conservatively estimated that it would cost $7–$8 billion a year for the industry to meet noise requirements, as well as replace existing aircraft.

In order to restructure itself and remain competitive, the industry has let thousands of employees go because of financial losses. Since 1992, over 20,000 employees have been furloughed or terminated at our major airlines. At the same time, the industry has deferred billions of dollars of capital investment because of this bleak economic situation. This deferral itself has meant that the industry will employ tens of thousands fewer people this year than expected.

In its final report last year, the National Airline Commission stated that to return the industry to profitability, Congress must act to "relieve the airline industry of its unfair tax and user fee burden." The airline industry and its 540,000 employees, joined by the aircraft manufacturing industry, ask you to give serious attention to your Commission's recommendation and continue the industry's exemption from the 4.3 cent per gallon transportation fuel tax beyond its October, 1995 expiration date. Otherwise, the industry will be faced with the need to layoff additional employees and continue to shrink. This is not in the interest of our nation's travel and tourism industry which is so critical to this country.

Given the state of the industry, we are requesting that the Administration extend the tax exemption on domestic jet fuel that expires on September 30, 1995 to September 30, 1998. This would give this beleaguered industry a chance to resolve other pressing financial issues and find firmer economic ground in its attempt to compete in the global marketplace.

Sincerely,

JESSE HELMS,
LAUCH FAIRCLOTH,

HOUSE OF REPRESENTATIVES,
Washington, DC, October 14, 1994.

Hon. BILL CLINTON,
President of the United States of America,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: The Omnibus Budget Reconciliation Act of 1993 included provisions to exempt the financially troubled airline industry from the 4.3 cents per gallon tax on transportation fuels for a period of two years. The exemption expires on October 1, 1995.

As you know, the airline industry continues to struggle, with industry losses over the last four years totalling more than $12 billion. Although there have been some signs of recovery; losses totalled $150 million in the first half of 1994 alone. Those continuing losses come at a time when the industry is facing costly federal mandates to modify its fleet, e.g. to meet noise requirements, and replace aging aircraft—at a cost of between $7 billion and $8 billion. The imposition of the fuel tax at the start of the next fiscal year could not come at a worse time.

Given the state of the airline industry and the adverse impact new taxes are likely to have on its ability to recover and thrive, I urge you to include in your FY96 budget an extension of the tax exemption on domestic jet fuel through September 30, 1998.

Thank you for your consideration.

Sincerely,

JON KYL,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 27, 1994.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to express my concern about the impending expiration of the transportation fuel tax exemption.

In 1993, when Congress enacted the Administration's $500 billion deficit reduction plan, it included a 4.3 cent-per-gallon tax on transportation fuels. However, because of the immense financial losses plaguing the airline industry, the tax was deferred until 1993.

In the past four years, the industry's losses have exceeded $12 billion, while more than 120,000 airline employees have lost their jobs and 125,000 U.S. aircraft manufacturing jobs have been eliminated.

Moreover, the industry is now facing government-mandated fleet replacements to meet "Stage 3" aircraft noise requirements at a cost of roughly $7–8 billion a year to the industry for the foreseeable future.

In its final report last year, the National Airline Commission recognized the industry must be relieved of its "unfair tax and user fee burden," and recommended "exempting airline fuel from any proposed transportation fuel tax." We ask that you give serious attention to that recommendation and continue the industry's exemption from the jet fuels tax before it expires in 1995.

Providing the exemption will give the airline industry a chance to regain its financial footing and remain competitive in the international marketplace.

Sincerely,

JAMES M. INHOFE,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC, November 1, 1994.

Hon. WILLIAM JEFFERSON CLINTON,
The White House,
Washington, DC

DEAR MR. PRESIDENT: I am writing with regard to the October 1, 1995 expiration of the airline industry fuel tax exemption.

The 1993 Omnibus Budget Reconciliation Act (OBRA) imposed a new 4.3 cents per gallon tax on transportation fuels. The conference agreement for the OMRA '93 bill provided a short-term exemption for gasoline and jet fuel used in commercial aviation. That exemption is set to expire next year, however, and the tax will become effective for commercial aviation on October 1st. A floor stocks tax assessment is also scheduled to become effective on that same date.

In preparing your budget recommendations for fiscal year 1996, I hope you would review the current airline industry tax exemption and consider an extension of that exemption in hopes of bolstering the industry's economic recovery. Over the past four years, the airline industry as a whole has suffered losses of $12.8 billion. Since 1990 in particular, U.S. airlines have had workforce reductions of 120,000 and have witnessed corresponding reductions of 125,000 employees in the aircraft manufacturing sector due to cancellation or deferment of approximately 1,000 aircraft orders and options.

Federal tax policies have contributed directly to the industry's financial problems. Tax collection from the industry over the past four years has resulted in cumulative losses of $12 billion. As jet fuel remains the industry's second largest operating cost for airlines, the pending imposition of the new fuels tax carries a projected annual cost to airlines of $527 million. As the industry struggles to regain its financial footing, this new tax will be a further setback and could exacerbate additional employee layoffs, aircraft order cancellations, and service cutbacks.

I appreciate your time and consideration of this matter.

Sincerely,

RICK SANTORUM,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 27, 1994.

Hon. WILLIAM J. CLINTON,
The White House,
Washington, DC

DEAR MR. PRESIDENT: I am writing to express my concern about the scheduled imposition of the fuel tax on the airline industry. This tax on commercial aviation jet fuel was included as part of last year's budget deficit reduction package and is scheduled to go into effect on October 1, 1995.

USAir, which is a major employer and has a hub at the Charlotte Airport in my congressional district, has expressed deep concern about the jet fuel tax. USAir is struggling particularly hard to recover from the huge losses suffered by the airline industry during the recession and from other business adversities. The imposition of the fuel tax would have a major, adverse effect on its ability to recover.

Because of the importance of USAir and the airline industry to the economic health of my congressional district and the Nation as a whole, I ask you to consider including a deferment of the fuel tax for the industry in the Administration's budget for FY 1996. Deferring the tax until the industry is better able to sustain it will greatly assist in the industry's recovery and will contribute to the improving economic health and employment picture of the Nation.

Thank you for you attention to this request. I look forward to continuing to work with you on important issues in the balance of this Congress and next year.

Sincerely,

MELVIN L. WATT.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 18, 1994.

President WILLIAM J. CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to you regarding a tax imposed on transportation fuels, which was part of your budget reconciliation plan enacted last year. This additional tax on transportation fuels of 4.3 cents-per-gallon was imposed with a two-year deferment, in the hopes that by 1995 the airline industry would be in better financial standing and consequently able to handle the additional tax burden.

Unfortunately, as I am sure you are aware, the financial situation of the airline industry has only gotten worse. Financial losses, along with the loss of some 60,000 airline jobs and an already-imposed ticket tax of 10% make the airlines unable to handle any further tax burdens. Moreover, the size of the airline industry makes its financial viability essential to our country's economic recovery. For these reasons, I urge you to consider a continued deferment of this fuel tax. I ask that this deferment be imposed indefinitely so that the airline industry can once again gain firm financial standing.

I'm sure you would agree that the airline industry greatly contributes to the economic stability of our country. If I can assist you further regarding this matter, please do not hesitate to contact me.

Thank you very much for your consideration of this issue.

Very truly yours,

JACK QUINN,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 20, 1994.

Hon. WILLIAM JEFFERSON CLINTON,
The President,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to express my concern about the impending expiration of transportation fuel tax exemption.

In 1993, when Congress enacted the Administration's $500 billion deficit reduction plan, it included a 4.3 cent-per-gallon tax on transportation fuels. However, because of the immense financial losses plaguing the airline industry, the tax was deferred until 1995.

In the past four years, the industry's losses have exceeded $12 billion, while more than 120,000 airline employees have lost their jobs and 125,000 U.S. aircraft manufacturing jobs have been eliminated.

Moreover, the industry is now facing government-mandated fleet replacements to meet "Stage 3" aircraft noise requirements, at a cost of roughly $7–8 billion a year to the industry for the foreseeable future.

In its final report last year, the National Airline Commission recognized the industry must be relieved of its "unfair tax and user fee burden," and recommended "exempting airline fuel from any proposed transportation fuel tax." We ask that you give serious attention to that recommendation and include in the Administration's budget next year a continuation of the industry's exemption from the jet fuels tax.

Providing the exemption will give the airline industry a chance to regain its financial footing and remain competitive in the international marketplace.

Sincerely,

DAVE MCCURDY.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 28, 1994.

Hon. WILLIAM J. CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to raise my concerns about the 4.3 cents-per-gallon gasoline tax that passed last year but was deferred for the airline industry until October 1, 1995. With the airline industry continuing to experience financial losses, I ask that you continue your strong commitment to strengthening the airline industry by deferring the imposition of this tax in your budget proposals until the airline industry is in better financial shape.

This issue is of particular concern to my constituents because of the economic stimulus that one particular carrier, USAir, has in Virginia. USAir is Virginia's largest air carrier employing over 4,947 people and pumping over $2 billion into the Virginia economy annually. Their economic viability is intricately linked to the economic health and well-being of many of my constituents, with their payroll exceeding $12,545,924 in the 11th Congressional District.

As you know, when the 4.3 cents-per-gallon tax passed in August, 1993, as part of the deficit reduction plan, it was deferred for the airline industry until October 1, 1995, with the hope that the industry would be out of the financial woods at that time. A 10% ticket tax was imposed specifically in lieu of a fuel tax, which means that the industry is already contributing $5.129 billion toward deficit reduction.

Recent reports indicate that the industry continues to experience financial woes. Imposing the gas tax on top of the 10% ticket tax at this sensitive time could jeopardize the health and viability of the airline industry and threaten our nation's economic recovery. Therefore, I ask that you continue to defer this tax in your budget proposals until the airline industry is in better financial shape.

Thank you for your leadership on this matter and your commitment to strengthening the airline industry. I look forward to continuing to work with you on issues affecting the health of the airline industry.

Sincerely,

LESLIE L. BYRNE,
Member of Congress.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, November 16, 1994.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We are writing to urge that the Administration include in its FY 1996 budget an extension (through September 30, 1998) of the airline industry exemption from the domestic jet fuel tax. A continued exemption is justified as a matter of fairness to the airline industry which is already paying more than its share of special taxes. The extended exemption will also enable the industry to continue its recovery from recent catastrophic financial losses, which have undermined the industries' ability to compete in the global marketplace.

The airline industry is already subject to an overwhelming array of special taxes. Federal taxes imposed exclusively, or primarily, on the airlines include a 10% excise tax on airline tickets, a 6.25% excise tax on cargo shipments, a $6 per passenger international departure tax, special taxes to support customs, immigration, and agricultural inspection services, and a $3 passenger facilitation charge at many major airports. These taxes impose costs of $6.7 billion a year on an industry with total revenues of $64 billion a year.

The heavy taxes have been an important factor in the industry's cumulative losses, which exceeded $12 billion over the past four years. If the industry is profitable in 1994, profits are not expected to exceed $1 billion.

The industry's poor financial results have to led the elimination of 125, 000 high paying jobs. The impacts have extended beyond the airlines and into this country's most successful export business—aircraft manufacturing. Since 1990, U.S. airlines have canceled or deferred orders and options for more than 1,000 new aircraft.

In recognition of the airlines' financial difficulties and high tax burden, the 1993 deficit reduction package exempted airlines from the new 4.3 cents per gallon tax on jet fuel for two years. Since the condition of the airline industry has not changed significantly, the exemption should be continued. The industry is in no position to pay the additional $527 million a year which this tax would cost. The elastic demand for air travel prevents airlines from raising their fares to cover these added costs. The price sensitive market means any increase in air fares is likely to be offset by a decline in passengers. An additional $527 million tax burden would wipe out much of the industry's estimated profit for 1995, further exacerbating the industry's tenuous financial position.

Mr. President, as your Administration prepares its fiscal year 1996 budget, we respectfully ask that this budget include an extension of the exemption of airlines from the commercial aviation fuel tax, through September 30, 1998. This action would forcefully demonstrate your Administration's strong commitment to the vital travel and tourism sector of our nation's economy.

Sincerely yours,

BUD SHUSTER,
Ranking Republican, Committee on Public Works Transportation.

WILLIAM F. CLINGER, JR,
Ranking Republican, Subcommittee on Aviation.

NORMAN Y. MINETA,
Chair, and Committee on Public Works and Transportation.

JAMES L. OBERSTAR,
Chairman, Subcommittee on Aviation.

STATE OF ARKANSAS,
OFFICE OF THE GOVERNOR,
Little Rock, AR, November 1, 1994.

Hon. WILLIAM J. CLINTON,
President of the United States,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: On October 1, 1995, the airline industry's exemption from the 4.3 cents per gallon transportation fuels tax will expire. Unfortunately with that date fast approaching, the U.S. airlines are far from being able to absorb an additional $527 million annually. Still recovering from four years of staggering losses totaling over $12 billion and with $150 million loss during the fist half of this year, any new tax could not come at a more fragile time for the industry.

As your National Airline Commission indicated in its report last year, the airlines are already under heavy tax burden. In addition to the federal and state taxes paid by all businesses, the airlines pay over $5.4 billion annually in passenger and cargo excise taxes—the equivalent of a 45.8 cents per gallon fuel tax. Now at a time when the industry also faces fleet replacement costs conservatively estimated at $7 to $8 billion a year to comply with mandated quiet-technology requirements, the prospect of a new tax is especially devastating.

As a former governor, you understand that a healthy U.S. airline industry is critical to the vitality of a state's economy, especially in the way it serves as a catalyst for our booming travel and tourism sector.

On behalf of the state of Arkansas, I respectfully request that your administration's FY 1996 budget include an extension of the tax exemption on commercial aviation fuel through September 30, 1998.

Sincerely,

JIM GUY TUCKER.

STATE OF TEXAS,
OFFICE OF THE GOVERNOR,
Austin, TX, October 25, 1994.

Hon. WILLIAM J. CLINTON,
The President,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: On October 1, 1995, the airline industry's exemption from the 4.3 cents per gallon transportation fuels tax will expire. Unfortunately, with that date fast approaching, the U.S. airlines are far from being able to absorb an additional $527 million annually. Still recovering from four

years of staggering losses totaling over $12 billion and with $150 million loss during the fist half of this year, any new tax could not come at a more fragile time for the industry.

As your National Airline Commission indicated in its report last year, the airlines are already under a heavy tax burden. In addition to the federal and state taxes paid by all businesses, the airlines pay over $5.4 billion annually in passenger and cargo excise taxes—the equivalent of a 45.8 cents per gallon fuel tax. Now, at a time when the industry also faces fleet replacement costs conservatively estimated at $7 to $8 billion a year to comply with mandated quiet-technology requirements, the prospect of a new tax is especially devastating.

As a former governor, you understand that a healthy U.S. airline industry is critical to the vitality of a state's economy, especially in the way it serves as a catalyst for our booming travel and tourism sector. Because the airlines have such a large direct impact on the Texas economy—boarding over 48 million passengers annually and employing over 61,000 in this state—it is crucial that government does all it can to assist the industry in its recovery.

On behalf of the state of Texas, I respectfully request that your administration's FY 1996 budget include an extension of the tax exemption on commercial aviation fuel through September 30, 1998.

Sincerely,

ANN W. RICHARDS,
Governor.

EXECUTIVE CHAMBERS,
Honolulu, HI, November 2, 1994.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I urge you to include in your Fiscal Year 1996 budget a two-year extension of the tax exemption presently authorized on commercial aviation fuel. In my view, the airlines are still struggling to become consistently profitable and need assistance in reducing their tax burden.

The State of Hawaii has provided financial support for airlines serving the State through a subsidy to reduce airport fees and charges. The special fund of the State airport program will provide the subsidy through the 1997 fiscal year. Funds came from cash reserves generated by airport concessions and were intended for airport improvement projects.

With Hawaii's dependence on reliable, regular air service to support our tourism industry and for intra- and inter-state transportation for our citizens, we feel it is urgent that our nation's airline industry be assisted until it becomes financially stable. Extending the fuel tax exemption will provide some of the relief they need.

Your favorable consideration of our request is appreciated.

With kindest regards,

Sincerely,

JOHN WAIHEE.

DECEMBER 1994.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: For two reasons, next year will be an extremely important one for the travel and tourism industry: Your Administration will highlight the significance of our industry to our nation's economy by hosting the White House Conference on Travel and Tourism. Unfortunately, next year will also be the year in which the backbone of our industry, the U.S. airline industry, will lose its exemption from the 4.3 cents per gallon tax on transportation fuels. As your Administration works to develop its budget for the coming fiscal year, we respectfully ask that you extend the current exemption on commercial aviation fuel.

As you are probably aware, the U.S. airline industry has lost a staggering $12.8 billion since 1990. More devastating, however, has been the decimation of airline, aircraft manufacturing and travel and tourism jobs. During this same period, nearly 120,000 U.S. airline employees and 125,000 U.S. aircraft manufacturing employees have lost their jobs. While the industry has recently shown small signs of recovery, U.S. airlines collectively suffered $150 million in losses during the first half of 1994. Sadly, on October 1, 1995, the airline industry's exemption from the transportation fuels tax will expire. At current consumption levels, this new 4.3 cents per gallon tax will amount to an additional $527 million annual burden on this industry. Almost certainly, this new tax will wipe out any profit the industry had hoped to make in 1995, and further exacerbate the industry's already tenuous financial position. Because the airlines have such a large impact on our economy—transporting nearly 500 million passengers each year—they are a major catalyst for the entire U.S. travel and tourism industry, as well as the economy as a whole. Whether the fuel tax results in higher fares or more service cutbacks, the repercussions will be felt throughout our industry by hotel, restaurant, rental car, and all other travel industry employees.

In its final report to Congress and your Administration last year, the National Airline Commission stated that, to return the industry to profitability, Congress must act to "relieve the airline industry of its unfair tax and user fee burden." The Commission clearly recognized that the U.S. airline industry is already under an enormous tax burden. In addition to the federal and state taxes paid by all businesses, the airline industry is currently paying over $5.4 billion annually in passenger and cargo excise taxes—the equivalent of a 45.8 cents per gallon fuel tax. Airlines indirectly pay or collect a 10 percent ticket tax, a $6.00 International Departure Tax, a $6.50 Customs User Fee, a $6.00 Immigration User Fee and a $1.45 Agriculture Inspection Fee.

Mr. President, as your Administration prepares its Fiscal Year 1996 budget, we respectfully ask that this budget include an extension of the tax exemption on commercial aviation fuel. With the White House Conference on Travel and Tourism already underway, this one action would forcefully demonstrate your Administration's strong commitment to this vital sector of our nation's economy.

Sincerely,

Aerospace Industries Association, Air Freight Association of America, Air Midwest, Inc., Air Wisconsin Airlines Corporation, African-American Travel and Tourism Association, Alamo Rent-A-Car, Allegheny Commuter Airlines, Inc.

Allied Tours, Allied Signal, Inc., American Express Company, American Hotel and Motel Association, American Recreation Coalition, American Society of Travel Agents, Arizona Airways, Inc.

Association of Retail Travel Agents, Atlantic Southeast Airlines, Inc., Bemidji Aviation Services, Inc., The BF Goodrich Company, The Boeing Company, Greater Boston Convention and Visitors Bureau, Business Express, Inc., California Chamber of Commerce, California Travel Industry Association, Cascadia Airlines.

Chautauqua Airlines, Inc., Chicago Convention and Tourism Bureau, Citicorp Diners Club, Cleveland Growth Association, Colorado Association of Commerce and Industry, Colorado Hotel and Lodging Association, Colorado Ski Country USA, Comair, Inc., CommutAir, Conquest Airlines Corporation.

Continental Express, Inc., CUC Travel Services, Inc., Dallas Convention and Visitors Bureau, Denver Metro Convention and Visitors Bureau, Embry-Riddle Aeronautical University, Empire Airlines, Executive Airlines, Inc., Fairmont Hotels.

Flagship Airlines, Inc., Florida Gulf Airlines, General Electric Company, Georgia Hospitality and Travel Association, GP-Express Airlines, Inc., Gray Line Air.

Great Lakes Aviation, Ltd., Gulfstream International Airlines, Inc., Greater Hartford Tourism District, The Hertz Corporation, Hilton Hotels & Resorts, Hilton International, Holiday Inn, Honeywell, Inc., Horizon Air Industries, Inc., Hospitality Sales and Marketing Association International.

Greater Houston Partnership, Hyatt Hotels Corporation, Hyatt Regency Denver, Intercontinental Hotels, International Airline Passengers Association, International Association of Convention and Visitor Bureaus, Jetstream International Airlines, Inc., Las Vegas Convention and Visitors Authority, Liberty Express Airlines, Lone Star Airlines.

Louisiana Travel Promotion Association, McDonnell Douglas Corporation, Meeting Professionals International, Mesa Airlines, Inc., Mesaba Aviation, Inc., Greater Miami Convention and Visitors Bureau, Michigan Hotel, Motel and Resort Association, Greater Minneapolis Convention and Visitors Bureau, Nantucket Airlines/Cape Air.

National Air Carrier Association, National Association of RV Parks and Campgrounds, National Council of Area and Regional Tourism Organizations, National Park Hospitality Association, National Restaurant Association, New York State Hospitality and Tourism Association, Pacific Air.

Paradise Island Airlines, Inc., Passenger Vessel Association, Piedmont Airlines, Inc., Greater Pittsburgh Convention and Visitors Bureau, Greater Raleigh Convention and Visitors Bureau, Recreational Vehicle Industry Association, Red Lion Hotels & Inns, Regional Airline Association.

Rockwell Collins Commercial Avionics, Sandals Resorts, San Francisco Convention & Visitors Bureau, SkyWay Airlines, SkyWest Airlines, Inc., Society of Travel Agents in Government, Trans States Airlines, Inc., Trans World Express, Inc.

Travel Council of North Carolina, Travel Industry Association of America, Travel and Tourism Government Affairs Council, United States Tour Operators Association, United Technologies Corporation, Washington Airports Task Force, Wings Airways, Wings West Airlines, Inc., Wyndham Hotels and Resorts.

TRANSPORTATION TRADES DEPARTMENT,
Washington, DC, Nov. 3, 1994.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: Since 1990, the U.S. airlines have lost a combined total of more than $12.8 billion. While the financial suffering has been substantial, what is clearly most distressing is the toll these losses have had on the industry's employees. In the preceding 4 years, nearly 120,000 U.S. airline employees and 125,000 U.S. aircraft manufacturing employees have lost their jobs.

During this same period, employees of nearly every U.S. airline have sacrificed pay and/or benefits annually totaling in the billions of dollars. Unfortunately, while employees have contributed their fair share to help bring this industry back to sustained profitability, next year the government will impose a new commercial aviation fuel tax which will almost certainly result in additional airline employee layoffs. As representatives of the vast majority of these employees whose jobs have already been lost, we ask that, as your administration works to develop its budget for the coming fiscal year, you not jeopardize the concessions made by labor and extend the current exemption on commercial aviation fuel through September, 1998.

In its final report to Congress and your Administration last year, the National Airline Commission stated that, to return the industry to profitability, Congress must act to "relieve the airline industry of its unfair tax and user fee burden." The Commission clearly recognized that U.S. airlines are already under an enormous tax burden, and currently pay taxes and fees totaling the equivalent of a 45.8-cents-per-gallon fuel tax. Although the industry has recently begun to show modest signs of financial improvement, U.S. airlines collectively suffered losses of $150 million during the first half of 1994. When the industry's exemption from the transportation fuels tax expires on October 1, 1995, this new 4.3 cents per gallon tax will amount to an additional $527 million annual burden on this industry—a burden our employees simply cannot bear.

Mr. President, airline industry employees are some of the most highly-trained, productive and efficient employees of any U.S. industry. We ask that you not jeopardize the fragile economic environment under which our employees work, and extend the current tax exemption on commercial aviation fuel through September, 1998.

Sincerely,

J. RANDOLPH BABBITT,
President, Air Line Pilots Association.

DEE MAKI,
Association of Flight Attendants.

WILLIAM SCHERI,
General Vice President, International Association of Machinists and Aerospace Workers.

RON CAREY,
President, International Brotherhood of Teamsters.

BARRY KRASNER,
National President, National Air Traffic Controllers, Association/MEBA.

SONNY HALL,
International President, Transport Workers Union of America.

HUNTON & WILLIAMS,
Richmond, VA Oct. 18, 1994.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: Among the bright spots on today's economic landscape is the improved performance of the U.S. airline industry. While problems such as high debt levels ensure continued uncertainty, the fact remains that the trends have been moving in the right direction over the past year.

As the administration begins to focus on the legislative agenda for the new Congress, you will hear a great deal of discussion about the issue of fuel taxes on the commercial airline industry. As you might remember, the National Airline Commission addressed this issue in its report.

The Commission recommended that no *new* tax on commercial airline fuel be imposed.

In the commentary since the Commisison's report, our tax recommendations have been characterized as special "tax relief." Nothing could be further from the truth. I would like to share with you the Commission's thinking on the fuel tax, and then conclude with a general comment on our overall approach to tax issues.

The commercial airline industry has *never* been subjected to a federal fuel tax. Unlike road improvements which are funded through a fuel tax, aviation infrastructure improvements are funded through the airline and cargo ticket tax. Thus, the source of revenue for those purposes already exists.

The Commission could see no good public policy reason for changing the tax treatment of airline fuel, one of the industry's two highest cost items. In fact, one could hardly call our recommendation "tax relief" since we were not recommending the reduction of a tax, but that a new tax not be imposed.

As Chairman of the Commission, I hope you will support efforts to extend permanently the two-year exemption from the 4.3 cent fuel tax contained in the 1993 budget legislation.

Allow me to conclude with a few general comments about the Commission's tax recommendations.

The National Airline Commission examined the entire range of tax laws affecting the airline industry, as required by our enabling legislation. The industry, and others, had many ideas for our consideration. In some cases we took action, in others we did not. In those areas in which we did make recommendations, we believed there were important public policy reasons to do so, such as the recommendation that there be no new fuel tax.

Our recommendations had nothing to do with "tax relief" for the industry. We rejected several ideas that would have injected more cash into the industry, and advanced only those we believed made sense in a critical, high tech, industry struggling to compete in the 1990's. If tax relief for its own sake was our goal, we would have focused in other areas. Our only goal was to help make sense of the tax treatment of this industry.

I have been disappointed that some have sought to portray the Commission's recommendation as some sort of special interest pleading. I wanted you to have a clear sense of our thinking. I would be happy to discuss this issue with you at any time.

With kindest regards, I am

Sincerely,

GERALD L. BALILES.

AIRPORTS THAT SUPPORT EXTENSION OF THE WAIVER

The following is a list of airports that have agreed to either sign on the ATA airports letter or send its own letter to the President:

AUS—Austin.
BUR—Burbank.
CLE—Cleveland.
CMH—Ohio.
DCA—Wash. National.
TPA—Tampa.
DFW—Dallas Fort Worth.
DIA—Denver.
EWR—Newark.
GRR—Michigan.
IAD—Dulles.
JFK—New York.
LAS—Las Vegas.
LGA—New York.
MDW—Chicago.
OAK—Oakland.
ORD—Chicago.
STL—St. Louis.

BURBANK-GLENDALE-PASADENA,
AIRPORT AUTHORITY,
November 2, 1994.

Ron Ricks,
Vice President, Governmental Affairs, Southwest Airlines Co., Dallas, TX.

DEAR RON: Yes, I agree with you! In fact, the aviation industry is in no position to bear the burden of financing irrelevant federal programs. It is equally important that airports and airlines together press for increased funding levels in the AIP programs. The money is already there and needs to be appropriated for desperately needed airport infrastructure.

As I see it, these are issues on which we both can and should stand side by side as a unified voice urging the Administration and Congress to not kill the goose that lays the golden egg-Air Transportation.

Let me know when and how you want to proceed with sending the letter to the President.

Very truly yours,

THOMAS E. GREER,
Executive Director.●

By Mr. WALLOP:

S. 2568. A bill to enhance the management of public lands, reduce Federal expenditures associated with such lands, and empower States with respect to the ownership and control over lands that are or have been part of the public domain, and for other purposes; to the Committee on Energy and Natural Resources.

THE PUBLIC LAND EMANCIPATION AND MANAGEMENT ACT

● Mr. WALLOP. Mr. President, I am today introducing the Public Land Emancipation and Management Improvement Act [PLEA] which, when enacted, will greatly limit the ponderous Federal influence on the West.

In the West today, we are faced with an administration that is reaching unprecedented levels of government intervention into every aspect of each of our lives using the terms "environmentalism" and "fair market value" as spears which they chuck at every perceived public resource management problem.

Increasingly, the role of the Federal Government has become one of "ruling" the people rather than one of "serving" the people. They are the masters; we have become their servants.

I do not often agree with the Clinton administration, nor its spokespersons, but no one has expressed the problem in a more articulate manner than the former Western Governor, and now, Secretary of the Interior Bruce Babbitt.

Mr. President, listen to excerpts from a speech he gave while Governor at a National Governors Association meeting in Denver.

He said,

I share the concerns of my fellow governors. My sense of alarm is perhaps a little more extreme. A lot of observers in this country feel that, taken on a historic scale, the states are obsolete, they are headed the way of the passenger pigeon and the Edsel. Even the optimist, I think, would say the states at best are in dire danger of becoming simply administrative agents of Washington * * * it didn't begin that way.

He goes on to say,

the proper role between states and the Federal Government * * * was the centerpiece * * * of the most brilliant debate in the history of western institutions.

* * * That debate * * * has gone neglected. The result is a federal system * * * in total disarray.

* * * The United States Congress has lost all sense of restraint. It no longer asks the question that Hamilton, Madison and Jefferson considered to be the central question * * * Is this an appropriate function for the Federal system?

* * * Hamilton and Jefferson would certainly ask * * * how have we allowed their creation—a carefully layered construction of federal, state and local responsibilities, to become scrambled into one great undifferentiated, amorphous omelet by a cook in Washington?

Mr. President, those words were spoken by a Federal chef who has become so supreme at his craft as to make Julia Childs look like a fry-cook.

Fourteen years have passed since Bruce Babbitt spoke those words in the last year of the Carter administration—another Democratic administration that had an ill-conceived agenda for the West. Today, the current administration's concept of the "New West" has rapidly degenerated to a "war on the West." Government officials have been transformed from environmental problem solvers to environmental storm troopers with the power to punish, to prohibit, and to take. Virtually, all Federal agencies are making decisions on the use of land and resources in unquestioning response to an ill-conceived environmental agenda which ignores the human side of the equation and disregards the concept of private property rights. Worse still, it ignores Governor Babbitt's concern that the Federal Government has lost all sense of restraint and the concepts of Jefferson and Madison.

In a 1994 speech to the Sierra Club's Annual Dinner, Secretary Babbitt said:

We need a new western land ethic for nonwilderness. The old concept of multiple use no longer fits the reality of the new West. It must be a concept of public use. From this day on, we must recognize the new reality that the highest and best, most productive use, of western land will usually be for public purposes—watershed, wildlife and recreation.

Typically, he made no distinction in this speech between public and private land. Unlike his views in 1980 as a Western Governor, he now feels that the Federal Government should be omnipotent.

The Clinton administration's agenda is clear, and only the users of the public lands will become endangered in their war on the West. Citizens have been threatened with rules and regulations denying access to guns, rock collecting, and recreation.

In order to pay for increased control by big government, we see repeated proposals to increase fees. Hunters, outfitters, radio broadcast users, commercial air tour operators, ski area operators, concessioners, and any other use that requires a Federal permit are being asked to shoulder a bigger burden. Not all of these permit holders will be able to afford to stay in business after paying the new fees on top of existing expenses. In addition, many who have traditionally enjoyed a cooperative partnership with the Federal Government—including counties and municipalities—are now being asked to help pay the costs for more Federal control. Further, they are asked to cede back water rights, mineral rights, and respass rights for renewals of their permits. How ironic. How very contrary to the Clinton campaign rhetoric.

The current furor over grazing fees is not a Federal deficit issue, as portrayed by the administration and the media. It is, in fact, a personal economic issue for thousands of rural, western families. If implemented, this range reform will result in seriously reduced revenues ironically to the Federal Government, but more importantly to States and counties which will suffer from rules and regulations that no one they know ever voted on.

Recently, the Secretary was forced by the courts to issue patents on a Nevada gold mine. He had the nerve to characterize this as a steal and giveaway of land and minerals. It made for good press to the uninformed. But the Secretary failed to state that the Barrick Goldstrike Mines in Nevada have developed over 1,700 jobs that did not exist before. It means millions of dollars in tax revenue to counties, States, and yes, the Federal Government. The Secretary failed to mention the $1 billion the company spent on developing technologies to extract the mineral. That is $1 billion that did not exist in the American economy before this mine was planned. He also forgot to mention that the land was worth nothing, to the Federal Government, until after the private sector had developed the technology to recover the minerals.

Washington does not know how to mine anything. It never will know how to mine minerals and Congress won't ever pay for 1 billion dollars' worth of experimental technology. You know it and I know it. The wealth and the jobs that have been created from these lands for America has been realized by the private sector's willingness to commit capital and technology to a plan it had no way of knowing was going to be successful.

The battle in the war on the West, if won by this administration will only serve to send the private mining sector to foreign countries. The governments in those lands will not prohibit investors from achieving success, boosting their economy, and employing their people. Nor will they protect the environment.

Mr. President, as an example of the arrogance of which I speak, let me also remind you that during the grazing debates, we were told by the then director of the BLM "that if Congress refuses to act, we will do it administratively." That, Mr. President, is arrogance, and this administration may never understand that laws in this country are not made by residentially appointed bureaucrats, but by the Congress. When the administration says to hell with them they are saying to hell with us. The hell with America's citizens of the West.

Mr. President, more recently, Interior Secretary Babbitt seriously missed the point in claiming that a Federal judge's recent decision to take the gnatcatcher off the Endangered Species list was just the result of a procedural error.

Any observer can see that Judge Stanley Sporkin's detailed analysis of this case of administrative arrogance on the part of the administration is almost a roadmap to some of the most serious shortcomings of the Endangered Species Act. It highlights the abuses that Babbitt has tolerated in his eagerness to show that he can make the Endangered Species Act work. How different from the Babbitt of 1980. How sad that this man does not view his job as Secretary of Interior, but still the advocate of the League of Conservative Voters.

Even more troubling is Babbitt's apparent willingness to defy the courts. The Secretary says if Judge Sporkin doesn't immediately reinstate protections for the gnatcatcher while the Government appeals his ruling, he'll do it himself by declaring an emergency and invoke the emergency listing procedures in the law so the Secretary of the Interior can just ignore the courts.

Mr. President, allow me to mention the subject of ecosystem management. What the Clinton team apparently likes about this ecosystem approach is its sheer vagueness. If we don't understand what "ecosystem health" is we won't be aware when that policy fails. Since most of us wouldn't recognize an ecosystem boundary if we fell on it, there's no limit to the amount of real estate the agencies can claim they need to "protect the ecosystem." All in the name of the new West.

This administration is trying to close down roads and rights-of-way which are vital to the transportation, safety,

law enforcement, and general access of Western States.

Mr. President, it is time to take the war on the West seriously.

The Federal Government currently owns more than half of all the land in the 12 Western States. Unfortunately, recent actions taken by the Clinton administration have made it clear that the Federal Government is managing these lands for the benefit of specific political interest groups with little regard for the legitimate interests of Western citizens and businesses. As a result, citizens of Western States have little or no control over vast areas of land that were contemplated as a source of their livelihood at the time of their statehood.

The radical "new West" reforms proposed by Secretary Babbitt and others are designed primarily to limit or prevent commercial and even some recreational uses of many federally managed lands. Where such uses are allowed, land users face a daunting maze of Federal regulations, redtape, and increased fees and arrogance.

There is little hope on the horizon as storm clouds grow.

Proposed revisions to timber, mining, and grazing policies coupled with aggressive application of environmental laws such as the Endangered Species and Clean Water Acts have only served to promote economic uncertainty, with no resolution in sight. New initiatives to revise Western water law, hydropower projects, fish and wildlife programs, and hunting regulations are just beginning to surface. The assault on the West is real. There is a strong feeling in many Western States that these policies should not be decided inside the beltway by people who have no constituent interest or control. The Federal Government has become too powerful, too prescriptive, too pervasive, and too arrogant.

After personally witnessing Washington's increasing indifference—and even hostility—toward the interests in the West, I believe there is a simple, fair, and straightforward solution to these problems that can be accomplished by transferring the ownership of much of this land from the Federal Government to the States.

This legislation, when enacted, will approach but not provide equity among the States. The playing field will never be completely level, but this will help ensure that Western States have a chance to continue to be a vital and productive part of this Nation, just as their eastern counterparts have always been able to do. Other than Louisiana, no State east of the 100th meridian has more than 14 percent of the lands within its boundary tied up by the Federal Government.

Under this bill, at a State's behest, the Federal Government would be prevented from owning more than 20 percent of the land area of any State, excluding Indian lands. In those States where the Federal ownership currently is higher than 20 percent, the President would be required to select up to 20 percent of the land in the State that would remain under Federal ownership. The remainder would be transferred to the State unless the Governor determines that some portion of it should remain under Federal ownership and control.

Recognizing the special nature of our national parks, these lands would automatically be included within the 20 percent and would therefore perpetually remain under Federal ownership. However, other Western lands owned by the Federal Government would be turned over to the States, where locally elected officials would be immediately accountable to the citizens who have proven to be wise stewards for over a century.

There will be those opposed to this proposal, some hunting and fishing groups will at first panic citing their access as a major problem. Yet when they think about the behavior and objectives of this administration, I believe they will come to embrace its purpose. The rules and regulations that were recently pulled back by the Forest Service regarding firearms and law enforcement coupled with Forest Service Chief Thomas' idea to impose a $100 Federal hunting license to kill one elk because the elk once lived on a National Forest give some insight to the fact there is an active movement to eliminate hunting, guns, and other recreation on public lands.

Without fanfare, the U.S. Fish and Wildlife Service has decided that stocking trout and bass fish is a politically incorrect ecological evil. It plans to prohibit this activity on State and private, as well as Federal, lands.

I am quoting from an Austin Chase article in the Washington Times, Mr. President, and I ask unanimous consent that the article be included in the RECORD.

Additionally, today there is legislation, advanced by the administration, working its way through Congress which would eliminate any multiple use activity on a wildlife refuge, if a bureaucrat declares it incompatible. And do not forget this is the administration that pushed through the Brady bill and assault weapons ban ostensibly to fight the war on crime but in reality the first ominous steps toward gun control.

Others may fear that the States will only dispose of the previously Federal lands for profit. Mr. President, let me tell you what just happened in my own State with regard to that issue. There was a recent effort by the State land board to dispose of certain State trust lands. However, the citizens of Wyoming rose up and literally stopped the venture in its tracks. It is my view that I trust citizens of a State to be responsible, to care, and to better be able to effect policy at the level of State and local government than are the unaffected Members of Congress and the anonymous bureaucracy in Washington.

I firmly believe that the States will manage these lands better and in a more cost-effective manner than the bloated bureaucracy. For example, the Federal Government spends $60 million to collect $400 million in mineral royalties in Wyoming while the State achieves the same result at a much lower cost. The identical cost saving rationale can easily be applied to other land management programs currently conducted by the Federal Government.

Our fight is for the West. We need first to reestablish multiple-use and the rights of Westerners and second we need to establish fairness and equity among the States by returning their land to them.

The West constitutes some of the best of America—the best in America, let us see that it is not the last of the best.

I urge my colleagues to support this legislation. I now ask unanimous consent that the full text of this bill be printed in the RECORD.

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

S. 2568

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Public Land Emancipation and Management Improvement Act".

SEC. 2. Effective on January 1, 1998, all right, title, and interest in and to any real property owned by the United States that is or has been at any time part of the public domain, including, but not limited to, lands that have been withdrawn or disposed of and reacquired, is vested by operation of law in the State in which such property is located subject only to the limitations set forth in section 3 of this Act and any valid existing rights.

SEC. 3. For the purposes of this Act, the definition of real property shall exclude:

(a) any lands or interests therein owned by the United States as of January 1, 1998 within the exterior boundaries of any unit of the National Park System;

(b) any lands or interests therein which the United States holds title to in trust for the benefit of a federally recognized Indian Tribe, a member thereof, or an individual allottee;

(c) such lands as the President shall have identified for continued federal retention, except that the total of all lands and interests therein identified pursuant to this subsection, when combined with any other lands or interests therein owned by the United States, excluding only lands included under subsections (b) or (d) of this section, may not exceed twenty percent of the total acreage within any given State; and

(d) any lands or interests therein which the Governor of the State in which such lands are located does not wish to have transferred pursuant to this Act and which the Governor has identified in writing to the President prior to January 1, 1998 as not subject to transfer.

SEC. 4. Not later than January 1, 1997, the President shall prepare a comprehensive inventory of all real property owned by the

Federal Government within each of the several States and transmit such list to the Governor of each State and shall accompany such list with an identification of all real property which meets requirements of subsections 3 (a) or (b) or which have been identified for continued Federal retention under subsection 3(c).

SEC. 5. In the event that the identification of real property under section 3(c) exceeds 20 percent of the total acreage within a State, the Governor of the State may bring an action to modify the list of lands in any Federal district court within such State. Review shall be limited solely to whether the acreage exceeds 20 percent of the total acreage within the State. If the court concludes that the acreage contained in the listing prepared pursuant to subsection 3(c) does exceed 20 percent, then the court shall exclude such acreage as is necessary to reduce the total to no more than 20 percent. The acreage to be excluded shall be based solely on a priority list furnished by the Governor. The list shall be final and shall not be subject to any review or modification.

SEC. 6. For the purpose of this Act, the term "State" shall include the several States of the Union, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, and the Virgin Islands.

SEC. 7. The Federal Government shall remain strictly liable for the cost of any cleanup associated with hazardous materials or contamination associated with any lands transferred pursuant to this Act.●

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 2569. A bill to prohibit the United States from entering into any international agreement which would prevent full implementation of the United Nations moratorium on large-scale driftnet fishing on the high seas; to the Committee on Commerce, Science, and Transportation.

THE HIGH SEAS DRIFTNET FISHING MORATORIUM PROTECTION ACT

● Mr. STEVENS. Mr. President, once again I come before this body to introduce legislation to help protect our fishery resources. This bill would prohibit the United States from entering into any agreement that would prevent the full implementation of the United Nations moratorium on high seas driftnet fishing.

In 1989, at the urging of Members of this body, the United States introduced the resolution at the United Nations which established a global moratorium on large-scale driftnet fishing. In 1991 the President signed into law strong legislation to enforce that moratorium.

While still not fully complied with in all the world's oceans, the moratorium has been effective in the North Pacific. The Coast Guard has worked closely with other Federal agencies to detect and pursue fishing vessels that try to violate the moratorium in the North Pacific and the Bering Sea. We need to bring that same cooperation to the aid of fisheries that need protection in other areas of the world. This bill would help do that.

As a result of the efforts by the United States and other concerned nations to prevent the use of large-scale driftnet fishing on the high seas and to limit fishing on other shared stocks in areas like the central Bering Sea and the South Pacific, the nations of the world have recently adopted "an agreement to promote compliance with international conservation and management measures by fishing vessels on the high seas", and are discussing a draft agreement on the conservation and management of straddling fish stocks and highly migratory fish stocks. Both of these agreements should help further advance efforts to protect and rebuild the world's fish stocks and other living marine resources.

There is concern that some nations might try to use the straddling stocks negotiations as a means to undo the United Nations moratorium on large-scale driftnet fishing. This bill simply makes it clear that the United States will not support or endorse any effort to prevent the full implementation of the United Nations moratorium on large-scale driftnet fishing. Nor will we be part of any effort to undermine its effectiveness. Under this bill the United States cannot sign any agreement that would have that effect.

As this is the last day of the 103d Congress we will not have a chance to pass this bill this year. But I want to put the world on notice that our commitment to halting large-scale driftnet fishing has not weakened, and I look forward to reintroducing this bill early in the 104th Congress.●

ADDITIONAL COSPONSORS

S. 324

At the request of Mr. BAUCUS, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 324, a bill to improve monitoring of the domestic uses made of certain foreign grain after importation, to use the export enhancement program to promote the export of wheat to Mexico, and for other purposes.

S. 2057

At the request of Mr. KOHL, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 2057, a bill to replace the Aid to Families with Dependent Children Program under title IV of the Social Security Act and a portion of the Food stamp program under the Food Stamp Act of 1977 with a block grant to give the States the flexibility to create innovative welfare to work programs, and for other purposes

S. 2565

At the request of Mr. PRESSLER, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 2565, a bill to amend the Fair Labor Standards Act of 1938 to exempt employees who perform certain court reporting duties from the compensatory time requirements applicable to certain public agencies, and for other purposes.

SENATE RESOLUTION 288—RELATIVE TO A REQUEST TO THE SECRETARY OF THE INTERIOR

Mr. HATCH (for himself, Mr. STEVENS, Mr. BENNETT, and Mr. MURKOWSKI) submitted the following resolution; which was referred to the Committee on Energy and Natural Resources:

S. RES. 288

Whereas in 1866 Congress established, through section 2477 of the Revised Statutes, a procedure for granting rights-of-way across unreserved public lands to local governments to ensure reasonable access by the public to and across public lands and resources;

Whereas thousands of valid rights-of-way were conveyed to State and local governments through this mechanism until the statute was repealed by section 706 of the Federal Land Policy and Management Act of 1976 (Public Law 94-579);

Whereas section 701 of the Federal Land Policy and Management Act of 1976 (Public Law 94-579; 43 U.S.C. 1701 note) recognized and protected all valid existing rights-of-way granted under section 2477 of the Revised Statutes (43 U.S.C. 932 note);

Whereas those rights-of-way are valid property rights held in trust for the public by State and local governments;

Whereas those rights-of-way continue to be critical to ensuring access to and across public lands;

Whereas the Secretary of the Interior proposed a rule on August 1, 1994 (59 Fed. Reg. 39216), to address rights-of-way across lands now administered by the Bureau of Land Management, the National Park Service, and the United States Fish and Wildlife Service;

Whereas there is an established body of case law, legislative history, historical precedents, and departmental decisions that does not appear to be reflected in the proposed rule of the Department of the Interior affecting those rights-of-way;

Whereas the proposed rule would substantially conflict with existing law and congressional intent regarding the scope and future administration of those rights-of-way and impose an excessive burden on State and local governments to legitimize all right-of-way claims, including those already validated by an appropriate Federal agency or a court;

Whereas the established public comment process outlined in the proposed rule, including the subsequent extension periods, is inadequate to address the many fundamental problems raised by the rule; and

Whereas the proposed rule seeks to exceed the authority granted to the Department of the Interior under the Constitution, through political and legal precedent, and by Executive order: Now, therefore, be it

Resolved, That the Senate requests that the Secretary of the Interior—

(1) immediately withdraw the proposed rule regarding rights-of-way granted under section 2477 of the Revised Statutes (43 U.S.C. 932 note) published in the Federal Register of August 1, 1994; and

(2) reissue the proposed rule for public review and comment, only after—

(A) consulting with the Committee on Energy and Natural Resources of the Senate

and the Committee on Natural Resources of the House of Representatives; and

(B) revising the proposed rule to adequately reflect and comply with all pertinent laws, Executive orders, rules, and historical and legal precedent.

SENATE RESOLUTION 289—TO AUTHORIZE THE PRESIDENT OF THE SENATE TO ADMINISTER THE OATH OF OFFICE TO THE HONORABLE FRED THOMPSON OF TENNESSEE

Mr. DOLE submitted the following resolution; which was considered and agreed to:

S. RES. 289

Resolved, That the President of the Senate be, and he is hereby, authorized to administer the oath of office to the Honorable Fred Thompson of Tennessee in the Senate Chamber of Friday December 9, 1994, and that the said oath, when administered as herein authorized, shall be accepted and received by the Senate as the oath of office of the said Fred Thompson.

SENATE RESOLUTION 290—APPOINTING A COMMITTEE TO NOTIFY THE PRESIDENT CONCERNING THE PROPOSED ADJOURNMENT OF THE SESSION

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 290

Resolved, That a committee of two Senators be appointed by the Presiding Office to join a similar committee of the House of Representatives to notify the President of the United States that the two Houses have completed their business of the session and are ready to adjourn unless he has some further communication to make to them.

SENATE RESOLUTION 291—TENDERING THE THANKS OF THE SENATE TO THE VICE PRESIDENT

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 291

Resolved, That the thanks of the Senate are hereby tendered to the Honorable Al Gore, Vice President of the United States and President of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the second session of the One Hundred Third Congress.

SENATE RESOLUTION 292—THANKING THE PRESIDENT PRO TEMPORE

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 292

Resolved, That the thanks of the Senate are hereby tendered to the Honorable Robert C. Byrd, President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the second session of the One Hundred Third Congress.

SENATE RESOLUTION 293—COMMENDING THE MAJORITY LEADER

Mr. DOLE submitted the following resolution, which was considered and agreed to:

S. RES. 293

Resolved, That the thanks of the Senate are hereby tendered to the distinguished Majority Leader, the Senator from Maine, the Honorable George J. Mitchell, for his exemplary leadership and the cooperative and dedicated manner in which he has performed his leadership responsibilities in the conduct of Senate business during the second session of the 103d Congress.

SENATE RESOLUTION 294—TO COMMEND THE EXEMPLARY LEADERSHIP OF THE REPUBLICAN LEADER

Mr. MITCHELL submitted the following resolution; which was considered and agreed to:

S. RES. 294

Resolved, That the thanks of the Senate are hereby tendered to the distinguished Republican Leader, the Senator from Kansas, the Honorable Robert Dole, for his exemplary leadership and the cooperative and dedicated manner in which he has performed his leadership responsibilities in the conduct of Senate business during the second session of the 103d Congress.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 2:30 p.m. on Thursday, December 1, 1994, in closed session, to receive a briefing on the situation in Bosnia.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee for authority to meet on Thursday, December 1, for a hearing on the subject of human subject radiation experiments: progress on records search and ethical evaluation, at 9:30 a.m.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, December 1, 1994, at 2 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee of Foreign Relations, be authorized to meet during the session on the Senate on Thursday, December 1, 1994, at 9 a.m. to hold a hearing on implications of the United States-North Korea nuclear agreement.

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

ADDITIONAL STATEMENTS

REGULATION OF ANIMAL FATS AND VEGETABLE OILS

• Mr. LUGAR. Mr. President, I want to apprise Senators of the status of the regulation of animal fats and vegetable oils under the Oil Pollution Act of 1990. This law, known as OPA 90, was enacted in response to catastrophic petroleum oil spills such as the *Exxon Valdez* incident, to improve the response to, and minimize the impact of those spills. However, due to the broad statutory definition of "oil," OPA 90 has been applied not only to toxic oils, for example, petroleum oil, but also to nontoxic agricultural products such as animal fats and vegetable oils. As a result, these nontoxic substances used to make foodstuffs and other consumer products are unfortunately swept up in the same broad definition as petroleum and other toxic oils.

Lacking clear congressional direction on differentiation, implementing agencies, such as the Environmental Protection Agency and the Coast Guard, are issuing rules that regulate animal fats and vegetable oils in much the same way as toxic oils, while ignoring the unique nontoxic nature of these agricultural products. Although these agencies have classified them in a nonpetroleum oil category under the various interim and final rules for spill response, there are a long list of toxic oils in this same nonpetroleum category.

Senator HARKIN and I, along with others, introduced and supported legislation to insure that both of these objectives are accomplished. The underlying principles of OPA 90 would remain unchanged with the language to require differentiating animal fats and vegetable oils from other oils. The House passed a nearly identical measure twice as part of H.R. 4422 and H.R. 4852. The Senate passed the bill as S. 2559.

Although final legislation could not be completed in the time remaining in this Congress, I want to assure all Senators that I will be working to clarify this unintended consequence of the Oil Pollution Act when we reconvene in the 104th Congress. This issue should be a priority as we examine more closely

the unnecessary and costly regulatory burdens placed on U.S. business that do not add any additional measure of protection to the environment or the health and safety of our citizens.

The scientific data collected to date indicate that the animal fats and vegetable oils industry has an excellent spill history for these products justifying differentiation of these materials from toxic oils. Specifically, these products account for less than one-half of 1 percent of all oilspills in the United States, which are mostly less than 1,000 gallons each. In making these remarks, I want to be clear that the animal fats and vegetable oils industry is not seeking to be exempt from oilspill response requirements, but is merely seeking two simple objectives.

First, the industry seeks a separate category for vegetable oils. This is as much for scientific differences in the oils as it is for economic reasons. There is no reason why nontoxic vegetable oils must be in the same category as toxic oils.

Second, the industry seeks response requirements that recognize the different characteristics of animal fats and vegetable oils within this separate category. A separate category without separate response requirements is nothing more than a hollow gesture. There is more flexibility available under the National Contingency Plan to respond in the case of a spill of nontoxic animal fats and vegetable oils than there is for toxic oils like petroleum. These agencies should more fully and clearly spell out the additional appropriate options available under the NCP in the regulations themselves so that no doubt exists as to the availability of these options.

Now, all spills involving oils of any kind are unfortunate and may have some similar environmental impacts. However, the response to all spills does not have to be the same. Nontoxic animal fats and vegetable oils by their very nature do not have the same total environmental impact as a toxic oil, and it makes sense that the response plan need not be identical. Vegetable oils, after all, are the same products used in most households every day, the same products each of us consumes in the normal course of living.

So I hope that agencies will exercise common sense and promulgate rules that reflect these differences. To insure that this is the case, I will pursue legislation to require differentiation for animal fats and vegetable oils under OPA 90 in the 104th Congress, and hope my colleagues will join me in that effort.●

TRIBUTE TO U.S. MARSHAL ARTHUR D. BORINSKY

● Mr. LAUTENBERG. Mr. President, I rise today to inform the U.S. Senate of the death of Arthur D. Borinsky, a respected Federal employee of New Jersey and a close personal friend.

Mr. Borinsky served with distinction as a U.S. Marshal for 6 years until his recent, premature death on September 18, 1994. Arthur Borinsky was dedicated to the U.S. Marshal Service and will not be forgotten by those he served and those he served with.

Mr. Borinsky's many accomplishments include spearheading the successful capture of Eddie Antar, the former head of the now defunct Crazy Eddie, Inc., who hid in Israel from Federal authorities after he was charged with stock fraud. Mr. Borinsky is also widely praised for his role in expediting the return of fugitive former State Senator David Friedland following his arrest in the Maldive Islands is the Indian Ocean in 1987.

Whether his job took him across the country, across the world or just throughout the State, Arthur Borinsky always displayed enthusiasm, diligence, and the kind of professionalism that impressed his colleagues here in America and in countries around the world.

Mr. Borinsky was revered by all his colleagues for his unflagging commitment to fighting crime. He has been praised as "undoubtedly and unqestionably" the most dedicated and best U.S. Marshal in the State of New Jersey.

Arthur D. Borinsky was a truly exceptional person who dedicated his life to his family and friends, to crime prevention, and to his country. He will be missed by his many friends, by the U.S. Marshals Service, the State of New Jersey, and by everyone who respected him for his commitment to law enforcement.●

BUSINESS ASSISTANCE PROGRAMS

● Mr. RIEGLE. Mr. President, I rise to bring to the attention of my colleagues a report from the General Accounting Office, written at the request of myself and the distinguished Senator from Connecticut, Senator LIEBERMAN.

For a number of years, I have been deeply concerned over the state of our economy and the standard of living of American working men and women. The last two decades have not been kind to American workers, who have seen their wages stagnate at the same time they have seen their job security disappear.

To overcome our economic stagnation, I have long advocated a coherent plan of concerted action by business, labor and government, working together in a team America approach. I believe we have made strides in crafting such a partnership to address the deep root structural problems facing our economy. For example, the Partnership for a New Generation Vehicle, also know as the "Clean Car" initiative, holds great promise. This partnership between the government and the auto industry is dedicated to ensuring that the American industry remains a leader in innovation, economic growth and job creation. Other initiatives of the Clinton administration, such as Secretary Reich's proposals to overhaul and strengthen our worker training and retraining system, are all steps in the right direction.

Yet, the Federal Government still lacks a coherent strategy for assisting American business in dealing with structural change in the economy. As the GAO report points out, there are at least 24 Federal programs to provide managerial and technical assistance to business. However, there is no office that tracks or coordinates these programs.

Many of these programs fulfill complimentary needs, and should not simply be eliminated in a mindless rush to cut programs. For example, the Trade Adjustment Assistance Centers provide marketing, cost accounting, human resources management and business strategy assistance. The Manufacturing Technology Centers specialize in the deployment of modern manufacturing technology. The Small Business Development Centers typically specialize in assistance to firms in the retail and services sector, not manufacturing firms. Likewise, the Minority Business Development Centers exist to serve a specialized need.

All of these programs are compliments to one another, not replacements for each other. Eliminating any one of them would tear a large hole out of this business assistance network. However, they do need to be coordinated if they are to be as effective as they should be.

A similar situation faced us a few years ago in the area of export promotion. Again, a GAO report identified numerous export promotion programs with no coordination among them. At a hearing of the Banking Committee where we had all of the heads of these agencies appear as witnesses, my colleague Senator SARBANES asked a simple question—"have you ever met before." The answer was astonishing—that was their first meeting. Not only did they not coordinate programs, they didn't even know each other.

That hearing lead us to pass legislation creating the Trade Promotion Coordinating Committee [TPCC]. The TPCC is made up of the head of 19 agencies and departments involved in export promotion, including the President's Council of Economic Advisors [CEA] and the Office of Management and Budget [OMB]. Chaired by Secretary of Commerce Ron Brown, the TPCC has made tremendous progress in raising the level of effectiveness of our export promotion activities.

The TPCC show what can be done to improve Government effectiveness in the delivery of importance assistance

to business. It is my hope that the 104th Congress will build on the example of the TPCC and other initiative to bring coherence to all our business assistance programs.●

● Mr. LIEBERMAN. Mr. President, I rise to echo the sentiments of the distinguished gentleman from Michigan. He has been a leader in the effort to address the structural problems facing our economy and I commend him for all his work. We will certainly miss him in the years ahead.

It has been said that in order to manage a problem you have to be able to measure that problem. This study is a variation on that theme. In order to figure out how to coordinate among the various Federal programs that provide management and technical assistance, we need to know how many of these programs exist and where they exist. This report gives us that information.

With this information in hand, I hope that we can work toward coordinating these programs in the next Congress as a way to raise the level of effectiveness of these business assistance programs.

Mr. President, I ask that the summary and appendix of this GAO report which outlines the various Federal program that provide management and technical assistance to U.S. businesses, be printed in the RECORD following my statement.

The material follows:

GENERAL ACCOUNTING OFFICE,
GENERAL GOVERNMENT DIVISION,
Washington, DC, October 14, 1994.

Hon. JOSEPH I. LIEBERMAN,
U.S. Senate.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senate,

As you requested, this fact sheet provides information on federal government programs that give management and technical assistance to business. As agreed with you, we have attempted to (1) identify as many federal government programs that provide management and or technical assistance to business as possible, within the limited time constraints of this assignment; (2) provide a brief description of these programs and identify the target customers that these programs were designed to serve; and (3) report the current funding levels for these programs.

RESULTS IN BRIEF

We found no particular federal office that tracks or coordinates all the various management and technical assistance programs at the different government agencies. We identified 24 federally sponsored government programs that primarily provide management and technical assistance to business. They are listed in the appendix. These programs offer a variety of services to business, including assistance in areas such as accounting; developing business plans; proposal and bid preparation; marketing; worker training; and assistance in implementing improved manufacturing technology.

The Small Business Administration (SBA) and the Department of Commerce (DOC) had the largest number of management and technical assistance programs that we identified for fiscal year 1994. Other programs were in the Departments of Defense, Energy, Labor (DOL), Transportation, and the Treasury. In addition, government agencies that have procurement authority generally have an Office of Small and Disadvantaged Business Utilization (OSDBU) that, in conjunction with SBA, is designed to assist in the development of small businesses owned and controlled by socially and economically disadvantaged individuals. OSDBUS primarily focus on helping companies procure contracts with the federal government through various outreach efforts including conferences, procurement fairs, and business strategy sessions.

The majority of the programs that we identified were targeted to small business.

Proposed fiscal year 1994 funding levels for the programs varied widely, ranging from a high of $71 million for SBA's Small Business Development Centers to a low of $1.5 million for DOL's Micro-enterprise Grant Program.

SCOPE AND METHODOLOGY

To determine which government agencies had management and technical assistance programs, we interviewed officials at SBA and at DOC's Economic Development Administration and its Minority Business Development Agency. These particular agencies were identified in the request that we conduct this review. In order to identify additional programs, we also searched government publications, such as the Federal Register and the Catalog of Federal Domestic Assistance.

We obtained documentation describing these programs from respective program officials, notifications in the Federal Register, and prior GAO studies.

When possible, we obtained proposed fiscal year 1994 program funding levels from the federal budget; however, because not all programs were explicitly identified in the federal budget, we also consulted program officials for this information.

We did our work between July 1994 and September 1994 in accordance with generally accepted government auditing standards.

We are providing copies of this fact sheet to the agencies we identified in the appendix that have programs and to interested congressional committees. We will also make copies available to others upon request.

Please contact me on (202) 512-4812 if you have any questions concerning this fact sheet. The information of this fact sheet was developed by John R. Schultz, Assistant Director; Barbara Keller, Assignment Manager; Jean-Paul Reveyoso, Evaluator-in-Charge; and Robert Shields, Evaluator.

Sincerely yours,

ALLAN I. MENDELOWITZ,
Managing Director, International Trade, Finance, and Competitiveness.

APPENDIX I—FEDERALLY SPONSORED PROGRAMS OFFERING MANAGEMENT AND TECHNICAL ASSISTANCE TO BUSINESS

[In millions of dollars]

Agency and Program	Program description	Customer	Proposed FY 1994 funding
U.S. Small Business Administration (SBA):			
8(a) Minority Small Business Contract Set-Aside	Provides development assistance to small businesses that are owned by minorities and other socially and economically disadvantaged individuals.	Socially and economically disadvantaged individuals	N/A
7(j) Management and Technical Assistance	Provides management and technical training in accounting, marketing, proposal and bid preparation, and industry-specified technical assistance.	Small disadvantaged businesses (SDB) low-income individuals, firms in either labor-surplus areas or areas with a high proportion of low-income individuals. Most participants in this program are 8(a) firms.	$7.5
Business Information Centers	Provide technical assistance in high-tech hardware, software, and communications	Small business entrepreneurs	N/A
International Trade Assistance	Provides financial and business development assistance. The assistance includes trade counseling, training, and legal aid.	Small businesses in developing export markets	N/A
Pilot Technology Access	Provides computerized databases containing technical and business information and experts knowledgeable in various technical fields.	Small businesses	N/A
Service Corps of Retired Executives (SCORE)	Uses a network of about 13,000 volunteer retired executives to provide development, management, and technical assistance, which includes counseling and training.	Small businesses, entrepreneurs, start-ups	3.5
Small Business Development Centers (56 centers, 900 service locations).	Provide management and technical assistance, which includes counseling, training, and other activities.	Small businesses, entrepreneurs, small business start-ups	71.0
Small Business Institute	Provides management assistance in marketing, accounting, and other areas	Small businesses	3.0
Demonstration Project for Women Business Owners	Provides management and technical assistance, which includes long-term training and counseling in all aspects of ownership and operation.	Women-owned small businesses	2.0
Women's Network for Entrepreneurial Training	Provides development, management, and technical assistance by matching successful women successful women entrepreneurs with women seeking to expand their businesses.	Women-owned small businesses	N/A
Department of Commerce (DOC); Economic Development Administration:			
Trade Adjustment Assistance Centers (12 centers)	Provide technical assistance, which includes an assessment of a firm's strengths and weaknesses and possible recovery strategies, if recovery appears viable.	Trade-injured manufacturing firms	10.0
University Centers (64 centers)	Provide technical assistance in engineering, feasibility studies, and marketing, as well as management assistance.	Small and medium-sized businesses	7.5
DOC, Minority Business Development Agency: Minority Business Development Centers (108 centers).	Provide development, management, and technical assistance	Minority businesses	38.0
DOC National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership:			
Manufacturing Extension Centers (28 centers)	Provide a range of technical assistance. The assistance includes the following: assessing current technology needs and competitive position, understanding and undertaking fundamental company changes, and defining and implementing company-specific technology projects.	Small and medium-sized manufacturing firms	36.5
Manufacturing Technology Centers (7 centers)	Provide technical assistance to enhance the productivity and technological performance of U.S. Manufacturing.	Small and medium-sized manufacturing firms	16.8

APPENDIX I—FEDERALLY SPONSORED PROGRAMS OFFERING MANAGEMENT AND TECHNICAL ASSISTANCE TO BUSINESS—Continued

[In millions of dollars]

Agency and Program	Program description	Customer	Proposed FY 1994 funding
State Technology Extension Program	Provides grants to help states develop and implement their own technology assistance programs.	Small and medium-sized manufacturing firms	2.3
Department of Defense, Defense Logistics Agency: Procurement Technical Assistance.	Provides assistance to businesses seeking to market their products and services to DOD. The assistance includes marketing, pre-award survey assistance, contract administration, and other special assistance.	Large and small businesses	15.8
DOD, Office of Small and Disadvantaged Business Utilization (OSDBU): Pilot Mentor-Protege.	Provides management and technical assistance in the following areas: financial and personnel management, marketing, proposal development, loans, and capital investment. Successful defense contractors are matched with SDB subcontractors seeking to expand their contracting opportunities.	SDB subcontractors	45.0
Department of Energy (DOE): Small Business Initiative	Provides technical information, up to 80 hours of consultation services, or access to unique, specialized facilities for the evaluation of new processes or equipment.	Small manufacturing business	8.0
DOE, OSDBU: Management and Technical Assistance for Minority Business Enterprises.	Provides advisory services and counseling in financial proposal and bid preparation	Minority businesses seeking to obtain DOE contracts	0.38
Department of Labor: Micro-enterprise Grants	Provide funds to states, on a competitive basis, for business-related training, technical assistance, and support.	Owners and potential owners of micro-enterprises	1.5
Department of Transportation Federal Highway Administration: Disadvantaged Business Enterprise.	Provides training and other assistance to help businesses achieve proficiency to compete on equal basis for contracts.	Socially and economically disadvantaged businesses in the highway construction industry and related industries.	0.23
Department of the Treasury: Section 308 FIRREA	Provides training, technical assistance, and educational programs to preserve minority ownership of financial institutions.	Minority-owned institutions and minority investors acquiring failed financial institutions.	N/A
National Aeronautics and Space Administration (OSDBU): Pilot Protege.	Provides management and technical assistance in the following areas: financial and organizational management, business development and planning, and engineering. Successful contractors are matched with SDB subcontractors seeking to expand their contracting opportunities.	SDB subcontractors	N/A•

IN RECOGNITION OF BISHOP EDWARD M. EGAN OF BRIDGEPORT, CT

• Mr. LIEBERMAN. Mr. President. a short while ago, the Most Reverend Edward M. Egan, bishop of Bridgeport, was asked to deliver the homily at the Red Mass at St. Matthew's Cathedral here in Washington. The Red Mass is held every October on the Sunday before the Supreme Court convenes to ask for God's blessing for the judiciary and Congress as well.

Bishop Egan has provided wonderful leadership in his time in Connecticut in so many different ways. I am proud to consider him a friend. His homily to the leaders of our legal system, including the Attorney General and the members of the Supreme Court, was on the timely problem of political correctness. Whether my colleagues agree or disagree with all of Bishop Egan's words and examples, I know they will find his homily to be eloquent and thought-provoking. It is in that spirit that I ask that it be printed in the RECORD.

The homily follows:

HOMILY OF THE MOST REVEREND EDWARD M. EGAN, OCTOBER 2, 1994

Your Excellency, Archbishop Cacciavillan, Reverend Clergy, Members of the John Carroll Society, Distinguished Representatives of the Bench and Bar, and Friends All:

This past summer, in Canton in the South of China, I sat in a hotel restaurant with a Chinese tour-guide who spoke English quite well. He had brought a busload of tourists to a store that sold porcelain and silk; and once they were safely inside, he invited me to join him for a cup of tea.

He was forty-five years of age, he told me. In his youth he had dreamed of mastering the English language and French as well. However, in the second year of his university studies, the so-called Cultural Revolution had intervened.

His eyes flashed as he described that decade of madness in China. He and dozens of his fellow students had been forced to watch two of their professors killed in a public square by a government-inspired mob. He had stood at attention for hours on several occasions as thousands of books from the university library were destroyed in bonfires. And in due course, he had been taken to the West of China to labor for three years on collective farms, his whereabouts unknown to family and friends.

"What," I asked him, "were the leaders of the Cultural Revolution hoping to achieve with all of this?"

"They wanted the people to stop having unapproved thoughts," he replied. "They felt that the nation could prosper only if all were thinking in the same way—their way, the approved way."

He winced a bit as he offered this explanation but was clearly convinced that his analysis was correct. For he repeated it word for word as he stared into his empty teacup: "They felt that the nation could prosper only if all were thinking in the same way—their way, the approved way."

You and I, my dear friends, are privileged to live in a land in which the imposition of thought by government is rejected out of hand. And in no small measure we have the legal profession to thank for this blessing.

It was lawyers like Montesquieu and Montaigne who were crucial in developing the basic political ideas of our free society. Twenty-five of the fifty-six who signed the Declaration of Independence, with its cry for justice and equality, were practicing attorneys. Even more, the fundamental charters of our nation, such as the Constitution and the Bill of Rights, with their uncompromising commitments to freedom of thought, were largely the work of legal experts with names like Jefferson, Adams, Wilson, Jay, Wythe, and Marshall.

Still, there are in our country today rumblings in many quarters about thoughts that are approved and thoughts that are not. Thus, the expression, "politically correct," has become a staple in our vocabularies. Indeed, over the past year or two it has graduated to the level of a familiar abbreviation. Few there are who do not know the meaning of "p.c."

One is politically correct, we understand, when one agrees with the "important" newspapers, the "quoted" professors, the "best" commentators, the "most influential" personalities. Nor can there be any doubt that this understanding is operating with remarkable efficiency. From Atlantic to Pacific, the vast majority of adult Americans are able to identify with extraordinary case and accuracy those ideas, positions, and thoughts which are today in our land "correct" or, if you prefer, "approved."

The Readings from Sacred Scripture in our Mass this morning remind us of two cases in point. The first of these Readings, from the Book of Genesis, is among the most familiar in all of Holy Writ. It speaks of the mind of the Divinity as regards the basics of the human condition. The male, we read, was from the time of creation not to be left alone. Rather, he was to be joined by a companion, a partner, a wife, so that together they might live out their years, two in fact but one in heart and love. And from that love was to result a miracle within the wife, a miracle before which every generation since creation has stood in awe.

In our time, however, the miracle has become as well a source of controversy. Simply put, the matter under discussion is this: May society stand idly by while a private party puts a violent end to the miracle?

Those who have embraced the "approved" thinking, the "correct" thinking, answer with a resounding "yes." The miracle, they allege, may be killed with impunity.

Others, however, dare to sing outside the chorus. Their reasoning should not be difficult to understand. The being within the mother, they note, gives strong indications of being a human being, a person with an inalienable right to live. Certainly, no one has ever been able to prove the contrary. Hence, they conclude, society has no choice but to fulfill its most fundamental duty as regards the being in question. It must protect it against attack.

There is no hint of religion in any of this unapproved thinking, through many religious people, for a multitude of religious reasons, support it. There is no mention of doctrine, dogma, sacred writings, or anything of the sort. At issue are only matters which are properly and strictly matters of the law: the meaning of personhood, the basic rights of individuals, the power of legal presumptions, and the most elementary and essential duties of society. These and nothing more.

Still, there is a tactic abroad in our land to characterize the unapproved thinking as exclusively religious and to refuse to allow it a fair hearing on this score. The tactic is clever, widespread, and effective. It should also be frightening to all who cherish the free and honorable exchange of ideas, positions, and thoughts—lawyers first and foremost.

The Gospel Reading, too, calls to mind a controversy of our time in which only certain thoughts appear to be approved.

The Lord, in the lovely account of Saint Luke, instructs His closest followers not to keep children from Him. "Let them come to Me, do not hinder them," He says, "for it is to such as these that the kingdom of God belongs."

Parents there are, to be sure, who would not be comfortable with having their children, the miracles of their love, accept such an invitation. And in this free land of ours their point of view is properly and vigorously protected. But other parents there are who firmly believe that the invitation of the Lord is most worthy, parents who wish their offspring to be educated according to the mind and will of the One Whom they call their God.

The thought of this second group is, of course, unapproved; and the tactic for dismissing it is well-known. All monies that governments collect to support schools, it is announced, must go only to those institutions in which every mention of the Divinity is outlawed. For otherwise, the state would be sustaining religion.

But when such a rule is implemented, the unapproved thinkers protest, it is not irreligion being sustained? Why erect a wall only between religion and the state? Why not erect another no less high, between the state and irreligion? Or more to the point: why not simply concede to all parents equally the right to choose the schools of their children and to share in the funds gathered by society to support them.

The plea is somehow ruled out of order. The "important" newspapers, the "quoted" professors, the "best" commentators, the "most influential" personalities have spoken. It remains, it would seem, for lawyers to insist that the unapproved point of view be heard and explored. For they are uniquely positioned to do this as counselors, judges, writers, thinkers, and legislators; and what is more: they have a long and noble tradition in this land of respecting and defending thought, even when it is "unapproved."

But the second Reading of our Mass this morning, from the Epistle to the Hebrews, provides yet another reason for lawyers to address the aforementioned issues of unapproved thinking and any others that come to mind. That reason is, I confess, plainly and exquisitely religious. It is simply this: We are all children of the one Father in heaven; hence, we have no choice but to listen to one another with attention, concern, and love.

Many years ago I pastored a parish on the Southside of Chicago. The community was African-American. In fact, one of my parishioners often reminded me that I was very likely the only white voter in the precinct.

My closest adviser was a retired army major who spent many an evening chatting with me about life in the distressed neighborhoods of the Windy City.

"Father," he used to tell me, "we are never going to be the nation we should be as long as any of us are kept out of the national conversation. We've got to find some powerful folks to let us all in."

This morning, thanks to the very kind invitation of the Archbishop of Washington, James Cardinal Mickey, I have the honor to speak to just such "powerful folks." Over the past thirty years, we as a nation have learned that the Black community must be a respected participant in the "national conversation." We are every day becoming more aware that the same is true of the Hispanic community. I pray that now is the time for the religious community as well. And I pray too that lawyers will lead the way in this regard, not only because of their historic position as protectors of thought and its free expression but also, and especially, because they realize, indeed, embrace in faith, that we are all children of one God, sisters and brothers who need—and have a right—to be heard.●

PHISH

● Mr. LEAHY. Mr. President, Vermont may be one of the last States in the Union to host the Grateful Dead, but we may have spawned their eventual successor—Phish.

The band Phish began 10 years ago with a live debut at Nectar's, a modest tavern in downtown Burlington, VT. Trey Anastasio, the lead guitarist and songwriter, remembers playing to a crowd of two on their second week.

In 1991, 7 years later, Phish produced its first album with a major record label and paid tribute to their Vermont roots. The album, "A Picture of Nectar", has sold a quarter of a million copies.

When Phish came through this area most recently they broke the Patriot Center's all-time attendance record, selling 10,356 seats. They have toured through Europe and filled venues coast to coast for several years. This fall they sold out Madison Square Garden in 4 hours. Their star is on the rise.

Phish's music spans many genres—from classically inspired pieces—to hillbilly country—to slick jazz—to hard rock. Add two trampolines, a vacuum cleaner, a first rate light show and you have a live performance that is hard to forget.

A lot of good things come out of Vermont—Phish is one that seems poised to play a prominent role in the American musical scene. Do not expect hit singles from these talented Vermonters, but expect the grassroots of the Phish movement to grow thick.

Mr. President, I want to congratulate Trey Anastasio, Mike Gordon, Jon Fishman, and Page O'Connell on their success. I look forward to their continued success. I ask that an article from the Washington Post be printed in the RECORD at this point.

The article follows:

THE HOTTEST BAND THE WORLD HAS NEVER HEARD

(By Richard Leiby)

It all sort of came together in the little town of Bethlehem, Pa. There I found a gentle, longhaired wanderer named Nazzarine ("Nazz" for short), who is among the many followers of a group whose symbol is a fish. Generally I don't consult Scripture, but that night after the concert I did. The Gideon Bible on the hotel room dresser was already open and turned to Psalm 31, which was written "to the chief musician."

This I took to be a sign.

"Pull me out of the net that they have laid privily for me: for thou art my strength," the psalmist wrote. "Thou has set my feet in a large room."

Yes, rock-and-roll works in mysterious ways. Hear now the tale of a band called Phish.

They've been together for 11 years, and touring the country for seven, but most of America has never heard of Phish. The Vermont-based quartet has never had a hit single or a gold album. Radio deejays ignore them because their sound fits no format; it's capable of roaming from dissonant classical to mellow bluegrass, from screeching rock to syncopated funk, sometimes in the same song. MTV shunned their one and only video, from the latest album, "Hoist."

And yet: On Saturday, Oct. 8, the night after the Bethlehem gig, Phish broke Patriot Center's all-time attendance record, selling 10,356 tickets. That's more tickets than Jimmy Buffett, who established the record in 1987; more than such million-album-selling acts as the Spin Doctors, Kenny G, Pearl Jam and Mary Chapin Carpenter, all of whom have played Patriot Center in recent months.

Why? All Phish fans—be they suburban teeny-boppers or erudite college students, grimy homeless hippies or married-with-kids professionals—talk about the uplifting "vibe" of the band's live performances, the inexplicable "connection" they feel with the musicians, though they rarely address the crowd. Some fans cite the spiritual charge they get from a Phish concert, although the band itself espouses no religious mission or message.

At best, the members of Phish offer awkward explanations for their cultlike following. "It's an intangible energy," attempts Trey Anastasio, the shaggy red-haired guitarist. "This spiritual aspect," theorizes bassist Mike Gordon, "is that there's something universal that exists and can come through the musicians and the music, if we're not blocking. To put it all in words sounds kind of pretentious. It sounds like a bunch of words, until it's actually an experience."

Phish frequently has been compared to the Grateful Dead, another touring band blessed with a trailing caravan of seekers. Jerry Garcia and Co., having been at it for more than a quarter-century, draw far larger audiences—selling some 1.5 million tickets compared with Phish's 650,000 this year. But, says Dead researcher Rebecca Adams, "Phish is the heir apparent to the Dead. It's quite clear they are winning the lottery."

An academic cottage industry and an Internet debating society have formed around both bands, allowing sages and neophytes to proselytize, soothsay and trade revelations.

"It's a spiritual phenomenon, not just entertainment," argues professor Adams, a sociologist at the University of North Carolina who's writing a book about Deadheads and discerns connections to Phish's fans. "But it's not a belief in musicians as deities. It's a belief in the power of music to create community."

"It is an experience unlike any other," insists Shira Koch, Phish Head, Wesleyan Class of '98, by e-mail message. "For a few short hours or days, we can almost lose ourselves in music, fun, youth." (Though she feels compelled to add: "Maybe I am just a spoiled college student who tries to give meaning to an activity which is senseless.")

True belief requires going "on tour," committing oneself to an ascetic lifestyle of following the band's every stop. But unlike hard-core Deadheads, some of whom survive on food stamps, Phish fans tend to arrange tours around their lives—knocking off in the fall when school starts, working toward real-world careers. The tour community, even if only temporarily joined, offers more than mere fellowship; it is an example of how children of unstable modern households have reinvented the very concept of family.

"Definitely the scene is a surrogate family," says Nav Jiwan Khalsa, 21, whose American parents (now divorced) adopted the Sikh religion in the '60s. "Anywhere you go that the Dead and Phish are playing, you find people of like minds."

BIG PINEY PILGRIM

My journey to Bethlehem really began in July in the remote mountains near Big Piney, Wyo., where I camped along with 13,000 other people in search of something transcendent, or at least something you'll never see on C-SPAN. It was the Rainbow Gathering, an annual celebration of woolly-headed idealism and primitive collectivism that attempts to transplant the Good Samaritan spirit—usually at loose in America only on Christmas Day—to a national forest for an entire week.

Incredibly, it works. Everyone belongs, everyone pitches in, everyone gets fed—for free.

"Where you headed?" I asked a skinny, dirt-caked youth of 18 who was hiking down the two-mile trail from the Rainbow encampment. He was struggling with his box of meager possessions, so I offered a hand.

"Vermont," he said. "Going to follow Phish."

Who?

"Brother, you should check them out. When Jerry Garcia dies, they are gonna be it."

A chain of equally crusty teens, friends of his, soon filed alongside us, offering water and fruit.

"Mmmm nomm me nommm," they loudly hummed. "Do do do do do."

The tune sounded familiar. It made everyone smile against the drudgery of the hike.

"Is that Phish?" I asked.

No, they giggled. "It's from 'Sesame Street.' The Muppet theme."

PHISH AND THE DEAD

Last week, many of those who journeyed to Fairfax for Phish's show moved on to the Dead's three-night stand at USAir Arena. The parking-lot villages for both bands often feature the same characters and rituals: tribal drum circles convened by dead-headed white kids: the wandering, LSD-dosed bliss ninnies in search of "miracle" free tickets; the unmistakable musk of patchouli oil and BO; and the insistent hiss of nitrous oxide tanks, as kids suck $5 balloons full of laughing gas—called "hippie crack" because the rush lasts about 20 seconds.

Though the bands' following intersect, it's not because the music is the same. Many years ago Phish covered Dead songs, but any comparison today is wrongheaded; the only similarity is that both are jam bands, offering hours-long sets and extended improvisations capable of sending listeners into a twirling dance of ecstasy. ("If you need to find me later, I'll be spinning at Portal 4," Buckley Kuhn, 20, a former debutante from McLean, told me at the Patriot Center show.)"

What Phish shares principally with the Dead is a marketing strategy that breaks down the barrier between artist and audience. Both bands invite fans to record their live shows, and tapes are traded extensively (never sold). Both use hot lines and mailing lists to enhance the word-of-mouth network. All of this builds a more intimately connected, and loyal, fan base. Today both the Dead and Phish generate their main income from touring rather than album sales, subverting the music industry wisdom that touring is something a band does to sell records.

Several other young groups—Blues Traveler, Widespread Panic, God Street Wine, Aquarium Rescue Unit, Leftover Salmon and the Dave Matthews Band—are applying the Dead-Phish formula with varying degrees of success. Matthews, a regional favorite based in Charlottesville, has caught on with Phish fans and last month sold out the 3,400-seat Roseland Ballroom in New York.

Many of these bands share something else: a rejection of the voguish alienation and anger of so-called alternative groups, and a return to a celebratory spirit of rock's barefoot-and-tie-dyed past. Phish in particular is a fun band, as playful as children (though the members' average age is 29½) and inventively wacky; for example, when drummer Jon Fishman, dressed in a frock, sings Prince's "Purple Rain" while accompanying himself on a Electrolux vacuum cleaner.

Add in expertly honed, unpredictable sets and on-stage trampoline gymnastics, and the Dead start to look like what they are; a bunch of old men.

"With the Dead, you're going to get an average to lame show," says Steve Logan, 27 a computer salesman from suburban Philadelphia who used to collect live Dead tapes but now concentrates on Phish. He's seen them 73 times; he has stockpiled nearly 500 hours of digital audio tape. "With Phish, for the most part, it's an excellent show," Logan says after setting up his $600 Sony recorder. "The majority of the crowd is going to walk away saying, 'That's one of the best shows I've ever seen.'"

Says Jonathan Epstein, 21, a Massachusetts correspondent on the Phishnet, a computer bulletin board: "I lost my faith in the Grateful Dead. I lost my faith in the Dead when I herd Phish."

ON THE ROAD

Stun the puppy!
Burn the whale!
Bark a scruff and go to jail!
Forge the coin and lick the stamp!
Little Jimmy's off to camp.

—From Phish's "The Squirming Coil"

Nazz and his four friends were road-tripping from Cincinnati in a red Bronco packed with sleeping bags, flannel shirts and sustenance that included a case of Pete's Wicked Ale. First stop, Bethlehem, then on to Fairfax, then Louisville before returning to reality at the University of Cincinnati.

Many Phish fans attend college. But some, like Scott Nazzarine, are taking a break. He is 20, an architecture school dropout. He follows both the Dead and Phish, and tramped to Wyoming this summer for the Rainbow Gathering. He wrote his high school senior thesis on Jack Kerouac.

"I try to avoid working as much as possible," he says, laughing. He doesn't worry about surviving, he says because "people are so friendly" on tour.

But like the hippies of yore, today's self-seeking transients often have middle-class roots to return to.

"I've worked Phish into my master plan," says Todd Overbeck, 21, a ponytailed sociology major at the U of C. That blueprint includes: graduating with a good GPA, mastering Swahili and enrolling in the Peace Corps (he hopes to work in Africa), then getting a graduate degree. But for a year or two in between, starting in fall '95, he will follow Phish.

Why? It's part of his religion, he says, but not the conservative Catholicism he was raised in. "It's the spirituality of carpe diem—of seizing life, being happy," he says. "It's the spirituality of having a good time."

Do Phish's lyrics contain deeper meaning? Of course, Overbeck and his friends say. They cite the parable of "Possum": "I was driving down the road one day and I hit a possum. Possum, possum, possum."

Nazz smiles, as if revealing a secret. "Sometimes whatever they're saying doesn't matter," he says. "They could be saying anything."

SACRED MUSIC

Before the Bethlehem show, the rabbi tends the cookstove, stirring beans to make veggie nachos, a quick nosh for the parking lot faithful.

How much?

"By donation," He demurs. He also offers Camel wides for a more worldly sum of $3 a pack, and a free glimpse at his set-list catalogue of Phish's live shows, back to '86.

"This is part of my research and part of my occupation, because I'm clergy," says Yanni Cohen, 25, an assistant rabbi in Manhattan. "I get a spiritual boost big-time from Phish shows. And I'm here for advice if someone needs it."

It pleases Cohen that Phish sometimes breaks into the ancient chant "Aveinu Malkeinu" ("Our father, our king") and other Hebrew songs in concert. (Though no longer an observant Jew, bassist Mike Gordon attended Hebrew day school.) "It's a right-on message," the young rabbi says.

I offer Cohen my extra free ticket to attend the concert. Sorry, he says, but the sun has set, his observation of Sabbath has begun. He cannot attend.

So I offer it to his friend, Wanda D'Orta, 32, a former dental hygienist who now sells tie-dyed clothing, who was raised by strict Christian parents and still follows Jesus but rejects the institutional church. D'Orta says she finds truly Christ-like "unconditional love" among Phish fans.

"There are a lot of disciples here," she says, gesturing to the assembled, "even if they don't know it."

She has never seen a Phish concert. She marvels at the free ticket and seems on the verge of weeping with happiness.

"This is such a blessing," she says, "God bless you."

PRESENT AT THE CREATION

Amy Skelton is the legendary Phirst Phan. She alone was there to applaud Phish during its debut live show 10 years ago on a winter night in Burlington, Vt., at Nectar's—a tavern that is now a sacred site, drawing pilgrims by the carload.

"The second week there were two people, literally," recalls guitarist Trey Anastasio. From there the affinity circle kept expanding, as Skelton used her pickup truck to haul loads of 10 fans to bar gigs. "And we met all of them," says Anastasio.

He and other band members still wander into the parking lot after shows, but nobody treats them like gurus, or even rock stars. They dress like perpetual grad students. Their idea of a wicked good time on the bus is a chess match (keyboardist Page McConnell and drummer Fishman ended the spring tour tied 11–11).

"The guys have never taken themselves too seriously," says Skelton, 29, who now handles the band's merchandising on tour. That's her horse, Maggie, dangling on the cover of "Hoist," which has sold about 250,000 copies.

Phish's third album for Elektra, "Hoist" was an exercise in, well, fishing for radio and MTV exposure, Elektra hoped for a breakthrough after earlier releases flopped commercially.

"So we made a conscious decision," Anastasio recalls. "They want a couple of radio songs, they want a video, let's just do it and see how it feels. And we did it, and I didn't like it."

Why? "It's too commercial."

Anastasio realizes the irony of this. Most bands, no matter how loudly they bray about the evils of selling out, actually are willing to enter pacts with Lucifer to get a record on

the Billboard chart. Phish is genuinely fearful of becoming too popular, of losing the intimate relationship with its fans (up until last year, band members even answered all mail personally). Many Phish Heads denounced the making of a video for the song "Down With Disease."

"We don't think we'll make any more," says Gordon, who directed it.

So far, the band has played to no audience larger than 18,000; New York's Madison Square Garden, an upcoming stop, holds 20,000. Anastasio says that's the limit.

"We won't be hitting RFK Stadium," he vows. "It's too big; it's just a stupid place to have a concert. The only reason to play in a room like that is because you make a whole lot of money."

It is a very large room, indeed. But perhaps the Great tour Manager in the Sky will decide the size of the room into which this man sets his feet.

PHAME

Within minutes of asking Phish to pose for photos, we are surrounded by a frenzied swarm of pre-pubescent girls demanding autographs. The girls play for a 13-and-under soccer team in Cold Spring Harbor, on Long Island, they're in Fairfax for a tournament, and not only have they heard of Phish, they have CDs right here for them to sign! Albums their 15-year-old sisters told them to buy! They loooooovvve Phish!

The band is estatic, yet surprised that their fame has reached this level. "This is new for us," Anastasio says, shaking his mane.

But it's no wonder: Phish's music has built-in kid appeal. Anastasio used to write songs with his mom, once the editor of Sesame Street magazine. One of Phish's songs, "The Divided Sky," takes its melody from a family musical, "Gus the Christmas Dog."

It turns out the soccer team has no idea Phish is playing that very night, right down the street. Instantly, Anastasio invites all 15 girls to the concert. A few hours later, in the middle of "Cymbal," the Cold Spring Harbor Muppets file in front of the 10,356 spinners, seekers and just plain astonished music lovers, and chant:

"Everything we go, people wanna know! Who we are, where we come from! So we tell them: North, south, east, west—Muppets are the best!"

It's too perfect. The lesser deities that watch over feature journalists are clearly working overtime. And in the end, the story of Phish becomes a simple lesson:

To find happiness, be as if a child. Play and share. Love one another. Dance and sing. Somewhere in there, you may even find God.•

TRIBUTE TO KEN HARPER

• Mr. McCONNELL. Mr. President, I rise today to recognize a great Kentucky Republican for his excellence in representing a portion of northern Kentucky in Kentucky's General Assembly for 18 years. Mr. Ken Harper did not seek re-election this year and plans to retire in January after his current term expires.

Mr. Harper was first elected in 1963, but gave up his seat later that decade to serve the citizens of Kentucky in other capacities, including Assistant Commissioner of the Department of Child Welfare and Secretary of State for former Governor Louie Nunn. In 1981, he was once again elected to Kentucky's General Assembly for the 63d House seat. He subsequently ran unopposed in three of his six re-elections. Mr. Harper served on many committees including the Appropriations and Revenue Committee, Program Review and Investigations Committee and the Tourism and Energy Committee, where he served as vice chairman.

Throughout his tenure in public service, Mr. Harper has continued to operate his realty company in Northern Kentucky. After retiring, he plans to focus on this business, as well as spend more time with his six grandchildren. Among his major accomplishments, he lists legislation that helped create Northern Kentucky University and a flood prevention project on the Doe Run Lake in Kenton County.

Mr. Harper is a graduate of the Kentucky Military Institute [KMI] and has been honored many times. In 1963, he was the Outstanding Young Man of Kentucky. In 1966, he received the KMI Humanitarian Award, and in 1980 he received the Walter L. Pieschel Award from the Northern Kentucky Chamber of Commerce.

Mr. Harper's hard work and dedication has proven to be a great asset to Kentucky's 63d House District and will be missed in that district and the entire Commonwealth.•

PROPOSITION 187

• Mr. SIMON. Mr. President, while implementation of proposition 187, the so-called "Save our State" initiative passed by Californians this past election day, has already been stayed by both Federal and State courts on constitutional grounds, the informal implementation of proposition 187 has been very much in the news the past month.

We have already heard stories of Hispanic teenagers being refused service at restaurants unless they could furnish evidence of lawful immigration status; of individuals with Hispanic surnames being denied service at local government offices; of Hispanic schoolchildren being told by their classmates to go "back across the border." According to USA Today, "[l]awyers and civil rights groups say they're flooded with complaints from residents who say they're being wrongly questioned about citizenship." Clearly, the citizens of California have come to view proposition 187 as a license to take any adverse action—whether warranted under law or not—against anyone whose complexion or surname suggests that they may be Hispanic, and, therefore, of undocumented immigration status.

The problems with proposition 187 are not confined to illegal acts by California's citizens. Many individuals who are of undocumented status are declining to seek service at California hospitals, for fear that these hsopitals—in line with the dictates of proposition 187—will turn them in to the Immigration and Naturalization Service. Clinics in Hispanic neighborhoods have already reported a marked decrease in patients, and a young boy recently died because, many have said, his grandparents were afraid of seeking service at an area hospital for fear of being reported to the INS.

Some of the consequences I have described were intended by proponents of INS, while others were largely unintended. Governor Wilson of California has already counseled Californians to "learn the limits" of proposition 187. What Governor Wilson and other proponents of the initiative fail to recognize, however, is the racism and anti-immigrant sentiment cannot easily be contained. Once such sentiments are given official sanction, as they are in proposition 187, they permeate all walks of life and affect behavior toward many, many individuals who have as much right to be in this country as you or I do.

In but one month since its passage proposition 187 has been exposed as both constitutionally problematic and as unwise as a matter of policy. Neither of these developments comes as a surprise to many people who opposed the initiative from the outset. Clearly, illegal immigration is a problem that must be addressed in an effective manner. The early returns on proposition 187, however, indicate that that approach is not the answer. Many positive steps have already been taken in the past year to combat illegal immigration; I look forward to continuing working with my colleagues in Congress and with the Administration this issue.•

THE CANADAIGUA TREATY OF 1794

• Mr. D'AMATO. Mr. President, I rise today to recognize one of the oldest and most respected treaties ever written in New York State. The Canadaigua Treaty of 1794 signed between the United States and the people of the Six Nations of Indians, established a firm and permanent friendship which has lasted two hundred years. In recognizing this treaty, we also recognize the many great things accomplished all over New York State through the team work of the Haudenosaunee and the descendants of all those who have settled in New York State. Together our State has grown and prospered, always respecting the rights of all who live within our borders.

The Treaty of 1794 served as a model to the entire United States. The friendship that it recognized on paper has grown into a bond which knows no separation. The American Frontier had seen much bloodshed. People from all

over the globe came to America to escape injustice and begin new lives, free of oppression. As the fight for expansion raged on in the West, the people of the Six Nations of Indians worked with their new neighbors to establish what would serve all in the United States as a model of peace and understanding based on trust and respect.

The first article of the treaty proclaims the underlying theme of the entire agreement—peace and friendship. That friendship has remained for 200 years, and continues to grow as we work together.

The second through fourth Article establishes the recognized boundaries between the United States and the Haudenosaunee. The focus is mutual respect and an understanding that the United States, having acknowledged what lands belong to the Six Nations "will never claim the same, nor disturb the Six Nations people or their Indian friends in the free use of and enjoyment thereof".

The last Article of the Canandaigua Treaty, article No. 7, incorporates the spirit of cooperation and the sense of justice which both signatories held so sacred. Article 7 establishes "that, for injuries done by individuals, on either side, no private revenge or retaliation shall be made by the party injured, to the other; but, instead thereof, complaint shall be made by the party injured, to the other".

The celebration of the Canandaigua Treaty of 1794 is a celebration of friendship and cooperation. This day is important because it commemorates that great spirit of friendship which keeps our separate communities together. I congratulate the people of Canandaigua and the Haudenosaunee.•

WAYS IN WHICH THE UNITED STATES CAN SUPPORT AFRICAN PEACE AND RECONCILIATION

• Mr. SIMON. Mr. President, I rise today to enter into the record recommendations from the report of a trip that I led to Africa earlier this year with Senators HARRY REID of Nevada and RUSSELL FEINGOLD of Wisconsin. We traveled to Liberia, Angola, and Tunisia to look at the effects of war and the prospects for peace. In addition, we met with Yassir Arafat to discuss the Palestinian National Authority, and Foreign Minister Solana of Spain regarding the Western Sahara.

Considering the current state of affairs in Liberia and Angola these recommendations will help in providing some guidance to the administration. Liberia remains enmeshed in war with the regional peacekeeping operation—the first of its kind in Africa—funded by western African nations, most of the problems that the mission is experiencing are due to resource shortages. Others are due to the upsurge in the war among the factions. Under the new leadership of President Jerry Rawlings of Ghana, the region is getting reengaged on Liberia, and working hard to put together a workable peace agreement that incorporates all parties within Liberia.

The recommendations suggests ways in which the United States can support those regional efforts, and how we can put pressure on those Liberians who are working against the cause of peace. In addition, the full report suggests how we can make a difference in the lives of ordinary Liberians.

Recently a peace accord was signed in Lusaka, Zambia, by the warring sides in the Angolan conflict. Our country has had a long history with Angola beginning during the colonization of America. Angolans were brought to the south eastern part of the United States as slaves. Some of their descendants are presently known as the Gullah people of the Carolina's. However, most of us have come to know Angola during the period of the cold war where the United States provided support to a number of Angolan parties.

Angola's people, economy, and territory have been devastated by war, but with the signing of this new peace accord, brokered by the international community, we may for the first time in two decades see peace in Angola.

This peace is not only historic for Angola, but also for the southern Africa reason. With elections this year in Mozambique and South Africa, we may now see a southern African region that will begin to see its potential as an engine for Africa.

Our report addresses areas where the United States can make a difference in the lives of Angolans from immunizations for kids to reconstructing civil society. We hope that this report will serve as a basis for the new Congress and the administration to work with Africans on constructing peace and national reconciliation.

NOTE.—Because of limitations on the amount of material that could be placed in the RECORD, I urge my colleagues to contact my office for a copy of the trip report.

VISIT TO LIBERIA, ANGOLA, TUNISIA, AND SPAIN—RECOMMENDATIONS TO THE COMMITTEE ON FOREIGN RELATIONS BY SENATOR PAUL SIMON, SENATOR HARRY REID, AND SENATOR RUSSELL FEINGOLD

FINDINGS AND RECOMMENDATIONS FOR U.S. POLICY

The main findings of our report are listed below for each country we visited:

LIBERIA

1. Liberians who raise money in the United States for weapons and/or are implicated in committing crimes in Liberia should be bared entry. Most of the Liberian factions have high ranking members that reside in the United States.

Under the Immigration and Naturalization Act of 1986, the President may make a proclamation that individuals or groups from certain countries are barred access to the United States for foreign policy reasons.

2. Senators Simon and Reid believe that the Secretary of State should recognize the Liberian National Transitional Government [LNTG].

Senator Feingold raised concern about the premature recognition of the LNTG. He noted that since the LNTG was appointed as a caretaker government pending democratic elections in Liberia, U.S. recognition should be tied to the holding of elections. Indeed, consistent with its priority on advancing human rights and democracy, US policy has explicitly linked recognition of the Liberian Government to elections. No other country has recognized the LNTG, though the United States and the United Nations have regular contact with members of the LNTG on a working basis. Senator Feingold supports developing a "road map"—a graduated step-by-step plan—aimed at legitimizing an elected Liberian Government.

3. There needs to be increased UN scrutiny of the arms embargo against Liberia. Recent reports have suggested that the embargo needs to be strengthened.

The delegation was particularly alarmed by widespread reports that other countries—including Burkina Faso and Cote D'Ivoire—are participating in the arming of various factions in Liberia. It is also concerned about the role of ECOMOG in enforcing the embargo. It is our belief that the war will not end and economic development and political reconciliation will not begin unless the arms trade is halted. As private and public negotiations on a peace accord continue, the arms trade should be a top priority. The delegation heard from many sources that the Nigerian component of ECOMOG is arming certain factions in Liberia.

4. Given that ECOMOG appears to be the only hope for Liberia, particularly under the invigorated leadership of President Jerry Rawlings. The Administration should consider providing additional resource support for ECOMOG, including logistical and vehicle support that would allow the force to fan out throughout the country.

5. During our negotiations with the warring parties, there should be an emphasis on demobilization and the reintegration of soldiers with the understanding that elections can occur if "real" demobilization is adhered to.

Demobilization and reintegration, however, are inextricably linked to economic development and peace. For instance, soldiering is one of the only employment options available to children. For disarming, soldiers are offered only a pair of tennis shoes, a bag or rice, and a can of cooking oil—hardly enough to sustain a family. The U.S., the U.N. and, ideally, ECOWAS should look at possibilities (1) to create jobs as a lever in the peace negotiations and (2) to develop programs—such as "midnight basketball"—for children to give them alternative activities to fighting.

6. The Administration should discuss with ECOWAS the request, made by the Transitional Government, to name a political envoy to liaise with the Government.

7. We should stress to all factions that they must abide by the Cotonou Accord. The international community is looking to the U.S. to take the lead in Liberia, and given our historical ties and responsibilities in Liberia, we recommend that the resolution of the war in Liberia become a higher priority in our policy in Africa. Specifically, we recommend that the U.S. send a high-level delegation to the region at the appropriate time in the peace talks.

ANGOLA

1. The Agency for International Development should provide funding to the Centro

Orthopedica Neves Bendinha center in Luanda. The center is the only operating prosthetic and orthopedic hospital in Angola.

2. The Agency for International Development should provide funding to the UNICEF appeal for a national immunization program.

3. A problem common throughout the developing world is also present in Angolan refugee camps: vaccines expire before they arrive, or they spoil upon receipt because there are inadequate storage facilities in Angola. The same is true for food shipments. Critically, the U.S. should support ongoing research on cold chain technology to ensure the utility of vaccines as intended, as well as continuing research on bags and containers holding food supplies.

4. The Administration should insist that President Mobutu of Zaire stop overflights of weapons shipments destined for Angola.

5. The Chairman of the Export-Import Bank should examine the issue of providing risk insurance and financing for U.S. firms operating in Angola.

6. The Administration should discuss with Angolan President Dos Santos the proposal by the opposition to convene on a regular basis the Council of the Republic. The opposition believes it needs institutional protection to guarantee its voice in government decisions. This would also be a positive confidence-building measure.

7. The Administration should discuss with President Dos Santos the opposition's proposal to accelerate the appointment of justices to fulfill the remaining seats in the Judiciary.

8. Humanitarian NGO's on the ground should be mindful of the concern that humanitarian assistance efforts not thwart the production of indigenously produced goods. In addition, resettlement programs should begin whenever areas that are calm and safe can be opened up.

9. Within funding already allocated for foreign assistance, AID should provide additional money to initiatives like OTI (Office of Transition Initiatives) because they can dispatch assessment missions and quick infusions of money to countries in transition such as Angola. Many times these countries do not need humanitarian assistance for extended periods because they have extreme potential, however, until they get beyond the crisis, they cannot be provided developmental assistance.

TUNISIA

1. As events develop in the Middle East peace process and democratic reforms take hold, the Administration should consider participating in joint exercises with the Tunisian military for the purpose of strengthening Tunisia's defensive capabilities.

2. The Congress should consider holding joint meetings with Tunisian legislators on focused issues, such as regional concerns and the development of democracy.

3. The U.S. should continue its support of Tunisia as Chairman of the Organization of African Unity.

4. As Tunisia continues its process of democratization, the U.S. should emphasize the importance of the protection of internationally-recognized human rights in a democratic and pluralistic society. For example, the U.S. should continue to raise issues such as the incarceration of human rights activists and freedom of speech.

MEETING WITH PALESTINE LIBERATION ORGANIZATION CHAIRMAN YASSER ARAFAT

1. The Administration should continue to press Chairman Arafat to take the lead in lifting the Arab boycott of Israel.

2. Israelis, Jordanians and Palestinians should work together to determine whether there is a need for a desalination plant and other clean water technologies in the region. As water resources become more stressed and water sources are increasingly shared, desalination techniques are more timely than ever.

3. The Administration should discuss with Arab states the need to allow the Palestinian National Authority to collect Palestinian remunerations that remain in Arab banks, in connection with the Middle East peace process.

4. The Administration should work closely with multilateral institutions and other donor countries to ensure that the Palestinian National Authority in the West Bank and Gaza is receiving the money it has been pledged as implementation of the peace accords continues.

MEETING WITH FOREIGN MINISTER SOLANA OF SPAIN REGARDING THE WESTERN SAHARA

1. As the process of reconciliation appears to be on the verge of a breakthrough, the delegation supports the continuation of MINURSO.

2. The U.S. Ambassador to the United Nations should carefully monitor the development of the identification commission which is mandated to register voters from the Western Sahara.•

75TH ANNIVERSARY OF THE SCHOOL OF MANAGEMENT

• Mr. D'AMATO. Mr. President, I rise today to pay tribute to a fine institution in upstate New York, the Syracuse University school of management, on the occasion of its 75th anniversary. In truth it's not so much the institution that is deserving of our admiration and respect, but the cooperative efforts of faculty, staff, and students over many years of change.

Syracuse University has a longstanding tradition of being one of the most revered institutions in New York State and the School of Management has played a major role in carving out this notable legacy.

The year was 1919, the war was over, and Americans were embracing the principles of scientific management for the omni-present industrial boom. No one embraced the business ideology more devoutly than John Herman Wharton, a professor of English in the college of engineering at Syracuse University. Wharton seemed an unlikely champion of business education, yet he succeeded in convincing James Roscoe Day, then chancellor, that there was an imminent need for sound collegiate business programs.

It was an academic response to the challenge of technology which brought forth the school of management at Syracuse University. The school has been nurtured by many hands over 50 years of change beginning with Dean John Herman Wharton. We can all take great pride in the success of this school and all programs of this caliber that responded then and continue to respond today to the needs of our nation long before they become apparent to the masses. It is my hope that our institutions of higher learning will continue to lead the way in responding to our educational needs as we remain competitive in a global economy. I congratulate Syracuse's school of management on 75 years of achievement, and look forward to its continued success in the year ahead. Thank you, Mr. President.•

ELECTRIC VEHICLES

• Mr. SIMON. Mr. President, I want to share with our colleagues a recent articles by Matthew L. Wald published in the New York Times about Noel Perrin, a professor emeritus of English and American literature at Dartmouth, Mr. Wald writes about Professor Perrin's experiences with electric cars and of his devotion to bringing about a pollution free environment through the widespread use of these vehicles.

Automobile ownership is expected to increase worldwide by up to 50 percent in the next 20 years. If we do not take action, the environmental and energy problems that will result from the use of gasoline-powered cars will be monumental. The air pollution and oil consumption will create problems that simply will be intractable. The widespread use of electric cars, however, would go a long way toward resolving our Nation's environmental and energy problems.

For some years I have been trying to promote greater research and use of electric cars. And we are making progress. New environmental regulations have been adopted in California, New York and Massachusetts, and are under consideration in other States. In these three States, starting in 1998, 2 percent of the cars sold in the State must be electric. Early this year, the Ozone Transport Commission, representing a group of eastern States and the District of Columbia, voted to support California's efforts to develop a market for electric cars as a means of reducing air pollution. The Commission vote was a formal recommendation to the EPA to require "progressively cleaner standards" for automobile emissions.

We are making progress, but we must continue our efforts. We must work on the problems that are inherent in any new technology. Batteries that take too long to recharge, the short range of travel before recharging, and the high cost of the electric car are some of the problems that must be resolved.

There is great interest in the electric car abroad. Japan wants to have 200,000 electric cars in use by the year 2000, and Europe will not be far behind. We must encourage U.S. auto companies in every way we can to produce electric cars. We must get on the cutting-edge of this technology, Mr. President, before other nations move ahead of us.

Mr. President, I ask unanimous consent that the New York Times article

"A Man and His Plug-In-Car and their American Odyssey" be printed in full in the RECORD.

A MAN AND HIS PLUG-IN CAR AND THEIR AMERICAN ODYSSEY

(By Matthew L. Wald)

As bad trips through the Donner Pass go, Noel Perrin's ended relatively painlessly. Nobody froze, starved or ate any unusual meals; all that died was his dream of driving an electric car from Los Angeles home to Vermont. Instead, he rolled back down the mountain, bought a secondhand 1981 Toyota pickup and ignominiously towed the electric across the continent.

Mr. Perrin, a professor emeritus of English and American literature at Dartmouth, has recently been teaching environmental studies and driving what he preaches—just now a 1983 Audi, converted to electricity in 1992. Last year it made the daily run from his home in Thetford, Vt., to his classroom in Hanover, N.H., 13 miles each way, and covered 5,000 miles; this semester he is teaching at Boston University, and the Audi sits at the bus station in White River Junction, where he picks it up every Friday night for the drive home.

Auto executives are very nervous about requirements in California, New York and Massachusetts that beginning in 1998, 2 percent of the cars offered for sale must be electric. But Mr. Perrin is confident: "They've got to make them attractive. But the electric cars are like those girls in 1950's movies that don't realize they're beautiful. The cars are attractive. It's just that Ford and Chrysler and G.M. don't really realize that."

Could he sell the idea to 2 percent of his neighbors?

Actually, he could, he said in a telephone interview last week. "The reason I think I can get one in 50 and probably one in 20 of my neighbors to buy is almost entirely environmental," he explained. "Someone speculated that about 1 percent of Americans are eco-fanatics but that in Vermont the percentage is more like 20."

Professor Perrin was goaded into pioneerhood in 1990, by a student who listened to his lecture on energy conservation and then asked how he could drive a gas-guzzler. A few months later, he flew to Santa Rosa, Calif., to buy a car from the only manufacturer he could find, Solar and Electric Engineering, now U.S. Electricar. It was a 1985 Escort, equipped with lead-acid batteries, which he named Solo. It had a quoted range of 45 to 60 miles between recharges. It turned out to be less going uphill.

NOT THE FIRST

He is a self-conscious pioneer, as he shows in his 1992 book, "Life with an Electric Car" (reissued last month by the Sierra Club Paperback Library, on acid-free paper containing a minimum of 50 percent recovered waste paper). He wrote that he had believed he was the first to try to cross the country with an electric, but found out later that others had preceded him. Still, if the late 1990's turns out to be the dawn of a new age of transportation, he can lay claim to experiences that are already a thing of the past. One is having to cross the country to find a car; there are now at least 16 builders and converters around the country.

He made the trip with nine half-pints of Vermont maple syrup, to barter along the way or give to people who were particularly helpful. He also carried a letter from the manufacturer to show wary motel managers that his car, plugged in overnight with an extension cord strung through a window or into a laundry room, could not draw more than $1.50 worth of electricity.

"You can plug one in anywhere there's power right now; it's just that you have to explain what you're doing," he said.

He did not take a gasoline-powered generator, which, he said, would not have drawn converts to the cause of electric vehicles. As it was, Solo did not win over everybody; there was the service station attendant in Utah, for example, who asked what he had paid for the converted Escort ($17,500) and offered, "Around here you could get three 1985 Ford Escorts for that. Maybe four."

At home, Mr. Perrin avoids tapping into the local utility, which simply trades pollution from a tailpipe for pollution from a power plant stack. To get electricity for his car, he covered the south side of his barn roof with $18,000 worth of solar photovoltaic cells.

The automakers argue that apart from some elite, special cases like Professor Perrin—although "special" isn't quite the term they use—Americans don't have the money or the inclination to deal with an electric. Professor Perrin disagrees.

"It certainly is true that right now they're more expensive, because electric cars are hand-converted," he said. But they have fewer parts than conventional cars, and in three or four years, with mass production, will be cheaper than internal-combustion models. "I don't see that that's particularly elitist," he said. "You may say it's elitist for people to buy Cadillacs and Ferraris and read Road and Track or Car & Driver."

Detroit has drawn its own profile of who would buy an electric, and Professor Perrin fits much of it, as an "early adopter" of new technology with unusually strong views on the environment. Detroit has missed another characteristic of those who buy first; they are extroverts, who will roll down the window at every red light to answer questions. (Solo called attention to itself with a roof rack of photovoltaic cells and the words "Solar Electric Vehicle" on its back and sides.)

WHITE-HAIRED FANS

"All sorts of people, white-haired old ladies—I'm a white-haired gent myself—will come up and say that they're determined to have one before they die," he said. "Kids in high school come up, too."

"Now, all of us Americans want convenient personal transportation even more than we want to be good to the environment. But I think there are going to be several different kinds of electric cars built from the ground up."

In these closing years of the 20th century, Professor Perrin, at 67, is like a test pilot in a battle among the auto manufacturers, the air regulators, the entrepreneurs and, of course, the lawyers for each. The battle is to determine whose legacy will prove more enduring on the American road; the contestants are Henry Ford, who perfected the mass-produced internal combustion car, and his friend Thomas Edison, who built the first practical electric generator.

There is another pioneer Professor Perrin would like to emulate: Sacagawea, the Shoshone Indian who accompanied Lewis and Clark. In later years, Sacagawea covered part of the route again by train.

"My fantasy is just really good batteries in an electric car, maybe lithium polymer," he said, "because I want to drive across country and visit all the places I had trouble when I first brought Solo home in 1991."

Solo is just a memory now. The car died on a back road in a collision with a telephone pole, as Mr. Perrin's book recorded:

"There was a monster dent in front, exactly the size and shape of a telephone pole, but there was no flood of sulfuric acid from the forward batteries. No hiss of steam from the radiator. (Couldn't be. No radiator.) Dazed as I felt, I still was able to notice the one tiny bit of silver lining. This head-on crash showed that electric cars are pretty safe in accidents, maybe safer than gasoline cars. At least Solo was."•

NATIONAL STANDARDS FOR GEOGRAPHY AND NATIONAL STANDARDS FOR CIVICS AND GOVERNMENT

• Mr. BINGAMAN. Mr. President, 2 weeks ago draft national standards for the teaching of civics and government in grades kindergarten through 12 were released by the Center for Civil Education. At about the same time, draft national standards in geography were also released by the Geography Education Standards Project. I have long been an advocate of the development of standards in the core academic subjects as a way to improve our Nation's educational system and the academic achievement of America's young people. Accordingly, I am very happy to see two more installments of proposed national standards announced to the public. I want to congratulate the Center for Civic Education and the Geography Education Standards Project for what appear to be two very solid and comprehensive efforts to produce standards in these important areas.

I would like to take this occasion to comment on the standards process, of which these latest releases are a part, and on the importance of academic standards to the improvement of education in America.

In 1991 Congress created a National Council on Education Standards and Testing—NCEST—and charged it with advising the Congress and the Nation on the desirability and feasibility of establishing world class education standards for the United States, methods to assess their attainment and a mechanism for establishing those standards. I was privileged to serve on that Council and joined in its report, "Raising Standards for American Education." That report concluded that national standards were needed to provide more equitable educational opportunity for all Americans and to increase the competitiveness of the economy. That report further called for high, nationwide, voluntary standards as a resource to State and local reform efforts and recommended that an new council be established to review standards and, with the National Education Goals Panel, participate in approval of such standards.

The Goals 2000 legislation—Public Law 103-227—which we passed last spring carries forward the recommendations of NCEST. It provides for the establishment of the National Education Standards and Improvement

Council—known as NESIC—to encourage the development of standards, to review standards and, as appropriate, certify them. The NESIC, which has not yet been appointed, is to consist of experts in various aspects of education. The members will be appointed by the President from nominations made by the Goals Panel, the leaders of the House and the Senate, and the Secretary of Education. Its members are to be evenly split in political affiliation.

When appointed, the NESIC will adopt criteria for the certification of standards and will review the standards submitted to it in accordance with such criteria. Criteria for review have suggested in the excellent report *"Promises to Keep: Creating High Standards for American Students"* which was prepared for the Goals Panel last November by a panel consisting of such distinguished individuals as Shirley Malcom, Chester Finn, David Hornbeck, Richard Mills, among others. Those criteria for standards include the following: world-class, important and focussed; useful; reflective of broad consensus-building; balanced; accurate and sound; clear and usable; assessable; adaptable and flexible; and developmentally appropriate. These or other similar criteria may be adopted by NESIC for purpose of reviewing standards submitted to it. If standards meet such criteria, NESIC may certify the standards. NESIC will also consider other issues, such as whether there can be more than one set of national standards certified in a single subject.

NESIC will submit the standards that it certifies to the National Education Goals Panel for its review. The Goals Panel, on which I serve, may disapprove those standards within 90 days of receipt; otherwise, the certification will stand as a kind of "Good Housekeeping Seal of Approval" to guide States in their selection of standards for their schools. Those States may adopt these certified national standards if they choose; alternatively, they may develop their own standards and seek certification for them from NESIC; or they may adopt standards without certification or decline to adopt any standards at all. The standards are purely voluntary, but it is my hope and expectation that all States will adopt the NESIC certified standards or comparable State-developed standards.

Thus, the standards process envisioned by Goals 2000 is one with many steps—the first of which is the development of the standards themselves by interested groups. The civics and government standards and the geography standards are steps in that initial process, but not the first steps. Other standards have already been developed and released. In 1989, the National Council of Teachers of Mathematics released standards for mathematics which are now in use in about 30 percent of the country's school districts. This year has seen the announcement of standards in the arts and in history in addition to the civics and geography standards which were just released. I understand that science and foreign language standards will be announced soon. The process is moving along and we are getting closer to having a set of world-class standards in each of the nine core academic subjects identified in the Goals 2000 law.

Having challenging, world-class standards for our students to meet in the core academic subjects is critical to the efforts to improve the educational level of our citizens. For too long, we have concerned ourselves with making sure that our students meet minimum standards, with the result that while many students do reach those minimum standards, not enough meet the higher standards that students in other countries meet. As a Nation, we need to challenge ourselves and our young people to do our best, not just get by. The adoption of national, voluntary standards in the core academic subjects will send a very strong and positive message to our young people: that the entire Nation wants and supports the best for them.

National, voluntary standards are important because they set an agenda of excellence for all students, not just the privileged or the gifted. I have not yet met a parent who does not want his or her child to meet high standards—and when I talk to students in my State of New Mexico, they say that they want to be given the same opportunities and held to the same expectations as students in other States.

Further, in our highly mobile society, national standards will provide some uniformity and predictability and, I hope, the opportunity for the first time for students to know that whatever school they may attend will share academic objectives with other schools across the country.

I also expect that the standards process will help us all focus on and understand what we as a Nation expect from our schools so that we can set about supporting and helping the schools meet those expectations.

The standards which I see being certified as a result of the process set out in the Goals legislation should be realistic but tough and provide a benchmark for all schools in the Nation to meet. Local districts can choose how to teach in order to meet the voluntary standards, but they will be guided in their curriculum decisions by consistent, challenging standards. The kinds of standards I am talking about are not a list of facts which each student will be expected to memorize by a certain age. Rather, they are standards such as those set out in the civics standards—for example, by grade 4, "a student should be able to explain the purposes of rules and laws and why they are important in their classroom, school, community, state and nation." Or, by grade 12 "students should be able to evaluate, take and defend positions on the proper relationship between the national government and the state and local governments." These and similar standards are critical for our students to meet, no matter where the school or the circumstances of the student.

There are many reasons that we should all be pleased that the process of developing standards in the core academic subjects is proceeding. There is still a long way to go: these standards must all be reviewed by NESIC before certification. I have always envisioned that the NESIC review would encompass dialog and revisions so that the standards which emerge meet broadly accepted criteria. Nevertheless, the announcement of these civics and geography standards signals another major step down the road toward educational excellence for our Nation.

In conclusion I would like to note that it is fitting that civics standards should come at this time, following historic elections which have changed the majority in both the House and the Senate for the first time in over 40 years. This dramatic change in the majority of Congress was accomplished in an election in which less than 40 percent of the voters exercised their right to vote. The commentators have written at great length about the anger of our citizens as expressed at the ballot box—but there has been little commentary on a more dramatic fact—the fact that a majority of those entitled to vote chose not to do so in this election. There may be many reasons for that low level of participation in our democracy, but I believe that one of those reasons is a lack of appreciation and understanding of the system and the important role that individuals must play in it at all levels of government.

The newly announced civics standards seek through ambitious and challenging standards to provide an understanding of that system to students at all levels as they move through school from kindergarten to graduation. As a member of the Goals Panel which will review the standards if they are certified by NESIC, I do not want to prejudge them at this point. But as I looked through them I thought to myself how wonderful it would be if all students in America could leave high school with a firm grasp of the material covered by these standards and a commitment to responsible, informed and active participation in our democracy.

Again, my congratulations to the Center for Civic Education, to the Geography Education Standards Project, and to all the groups and individuals who participated in the drafting of these standards. They have made an

important contribution to the process which I hope will transfer our educational system and give all of our students the chance to be the best in the world.•

THE PROBLEMS FACING TRIBAL COLLEGES

• Mr. SIMON. Mr. President, I want to bring to the attention of the Senate a true success story in Indian country. Back in 1978, I served as chairman of the Subcommittee on Postsecondary Education in the House of Representatives. One of the bills that came out of that Subcommittee was the Tribally Controlled Community College Assistance Act of 1978.

What these colleges do, they do very well, with funding sharply below that of State or Federally support community colleges. Little Federal money is available to tribal colleges for renovation and repair, and no money for new construction.

Tribal colleges prepare students for today's job market and provide instruction in Native American traditions and history. Because of their success, tribal college enrollments have been steadily increasing over the past decade. In 1993, over 14,000 students were enrolled in tribal colleges.

A review of tribal college facilities by the Bureau of Indian Affairs [BIA] found that most of the classrooms were minimally functional, and all the colleges had buildings that were in noncompliance with safety and building codes. Most of the colleges were established in surplus buildings from the BIA and the Indian Health Service must remain in deplorable condition.

The article "Breaking Point" details the problems facing the Navajo Community College. Over 300 deficiencies were identified by the BIA for health and safety violations. Yet students travel hours from all over the reservation to attend college. We must even the playing field by increasing the money tribal college institutions receive. I ask that the article "Breaking Point" be printed in the RECORD.

The article follows:

BREAKING POINT

(By Kathleen Kennedy Manzo)

SHIPROCK, NM.—The aging sandstone structure that serves as a main instructional facility at the satellite campus of the Navajo Community College has suffered from years of neglect.

It is a victim of the limited resources and the need to address greater priorities that characterize the mission of most of the 31 tribal colleges throughout the nation.

When inspectors for the Bureau of Indian Affairs (BIA) visited the campus last spring, they found poor lighting throughout the building, a leaking roof that caused electrical problems and slippery floors, a gymnasium floor that collapsed on the locker rooms below it and a fire alarm system and safety lights that did not function properly.

Some of the nearly 300 deficiencies identified by BIA safety managers who inspected the site had been evident for years, ignored as either too minor, or too expensive, to fix. But when the inspectors threatened to close the facility unless more than half the problems were repaired, it set into motion a cooperative effort to ensure that classes could go on.

Workers have been repairing the facility for more than a month by replacing light bulbs, patching the roof and doing routine maintenance to keep the building open. BIA safety personnel completed another inspection recently and found that more than half the problems were fixed, so the building could stay open for classes. The Navajo Nation Tribal Council granted $300,000 toward the upgrading of the structure. Tribal and education leaders, the U.S. Department of the Interior, the BIA and college officials are all working to secure funding to continue the repairs.

The U.S. Congress, concerned about the poor financial health of Native American colleges, has begun work on amendments to bring their financing more in line with community colleges nationwide. But that effort is still making its way through the sluggish Capitol Hill legislative process.

BIA inspectors have noted the deficiencies at Navajo Community College for years, according to Alfred Abeyta, of the safety management office in Gallup, NM. But the repairs have never been a priority with college officials who have put more immediate concerns first, he said.

"They had a very poor maintenance program because of the lack of manpower and lack of funds," Abeyta said. "We have so many deficiencies in all our [tribal] schools that it's hard to say who to fault. . . . They are thinking about things like books and trying to get the kids educated."

PROBLEMS DEBATED

There has been disagreement about the extent of the problems. The BIA first advised closure and demolition of the building, which houses about 60 classrooms. An agency report issued in July stated, "Because of the excessive number of deficiencies and the enormous amount of money required to correct these deficiencies, the Shiprock Acting Safety Manager recommends [that the building] be totally demolished. The structure is a hazard to students, educators, administrative personnel and visitors. The building is rapidly decaying and is past the point of safe usage and occupancy."

It was estimated it would cost anywhere from $4 million to $8 million to make the building and the campus safe. But school administrators felt the BIA report was overly harsh because it blew the problems out of proportion.

"All in all, the big old uproar about the building being in [an] unsafe condition is just a small factor," compared to other challenges, said Shiprock campus spokesman D Johnson. "The building is old and it does need some work, but I don't think it's in critical condition."

The problems paled in comparison to those of smaller and older community centers run by the college, according to NCC Vice President James McNeley.

"It is a structurally sound facility," in need of some repairs, he said of the former boarding school site. "It's like a comfortable old shoe. Some of the facility needs at the community centers are much greater."

But Abeyta said the severity of the report was necessary to force the college to take action on long-standing problems.

ABANDONED BUILDINGS, TRAILERS

Navajo Community College, established in 1968, was the first tribally controlled college in the nation. Its main campus, where the administration is housed, is in Tsaile, AZ, 100 miles west of the Shiprock campus. The Shiprock campus serves older adults—the average age of its students is 29—and offers programs in science and engineering. The two campuses and five community centers serve the Navajo reservation, which stretches 25,000 square miles into New Mexico, Arizona and Utah. Like many of the reservations throughout the United States, the Navajo Nation is sparsely populated and plagued by high unemployment, low educational attainment and severe poverty.

These factors have created extreme challenges for the tribal colleges. The problems highlighted in the BIA report brought national attention to some of those challenges, particularly those centered on inadequate facilities and resources.

"It's a miracle we're even around with the amount of money we were given to start up. By and large, tribes are impoverished and don't have the money to support the colleges," said David Archambault, president of Standing Rock Community College in North Dakota. "With regards to facilities, many of the tribal colleges are in abandoned buildings and even condemned buildings . . . most operate out of the cheapest mode of shelter, like trailers."

Archambault said that NCC has one of the better facilities among tribal colleges.

Blackfeet Community College in Browning, MT, was founded in 1976 and housed in an old house, an abandoned metal building and a renovated roller rink. Fort Belknap College in Harlem, Mt, moved into a tribe-owned storefront and erected partitions to wall off offices and classrooms. The Institute for American Indian and Native American Art Development in Santa Fe, NM, a 32-year-old federally chartered college dedicated to he fine arts, conducts classes in 50-year-old military barracks and portable buildings located on the campus of Santa Fe Community College.

AID FROM CONGRESS

In its last session, the U.S. Senate approved an amendment, as part of the reauthorization of the Elementary and Secondary Education Act, to give limited land-grant status to tribal colleges in an effort to bring their funding levels up to par with other community colleges. At presstime Congress was expected to pass the legislation by early October.

Sen. Jeff Bingaman (D-NM), who sponsored the legislation, pointed to the "report on the deplorable condition of the Navajo Community College in Shiprock [as] a glaring, but instructive example of the funding inequities that confront American Indian community colleges."

Said Bingaman: "If tribal colleges don't even have the resources necessary to provide basic facilities, they certainly can't provide the skills necessary for American Indians to compete and succeed in the job market."

Sen. Pete V. Domenici (R-NM), who cosponsored the legislation, said shortly after the BIA report was released that the bureau's recommendations were made in haste and threatened the educational future of the nearly 500 students at the northwest New Mexico campus.

Domenici was critical of the BIA regulations that prevented the bureau from making the repairs. Since the college became a contract school and was released from BIA control six years ago, the bureau's authority is limited, according to Alfred Abeyta in the bureau's Gallup office. But Domenici said that the BIA does have the authority to

make the repairs under the Tribally Controlled Community Colleges Act. He has charged that the BIA has spent no money or made other efforts to force in to action a plan for repairs despite the threat to student safety.

Although Congress approved $43 million in its fiscal 1995 budget for the BIA to make repairs to education facilities, NCC is not included in that plan. However, the land-grant status would provide a $23 million endowment, held in trust for the colleges, with the annual dividend going to supplement current educational programs. Each school, including NCC, will also get $50,000 per year. And the colleges will share $1.7 million per year in building grants.

Although relying almost entirely on federal funds, tribal colleges receive less than $3,000 per full-time equivalent student in government aid. Historically Black colleges receive nearly $17,000 per student, and mainstream community colleges get about $7,000 per student. Land-grant colleges were established to improve economic opportunities in rural areas. HBCUs and those institutions located in American territories were first given that designation more than 100 years ago.

The limited land-grant status is expected to give the tribal colleges access to a wider variety of programs and resources and foster cooperative agreements between them and existing land-grant colleges seeking to attract more Native-Americans.

The lack of adequate facilities has not discouraged many students from attending the two-year schools. Although officials expected that the problems in Shiprock would negatively affect enrollments, they remain high. The Tsaile campus had a record number of students last year with 2,500 attending full-time. Many of the tribal colleges represent an opportunity for students to pursue higher education while allowing them to stay close to their families, a high priority steeped in centuries-old traditions and a strong attachment to their homelands, McNeley said.

"We have no difficulty attracting students because, in their hearts, most Navajo people would prefer to stay on the reservation," McNeley said. "Our challenge is to be able to meet that demand."

Despite the limitations, tribal colleges have continued to meet the varied needs of thousands of Native Americans, said Joseph McDonald, president of Salish Kootenai College in Pablo, MT.

"The working conditions are austere . . . but I've been in real nice buildings where the educational programs are poor," he said. "You can teach in a barn, or a hay shed, or have an exciting program on the street. Tribal colleges have proven that . . .. But inflation keeps going up, faculty salaries, electrical costs and the cost of books and materials keep increasing . . . but the money [appropriated to tribal colleges] stays the same. We're really at the breaking point where something has to give real soon, or the tribal colleges will be in great trouble."•

RETIREMENT OF "PINKY" THOMPSON

• Mr. INOUYE. Mr. President, yesterday marked the retirement of one of the foremost contributors to native Hawaiian education, Myron Thompson, known as Pinky to his many friends.

Pinky is one of those rare individuals that very few of us ever have the opportunity to meet, but when we do, our own lives are forever changed in a most unusual and positive manner. He is without question the dedicated public servant who is always there when needed, who actively shuns receiving credit for what he has accomplished, and who truly possesses national vision. Many years ago, my mother as a very young child was adopted by a native Hawaiian family and as I was growing up, she constantly reminded me of the importance of the inherent value that native Hawaiian people have always placed on family and country. I have never forgotten her words and have been pleased to work closely with Pinky for decades on behalf of these indigenous peoples and especially their children and families.

I still vividly recall the first time that any U.S. Secretary of Education ever met with native Hawaiians to discuss their pressing and unique educational needs. That meeting was held in then-Secretary Terrence Bell's office with Pinky, then-Representative DAN AKAKA—the first native Hawaiian to serve in Congress—and myself. From that meeting more than a decade ago, a whole new generation of impressive health and educational programs have evolved. Programs that focus on the unique needs of children and their families; programs that work and that have become inspirational models for all our Nation's children, not only for native Hawaiians.

I could cite similar incidents of Pinky's leadership in the job training and health care arena, and equally importantly, in ensuring that native American cultures will thrive and be appreciated for generations to come. His son, Nainoa, following Pinky's vision, with only the guiding light of the stars and his cultural heritage, has navigated the "Hokule'a" throughout the Pacific waters, in so doing giving life to the history of native Hawaiians. This is the legacy that Pinky leaves us. Truly impressive accomplishments that very few have ever even dreamed to seek.

Pinky retired yesterday as chairman of the board of trustees for Kamehameha Schools Bishop Estate, after a distinguished service spanning 20 years. He was born and raised in Hawaii, and in his 70 years of life has managed to involve himself in nearly every educational program Hawaii offers for its native Hawaiian citizens.

As trustee for Kamehameha Schools/Bishop Estate, he helped guide the expansion of educational programs throughout the Hawaiian community, reaching over 30,000 people each year. His foresight and support enabled Kamehameha Schools Bishop Estate to create alternative education programs for at-risk students, such as Healthy Start and Safe Hawaii, which envisions a safe, healthy, and violence-free Hawaii in two generations.

I am convinced that Pinky will continue to guide the programs he was so involved in during his trusteeship: the Native Hawaiian Health Act, and the Native Hawaiian Education Act.

His motivation to improve the well-being and cultural pride of the Hawaiian community is rooted in the philosophy of self-help. He believes education is the key to addressing a variety of concerns within the Hawaiian community, including health, employment, and substance abuse.

I commend this man for his many years of commitment to native Hawaiians and the State of Hawaii. I am sure he will remain just as active in retirement as he has been in the past.

On behalf of the people of Hawaii, I extend to Mr. Myron Thompson our fondest aloha. I wish him the very best in navigating new waters and know he will sail on as a champion of native Hawaiians and native Americans everywhere.•

UNITED STATES-NORTH KOREA NUCLEAR DEAL

• Mr. BOND. Mr. President, just over a month ago, the administration announced that it had entered into a deal with the North Koreans to address the smoldering nuclear crisis on the Korean peninsula. At the time the agreement was announced, I had serious reservations as to whether it was in our Nation's—or the world's—best interests. Having had more time to understand the agreement and to gather more information about it, I am now even more concerned that we got a bad deal—a deal that will come back to haunt us in the future.

The problems with this agreement are many. Most important, it grants major concessions to the North Koreans while not requiring significant reciprocal actions for a decade. The administration agreed to give North Korea the two things it has coveted for decades—the prestige of diplomatic recognition and the economic boost that will come with a lowering of sanctions.

The lowering of economic sanctions is particularly important to a regime that is unable to feed its population to the point that it has been forced to lead a national campaign to cut back on the number of meals that its citizens eat each day. This move to lower economic barriers will significantly relieve pressure on the current leadership and give them breathing room they would not otherwise have had.

Another problem with the agreement is that it leaves North Korea with control over the nuclear weapons—which our intelligence services have said they have—for at least a decade. That gives them a significant amount of leverage in future negotiations, and continues a great threat to stability in Northeast Asia.

Also, the agreement fails to address the conventional military threat to South Korea and the tens of thousands of Americans there. North Korea will continue to maintain a 1-million-man Army just 30 miles from Seoul, along with thousands of artillery pieces and other offensive equipment. Withdrawal of at least some of those forces should have been a requirement of an agreement.

And, not insignificantly, the agreement sets the precedent for other nations that don't want to live up to their commitments under the Nuclear Non-proliferation Treaty, that they do not have to do so. Instead, they can try to bargain their way into a better deal as North Korea has done.

Proponents of the agreement will, of course, argue that we got a good deal because once it is fully implemented—10 years from now—nuclear weapons will have been eliminated from the peninsula. The problem with that argument is that it assumes the agreement will be fully implemented and that the North Koreans will live up to their promises. Experience would show that those are not safe assumptions.

The North Koreans have mastered the art of using negotiating tactics as a means of delay. Time and again they have made agreements and then failed to live up to them. There is no reason to believe that they are not once again simply buying time—getting diplomatic recognition, getting economic assistance and investment—only to change their minds when it comes time to fulfill their side of the bargain. I hope the administration is not so naive as to assume that the North is telling the truth this time as they have failed to do so many times in the past.

All of these objections occurred to me when I first learned about the agreement in October. My concern soared, however, when I learned about a side letter that the President had signed along with initial agreement.

It is interesting to note that there was no mention of the side letter when the agreement was first announced by the administration. In fact, the letter was not released until the following week, giving the clear appearance that the administration was trying to avoid scrutiny of its contents.

There are several problems with the letter which is from the President to Kim Jong Il, the son of recently deceased dictator Kim Il Song.

The letter is addressed to "His Excellency Kim Jong Il, Supreme Leader of the Democratic People's Republic of Korea." That is news to me. Unless I have missed something, Kim has never been designated the leader of the DPRK. Instead, the leadership of the country has remained in limbo. It seems particularly ill-advised to have addressed the letter in a way that may not be accurate and that may have an impact on some internal power struggle of which we are not aware.

More importantly, in the letter, the President gives his commitment that he will use the full powers of the White House to facilitate the construction of light-water reactor in the DPRK and the provision of interim oil supplies to meet that country's needs. He goes on to indicate that if the reactor and oil supplies are not paid for—as planned—by other countries such as Japan and South Korea, he will do all he can to ensure that the United States pays for them. He does mention that such action would be subject to the approval of Congress.

In my opinion, that is a very significant letter. In it, the President commits to pay—with our tax dollars—the billions it will cost to build a nuclear reactor, and to pay for the hundreds of thousands of tons of oil that the agreement promises over the next several years.

Already there are disputes over who will bear the costs of the deal. South Korea's Foreign Minister has stated clearly that his country does not intend to pay for the supply of oil to the North over the next decade, and already the U.S. taxpayers are picking up the tab for the first 50,000 tons.

I strongly question the idea of using U.S. taxpayer dollars to provide economic assistance to North Korea—a country responsible for a major war, for the fact that we are forced to station almost 40,000 troops in Korea, for dozens of acts of terrorism, and for contributing to the spread of dangerous weapons throughout the world. I would imagine that the majority of this body would share that view.

It is clear to me that the Korean agreement deserves significantly more study. I am pleased that several Members of this body have announced the intention to review the agreement, and I certainly intend to participate in that review.●

MARTIN R. GARA

● Mr. SIMON. Mr. President, Martin R. Gara, a member of my staff, passed away on November 16.

Marty was a diligent worker who was enthusiastic about his job, just as he was enthusiastic about life. He was struck down by a sudden, severe attack of asthma. On December 21 he would have celebrated his 24th birthday.

Marty is survived by Thomas and Therese Gara, his parents; by two brothers, Thomas M. and Daniel; by four sisters, Maureen Crocker, Marikay, Sheila, and Maggie; and by his grandmother, Margaret Quinn.

Marty was a native of Chicago, graduating in 1989 from the Loyola Academy in Wilmette and in 1993 from Marquette University with degrees in political science and American history. In his eulogy to Marty, his cousin, the Rev. Robert Gara, speculated that Marty was "the only Irishman who's taken eight years of German and could name every German general. He read history books like they were fiction."

Marty came to my office earlier this year, joining us as an intern, after interning with Congressman TOM EWING of Illinois. His work was top-rate, and this summer Marty became a full-time member of my staff.

Marty delighted in the time he spent with his young nephews and niece, and no one in the family could summon smiles and giggles from them as easily as Marty could. He took seriously his role as godfather to his nephew Eugene, who was born August 23. Another nephew, Aidan, was born last month, and his niece, Genna Gara, is two-and-a-half years old. In his good humor, in his sense of optimism about life, and in his intense curiosity about the world, "Marty was a big kid himself," says his sister Maureen.

Marty loved reading and he loved ideas, and he devoured books one after the other, a habit he set for himself in childhood. He and another member of my staff, Corbin Stone—who mirrors Marty's attributes of decency and compassion and curiosity—were close friends and regularly swapped books and then talked about what they had read.

Another of Marty's passions was hockey. "Fan" is too mild a term to describe his allegiance to the Chicago Blackhawks. Marty's love for the sport led him to another hobby, roller blading, which he enjoyed at every opportunity.

His personal achievements were many, but if you had asked Marty this fall what his greatest recent satisfaction was, he would have told you it was learning to sew on buttons.

We knew Marty for his hard work. But much more than that, we knew Marty for his kindness. We knew him for his optimism. We knew him for his curiosity. We knew him as a good person and a good friend.

The priest who led a second memorial service for Marty—this one in Washington—quoted these words in capturing some of what we feel and treasure in having known Marty:

> When through one man a little more love and goodness, a little more light and truth come into the world, then that man's life has had meaning.

My staff and I join Marty's family and friends in mourning this loss, and we want them to know our gratitude for having had the chance to know Marty.●

TRUTH IN LENDING ACT

● Mr. MACK. As soon as we return for the start of the 104th Congress, I intend to introduce amendments to the Truth in Lending Act ("TILA") in response to the recent case of Rodash against A.I.B. Mortgage Co., 16 F. 3d 1146 (11th Cir. 1994) decided in March of this year.

In Rodash, the Court held that a tax levied on security instruments that must be paid as a pre-condition to recording the mortgage and delivery fees were both "finance charges" under TILA. Although the tax and fees were disclosed to the consumer, in the opinion of the court, their disclosure as components of the "amount financed" rather than as part of the "finance charge" was improper. Based primarily on Rodash, over fifty class action suits have already been filed and more are being brought every week. At least 30 of these suits have been brought in my home state of Florida. The average tax is about $200.00 and on average the courier fees are $30.00 per transaction.

These developments present a serious and immediate threat to the future of mortgage lending that necessitate prompt responsive steps to address the issue. Under the TILA, a refinance or second mortgage loan can be rescinded if a lender is found to have made improper material disclosures, including the amount of the finance charge. Virtually all of the class actions have sought class rescission or a declaration by the Court that members of the class have continuing rescission rights. The Courts have liberally construed what constitutes a material nondisclosure so that even minor discrepancies allow borrowers to exercise the right to rescind a loan or seek statutory penalties. If a borrower rescinds a loan, the lender must reimburse all fees and cost to the borrower, including all interest paid, and must release the mortgage lien. Generally speaking, the borrower's right to rescind may be asserted against any subsequent owners of the loan, even if it did not make or contribute to the incorrect disclosure. This aspect affects mortgages that have been resold as mortgage-backed securities.

Mortgage lending faces dire consequences if loans are rescinded in significant numbers because the losses could be in the billions of dollars. Since 1991, 11.8 million loans totaling $1.3 trillion have been refinanced. The exposure from this litigation could impair the safety and soundness of the thrift and banking institutions. Prepayments from massive rescissions would also affect the mortgage-backed securities marketplace.

The legislation I will offer will address liability under the TILA based upon the manner in which a creditor disclosed certain taxes and delivery fees.

Mr. D'AMATO. I understand the importance of the amendment my colleague from Florida intends to offer. I expect that the issues he raises will be considered early in the next session. I also appreciate the disruptive affect of unlimited future litigation on this issue. However, I am concerned about the impact of this legislation on pending lawsuits and recission claims.

Mr. MACK. I understand and share his concern. My amendment will strike a balance in eliminating hyper-technical liability on lenders while preserving individual consumer rights under TILA. We will propose, therefore, to exclude from the effect to the limitations on liability only individual actions filed, rescission claims made by individuals, or class action certified, prior to October 1, 1994, and in which a claimant alleged, prior to that time, improper disclosure of delivery fees or taxes. The consumers who will be affected by these amendments are those who have not filed an individual action or counterclaim, who are not part of certified "class," or who have not made a rescission claim prior to October 1, 1994. Cases already decided, including Rodash, will not be affected. We've made out intention to act on this issue very clear and none will suffer any unanticipated adverse affect.

It is also my intention that the legislation have a fixed effective date so that it will be apparent that future class actions would be foreclosed insofar as they allege violations of the items treated in the amendment, as would existing class action suits where the class had not been certified before October 1, 1994. For class actions that were not certified before that date however, the named individual plaintiff's representatives would be permitted to pursue their individual claims.●

ONE OF THE BEST

● Mr. BAUCUS. Mr. President, many times, for good reason, the lobbying profession has a bad name. But there are many Americans who lobby Congress and our State legislatures who just do not fit the negative stereotype of a lobbyist.

My friend Marie Durkee of Helena, MT, is one of the best. For many years, as executive secretary of the Montana Tavern Owners and Innkeepers, Marie has been an effective voice for the Montana hospitality industry. She worked hard for her membership. Along with the members of the Montana Legislature, I've always known her to be a force to be reckoned with.

But there is nothing slick or high pressure about Marie. She's down to Earth. She's honest. She's loyal. And she speaks her mind. She cares deeply about what is best for her membership, Montana and our country. In short, Marie is a Montanan through-and-through.

Marie recently decided to retire. I know that the Montana small businesses she represented so effectively for so long will miss her. But I also know she will stay active in her hometown of Helena. And I know that she and her husband Bob will continue to work for what is best for Montana. I wish them both well.●

CODEL TRIP REPORT

● Mr. LEAHY. Mr. President, I ask that a report of a Codel trip to Russia, Ukraine, Moldova, and Italy be printed in the RECORD.

The report follows:

REPORT OF CODEL LEAHY TRIP TO RUSSIA, UKRAINE, MOLDOVA, ITALY, SEPTEMBER 2–12, 1994

Senator Patrick Leahy, chairman of the Foreign Operations Subcommittee of the Appropriations Committee, led a delegation of senators to Russia, Ukraine, Moldova, and Italy September 2–12, 1994. In addition to Senator Leahy, the delegation consisted of Senators Thad Cochran, J. James Exon, and Hank Brown. Mr. James Collins, Senior Coordinator, Office of the Ambassador at Large for the New Independent States, U.S. Department of State, and Ms. Barbara Turner, Deputy Assistant Administrator, Bureau for Europe and the New Independent States, U.S. Agency for International Development, accompanied the delegation.

The delegation was assisted by William Witting, clerk of the Foreign Operations subcommittee, Luke Albee, Administrative Assistant to Senator Leahy, Hunt Shipman, Legislative Assistant to Senator Cochran, and Leah Gluskoter, Personal Assistant to Senator Leahy. Jan Paulk, Director of Interparliamentary Services, provided scheduling and logistical assistance. Lt. Colonel Nicki Watts and Lt. Colonel Rick Pyatt, USAF Senate Liaison Office, were the military escorts.

The U.S. Department of State, the U.S. Agency for International Development, the U.S. Department of Agriculture, the U.S. Export-Import Bank, the Overseas Private Investment Corporation, the U.S. Trade and Development Agency, the U.S. Department of Commerce, the U.S. Information Agency, and the Peace Corps all provided briefing materials.

I. DELEGATION ACTIVITIES

Russia

Saint Petersburg: The delegation travelled to St. Petersburg to observe the progress that the city, a leader in Russia's efforts to make the transition to a private enterprise-oriented market economy, is making.

The delegation met with Americans and Russians involved in an AID-sponsored Rule of Law project and discussed work being done to establish an independent judiciary, protect individual rights, attack crime, and establish a framework of commercial and contract law.

Representatives of a U.S. company working under AID contract described to members of the delegation their efforts to help a group of independent stockbrokers in St. Petersburg organize themselves into an association modeled on the American NASDAQ. The aim of this AID project is to have the brokers establish rules of conduct for themselves, much as Wall Street did during its first century of existence, and begin to create sufficient order, reliability, and transparency to attract large numbers of investors and become a significant source of finance for private investment.

Many people have had to pursue second jobs in the service economy. The delegation spoke with college students forced to sell trinkets in sidewalk stalls in order to make ends meet. Despite the fact that their lives are far more stressful than in the days when their life at university was financed entirely by the State, the general spirit among these students seemed to be one of stress and resignation that life will be difficult for some

time, but cautious optimism that the future will be better.

The delegation visited a private food market where good-quality foods of all kinds, including imported fruits like bananas, were in plentiful supply. Prices were high, but the delegation observed that significant numbers of people of modest income were making purchases there.

Moscow: In Moscow, the delegation held a lengthy meeting with Russian Foreign Minister Andrei Kozyrev during which they discussed the conflict in Bosnia, Russian relations with Ukraine and Moldova, and U.S.-Russia economic relations. The delegation discussed Russia's program of enterprise privatization and economic reform and U.S. technical assistance to that program with Deputy Prime Minister and Minister of Privatization Anatoly Chubays and a group of other senior economic policy-makers. During meetings with leaders of the Duma (the lower house of Parliament) and the Council of the Federation (the upper house), the Senators inquired into the politics of enacting legislation in support of Russia's transition to democracy and a market economy. Senator Exon met with Minister of Atomic Energy Viktor Mikhaylov to discuss Russian nuclear security. U.S. Ambassador to Russia Thomas Pickering hosted a dinner meeting with U.S. business representatives, including the President of the American Chamber of commerce and the President of the Russian-American Enterprise Fund, with whom the delegation discussed new developments and continuing problems in the conditions for operation of private enterprise in Russia. The delegation visited a USAID new business development project, and an OPIC-supported U.S.-Russia cellular telephone leasing joint venture enterprise. Senator Brown visited a USAID capital market development project.

Nizhny Novgorod: Nizhny Novgorod, Russia's third largest city, located on the Volga River east of Moscow, has, through the leadership of Governor Boris Nemtsov and with the assistance of a wide range of U.S. and other technical assistance agencies, established itself as a leader in implementing economic reform at the regional and local levels. The delegation met with Governor Nemtsov and Mayor Ivan Sklarov and discussed their efforts to create a market economy in Nizhny Novgorod. The delegation travelled outside the city to visit a privatized farm and discussed the problems of agricultural reform and land privatization with the USAID project officer, the representative of the International Finance Corporation providing technical assistance to the farmers, and the farmers themselves. The delegation had lunch with representatives of a number of U.S. agencies and organizations including the Peace Corps, Volunteers Overseas Cooperative Assistance, Research Triangle Institute, and International Executive Service Corps working on economic reform in Nizhny Novgorod. The delegation also walked around the downtown to observe the extent of private enterprise established in the city.

Ukraine

Newly independent and exercising control of their own affairs for the first time, Ukrainian political leaders have been working to establish the structure and lines of authority of their government, and have not yet made much progress in reforming their heavily centralized economy. The delegation travelled to Kiev, Ukraine to express support for Ukraine's independence and to urge the Ukrainian government to move without further delay to stabilize the economy and encourage private enterprise. Newly elected President Leonid Kuchma met with the delegation and discussed the policies and priorities that his government will be following. The delegation also met Rada (Parliament) Speaker Oleksandr Moroz and other Rada members to explore the prospects for enactment of reform legislation by the Rada. Economic Minister Roman Shpek provided the delegation details of his government's economic reform program. U.S. Ambassador William Miller hosted a reception for the delegation during which the senators met representatives of many USAID contractor and related agencies. The delegation also visited an open-air food market where both state-controlled and private food distributors were present.

Moldova

Moldova, a small, landlocked country on the Dniester river sandwiched between the Ukraine to the east and Romania to the west, is working aggressively to establish itself as an independent country and develop close ties with the West to balance existing ties with Russia and other countries of the former Soviet Union. It is pursuing actively a program of economic reform, particularly in its large agricultural and agro-industrial sectors, and is eagerly seeking western investment and trade to bolster that program. Drought in the spring, followed by serious flooding in August, have increased Moldova's need for foreign assistance. Separatist sentiments, among the Gagauz in southern Moldova and the Russian-speakers who inhabit the trans-Dniester region in eastern Moldova (where the Russian 14th Army is still stationed), have complicated the government's efforts at nation-building.

The delegation met in Chisinau with President Mircea Snegur and with Parliament President Petru Lucinschi. The senators travelled outside Chisinau to Cojusna where a group of farmers from collective farms that have been privatized and are receiving USAID-funded technical assistance from Volunteers in Overseas Cooperative Assistance hosted a lunch for the delegation and discussed the challenges they must overcome to survive in a market environment. The delegation visited a collection site for vouchers provided to Moldovans as part of Moldova's enterprise privatization program. Parliament President Lucinschi hosted a dinner for the delegation and U.S. Ambassador Mary Pendleton.

Italy

Aviano Air Force Base: Aviano Air Force Base is a major base of operations for U.S. and NATO air forces dedicated to enforcement of UN sanctions against Serbia and other actions in the former Yugoslavia. 16th Air Force Commander Lt. General Joseph W. Ashy and 31st Fighter Wing Commander Colonel John H. Campbell briefed the delegation in detail on these operations, and the role of U.S. forces in the NATO effort. The delegation also toured the base and observed operations.

Rome: In Rome, the delegation met with newly arrived U.S. Representative to the United Nations Agencies for Food and Agriculture Thomas Forbord and with UN Food and Agriculture Organization Director-General Jacques Diouf and discussed with them strategies for reducing costs and enhancing the effectiveness of the FAO. James Creagan, Deputy Chief of Mission, U.S. Embassy Rome, hosted a meeting for the delegation with members of the Italian Senate and Chamber of Deputies concerned with international cooperation to ban anti-personnel landmines.

II. FINDINGS

Russia

President Yeltsin and his government have made impressive progress over the past two years in introducing democracy and a market economy to Russia. American aid is helping a lot.

Russia still has a long way to go to complete the process of transition. Many of the essential elements of a successful private enterprise-oriented economic system still do not exist. If they are not created quickly, corruption and crime rather than competition could become the dominant features of the Russian economy.

Russia's transformation to a private enterprise-oriented market economy requires a massive reallocation of resources and people. Russia has not yet escaped from the devastating depression that accompanied the collapse of the command economy. Millions of people have been laid off from jobs that they held in the old command economy but that are not valued by the new market economy. The rate of unemployment may exceed 12 percent. The delegation saw many people reduced to standing shoulder-to-shoulder on street corners trying to sell clothing and toys.

Despite continuing debate within the Russian government over the best path and pace for economic reform, the Russian government is moving forward with a broad range of reforms including privatization of land and agriculture, creation of an independent judiciary, and encouragement of small enterprises. The Duma passed Prime Minister Chernomyrdin's austere budget in June. Monthly inflation is down (although has begun to increase for the first time since 1991. Consumer spending is up. Russia is continuing to fulfill its commitments under its program of cooperation with the International Monetary Fund.

Although it took time, the U.S. assistance program for Russia is now in full operation. Russian government and non-government representatives with whom the delegation met were virtually unanimous in praising the contributions of the program, and many requested increases in technical assistance for elements of the reform program. All agreed that Russia has no further need for humanitarian assistance now.

With strong assistance from USAID, Russia has over the past two years, privatized 70 percent of state-controlled enterprises, a feat far beyond anything anyone imagined possible as recently as two years ago. Although much more remains to be done, Russia has succeeded in creating a large class of shareholders who are beginning to hold enterprise managers responsible for generating sufficient revenues to cover obligations and yield a return to them. By some estimates, more than half of Russia's GDP now comes from the private sector, and more than half the workforce is employed in the private sector. In a short space of time, a large number of Russians have been given a stake in the preservation and expansion of a market economy in Russia.

The growth of corruption and crime in Russia is today the single largest threat to establishment of a democratic, market society in Russia. Neither individuals nor companies feel secure. No element of government is competent at the moment to provide them security. Russian law enforcement authorities need to strengthen their performance defending citizens' rights. The United States should include technical assistance for law enforcement as a major element of its assistance to Russia.

The United States should also give high priority to assisting Russia to create a framework of law to govern private enterprise. A commercial code, legal protection of land ownership, prohibitions against monopoly and other anti-competitive practices, and rules to govern corporate issuance of stocks and bonds and trading in such securities, are all essential to a private enterprise economy. USAID's projects in the areas of democratic pluralism and rule of law are attempting to respond to this need.

Much remains to be done to create an attractive climate for private investment in Russia. Excessively heavy regulation and an unpredictable tax regime are major concerns among businessmen. This may be less of a problem for Russians because of a tradition in Russia of evasion of government regulation and taxation. U.S. companies are required by U.S. law to respect the laws of all countries in which they operate. If regulation is too heavy, U.S. companies are likely simply to withdraw from Russia.

Creation of an effective, equitable, and well-enforced system of taxation is essential to the survival of a private enterprise-based economy in Russia. The government needs taxes to survive. Government employees need to be paid realistic wages if they are to resist corrupt practices. The United States should give priority to providing technical assistance in the areas of drafting tax law and creating both police and judicial enforcement mechanisms.

Russia has taken the crucial first step in agricultural reform by placing ownership of some farms in a few regions such as Nizhny Novgorod in the hands of the farmers. Much remains to be done. The traditional Soviet collective farm provided not only employment for farmers but also housing, education, health care, social, and other services. In restructuring the farm, the farmers will be seeking to maintain access to essential services. This is something that they can best work out for themselves. U.S. agricultural reform assistance projects in Russia should support privatization of the collective farms, i.e., placing ownership of the farm in private hands and exposing the owners to the challenge of making the farm earn income. They should also assist farmers in learning to function in a market system, purchasing inputs, marketing produce, controlling costs and assessing profitability. They should refrain from trying to influence the outcome of debates among Russians about how farms should be structured and whether individual or cooperative ownership of farms better suits their needs.

The delegation met many Russian, Ukrainian, and Moldovan agriculturalists who have received training in the United States under the Cochran Fellowship program in areas vital to agricultural reform such as product marketing, agricultural input supply, farm management and agricultural credit. Without exception, the beneficiaries appreciated and benefited from their participation in the program. The United States should seek to maintain funding for this program.

In Nizhny Novgorod, the delegation saw how focusing U.S. assistance at the sub-national level can achieve impressive results. Governor Nemtsov and his colleagues have moved ahead of the central government in experimenting with strategies for enterprise privatization, encouraging private investment, and privatization of collective farms, consciously trying to establish a model for other governorates in Russia. They confirmed that they could not have accomplished as much as they have without the assistance they have received from the United States and multilateral agencies such as the International Finance Corporation, and appealed for an increase in this assistance. Aid to Nizhny Novgorod is making a concrete contribution to helping Russia make the transition to democracy and a market economy, particularly as it is reaching people at the grassroots level. USAID should continue it, but, given budgetary limitations, will have to balance it with other priorities.

USAID is seeking through its New Business Development program to provide support for grassroots entrepreneurship and private enterprise creation. Stimulation of entrepreneurship is critical to Russia's transition to a market economy and the United States has a lot of expertise from which the Russians should be able to learn. The delegation is concerned, however, about the potential for inefficiency in a project of this kind. USAID should monitor this program carefully and continuously to ensure that all of its elements deliver value commensurate with their cost.

Russia is struggling to define how it will interact with the other states of the former Soviet Union. There is no consensus among the Russian people on this question, and leaders such as Vladimir Zhirinovsky have tried to win support by criticizing President Yeltsin for tolerating the dissolution of the Soviet empire. Russia has the potential to play a constructive role in assisting economic restructuring in some of its neighbors, for example in helping the Ukraine to adjust to paying world market prices for the natural gas that it purchases from Russia. It is important for the United States to support strongly the independence of all of the new independent states of the former Soviet Union. The United States should oppose actions by Russia that compromise that independence. It should at the same time support interaction between Russia and its neighbors that is consistent with international principles of respect for national independence and is undertaken by mutual agreement.

Foreign Minister Kozyrev assured the delegation that the Russian Government shares the desire of the United States to see the Bosnian Serbs accept the UN-sponsored peace plan. Minister Kozyrev himself has invested much effort in attempting to convince the Serbs to accept it. Given Russia's strong influence over the Serbs, it is important that the United States continue to seek Russia's cooperation in its search for a formula to bring a halt to the fighting in the former Yugoslavia.

Minister Kozyrev noted to the delegation that the final document of the "G-8" meeting in Naples in July, signed by President Yeltsin, included a statement of support for a ban on the export of anti-personnel landmines. This is an important commitment since Russia is among the largest exporters of such mines. The U.S. Government should seek to cooperate with the Russian Government in promoting broad international agreement on banning anti-personnel landmine exports. The U.S. Embassy in Moscow should report to Washington on Russian actions to implement the ban.

The Overseas Private Investment Corporation is making a substantial positive contribution to promoting the expansion of private investment in Russia by providing insurance and financing for U.S. investments and by sponsoring seminars and other exchanges to acquaint Russians with western business practices. Demand for OPIC support exceeds its resources. The U.S. Government is going to have a difficult time over the next several years deciding how to fund OPIC programs that support private investment in Russia without prematurely cutting off funding for technical assistance that is helping create the framework necessary for private investment to succeed in Russia. Given the commitment of the present Russian Government to economic reform, the U.S. Government should give strong weight to its views about where the funds will achieve the best results.

Peace Corps volunteers are making a unique contribution to reform in Russia, Ukraine, and Moldova by bringing western business, agricultural, and other know-how to the grassroots level. The delegation was impressed with the skills of the volunteers with whom it met.

The Eurasia Foundation is playing a key role in the U.S. assistance program for the NIS. Its mandate is to provide on-the-ground, small-scale, citizen-to-citizen and institution-to-institution grants in support of economic reform and democracy building. It has established offices in five cities across the NIS and has in an admirably short space of time funded a wide range of projects in the areas of economic reform, governmental reform and development of non-governmental organizations, and institution-building in the field of media and communications. The Foundation specializes in making small loans rapidly and with a minimum of red tape. Its projects have the advantage of demonstrating U.S. goodwill to Russians at the micro, man-in-the-street level in cities across Russia.

After a very lengthy start-up period, the Russian-American Enterprise Fund has recently made its first loans to small and medium-sized enterprises in Russia. Given the rapidly expanding scope of private enterprise activity and the corresponding demand for credit in Russia, the Fund should expand its loan portfolio rapidly over the next year.

Ukraine

The United States has a strong interest in supporting the independence and sovereignty of Ukraine, and its transition to democracy and a market economy.

As the delegation informed President Kuchma, the U.S. Congress attaches strong importance to Ukraine's ratification of the Nuclear Nonproliferation Treaty. The Congress has welcomed warmly the Rada's vote in favor of ratification on November 16, 1994.

The Ukrainian economy is mired in depression resulting from the collapse of the command economy and the government's lack of revenues to stimulate recovery. Excessive money creation has also provoked hyperinflation.

Newly-elected President Leonid Kuchma assured the delegation that his administration would reach agreement with the International Monetary Fund on an economic stabilization and reform program and move forward with the program. He subsequently has concluded that agreement and obtained Rada ratification of the economic program.

The Ukrainian Government is in urgent need of additional resources to finance this program.

The United States has promised Ukraine generous financial and technical assistance in support of this program. Specific plans for additional assistance were announced during the state visit of President Kuchma to Washington November 21-23, 1994. In addition, the United States should act as a leader in organizing international support for Ukraine's reform program.

Ukraine is heavily dependent on Russia and Turkmenistan for its energy. Russia has

been generous in continuing to supply natural gas to Ukraine and accepting delay of payment for much of it. Ukraine needs to move quickly to make its energy use more efficient. USAID is providing useful support to this effort.

The Ukrainian Government has announced that it will proceed early in 1995 with a broad program of privatization of state-owned enterprises. USAID has committed extensive technical assistance. The Ukrainian economy is starving for capital investment that can only come from the private sector. Privatization of state-owned enterprises and enactment of laws to support and regulate private enterprise activity are necessary to stimulate such investment.

Some Ukrainian officials told the delegation they consider foreign investment more important to Ukraine's economic recovery than economic reform. It is unlikely that Ukraine will succeed in attracting significant private investment without also pursuing economic reform. Private investors of any nationality will undertake projects only in places that offer a stable, predictable business environment where the prospects of earning an attractive return on their investment are good. Stabilization of prices, liberalization of restrictions on exchange conversion, and establishment of a stable and fair corporate taxation system are among the steps investors who are contemplating investment in Ukraine consider vital.

Ukraine's agricultural potential is enormous. Privatization of farms and of land will stimulate realization of that potential.

Entrenchment of democracy in Ukraine requires establishment of sound legal, judicial, and law enforcement systems. USAID is providing technical assistance to strengthening of democratic institutions and the rule of law. This assistance should be expanded. In addition, the United States should offer cooperation in the area of law enforcement.

Moldova

Although it is one of the smallest of the new independent states of the former Soviet Union, Moldova has proven to be one of the bolder champions of political and economic reform. It has held democratic elections for both its President and its parliament, and has just instituted a new constitution. Starting last December, it has concluded a series of agreements with the International Monetary Fund and is implementing economic policies consistent with those agreements. The United States should provide generous technical assistance in support of these efforts.

On top of an extended drought that had caused a large reduction in agricultural production, Moldova was devastated in August by floods. The United States has led the international community in providing humanitarian assistance and should continue to do so.

The Moldovan Government needs to create conditions that will attract foreign technology and investment to develop the Moldovan economy and enable it to begin to export into western markets. Agencies like the Western NIS Enterprise Fund and the Overseas Private Investment Corporation should make themselves available to counsel the Moldovan Government on the policies needed to promote private investment.

Moldova's program of privatization of state-owned enterprises, being undertaken with substantial U.S. technical assistance, is proceeding actively, but the number of enterprises currently being privatized is modest. Expansion of the privatization program would help erase any remaining doubts about the government's commitment to move to a market economy.

U.S. assistance to Moldova in the area of agricultural reform has been warmly received. Farmers on privatized farms and managers of agribusiness companies with whom the delegation met expressed eagerness to adopt western management techniques and hope for both expanded technical assistance and investment from the United States in this field. Given continuing resistance among many Moldovan government officials to privatization of agriculture (privatization of land is suspended until the year 2000), however, U.S. assistance will have to be carefully targeted to be productive. The U.S. Farmer-to-Farmer program is achieving positive results.

The Russian 14th Army continues to be stationed in the trans-Dniester region of Moldova. Negotiations are underway between the Russian and Moldovan Governments regarding withdrawal of the 14th Army. The United States should continue to support the sovereignty, independence, and territorial integrity of Moldova and urge the Russians to withdraw the 14th Army as soon as possible. The delegation expressed this concern to Russian officials during its visit to Moscow.

To date, USAID has maintained no direct-hire staff in Moldova and has overseen its program of assistance to Moldova through its mission in Kiev, Ukraine. Given the encouraging prospects for the Moldova aid program, U.S. Embassy Chisinau and USAID should work together to station USAID direct-hire staff in Chisinau.

Italy

U.S. military officers and forces participating in NATO efforts to enforce United Nations sanctions against Serbia and Bosnia are substantially integrated with the forces of other NATO countries. Any action by the United States to pursue a policy vis-a-vis the conflict in Bosnia independent of NATO would force de-integration of those forces. Prior to undertaking such action, the U.S. Government should evaluate carefully its implications for NATO and the role of the United States in that organization.

The Director General of the Food and Agriculture Organization is working to increase the FAO's effectiveness in increasing world food security. Food shortages are a major underlying cause of conflict in the world. The United States should support efforts to increase food security. It also should support the Director General's efforts to increase the effectiveness of the organization through reorganization.

The delegation was told by Italian Deputy Emma Bonino that Italy, traditionally a major producer and exporter of anti-personnel landmines, is about to join the United States in imposing a moratorium on these exports, and that it will also in the near future take the steps necessary to block production of these inhumane weapons. The U.S. Government should welcome these steps by Italy. The U.S. Embassy in Rome should keep Washington up to date on Italian actions in this regard. The Department of State should maintain contact with Deputy Bonino and other responsible Italian officials and consult with them about future steps to reduce the threat to innocent civilians posed by anti-personnel landmines.•

OBSERVATIONS ON U.S. ROLE IN AFRICA

• Mr. FEINGOLD. Mr. President, today Senator PAUL SIMON, chairman of the Subcommittee on African Affairs, Senator HARRY REID, and I are submitting a report on the our trip to Africa earlier this summer. As a new member of the Senate Foreign Relations Committee and the Subcommittee on African Affairs, I was exposed firsthand to some of the tragedies in Africa, and, for the first time, had an opportunity to meet with international actors in the region, as well as reflect on the role the United States can play in Africa. I benefited greatly from Senator SIMON'S and Senator REID'S experience and expertise during the trip, and thank them for their leadership on these issues.

The severe problems in Africa today are, by and large, the consequences of colonial and post-colonial struggles. In the past decades, countries such as Angola have transitioned from colonies to battlegrounds for cold war ideological warfare to struggling post-cold war democracies. Today, the continent continues to suffer serious political problems. The bitter wars in western and southern Africa destroy not only entire countries but prevent subregional and continental development as well. And clearly, the violence exacerbates transnational problems such as the environment, public health, and demographics.

From an economic and political point of view, the United States would do well to transcend its historic view that Africa is of marginal importance. With almost 700 million people and rich natural resources, Africa holds tremendous potential for United States interests. Democratic and free market reforms are sweeping almost all 48 countries in the continent, which, with political stability and proper land management, will create a booming consumer base and labor market for the next century. As the United States forges new alliances throughout the globe, we would be foolish to leave Africa behind.

The United States also bears at least partial responsibility for the militarization of western and southern Africa during the cold war, which has led to the humanitarian disasters in Angola and Liberia. For these reasons, the United States has an obligation and an interest to help wage peace in Africa.

In the past, the United States has perceived its policy options in Africa very narrowly: We can either send money, including weapons, or deploy troops. Today, with a mounting Federal deficit and questionable effectiveness of some foreign aid programs, Americans have been disinclined to throw money at problems. The use of United States military force, especially as part of multilateral operations in places like Somalia has been equally unpopular. With the dissolution of the Soviet Union, the United States and Africa can both benefit

from an expanded and more creative relationship.

1. FACILITATION OF PEACE NEGOTIATIONS

First, with most of Africa tilting in our direction, the United States and other Western leaders have unprecedented opportunities to facilitate peace negotiations in decades-old conflicts, as we have seen in other parts of the world. In Liberia and Angola particularly, where peace negotiations are in their second rounds, the United States can set a tone—or create an atmosphere for peace—by persuading all parties that peace and regional stability are in everyone's interest. The United States has taken an active role in negotiations in both these conflicts, and its tenacity has helped push along an often frustrating and discouraging process. Hopefully, the conclusion of the Lusaka protocols on November 20 signals a new start to the peace process in Angola.

From our discussions in Liberia it was evident that the implementation of the Cotonou agreement of 1991, the first peace treaty in Liberia, had failed. During this past summer, fighting intensified and the humanitarian situation worsened. Nongovernmental organizations [NGOs]—the lifeline in many of these areas—are leaving because the United Nations cannot protect them. As a step toward perfecting Cotonou, Ghanaian President Jerry Rawlings, the new President of the Economic Community of West African States [ECOWAS], mediated the Akosombo accords, consolidating factions of the opposition of the LNTG. As followup, he will convene all parties to the Cotonou and Akosombo agreements this month to conclude Akosombo II, which hopefully will end 5 years of civil war and anarchy. With historical United States interest and ties to Liberia, the resolution of this war deserves higher American priority, and we should stand ready to advance the process of reconciliation and cooperation.

Like Liberia, the Angola peace process appears to be on the verge of a breakthrough. During our visit, the U.N.-sponsored Lusaka talks were at a standstill: The Angolan Government had accepted a U.N. proposal, but UNITA had not. Our delegation explored several ways to accommodate as well as pressure Dr. Jones Savimbi, leader of UNITA, to accept the agreement. We encouraged the principals to seek South African President Nelson Mandela's help to break the stalemate. Since then President Mandela has met with Angolan President dos Santos and Zairian President Mobutu. Dr. Savimbi did not attend.

After protracted negotiations, the Angolan Government and the UNITA rebel movement initialed the Lusaka protocols on October 31, and, after much touch and go, including abominable air strikes by the Government against UNITA, signed a peace pact on November 20. In a major concession, Dr. Savimbi agreed to abandon control of Huambo, the province of his headquarters, in exchange for the vice-presidency and control of some diamond-rich areas. The protocols also call for talks between the two militaries on the modalities of a ceasefire and disarmament, as mandated in the Bicesse accords.

In spite of these achievements, though, I am somewhat skeptical that this is the end of warfare in Angola. Immediately following the initialing, the Government sought to consolidate its gains by launching aggressive attacks on several UNITA strongholds, forcing UNITA leaders to flee. Both sides are heavily armed, and neither trusts the other, or feels the other has demonstrated a commitment to peace. The United States should use its influence to discourage any further offensive in Angola by either side, and clarify that we will not support any multilateral aid package to any party that undermines the Lusaka protocols or the spirit of the accords. At the same time, we should assist to the extent we can in the daunting tasks which lay before Angola: No matter what agreement is reached, the road to reconciliation will be difficult.

I also want to mention an important point about United States forces joining a United Nations peacekeeping force in Angola. I raised this issue during the appropriate meetings in Angola. The unanimous response from the President, the Foreign Minister and the United Nations Mission [UNAVEM] was that U.S. troops were neither expected nor wanted. In fact, President dos Santos has submitted to the United Nations a list of countries from which he will request peacekeepers; the United States was not included. Furthermore, American pubic opinion would not support such a deployment. According to a UNAVEM general, the most effective contribution America can make is administrative and financial support, an extension of its role in facilitating the peace talks.

2. HALTING THE PROLIFERATION OF CONVENTIONAL ARMS

A second avenue for American leadership is halting the proliferation of conventional arms. Wars continue to ravage Angola and Liberia in part because regional governments and peacekeepers lack the resolve to intercept the arms trade. The smuggling of weapons prospers because, among other reasons, corrupt officials will tolerate the sales if they will earn a profit; military men with an interest in one side will transfer weapons out of ethnic affinities; or, as in the case with Liberia, soldiers need additional money to buy food.

This is an area which the United States can influence. We should work more closely with other countries to crack down on arms smuggling by sanctioning arms suppliers; raising the issue at the highest levels, and publicizing violations of arms embargoes and sales moratoria. Upon our return, several Senators wrote letters requesting leaders in Burkina Faso, Cote D'Ivoire and Nigeria to crackdown on arms trading, but so far no one has come forward willing to work with us. I would urge the State Department to leverage the issue.

We also urged the United Nations to report publicly on ceasefire violations, such as arms smuggling, a request supported by the United Nations Security Council on July 13. I would further suggest that the United Nations Observer Mission in Liberia [UNOMIL] look into halting the trade at the point of origin by tightening border controls in Cote d'Ivoire and Guines; and at the point of entry by inspecting all aircraft destined for Liberia for illegal weapons.

3. LESSONS OF AMERICA FOR AFRICA

A third approach the United States can take is offering some of its own experiences and successes as possible solutions to problems in Africa. While we have not as a nation experienced much of the horrific warfare or extreme poverty that has transpired in Africa, some of our dilemmas may relate in some way to problems in Africa. One issue in which I saw a connection is in the wrenching problem of the widespread use of child soldiers.

According to UNICEF, an estimated 6,000 children under the age of 15 are combatants in Liberia's civil war. Human Rights Watch/Africa reports that children are often conscripted to fight or to monitor military checkpoints, and many of them are tortured. This issue resonated strongly with representatives of the LNTG when I raised it in our meeting. They stressed that children are going into soldiering because they have to survive, or there is little else to do.

I was reminded of a Milwaukee project called "Hang Tough" which encourages child-gang members to give up their guns and integrate into mainstream society. Kids ask, though, "Hang Tough, for what?" To disarm, a gang member or a child warrior has to be granted safety and given a chance. I described to the LNTG the "midnight basketball" program we have in some areas which offers children a positive alternative to roaming the streets at night, dodging bullets, and running drugs. In response, someone said that is what was needed in Liberia.

America must urge the warring factions in Liberia to end the recruitment of child soldiers in accordance with international human rights conventions. And we should support the campaigns of UNICEF and the International Red Cross to ban the use of child soldiers. But we must also give the children an alternative to professional soldiering by which they can

still feed and protect themselves. A pilot program such as that in Milwaukee may be useful.

4. IMPROVING QUALITY OF HUMANITARIAN ASSISTANCE

Africa has suffered vicious brutality from these wars. After 19 years of war, Luanda is barely a functioning capitol. Though the worst of the war has not reached inner-Luanda, it bears the scars of a city that has been isolated and starved for years. What was once a beautiful urban center is today a series of delapidated, nonfunctional buildings. There are few young men in the city, and those that remain are either armed, or are amputees. Random gunshots are heard all day and night, and violent personal crimes are common. Every few blocks you can see and smell 4-foot heaps of garbage, which serve as playgrounds for Angolan children. Hospitals are barely supplied, and in the only children's hospital in Luanda up to 15 children die a day.

In response to early warning signs that up to 1,000 people could die a day in Luanda, the United Nations, through the World Food Programme, established the largest food lift in the history of the world. While the humanitarian effort has been successful, I became concerned when I learned that, like in other parts of the world, much of the food and vaccines are spoiled or rotten by the time they reach refugee camps. In our tour of a refugee camp outside of Luanda, we saw vaccines which had not been properly refrigerated, and were administered with dirty, recycled needles. Bags of rice and wheat were either rotten or infested because of weather conditions in Angola. In some cases, it is more dangerous to get a spoiled product than to get nothing at all.

In an effort to maximize the limited supplies sent overseas, we should be applying the necessary technology to ensure that food and vaccines are administered intact. At the request of officials in the camps, we looked into available packaging to preserve the food sent to Angola. A time-released pesticide within the bags, as suggested by some, is not possible because it would expose consumers directly to harmful toxins. I have been able to find no other technologies to address this problem.

The Department of Agriculture maintains that approximately 2 percent of the world's food assistance is lost because of infestation and/or moisture problems, and that storage problems in-country account for far more problems than packaging does. The reports we heard on the ground indicated that closer to 25 percent of all food was spoiled even before it reached the camps, and that a great deal more was invested while in the camps. It is imperative that international food assistance efforts include technical assistance for storage in-country and in the camps, and that the donor community send only usable food as assistance. It makes little sense to get through the logistical nightmare of shipping food to crisis areas only to see it spoiled upon distribution.

Similarly, we have looked into available mechanisms to preserve the "cold chain," the path by which vaccines reach their destinations. In essence, the cold chain depends upon trained personnel setting up a system in which vaccines can be transported from cold storage box to cold storage box to protect their integrity until they are used. Because so many warring countries lack any kind of refrigeration, electricity, or easy transport, it becomes a complicated process. In fact, WHO estimates that 50 percent of vaccines purchased for developing countries become unviable in the cold chain. USAID, UNICEF, and WHO are working together to develop technologies to strengthen the cold chain, but success is of course intertwined with overall development and infrastructure. I will continue to work to apply available technologies to our humanitarian assistance programs, particularly to war-torn areas, in the hope that we get the most for our money.

These assistance programs are critical to Africa's survival, and should continue. However, in some cases, such as Angola, the Government should be required to contribute more to internal needs. For example, the Government of Angola takes in a reported $3 billion a year in oil revenues. While it claims that all of its resources are tied up in the war effort, the President recently inaugurated his new $10 million place, and the Government just opened up a lavish new central bank in the capitol. Similarly, UNITA earns hefty profits from its diamond mines. Instead of supplying supporters with basic services, though, UNITA invests more in weapons. As peace nears, the international community cannot be expected to provide basic services if the Government is squandering its money.

In the same vein, as the President of the Angolan National Assembly pointed out, food and medical aid will only save people from dying: It will sustain their lives. In peacetime, Angola has the potential not only to feed itself, but to generate revenue by feeding other countries as well. For this reason, donor countries and aid agencies should promote "food for work" programs to give Africans the tools to grow and sell their own food. The United States can organize such packages without being the sole donor.

5. SUPPORTING REGIONAL INSTITUTIONS

While development assistance for basic needs such as nutrition, education, family planning and immunizations are critical, these programs will lack sustainability unless the political systems in Africa can guarantee stability. As the saying goes, it is more hopeful if African solutions can be found for African conflicts.

To operationalize this, we should concentrate on strengthening regional and subregional institutions, such as the OAU, the Intergovernmental Authority on Drought and Development [IGAAD], Southern Africa Development Community [SADC], and the Economic Community of West African States [ECOWAS]. These organizations could provide a framework for Africans—rather than the United Nations or individual nations—to engage in preventive diplomacy, and resolve their own conflicts, on their own terms, before they explode. As regionalism overtakes the globe, the development of such institutions will be an important factor in the growth of areas such as Asia and the Middle East. Likewise, regional organizations can potentially facilitate peace and growth in Africa, and minimize the cost to the international community.

While the OAU may have been ineffective in the past, it is worthwhile and timely to enhance the organization's conflict resolution capabilities. Indeed, with a tightly stretched United Nations and "crises fatigue" by the international community, there is no other option. We discussed these issues in Tunisia, and encouraged President Ben Ali to take an activist approach in restructuring the OAU for its new responsibilities. The African Conflict Resolution Act, introduced by Congressman HARRY JOHNSTON, chairman of the House Subcommittee on African Affairs and enacted last month, is the kind of creative and experimental approach which integrates African and American interests.

6. ADVANCING HUMAN RIGHTS AND DEMOCRACY

While democracy and human rights are completely absent in war-torn Angola and Liberia, other African countries are making real attempts to incorporate these concepts into their government. The United States should support these movements, while emphasizing the links between human rights and economic development.

In Cote D'Ivoire, where the Government is transitioning to a market economy while building democracy, human rights are being sacrificed for the Government's policy of economic austerity. For example, during unofficial meetings in Abidjan with human rights activists and a member of Parliament, our delegation discovered that human rights has become the underlying theme of the student movement. Upon learning of 18 students who were missing after protesting cuts in student subsidies, the delegation conveyed the importance of police accountability in a democracy, and urged the Ivorian Government to inform the families of the whereabouts of those arrested. Within days after our visit, the U.S. Embassy in Abidjan told us that the 18 students were released from police custody.

Cote D'Ivoire should be commended for its efforts to reconstruct the country. But the United States should continue to press for the protection of human rights throughout all phases of development. This will not only strengthen democracy, but ensure the success of economic reforms.

Our policy in Tunisia should be the same. Tunisia has made significant gains in women's rights, family planning, and protection of religious beliefs. However, it has administered an often oppressive policy toward human rights activists. The Government justifies its crackdown by citing legitimate concerns about Islamic fundamentalism dominating its political and military system. With Algeria to its west and Libya to its east, Tunisia is trapped between two countries which do not support its new direction. Further, internal support for religious extremism is potentially threatening to the regime.

Tunisia is on the verge of becoming a fully developed country. However, its economic prosperity could be sacrificed if it is not followed up by political freedom. I believe that it is in the interest of the United States to support Tunisia's continued reforms, assist in its struggle against violent extremism, and support its integration into the international economy. To do this most effectively, we should encourage human rights reform as well. As one Tunisian official said, the moderate government is truly Islamic in its values, while the extremists, in many cases, are using religion as a political tool to defeat Western influence in the Arab world. While we have been unable to design a policy to combat violent Islamism in the world, I believe that democracy is one of our most potent weapons against extremism.

With the end of the cold war and its emergence as the strongest power in the world, the United States has new responsibilities and new opportunities. Through creative approaches to diplomacy, we potentially have the ability to influence events which will determine whether the majority of Africa joins the international community, or whether it destroys itself in the aftermath of its post-colonial struggles. Beyond a moral imperative to assist Africa in its transition, the United States has a great deal to gain from a properous Africa. If we strategize wisely, the investment we make today can be small, but garner significant advantages later.•

THE LITTLE RAILROAD THAT COULD—AND DOES

• Mr. SIMON. Mr. President, over the years I have been proud to know and work with Hugh Crane, an extraordinary entrepreneur in Marion, Illinois, who is the visionary founder, president and driving force at the throttle of the Crab Orchard and Egyptian Railroad.

From coast-to-coast, there is no better example than the CO&E in illustrating the vital link that the nation's short line railroads provide as vital gateways connecting local businesses to the interstate railroad network.

Hugh will leave no stone unturned when it comes to serving his customers, potential customers, and Southern Illinois' economy; I've seen—and experienced—his dedication and persistence time and time again. He has waged and won countless crusades ranging from saving abandoned rail segments to achieving fair treatment from the large railroads for his customers.

Hugh Crane and his railroad have been honored by the Chamber of Commerce in Marion and have been spotlighted in national news programs. Hugh deserves a place in anyone's business hall of fame, and he would certainly get my vote.

The story of the roles played by short-line railroads was told recently, using Crab Orchard & Egyptian Railroad as an example, in a nationally published news story by the Associated Press that ran in many newspapers on Oct. 9. I call the attention of my colleagues to the article and ask that it be printed in the RECORD.

The article follows:

SMALLER LINES PERFORM SERVICE OTHERS WON'T

MARION, IL. (A)—Hugh Crane believes in the power of his Crab Orchard and Egyptian Railroad, even though it only has 15 miles of track and four engines.

Dozens of industries and hundreds of jobs depend on a "short line" that runs between two Illinois cities.

When Illinois Central announced in 1976 it wanted to abandon the small length of track, Crane and some investors got permission to run it.

Today, the disel-electric locomotives sporting white pyramid logos are a vital link for more than a dozen industries—and hundreds of jobs.

WHAT'S BEHIND THIS

C.O. & E. was one of the pioneers in an explosion of small railroads nationwide that was sparked by the relaxation of federal regulations that made it easier for major carriers to shed less-lucrative routes.

The number of "short line" and regional railroads has more than doubled to greater than 500 since 1980, the American Short Line Railroad Association says.

"There are people * * * who have jobs only because they're able to tie into the enormity of the North American continent," Crane said.

REVENUE

Last year, short line and regional railroads accounted for $2.8 billion in revenue, or 9 percent of the railroad industry's total, the short line association says. They operated 43,000 miles of track—25 percent of the total—and accounted for 11 percent of railroad jobs.

Short lines are defined as railroads having $20 million or less in annual railroad operating revenue. Regionals fall between $20 million and $250 million.

VIEWPOINT

Major railroads don't see their smaller brethren as competition. Rather, they realize short lines and regionals keep track in use that otherwise might be abandoned: nearly 30,000 miles since 1980, by the short line association's reckoning.

The big freight carriers, however, are quite competitive among themselves.

Union Pacific Corp., the nation's biggest railroad company, Wednesday offered $3.4 billion for Santa Fe Pacific Corp., hoping to block a pending merger between Santa Fe and Burlington Northern Inc. Santa Fe rejected Union Pacific's offer a day later.

Burlington Northern and Union Pacific, aside from their designs on Santa Fe, have something else in common too: little C.O. & E.

HOW THIS WORKS

With tracks in Marion and Herrin, two towns about 330 miles south of Chicago, Crane's railroad hands off and receives cars from the two big carriers. They pay by the car and C.O. & E.'s fees average about $200 per car, Crane said.

He won't release any financial figures for his six-employee company but would say the railroad ran 166 loaded cars last month.

Crane who serves as president and chief engineer of C.O. & E., deflects attempts to credit his railroad with boosting the area's economy. But some clients disagree.

"If we have to choose between moving to a location that has rail and a location that doesn't, we'll chose the one that has it." said Rudy Bond, president of 21-worker Perma-Treat Lumber Co., which came to Marion in 1982.•

RETIREMENT OF LINDA STOLL-ANDERSON

• Mr. BAUCUS. Mr. President, it is always tough to see a dedicated public servant step down when they are at the top of their game. Linda Stoll-Anderson of Helena, MT, is retiring as a 12-year commissioner for Lewis and Clark County, but not before making her community a better place in which to live.

Linda serves as an outstanding example of a public servant. She is honest and patient. She works hard. She's a great mediator. She's extremely bright. She never stops putting Montana and Lewis and Clark County first.

Her passion about environmental issues has been inspirational. For many years, Linda has been dedicated to maintaining what makes Montana the last best place, in particular, protecting our beautiful Rocky Mountain front. I know, because I worked with Linda to preserve many acres of this pristine land. When some would settle for less, Linda held true to her principles.

I hate to see her go. Based on her track record, I know she has a promising future in whatever she chooses to pursue next. She and her husband Bob, who serves as a public service commissioner in Montana, are highly committed to our State. They demonstrate it each day in their work. I wish them both well.•

U.S. POLICY ON BOSNIA

• MR. LIEBERMAN. Mr. President, I rise to express my deepest concern over

the appalling recent developments in Bosnia and the apparent new U.N. and European policy of offering yet another round of concessions to the aggressors. I am very disturbed that the United States appears to be acquiescing in this step. Bosnia, a member state of the United Nations, has been the victim of Serbian aggression for the past 32 months. The U.N.'s misguided effort to stem violence in the former Yugoslavia by prohibiting arms exports has helped make Bosnia a victim by preventing an effective self-defense and preserving a Serbian advantage in military equipment. Although the international community has adopted various other means to defend Bosnia—including a U.N. resolution to restrain the Serbs, a series of unsuccessful peace plans and an international peacekeeping force—none of these measures have proved a credible substitute for a Bosnian defensive capability.

The events in Bihac this past week demonstrate that no amount of U.N. resolutions, peacekeeping troops or fine tuning of peace plans can stop the fighting in Bosnia until the warring parties want to stop fighting. Every new round of U.N. resolutions or diplomatic negotiations lowers the threshold for Serb cooperation. I understand that, following the latest Serbian aggression in Bihac, the administration is agreeing to yet another round of peace talks, which I fear will only be a cover for a continuation of war and for more concessions to the Serbs.

The policy of the Contact Group, of which the U.S. is a party, is one of appeasement. Such a cynical policy is inconsistent with our national character. We know from experience that war is horrible. But to take responsibility for the welfare of another country like Bosnia and then cynically offer up ever-growing slices of its sovereignty for the sake of international comity is wrong, violative of international law, and unworkable. Such a policy will not end the fighting in Bosnia—the outgunned Bosnian army proved that last month in Bihac. It will not stop Serb aggression and nationalism. It will not prevent widening the war—weak U.N. enforcement of its own Security Council resolutions will encourage disregard for the U.N. What this policy will do is send a dangerous message that aggression will not only be tolerated but rewarded if the aggressor remains aggressive and uncooperative. Given all the volatile situations round the world, this is a signal we cannot afford to send.

Mr. President, the United States should reject the course of appeasement. We should lift the arms embargo against Bosnia—with or without the cooperation of our NATO allies—and allow the self defense of Bosnia.●

NATIONAL STANDARDS FOR CIVICS AND GOVERNMENT

● Mr. JOHNSTON. Mr. President, I would like to take this opportunity to go on record indicating my strong support for the National Standards for Civics and Government that were unveiled by the Center for Civic Education earlier this month.

These voluntary content standards will help our schools educate students to be responsible citizens who are knowledgeable about American constitutional democracy. They are the result of collaboration by over 3,000 groups and individuals and are a resource local school systems can use to develop their own civics curricula. The future of our great National depends on our youth, and a strong civics background is a prerequisite for an informed citzenry. The new guidelines are organized around five questions that cover such issues as the duties of citizens, the foundations of American democracy, and definitions of politics and government. They also emphasize the role of State and local governments in the American political system.

American adults are often criticized for low voter turnout and lack of interest in the political process. Education is the best way to combat such disinterest. The National Standards for Civics and Government, which are designed to focus civics education as early as kindergarten, will provide a foundation for our young people to build on to become the responsible leaders of tomorrow, leaders committed to perpetuating the fundamental values of our constitutional democracy.

I would also like to use this occasion to express my support for the continued growth and success of the "We The People—The Citizen and the Constitution" program administered by the Center for Civic Education. Millions of students have participated in the program, learning lessons that will stay with them throughout their lives, which confirm that our republic can thrive only when citizens remain engaged in the debate of politics and governing.

We must continue to encourage civic education for our young people. Programs like We The People and guidelines such as those issued by the Center for Civic Education will ensure that American students are prepared to enter the 21st century as active citizens who have taken the principles of American democratic government to heart.●

GLENN MILLER TRIBUTE

● Mr. HARKIN. Mr. President, later this month family, friends and fans of the great band leader, Glenn Miller, will assemble at Arlington National Cemetery for a memorial service to honor his memory. This event will commemorate the 50th anniversary of his disappearance during World War II.

I would like to take a moment to reflect on the life of this man who I am proud to say was born in Clarinda, IA on March 1, 1904. He grew up in neighboring Missouri and founded the very successful Glenn Miller Orchestra. The band was synonomous with his distinctive "big band" style of music and gave us many memorable songs including "Moonlight Serenade" and "Little Brown Jug".

Glenn Miller was a gifted musician with a popular band when he enlisted in the armed forces during the Second World War. He left the relative security of the United States for the turbulent and dangerous environs of Europe. This was an act of great courage and showed his dedication to public service.

Then in a tragic turn of events, he disappeared on December 15, 1944, somewhere between Bedford, England and Paris, France. Unfortunately, he was the only member of the Army Air Forces Band who did not return to the United States after the war. He may have been lost, but he has certainly not been forgotten because his music still lives on.

On December 15 we will remember Glenn Miller and celebrate his life. It will be a day to honor the man and his music.●

TRIBUTE TO MAYOR EDWARD S. BISHOP, SR., "A FRUITFUL BOUGH"

Mr. LOTT. Mr. President, I rise today to pay tribute to an outstanding Mississippian, and great American, Mayor Edward S. Bishop, Sr., of Corinth, MI. Mayor Bishop retired last month after 64 years of dedicated service to this country, and the State of Mississippi. He has distinguished himself in the fields of elementary and secondary education, community relations, and county and State Government.

Mayor Bishop is well noted in Mississippi for his long and successful career as an educator In his lifetime, he has served as a classroom teacher, principal, college professor, and director of in-service training programs for teachers and others. I have known him for a number of years, and I would like to pay homage, and share with my colleagues, how service speaks for this fine gentleman.

Mayor Bishop attended public elementary and secondary schools in the State. He received the bachelor of science degree from Jackson State University; the master of science degree from the University of Southern Illinois; did further graduate study in social economy, principalship, and guidance counseling. He also received an honorary doctorate degree from Rust College.

In 1978, Mayor Bishop became the executive director of the Tennessee Valley Regional Planning Commission and

the Alcorn-Prentiss County Human Resource Agency. At present, he serves as executive director of the Alcorn County Resource Agency, the umbrella for a comprehensive elderly program, and an emergency shelter for children. All of Mayor Bishop's untiring efforts in community service should be well noted. He has been a driving force in the city of Corinth, and Alcorn County, in securing funding dollars for diverse human service programs. Through great personal effort, a new permanent home has been established for all senior citizen activities in Corinth and the surrounding area. Also, he was instrumental in the establishment of a new and permanent home for neglected and abused children.

Mayor Bishop's entry into public service has been marked with distinction. He was elected three terms as alderman of the city of Corinth, and ran unopposed, for his last two terms.

After serving as alderman, he was appointed vice-mayor by the City Council, and subsequently served as mayor pro tempore. On October 10, 1989, he was sworn in as mayor of the city of Corinth. He was later elected in November 1990, by the citizens of Corinth to serve a full term as mayor. His retirement this past November, closed one chapter of a very fine career. We, in Mississippi, however, expect to see Mayor Bishop continue to give of his time and energy. As an educator, community activist, and pubic servant, Mayor Bishop has enjoyed the support and adoration of a region of our country, and an historic county in the State of Mississippi. The service he has rendered speaks volumes. He has been a fruitful bough.●

UNITED STATES POLICY TOWARD CUBA

● Mr. SIMON. Mr. President, this past summer the Clinton administration chose to tighten the economic embargo and accept more Cuban immigrants in response to thousands of Cuban rafters who set sail to Florida. I question its goals in tightening the embargo against Cuba. Tightening the embargo, which is already tighter than the one we have against Iraq, could lead to a major crisis in Cuba. The embargo against Cuba only makes the situation there worse by restricting the supply of food and medicine to people who desperately need it, without lessening Castro's grip on the Cuban political machinery. Our recent experience in Eastern Europe has shown us that sealing Communist countries from contact with democratic societies is not the answer. Progress can be obtained by encouraging a steady flow of information and goods between Cubans who seek change and Americans.

During the 104th Congress, the administration and Congress should take a close look at our current policy toward Cuba. It is in the interest of the United States to encourage democracy and the rule of law in Cuba, but it is not in our interest to continue a policy that causes needless suffering and that has proven unsuccessful. I urge my colleagues to read the following article from the National Journal, "The Cuban Conundrum," by Bruce Stokes. It provides a good outline of current U.S. policy toward Cuba and what it could lead to.

I ask that the article be printed in the CONGRESSIONAL RECORD.

The article follows:

[From the National Journal, Sept. 17, 1994]

THE CUBAN CONUNDRUM

(By Bruce Stokes)

In recent weeks, the searing television images of women and children in inner tubes and flimsy rafts braving the shark-invested waters of the Straits of Florida to flee Cuba have momentarily overshadowed the more complex, underlying story of the economic collapse that sparked the exodus.

While the Clinton Administration has, for the time being, apparently resolved the crisis by agreeing to take in more Cubans as legal immigrants, the long-term challenge that faces Havana—and Washington—is the reconstruction of the Cuban economy through its transformation, in one form or another, from a socialist to a market economy.

The stakes in such a transformation are high.

"An early restructuring to a market-oriented economy could produce a very quick and robust recovery from Cuba's present crisis situation," said Ernest H. Preeg, an economist at the Washington-based Center for Strategic and International Studies.

But failure could unleash a new torrent of Cuban migration—legal or illegal—to the United States. Already, more people have tried to flee Cuba this year than in the previous decade. And with Cuba's geographic proximity to Florida, a large Cuban-American population to welcome refugees and the wide disparity between the standard of living in Havana and what's available in Key West, just 90 miles away, experts say it's possible that as many as a million Cubans may want to emigrate to the United States rather than wait for better times in Cuba.

The experts seem to agree that the transformation of Cuba's economy has already begun. But there's no agreement on how far it has gone or how much further Cuban President Fidel Castro is willing to go.

"Castro is gradually losing power to market forces, and the reform process appears irresistible," Carmelo Mesa-Lago, a professor of Cuban studies at the University of Miami, said. But unfortunately, he added, "I don't really think they understand how the market works."

And lulled by 35 years of false hopes of Castro's imminent demise, few American economists or U.S. government officials have begun to prepare for the day when a new, transitional Cuban government will have to make the market work or risk backsliding into deeper economic and political chaos.

"This thing is going to catch them with their pants down, and they are unprepared," said Armando M. Lago, the president of Ecosometrics Inc., a Bethesda (Md.)-based consulting company and the current president of the Association for the Study of the Cuban Economy.

The Clinton Administration's instinctive reaction to the new flood of Cuban boat people was to tighten the current U.S. trade embargo on Cuba. It was decision driven more by domestic political considerations—chief among them the desire to placate the conservative Cuban-American community—rather than with any forethought of its debilitating impact on emerging market forces inside Cuba.

It's been up to Congress and some Cuban-American economists to begin to lay out a new economic strategy for dealing with Cuba. Their plans include a lifting of the embargo calibrated to political and economic reforms inside the island nation, detailed blueprints for the macro-economic stabilization of a transitional Cuban economy and guidelines for foreign investment and trade expansion.

When and whether these plans are tested, of course, depends on how long Castro remains in power.

DESMERENGAMIENTO

Like a giant, tempting meringue, the Cuban economy is collapsing in on itself, its frothy exterior no longer supported by the hot air that first gave it form. This process—what the Spanish call *desmerengamiento*—is well-known to pastry chefs the world over, but economists have never seen such a dramatic economic contraction.

From 1989–93, the Cuban economy shrank by nearly half, according to most reliable estimates. This contraction exceeds that experienced by Cuba during the Great Depression in the 1930s, Mesa-Lago said, and is much worse than the economic deterioration suffered in recent years in Eastern Europe.

The Cuban economy is rapidly disengaging from the global marketplace. In 1993, the value of Cuba's exports and imports was less than a third of what it was in 1989. (See table) Eastern Europe and the former Soviet Union, once Castro's main trading partners, will no longer sell him machinery and oil at cut-rate prices, and they refuse to buy Cuban sugar at prices far in excess of the world market price.

Reflecting this economic breakdown, the value of the Cuban peso has plummeted. While a Cuban peso is still officially worth $1, the black market exchange rate in August was 130 to $1.

"Cuba has become an undeveloping country," Preeg said. Nothing works.

In Havana, power blackouts are a daily occurrence. With gasoline and spare parts in short supply, automobiles, trucks and buses are disappearing in favor of bicycles and ox carts. Unemployment is soaring because at any given time more than two-thirds of Cuba's industrial plants are closed, owning to a lack of power or raw materials.

Government rationing provides only about half of the food that average families need to survive, forcing them to turn to the underground economy. And while state-set prices for many basic goods and services have changed little in the past three decades, no such constraints exist on the black market, where inflation is rampant. In May, Cuba's monthly minimum wage would buy only a two-pound chicken or a pound of pork or four liters of milk in unofficial markets.

In a society that once prided itself on meeting basic human needs, the human toll of food shortages in mounting. Infectious diseases that were once thought to have been eradicated, such as tuberculosis and malaria, are returning. In early 1993, the U.N. Children's Fund reported that half of all Cuban infants in their first year of life showed symptoms of anemia.

To reflate the collapsing Cuban economic meringue, the Castro government has introduced some elements of a market economy

into what was once an autarkic socialist state. Some foreign investment is now allowed. To encourage farmers to grow more food, many state farms have been turned into cooperatives, and the prices of agricultural products have been increased somewhat to stimulate production. Taxi drivers, hairdressers and workers in more than 130 other categories can now sell their services on the open market. And the widespread use of the dollar as the preferred medium of exchange has been legalized.

But the economic reform process is a halting one, raising uncertainty about the evolution of Cuban capitalism. In the past few months. For example, the government has arrested people for making "too much" money in the flourishing dollar economy. The scope of permitted "family business" has been scaled back. And tax rates have been raised on self-employment income.

"The adopted measures and reforms are incoherent, inconsistent and ill-conceived in design; incomplete in scope; incorrect and delayed in execution; and, consequently, inadequate in impact," George Plinio Montalván, a former chief economist of the Organization of American States, said.

The problem, Mesa-Lago said, is that "Castro listens to different ideas and implements only those that appeal to him most—he lacks a blueprint."

FIDELISMO WITHOUT FIDEL

Most experts see only two designs for the Cuban economy of the future.

Now that the emigration turmoil has subsided, the likeliest scenario is that Cuba will renew its tentative reforms and evolve toward a Nicaraguan-style economy, in which the state continues to play a major role. Under such conditions, there will be an increasing number of small and medium-sized private companies. But the commanding heights of the economy will be controlled by large, public enterprises. And while at some point Castro will step down or die, his cadre of bureaucratic apparatchiks will continue to drive economic decision making.

But this option holds little attraction to the outside world because, at best, it would provide only modest economic growth. And the paucity of serious research on such an eventuality is primarily because many conservative Cuban-Americans, who provide much of the money for academic work on Cuba, see a Nicaraguan-style Cuba—what they call "Fidelismo Without Fidel"—as their worst nightmare. It would delay indefinitely the emergence of a truly free market economy in Cuba. And, more important to some of them, it would postpone their own return to power.

"There is distaste among many Cuban-Americans to consider the unconsiderable," admitted Matias F. Travieso-Diaz, a partner in the Washington law firm of Shaw, Pittman, Potts & Trowbridge.

The scenario preferred by most Cuban-Americans and Administration officials is a fairly rapid transition to a market-style economy. Most economists agree that only this course will provide Cuba with the rate of sustained economic growth needed to bring unemployment down to manageable levels, while continuing to provide sufficient social services to ensure political stability.

The first obstacle on this path is the U.S. embargo against trade with, and investment in, Cuba.

The 1961 Foreign Assistance Act first imposed the trade ban, both to pressure Cuba into compensating Americans for property nationalized by the revolutionary regime and to punish the Castro government for its embrace of Communism. The 1992 Cuban Democracy Act extended the embargo by denying foreign subsidiaries of U.S. firms the licenses they need to trade with Cuba. And to signal its dissatisfaction with the Cuban government's failure to curb the current exodus of boat people, the Clinton Administration has banned all dollar remittances to Cuba from relatives or friends living in the United States. (Previously, remittances of as much as $500 per quarter were permitted.)

It is an article of faith among older, more conservative Cuban-Americans—and the politicians they have supported—that any loosening of these economic screws will only prop up the Castro government and postpone the transition to a market economy. To this end, hard-liners have supported escalation of the embargo through imposition of an economic blockade on Cuba.

Younger, more moderate Cuban-Americans and critics of the current U.S. policy toward Cuba question why trade with China and Vietnam is viewed as a means of liberalizing their socialist economies, while trade with Cuba is rejected as counterproductive.

"If the goal is as peaceful and as productive a transition as possible," said Andrew Zimbalist, a professor of economics at Smith College, "engagement rather than isolation has proven to be a better policy."

But engagement is prohibited by the Cuban Democracy Act, which requires democratic elections in Cuba before the embargo can be lifted. Such sequencing flies in the face of the experience in Eastern Europe, where democracy came at the end of the transition from socialism, well after the seeds of capitalism had been planted and nurtured and had borne fruit. And, said Rep. Charles B. Rangel, D-N.Y., "we are losing billions of dollars in business opportunities to invest and trade with Cuba."

There is growing sentiment on Capitol Hill to reverse the policy of isolating Cuba. Rangle has proposed the Free Trade With Cuba Act, which would repeal the Cuban Democracy Act and the embargo; open up travel, mail and telecommunications services; and launch new negotiations on U.S. economic claims against Havana and on the human rights situation in Cuba. Claiborne Pell, D-R.I., the chairman of the Senate Foreign Relations Committee, and Lee H. Hamilton, D-Ind., the chairman of the House Foreign Affairs Committee, have proposed a similar unilateral lifting of the ban on travel, remittances and commercial sales of food. And Rep. Robert Menendez, D-N.J., has introduced legislation that would offer a transitional Cuban government humanitarian assistance and help in downsizing its military.

Rolando H. Casteñeda, a senior operations officer at the Inter-American Development Bank, and Montalván have suggested a step-by-step approach, linking the expansion of U.S. economic ties with Cuba to Cuban political liberalization. They suggest that the United States take the first step by permitting commercial sales of U.S. food, medicine and medical instruments to Cuba and rescinding the recent prohibition on all remittances. If Cuba then agrees to free political prisoners and adhere to international human rights conventions, Castañeda and Montalván say, the United States should lift what's left of the trade embargo. If Havana implements market-based economic reforms, Washington in return wouldn't stand in the way of International Monetary Fund (IMF) loans to Cuba. Finally, once Cuba adopts a new constitution and has free and fair elections, they say, the United States would lift its ban on travel and investment, support a restructuring and some forgiveness of Cuban debt and further open the U.S. market to Cuban goods.

None of these proposals is likely to pass Congress this session. And all face an uphill political fight.

"The idea that opening a McDonald's in Havana will make Castro into a Thomas Jefferson blows my mind," said Jose S. Sorzano, the chairman of Austin Group Inc., a consulting firm in Arlington, Va. Once the embargo is cracked, conservatives predict, the pressure from U.S. commercial interests to quickly normalize economic relations without regard to political concessions by Castro will prove inexorable and Washington will end up trading something for nothing.

Moreover, for most lawmakers, there is potential pain and little gain for supporting an end to the embargo. The business community is not pressing for liberalization. In the past, lawmakers who have advocated an easing of tensions with Cuba have been Red-baited. Finally, if the Administration dares to change its stance and supports a calibrated relaxation of the embargo, conservative Cuban-Americans have threatened to pillory President Clinton for waffling on yet another foreign policy issue.

RESTITUTION V. COMPENSATION

Once the economic transformation of Cuba has begun, the biggest obstacle to normalization of economic relations with the United States will be the claims against the Cuban government by Americans whose property in Cuba was nationalized after the revolution.

"It's the crazy-aunt-in-the-basement issue," said Robert E. Freer Jr., a senior partner in the Washington law firm of Freer & McGarry. And like the unpredictable relative it's a highly emotional issue likely to cause hitches in lifting the embargo and serious clashes between the exile community and the people in Cuba today.

In the 1960s the U.S. Foreign Claims Settlement Commission valued the nationalized property—primarily industrial plants, commercial buildings and farmland—at $1.8 billion. It's now valued at $5.6 billion. And then there's all the confiscated property, much of it residential, that was owned at the time of the revolution by Cuban citizens who subsequently became U.S. citizens.

Claimants have different interests in resolving the status of the assets. Some large U.S. corporations, especially those with a brand name to protect, want restitution of their original property. Similarly, many middle and upper-class Cuban-American refugees who left a lot of property behind in Cuba have an economic and emotional stake in the return of their original holdings. Others who have little desire to return to Cuba would be happy with financial compensation for their losses. And some Cuban-Americans who made their fortunes in the United States only care that the confiscated properties be privatized at auction so that they will have a crack at them.

Freer, who's the general counsel to the U.S.-Cuba Business Council, contends that restitution will ensure an immediate infusion of foreign investment and modern management in Cuba.

But fights over restitution delayed the privatization of property in Eastern Germany for years, holding up foreign investment. Moreover, Montalván argued, "restitution would install the same distribution of wealth in Cuba that you had before the revolution." Americans would control 90 per cent of Cuba's electricity generating capacity, its entire telephone system, most of its mining industry and some of its best land, providing dry tinder to rekindle Cuban nationalism.

Compensation—on the surface, a more straightforward resolution of the problem—sparks similar controversy. It could burden an already indebted Cuba with new foreign obligations. It took the Foreign Claims Settlement Commission six years to come up with estimates of losses. "To ask a country in the midst of rebuilding to administer that kind of thing, or deal with claimants on an individual basis, is absolute folly," Montalván said.

Nevertheless, Travieso-Diaz said, "the paramount issue is, when and how is the title going to be put to rest?" Claimants' lawyers have threatened to use the courts to delay the privatization of their former properties until some restitution or compensation is made. To avoid that economically debilitating eventuality, Travieso-Diaz suggested that some partial compensation for claims, some percentage on the dollar, is inevitable.

The sleeper political issue could be what to do with small and medium-sized businesses, which have sentimental and real estate value, and residential property. These were the hardest claims to resolve in Eastern Germany and the Baltic states. The Cuban-American community has largely disavowed any interest in restitution of former residences. But this is, in part, a tactical move to counter Castro's propaganda that Cuban-Americans want to return to steal people's homes. Notwithstanding such disavowals, reclaiming family homesteads could suddenly have a powerful emotional appeal once the opportunity arises.

CONTAINING INFLATION

Clearing the underbrush of the embargo and foreign claims issues merely sets the stage for tackling the fundamental economic challenges facing Cuba's transition to a market economy.

The first problem is to contain the seemingly inevitable inflation that's triggered by the end of socialism. The government subsidies inherent in a state-run economy mask inflation by making up the difference between what consumers pay and what the price of a good or service would be if the value were determined strictly by supply and demand. As Cuba's economic crisis worsened in the past few years, subsidies grew, and by 1993 Cuba's budget deficit was equal to a third of the value of its economy. By printing money to cover those subsidies as domestic production shrank, the Cuban government provided average citizens with plenty of money, but little to buy. As a result, a huge volume of excess liquidity has been built up that will feed inflationary fires if restraints on prices are lifted.

To stimulate production to meet demand and get the Cuban economy moving again, most economists recommend an immediate end to price controls, which could lead to a tripling or quadrupling in prices. The trick will be to stabilize those prices once they have initially adjusted so that the inflation rate doesn't spiral out of control.

This requires curbing the flow of money into the economy and sopping up some of the excess liquidity. Economists prescribe a reduction in government spending and some hard budget constraints; a freeze on public-sector wages and a cutback in public-sector employment, including the military; the imposition of new taxes; and a positive real interest rate to encourage savings.

CAPITAL FROM ABROAD

Domestic macroeconomic stability is a necessary, but not sufficient, condition for a robust economic recovery in Cuba. If Cuba is to climb out of its economic hole, it also needs new capital from abroad.

Cuba's needs are great. In the mid-1980s, the Soviet Union pumped an estimated $4.4 billion a year into Cuba's economy—about 15 per cent of its gross national product. With the collapse of the Soviet Union, however, that largess ended, and Cuba will somehow need to make up the shortfall. In addition, Manuel Cereijo, a professor of engineering at Florida International University in Miami, estimates that Cuba will need $3.6 billion over a decade to reconstruct its rundown transportation system and another $2.5 billion to modernize its telecommunications system.

Simply lifting the current ban on remittances, economists say, could inject as much as $1 billion a year into Cuba's economy.

Cuba has an estimated $10.8 billion debt with European and Asian lenders and a 20 billion-ruble obligation (about $100 million at the current exchange rate) to the former Soviet Union. To obtain some breathing room during its economic transition, economists say, Havana will first have to negotiate a moratorium on repaying its debts and then renegotiate them at some fraction of their original value. There is ample international precedent for such debt restructuring, and the lenders should be obliging because Cuba hasn't paid any interest or principal on its debt since the mid-1980s.

A speedy resolution of the debt question would open lending windows at the IMF and World Bank. Depending on the initial exchange rate, Cuba's per capita income may be judged to be low enough to qualify for concessional loans, a definite plus. Economists estimate that Havana will initially need to borrow at least $750 million a year. The main sticking point could be bureaucratic inertia.

"From the time Latvia turned democratic and applied for a loan and got it, it took 18 months," economist Lago said. "If the international financial institutions take that long in Cuba, with the current economic conditions, there will be mass starvation."

Foreign aid is another likely source of foreign exchange. Many economists think that Cuba will need as much as $1 billion a year in foreign aid. With the shrinking U.S. foreign aid budget, however, Havana cannot expect much help from Washington.

Foreign investors could provide an additional supply of capital. Foreign investment in Cuba has been growing. By the end of 1993, there were 83 joint ventures in the industrial sector and 29 in tourism, with Spanish companies in the lead. Foreign interest was further whetted in June 1994, when it was announced that Grupo Domos of Mexico had bought 49 per cent of EmtelCuba, the national phone company, for $1.5 billion. But despite all this hoopla, many of the investments have involved little cash upfront, and economist Preeg estimates that real foreign investment may have totaled only $50 million in 1992.

Long constrained by the embargo, U.S. companies have only begun to show any interest in Cuban investment opportunities. (Business consultants, for example, tell stories of U.S. oil companies scouting for gasoline station sites.) Lago and José F. Alonso, a senior economic researcher with Radio Marti, estimate that direct foreign investment in Cuba could reach $250 million a year 5 years into an economic transition and top $1 billion a year 15 years out.

At first, investments are likely to center on a few key sectors of the Cuban economy:

Sugar.—Sugar plantations and mills are Cuba's largest employers, and sugar exports provide its largest single source of foreign exchange. The 1994 sugar harvest was 3.4 million tons, less than half the harvest in 1989. Four of every five sugar mills in Cuba were built before World War I, and many need to be replaced.

Tourism.—Tourism, Cuba's second largest source of foreign exchange, is deemed by many economists to have the greatest economic potential. Cuba once dominated the Caribbean tourist trade, but had only 3.2 per cent of the market in 1992. Alonso and Lago think that Cuba's market share could rise to 11 per cent with adequate investment and to 15 per cent if gambling returns.

Minerals.—Cuba has the fourth-largest nickel reserves in the world. But Cuban mining technology, largely from the former Soviet Union and Eastern Europe, is obsolete, pushing up production costs at a time when world nickel prices are falling. As a result, Cuba's nickel production has fallen dramatically in the early 1990s. Reviving it will be costly.

Manufacturing.—Manufacturing plants for textiles, shoes and sporting goods all have the potential to start up quickly. The key will be the revival of small and medium-sized firms, the conversion of military airports and ports to civilian export use and the reconstruction of Cuba's public infrastructure to support industrial expansion. Low wages will initially be a major draw for new investors, but labor costs will have to rise if state food, education and health care subsidies are trimmed.

Most economists who have studied Cuba advocate, as part of the initial economic stabilization package, a sharp devaluation of the peso to ensure that Cuban-made products are competitive internationally. They say that this should be coupled with partial convertibility of the peso, to enable investors to repatriate their profits. Such a move would not be without risk, however, because it could fuel inflation.

Cuban investors will also want greater access to the U.S. market. Without most-favored-nation trading status, however, Cuban exports would face prohibitive U.S. import duties. Cuba's poverty would also qualify it for lower tariffs under the U.S. generalized system of trade preferences. And admission to the Caribbean Basin Initiative and the North American Free Trade Agreement (NAFTA) is on every Cuban-American economist's wish list.

CUBA AFTER 35 YEARS OF CASTRO

[Selected economic indicators]

	1989	1990	1991	1992	1993
Change in gross social product (equivalent to gross domestic product) (Percent)	0.1	−3.1	−25	−14	−10
Exports (in billions of pesos)	5.4	4.4	3.6	2.3	2.1
Imports (in billions of pesos)	8.1	6.4	3.7	2.5	1.7
Sugar production (in millions of metric tons)	8.1	8.4	7.6	7.0	4.2
Budget deficit as per cent of GSP (Percent)	11	16	NA	NA	34

Source. George Plinio Montalvan

MAJOR OBSTACLES

But trade expansion and increased foreign investment in Cuba face major obstacles.

In the 1950s, the United States bought nearly three million tons of sugar from Cuba, accounting for more than half of its total exports. Today, the United States imports only one million tons of sugar from the entire world. Increasing the import quota, even by several hundred thousand tons, as a gesture of support for Cuba would garner Havana only a few hundred million dollars in

revenue. Moreover, upping the quota would draw severe opposition from U.S. sugar growers. Expanding tourism in Cuba will come largely at the expense of the tourism-dependent economies of other Caribbean nations, leading to new requests for aid from them. And any proposal to include Cuba in NAFTA is likely to be rapidly enmeshed in domestic U.S. politics, with labor unions fearing job losses to apparel and other labor-intensive assembly operations that could shift to Cuba.

Moreover, Cuba currently lacks the basic legal and institutional framework needed to assure foreign investors that their funds are safe. Cuban law doesn't sufficiently protect private property rights, the court system doesn't adequately enforce the law and there are no bankruptcy procedures to speed entrance and exit from the marketplace.

Moreover, the recent experiences of foreign investors have already given ammunition to critics in Cuba. They complain about investment deals at bargain basement prices. They object to foreign control over national industrial assets, such as the telephone company, and natural resources, such as some of Cuba's best beaches, which are now off-limits to most citizens. They resent the selling off of the nation's patrimony—Grupo Domos obtained a 55-year monopoly over telecommunications services. And they question the benefits of foreign investment for average workers. Under the current system, foreign investors must contract with the Cuban government for labor. Havana is paid $400 per month per employee. The workers are paid an average of 250 pesos per month, less than $3 on the black market. The government pockets the difference. "It's an incredible case of exploitation," Lago said.

To set a new standard for foreign investors in Cuba, Castañeda of the Inter-American Development Bank and Montalván have drafted a set of foreign investment guidelines that have been dubbed the Arcos Principles (after Gustavo Arcos Bergns, the secretary-general of the Cuban Committee for Human Rights in Cuba). Signatories would pledge to hire Cubans directly instead of through a government intermediary, commit themselves to a 48-hour workweek, hire regardless of political background and allow employees to organize independent unions. In a swipe at the tourist oasis that exists amid the desert-like Cuban economy, investors would pledge to grant all Cubans equal access to all public areas—such as beaches and hotels—and equal access to the goods and services that are now often reserved for tourists.

PRESERVING THE SOCIAL SAFETY NET

The greatest threat to the success of Cuba's economic transportation into a market economy is the social and political unrest that could accompany a further fraying of its already tattered social safety net.

During an economic transition, Cuba's high unemployment would be expected to climb even higher. The first victims are likely to be those on the state payroll. Cuba's regular armed forces are 200,000 strong. Argentina protects a landmass 25 time the size of Cuba, with a population three times Cuba's, with an army, navy and air force just a 10th the size. Cuba has a million civil servants out of a population of 11 million. Most economists think that the government could function adequately with 150,000 employees.

To sop up the expected legions of jobless workers. Montalván said, "Cuba will need a WPA-type program," referring to FDR's famous public works program.

Cubans pride themselves on their long life expectancy, their low infant mortality rate and their widespread literacy—all fruits of the revolution.

But, Lago said, "there is clearly an overinvestment of resources in the Cuban health system." Hospitals have long served as employer of last resort. Fully half of all health care workers are gardeners, cleaners and cooks. Moreover, the average Cuban visits a doctor 9.3 times per year. Americans make the trip only 5.6 times per year.

Analysts forecast draconian cutbacks in medical staffing. And, shades of Clinton, they suggest payroll taxes for basic health care and a fee for all additional services.

Similar changes may be needed in the social security system. Cubans don't pay for their pensions. Analysts say that this has to change, at least for those under 50 with some productive years left. The retirement age may also have to be raised. Cuban women currently can retire at 55, and men at 60.

"People will have to understand that they will have to take care of themselves," Cereijo said.

But any significant shrinkage of the social safety net risks exacerbating existing racial and class differences in Cuban society. Most of the Cuban-American community that will be investing in and returning to Cuba is white and middle class, while more than half the island population is black and poor. Tensions have already flared between whites in Cuba with relatives abroad (who, until recently, had access to dollar remittances and could live off the underground economy) and blacks (who were confined to the peso economy). During a transition, such friction could worsen.

European intellectuals like to gloat that "Cuba will be America's East Germany"—a debilitating drain on the U.S. economy that will give Washington a lesson in humility when Americans begin preaching about making the transition from socialism to a market economy.

The analogy is overdrawn. Cuba's population of 11 million is only two-thirds that of the former German Democratic Republic. Its economy is less than a fifth the size of East Germany's. And the United States has no intention of ever merging the Cuban and American economies, with all the costs that would entail.

But as Cuba's most significant neighbor, it is the United States that will have to foot the bill if Cuba's impending economic and political transition is botched. Faced with that reality, Washington has some tough choices—on the U.S. trade embargo, on claims against the Cuban government and on the nature of any post-Castro economic stabilization program. Is the goal of U.S. policy a short-term one—to punish Cuba and bring about Castro's rapid downfall, regardless of the long-run impact on the island nation's economy? Or are the interests of the United States best served by easing the transformation of Cuba into a market economy, even if it means that Castro might stay in power longer than some conservative Cuban-Americans might wish? Will the U.S. interests in having a politically stable Cuba best be served by restoring to its original owners all property seized after the Cuban revolution and by imposing fiscal discipline on Cuba or by policies that attempt to avoid reimposing the old patterns of the distribution of wealth in Cuba and by seeking to preserve the Cuban social safety net?

The recent, at least temporary, resolution of the migration crisis could once again relegate Cuba to the Administration's back burner. But as long as Washington continues to overlook Cuba's underlying economic problems—which drove its people onto all those makeshift rafts in the first place—they will continue to fester, and ultimately guarantee that Cuba will come back to haunt Washington again soon.•

PROPOSED ANTITRUST AGREEMENTS

• Mr. METZENBAUM. Mr. President, I ask that a letter which I received from the Department of Justice on November 30, 1994 be placed in the RECORD. The letter clarifies the legislative intent behind the publication and comment provisions for proposed antitrust mutual assistance agreements contained in the International Antitrust Enforcement Assistant Act of 1994.

The letter follows:

U.S. DEPARTMENT OF JUSTICE
ANTITRUST DIVISION
Washington, DC, November 30, 1994.

Hon. HOWARD M. METZENBAUM,
U.S. Senate,
Washington, DC.

DEAR SENATOR METZENBAUM: I wanted once again to express appreciation for the critical leadership that you provided, along with Senator Thurmond, Chairman Brooks, and Representative Fish, leading to the passage of the International Antitrust Enforcement Assistant Act of 1994 only ten weeks after its introduction.

I also wanted to thank you and your colleagues for the careful handling of the provisions in the Act that require publication and an opportunity for public comment on proposed antitrust mutual assistance agreements under the Act. As you explained in your floor statement of October 8, 1994, Section 7 of the Act, among other things, "requires publication for public comment" of proposed antitrust mutual assistance agreements and amendments thereto, and final agreements, negotiated pursuant to the Act, between the United States government and foreign governments. The final agreement must be published (albeit not for further comment) before it "can be effective under the [A]ct." 140 Cong. Rec. S15022 (daily ed., Oct. 8, 1994).

As you know, a publication-and-comment provision is extremely unusual in matters involving the President's prerogative to conclude international agreements. Indeed, it is precisely because such a procedure is "rare if not unprecedented in foreign affairs" matters, H.R. Rep. No. 103-772, 103d Cong., 2d Sess. 22 (Oct. 3, 1994) ("House Report"), that Section 9(c)(1) of the Act, your floor statement, and the House Report on the Act all make clear that the publication-and-comment requirement is "not intended to make that procedure, or the use of the agreements, subject to judicial review under the Administrative Procedure Act." 140 Cong. Rec. S15022; *see* House Report at 22.

In the particular and unique circumstances of this statute, you have found a way for these provisions to coexist with the basic principle that the negotiation of international agreements is the responsibility of the President. Section 7 ensures that the Attorney General and the Federal Trade Commission will have the benefit of public views about the protection afforded potentially sensitive U.S. business information under a contemplated agreement, without requiring that the Attorney General or the Commission change a proposed agreement, modification, or amendment on the basis of any public comment. The opportunity to receive

such views would not necessarily arise otherwise under the Act since the Attorney General and Federal Trade Commission are not required to provide public or other notice before sharing certain information in their files pursuant to an antitrust mutual assistance agreement. The Attorney General and the Commission will retain, however, the option of not letting an agreement go into effect as originally crafted if, after considering the public comments, the Attorney General and Commission agree that the Act's requirements have not been met.

In closing, let me say once again how grateful I am for your outstanding work in accomplishing the passage of this important legislation. We intend to make good use of this new tool that Congress has given to U.S. antitrust enforcers for the benefit of American consumers.

Sincerely yours,

ANNE K. BINGAMAN,
Assistant Attorney General.•

TRIBUTE TO NAVY CAPT. (SELECT) NANCY LESCAVAGE

• Mr. INOUYE. Mr. President, as the 103d Congress draws to a close, I want to pay tribute to a distinguished naval officer who has served as a Congressional Science Fellow on my staff for the past 21 months, Capt. Nancy Lescavage, U.S. Navy. As the first Navy Nurse selected for this highly coveted fellowship, her impeccable credentials quickly earned her the highest respect and admiration of the Senator staff. She promptly distinguished herself as a professional who possesses an infectious demeanor and exudes tremendous integrity, incisive leadership, political savvy, and a keen business acumen. The epitome of a naval officer, Captain Lescavage is the consummate professional who embodies not only visionary thinking but also the ability to operationalize these visions and see them through no completion.

Captain Lescavage joined my office in the midst of one of the most controversial debates of our times—the reform of our Nation's health care delivery system. As the sole representative of all military nurses, she immediately and capably tackled complex health care issues as they came before the various congressional committees. While most of the debate focused on national health care reform without regard for its potential effect on our Nation's military, it is important to note that the military health care system is among the world's largest with over 8.3 million beneficiaries. It was and is absolutely critical that any health care reform reflect the needs of our military health care system that is at the foundation of military readiness. This was Captain Lescavage's charge when she came to my office. As this office's dominant force behind our national and military health care initiatives, she worked tirelessly with the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education, the Senate Subcommittee on Defense Appropriations, and the Senate Subcommittee on Defense Appropriations, and the Senate Armed Services Committee in an effort to realize the strategic goals of our evolving national health care systems. This was accomplished in a manner that would be consistent with any eventual health care reform.

As a recognized authority on health care, Captain Lescavage's expertise was in constant demand as a speaker and writer. She authored a book and journal articles; she has been involved in a myriad of speaking engagements and interviews. At significant personal sacrifice, she eagerly sought each and every opportunity to advance the health care goals and vision of America.

In all my years in the Congress, I have rarely seen such dedication. Captain Lescavage is an officer of whom the military and our Nation can and should be justifiably proud. As she leaves my office, I want to personally and publicly acknowledge my sincere appreciation to Captain Lescavage for her dedicated months of exemplary service and to bid her a fond aloha and heartfelt mahalo.•

HISTORY OF THE CROW PEOPLE

• Mr. BAUCUS. Mr. President, last Sunday morning an exceptionally distinguished delegation from the Crow Nation in Montana began what was to be a long trip to Washington, DC, to take part in a ceremony that represented a turning point in the history of the Crow people.

At the outset, the Crow delegation, led by Madame Chair Clara WhiteHip Nomee, had difficulty leaving Billings, MT. Then they were routed through Des Moines, IA and Omaha, NE. They got stuck in Minneapolis, MN. They arrived later than scheduled in Washington: tired and frustrated, but not discouraged. They had come to Washington for a very special and important reason.

The honorable delegation from the Crow Nation came to Washington to join Secretary of the Interior Bruce Babbitt in signing the Crow Settlement Agreement finally resolving the 107th meridian boundary dispute.

The Crow Settlement Agreement settles a century-old dispute that deprived the Crow Nation of 36,000 acres of land. This land was promised by the Federal Government under the 1868 Fort Laramie Treaty. Yet, before the Crow Tribe had the opportunity to begin settling upon this land, a surveying error stole away a significant piece of their reservation.

The disputed land is in the southeastern corner of Montana, north of the Wyoming border, south of the Yellowstone River. Under the Fort Laramie Treaty, the Crow Tribe's eastern boundary was designated as the 107th meridian. Sixteen years later, the Northern Cheyenne Reservation was established with a western boundary as the 107th meridian. The two tribes lived as neighbors, sharing a common boundary. But in 1889–91, a U.S. surveying team erroneously drew the eastern boundary of the Crow Reservation one-fourth mile west of the 107th meridian. The Crow Tribe lost 36,000 acres of their tribal lands. This error was not discovered until the 1950's.

Throughout the intervening 60 years, patents to the minerals and allotments to these lands were issued to the Northern Cheyenne, Crow, and other holders. Almost 13,000 acres of the Crow Tribe's original land has been settled by the Northern Cheyenne Tribe.

Boundaries established by treaty constitute a solemn promise to a tribe by the U.S. Government. A promise of land to be given to the tribe in perpetuity. The land above, and the natural resources below, belong to the tribe. No one has the right to take away what is legally the Crow's. Yet an administrative error caused significant hardship to the Crow Tribe, the Northern Cheyenne Tribe and all residents of the 107th meridian strip.

The Crow Settlement Agreement seeks to reconcile this injustice. By returning to the Crow Tribe the land and coal within the strip that has not gone out of Federal ownership and compensating the tribe for lands and minerals lost forever, the Federal Government is seeking to make good on their promise.

The Crow Settlement Agreement and the act which passed this Congress are the products of good faith effort, compromise, and sometimes difficult negotiations between the Crow Tribe, the Northern Cheyenne Tribe, the State of Montana and the U.S. Government. It is a credit to all concerned that an agreement of this importance could receive the unanimous endorsement of the Senate when so many critical issues were allowed to remain unresolved in the final days of the 103d Congress.

I applaud the efforts of so many people involved in the successful conclusion of this dispute: representatives of the Crow and Northern Cheyenne Tribes, the excellent staff of the Senate Indian Affairs Committee, and the negotiators on behalf of the Department of the Interior. I am honored to have played a role in resolving this issue.

But no one has worked harder or preserved longer than Madame Chair Clara WhiteHip Nomee of the Crow Nation. Her dedication to her people and her grace under difficult circumstances is a tribute to her leadership. I congratulate her.•

THE RIGHT TO TRAVEL

• Mr. SIMON. Mr. President, on Wednesday, October 5, I held a hearing

in my capacity as chairman of the Constitution Subcommittee of the Judiciary Committee on the Constitutional Right to International Travel. The hearing focused on the derivation of this well-established constitutional right, on the circumstances under which the right can be restricted, and on the wisdom as a policy matter of restricting the ability of Americans to visit nations with whom we may have political differences.

In the course of this hearing, it became clear to me that there are limited instances in which the right of Americans to travel abroad should be restricted—namely, instances where international travel endangers the safety of the traveler or implicates national security concerns. Otherwise, as a matter of both constitutional law (the First and Fifth Amendments as well as other constitutional provisions) and policy, the right to a free trade in ideas and to investigations into other nations and cultures should be not only left untrammelled, but encouraged.

During the course of this hearing, it also became clear to me that this Administration, as well as past Administrations, has been less protective or supportive of the right to travel as I think the Constitution requires. Administrations both past and present have on several occasions restricted travel to nations that pose absolutely no security risk either to the United States or to those who travel to that nation, relying on the Executive's foreign policy authority to effect these restrictions. This is true even though we have managed to achieve the greatest foreign policy successes in those very areas that we have left open to American travelers.

On several occasions, Congress has not stood idly by while restrictions have been placed on international travel, and has often undertaken efforts to protect the right to travel from inappropriate and unwise restrictions. More needs to be done, however; currently travel restrictions are in place with respect to a number of countries that pose no risk to our nation's or citizens' security. I intend to look at this issue closely in the next session, and probably to introduce legislation to address both present and future travel restrictions. I hope to work closely with my colleagues in both Houses of Congress who agree with me as to the necessity of protecting this important right.

In the meantime, I would like to place in the record the written statement from the October 5 hearing of Kate Martin, Executive Director of the ACLU's National Security Project. This statement explains the history of the constitutional right to travel, the ways in which Congress may inject itself into this debate, notwithstanding claims that congressional involvement in the travel issue impinges on the President's foreign affairs authority. It is a thoughtful and thorough discussion of the travel issue, and one that suggests the need for reform in this area in the very near future.

The statement follows:

STATEMENT OF KATE MARTIN, DIRECTOR, CENTER FOR NATIONAL SECURITY STUDIES, AMERICAN CIVIL LIBERTIES UNION ON THE CONSTITUTIONAL RIGHT TO TRAVEL

Chairman and Members of the Subcommittee: I am very pleased to have this opportunity to testify on behalf of the Center for National Security Studies of the American Civil Liberties Union on the constitutional right to travel. The ACLU is a non-profit, non-partisan organization, with over 275,000 members, dedicated to the protection of civil liberties and the democratic process. The ACLU takes no position on substantive matters of U.S. foreign policy, including the Cuban embargo, except to the extent that such policies violate individual liberties or the democratic process.

INTRODUCTION

The right to travel is a fundamental aspect of individual liberty protected by both international law and the Constitution. It is also essential to the exercise of First Amendment freedoms. The Supreme Court recognizes that right, and the Congress has acted repeatedly to protect the right against infringement by Executive branch actions.

The current travel ban on travel to Cuba imposed under the Trading with the Enemy Act (TWEA), violates this fundamental right. Bureaucratic enforcement of the current restrictions has been arbitrary and involved improper government inquiries and censorship. Moreover, the administration's most recent actions tightening the Cuban travel restrictions also violate its commitments made to Congress earlier this year.

The 1982 Supreme Count case, Regan v. Wald, which rejected a challenge to the Cuba travel ban then in effect, is no authority for the continuation of the present restrictions in this post-Cold War world. The opinion in that case, written by Justice Rehnquist for a narrow 5-4 majority did not hold that there was no constitutional right to travel. Nor did it hold that the government may restrict travel whenever it deems such restrictions useful. To the contrary, Regan held only that when the government asserts the weightiest of national security reasons, important to the military defense of the United States, for restricting travel, the court will defer to such reasons. The reasons found sufficient in that case—all related to the existence of the Cold War—no longer exist. The current justification proffered for the travel ban—to promote democracy and human rights in Cuba—does not as a matter of law or common sense justify restricting the human rights of Americans.

The events of the last fifteen months demonstrate that protection of this constitutional right will never be secure so long as it can be held hostage to the political or foreign policy objectives of the moment. Congress should act now to protect this right, by prohibiting all travel restrictions imposed under economic embargoes.

THE CONSTITUTION PROTECTS THE RIGHT TO TRAVEL

Most Americans do not realize that it is a crime for them to travel to Cuba and would be shocked to find out that is the case. They instinctively understand that the right to travel freely is part of the basic liberty which our democratic government was established to protect. Indeed, the Universal Declaration of Human Rights, Art. 13, recognizes the right to travel both inside one's country and internationally. The Supreme Court has repeatedly recognized that the right to travel is protected under the Fifth Amendment as a liberty interest that cannot be deprived without due process of law.[1] Indeed, even the Executive Branch concedes that "the right to travel—both domestically and internationally—is constitutionally protected," although it violates this principle in action. Report of the United States of America Under the International Covenant on Civil and Political Rights, (ICCPR Report) July 28, 1994, Art. 12, p. 99.

Moreover, restrictions on the right to travel must be judged against the central principle of the First Amendment: "Congress shall make no law . . . abridging the freedom of speech," means that every person is free to speak her mind about the actions of the government and to participate in the debate about the great issues of the day. To participate effectively in this process, private persons must have access to information. To participate in debate about foreign policy questions, they must have access to information about events taking place in the world. It would seem beyond debate that, except in the most compelling circumstances, the government may not interfere with the ability of private citizens to find out for themselves what is going on around the world and to use that information to influence public debate.

As the Supreme Court has explained:

". . . . In Anglo-Saxon law that right [to travel] was emerging at least as early as the Magna Carta. Chafee, Three Human Rights in the Constitution of 1787 (1956), 171–181, 187 *et seq.*, shows how deeply engrained in our history this freedom of movement is. Freedom of movement across frontiers in either direction, . . . was a part of our heritage. Travel abroad, like travel within the country, may be necessary for a livelihood. It may be as close to the heart of the individual as the choice of what he eats, or wears, or reads. Freedom of movement is basic in our scheme of values. . . . "Our nation," wrote Chafee, "has thrived on the principle that, outside areas of plainly harmful conduct, every American is left to shape his own life as he thinks best, do what he pleases, go where he pleases."

"Freedom of movement also has large social values. As Chafee put it:

"Foreign correspondents and lectures on public affairs need firsthand information. Scientists and scholars gain greatly from consultations with colleagues in other countries. Students equip themselves for more fruitful careers in the United States by instruction in foreign universities. Then there are reasons close to the core of personal life—marriage, reuniting families, spending hours with old friends. Finally, travel abroad . . . helps them to be well-informed on public issues. An American who has crossed the ocean is not obliged to form his opinions about our foreign policy merely from what he is told by officials of our government or by a few correspondents of American newspapers. Moreover, his views on domestic questions are enriched by seeing how foreigners are trying to solve similar problems. In many different ways direct contact with other countries contributes to sounder decisions at home."

(Citations and footnotes omitted.) *Kent* v. *Dulles*, 357 U.S. at 126–127.

Nevertheless, there is a long history of efforts to abridge Americans' right to travel,

[1] Footnotes at end of article.

usually in the name of some foreign policy goal, such as fighting communism or promoting democracy, sometimes, to punish Americans holding minority political views. Each political branch has at different times, acted both to protect and to restrict the right, depending on the prevailing political winds. At times, the Supreme Court has wavered in its commitment to this fundamental right. However, history demonstrates a growing and inexorable recognition that the sharing of information and ideas by travel and otherwise is a cornerstone of individual liberty, and essential to the building of democracy.

It has become increasingly clear that banning travel by Americans to foreign dictatorships has never resulted in the avowed goal of undermining that dictatorship. Indeed the current Administration no longer even attempts to justify the Cuban travel ban on that basis. They, like all serious observers, recognize the positive benefits democratic forces derive from the sharing of information and ideas. Thus, they are driven to pretend that in banning travel, they are not banning the sharing of information and ideas, but only implementing currency regulations. Testimony of Alexander Watson, Assistant Secretary of State, Joint Hearing on U.S. Policy and the Future of Cuba, Subcommittees on Economic Policy, Trade, and Environment; Western Hemisphere Affairs; and International Operations; of the Committee on Foreign Affairs of the House of Representatives, Nov. 18, 1993, p 19.

In recent years, protection of the right to travel and to share information and ideas has fallen mainly to the Congress. In particular, Congressman Howard Berman has been instrumental in passing Free Trade In Ideas legislation, first in 1988, then in 1991, and again this year. The recent tightening of the Cuban travel ban demonstrates the necessity for Congress to act again.

HISTORY OF THE RIGHT TO TRAVEL

Historically, Americans' right to travel was regulated under the Passport Act, not the economic embargo laws. For the first hundred years of travel regulations, travel was restricted only during time of war. Although Congress passed the first Passport Act in 1856, it did not make it illegal to travel without a passport until 1918. The 1918 statute delegated to the President the right during time of war, to impose by proclamation, a requirement that U.S. citizens use a passport when entering or leaving the country. In 1918 and again in 1941, the President issued such proclamations. In 1952, as part of the McCarren-Walter Act, the Congress again delegated power to the President to proclaim a national emergency during which use of a passport would be required and in 1953, President Truman declared the situation in North Korea to be a national emergency. Immigration and Nationality Act §215. Only in 1978, when Congress otherwise restricted the President's authority, did it permit him to always require a passport for entering or leaving the country. 8 U.S.C. §1185(b).

During the McCarthy era, the government also sought to deny the right to travel to certain Americans based on their political beliefs. That practice was not finally outlawed until 1991 when Congress amended the Passport Act. In 1952, the Secretary of State declared pursuant to the delegation provision in the 1926 Passport Act that passports were not to be issued to members of the Communist Party for reasons of national security. This prohibition was challenged as unconstitutional and unauthorized and in 1958, the Supreme Court struck it down on the ground that Congress had not authorized it. *Kent* v. *Dulles*, 357 U.S. 116 (1958).

Six years later, the Court again considered the issue of revocation of passports of Communists and this time held a statute specifically authorizing such revocation unconstitutional. *Aptheker* v. *Secretary of State*, 378 U.S. 500 (1964). In this case, the Subversive Activities Control Act specifically provided that members of the Communist party should have their passports revoked. There being no issue whether the Executive had authority to revoke the passports, the Court was forced to reach the constitutional issue and struck down the law as overly broad and indiscriminate. Justice Douglas declared that absent war, the government had no power to keep a citizen from traveling unless there was power to detain him or her.

Nevertheless, as late as 1981, the Executive Branch continued to assert that the President's foreign policy powers include the right to revoke an American's passport in order to prevent her from denouncing U.S. policy abroad. See *Haig* v. *Agee*, 453 U.S. 280 (1981). In 1991, Congress amended the Passport Act to prohibit revocation of passports on the basis of activities protected by the First Amendment.

The Executive Branch also sought to restrict the travel rights of Americans by putting area restrictions on the use of passports. In *Zemel* v. *Rusk*, 381 U.S. 1 (1965) the Supreme Court decided that the statutory language, which had been held not to authorize the President to refuse passports to Communists, did authorize the President to refuse to validate passports for travel to Cuba. The court went on to find the passport restriction on travel to Cuba to be constitutional, because it was supported by the "weightiest considerations of national security."

However, even as the Supreme Court deferred to the Executive concerning passport controls, the Congress became increasingly active in protecting that right against executive limitation. In 1978, Congress rejected the result in Zemel and explicitly prohibited the President from imposing geographic restrictions on the use of passports under the Passport Act except "where armed hostilities are in progress, or where there is imminent danger to the public health or the physical safety of United States travellers." 22 U.S.C. §211a. In our judgment, this provision of the Passport Act includes all circumstances, in which the government may legitimately ban travel.

Indeed, in the late 1970's, Americans' right to travel and in particular their right to travel to Cuba was for a time secure. Although the trade embargo of Cuba first declared in 1963 under the TWEA, included restrictions on travel by Americans, in 1977, President Carter lifted the ban to permit all Americans to travel to Cuba, for any purpose. Thereafter, Congress amended the Trading with the Enemy Act to restrict its invocation by the President to times of war, although it grandfathered existing restrictions. When Congress also amended the Passport Act in 1978 to prohibit the Executive from imposing geographic restrictions on the use of U.S. passports except in narrowly limited circumstances, it appeared that the right to travel had been protected.

However, in 1982, President Reagan found a way around the limitation in the Passport Act by using the trade embargo statute to impose currency restrictions on travel to Cuba. President Reagan prohibited all travel to Cuba except by journalists, professional researchers, and persons visiting close relatives, or where Cuba hosted the travel. Americans seeking to travel to Cuba brought suit challenging the reimposition of the ban on the grounds that the President did not have the authority to impose it under the TWEA. They argued that when Congress repealed the President's national emergency powers under TWEA, the grandfather clause preserving "the authorities" "which were being exercised with respect to a country on July 1, 1977" did not include authority to impose a travel ban not in effect in July, 1977.

The appeals court struck down the travel ban as unauthorized, based on earlier Supreme Court decisions requiring a narrow construction of delegated presidential powers restricting the right to travel.[2] The appeals court also reasoned that the 1978 Passport Act amendment prohibiting geographic restrictions on the use of passports would be meaningless if the President could achieve the same result by imposing currency restrictions under the trade embargo laws.

The Supreme Court, with Justice Rehnquist writing the opinion, reversed. *Regan* v. *Wald*, 468 U.S. 222 (1984). Taking an expansive view of the President's powers in areas affecting foreign policy, the Supreme Court read the grandfather clause broadly to authorize the subsequent travel restrictions. The Court did not explain how its conclusion could be reconciled with Congress' explicit prohibition of the imposition of geographic restrictions on the right to travel. It upheld the travel restrictions, by a 5–4 vote, because of the overriding national security concerns asserted by the government. Specifically, the Court relied on State Department assertions that the influx of hard currency from beach tourism and other travel to Cuba posed a threat to the national security of the United States because Cuba was allied with the Soviet Union, was supporting armed insurrection in the Western Hemisphere, and had 40,000 troops stationed in Africa and the Middle East in support of objectives inimical to U.S. national security interests. 468 U.S. at 243.[3]

Of course, none of these national security concerns exist today. The Soviet Union no longer exists. Cuba poses no threat to the national defense of United States. It no longer has troops stationed in Africa or elsewhere and is no longer providing support for violence in the Western Hemisphere.

CURRENT DEVELOPMENTS: 1994 FREE TRADE IN IDEAS ACT

After the end of the Cold War, Congress again took up the issue of travel restrictions. In 1993, Rep. Howard Berman introduced H.R. 1579, the "Free Trade in Ideas Act of 1993" to prohibit trade embargo restrictions on the free exchange of information and to protect the right to travel.

In June, 1993, Secretary of State Warren Christopher wrote Mr. Berman a letter asking him to withdraw the provision in exchange for regulatory reform and "an interagency review of our existing sanctions programs, policies, and legislation to ensure they properly reflect our mutual commitment to the dissemination of information and ideas."[4] Secretary Christopher also affirmed "the Administration's commitment to the dissemination of information and ideas as a significant element in the promotion of democracy" and expressly endorsed "the underlying objectives of tne Free Trade in Ideas Act." *Id.* In response, Congress deferred further consideration of the bill.

When the Executive Branch review was not finished by the spring of 1994, Congress enacted the 1994 Free Trade in Ideas Act as

part of the State Department Authorization Act. In passing this bill, Congress explicitly recognized that constitutional rights were at stake and acted to prohibit travel bans being imposed as part of future embargoes. H. Rept. 103-482, at 238. The Act amends the International Emergency Economic Powers Act (IEEPA) to prohibit any restrictions on travel (including currency restrictions) in any future embargoes imposed pursuant to the IEEPA. The provision exempts all current IEEPA embargoes from this requirement, and it does not apply to embargoes under the TWEA, such as Cuba and North Korea. The Clinton Administration opposed this change. This is an important protection for future embargoes, although it does not explicitly apply to embargoes imposed by the United Nations and implemented pursuant to the United Nations Participation Act.

Based on its understanding of the Administration's commitment to the principle of free trade in ideas and the unfinished status of the inter-agency review, the Congress did not pass binding legislation governing travel under current embargoes. It did, however, pass a non-binding Sense of the Congress resolution that "the President should not restrict travel or exchanges for informational, educational, religious, cultural, or humanitarian purposes or for public performances or exhibitions, between the United States and any other country." The conference report accompanying the final bill noted that "[t]he committee of conference understands that it is the policy of the executive branch to now undertake to incorporate this principle through regulatory and administrative changes, including issuance of visas for these purposes, and removal of currency restrictions for such activities, in all existing and future embargoes." H. Rept. 103-482, at 239.[5]

Finally, the 1994 Act amends the TWEA and the IEEPA to collect overly narrow Treasury Department interpretations of 1988 free trade in ideas legislation which prohibited restrictions on the import or export of information and informational materials. These changes make clear that all information and informational materials are exempted from all existing and future embargoes, regardless of the type, format, or means of transmission (including electronic information). Apparently in response to this provision, the United Nations economic embargo to Haiti exempted information from its coverage. See United Nations Security Council Resolution 917 (May 6, 1994).

CURRENT RESTRICTIONS ON TRAVEL TO CUBA

For five years from 1977 to 1982, the government imposed no restrictions on the right of Americans to travel to Cuba. See 42 Fed. Reg. 16621 (1977); 42 Fed. Reg. 25499 (1977). This was the case despite ongoing Cold War hostilities and the maintenance of the economic embargo. In 1982, however, President Reagan reimposed the travel ban, with very limited exceptions. Even though the reasons for imposition of the 1982 ban have all disappeared, the Cuban travel ban remains in large measure unchanged. In June 1993, in response to the Cuban Democracy Act, it was slightly eased. However, 6 weeks ago, on August 26, 1994, it was tightened. Current restrictions are more stringent than those imposed by President Reagan.

When the current administration took office, the Cuban embargo banned travel by all Americans, except professional researchers "with an established interest in Cuba," journalists, people visiting close family relatives, and persons whose travel was hosted by Cubans. Thus, American journalists, professional researchers doing work on Cuba, and Americans visiting their family were free to travel to Cuba under a general license, meaning that they did not have to ask the U.S. Government for permission to go. Of course, if individuals went to Cuba, who did not come within these categories, they would be guilty of committing a federal felony. Tourist travel was banned. In addition, since July 1993, persons could apply for special permission to go for educational purposes, to travel on behalf of human rights organizations, or for purposes of importing informational materials, or for public performance or exhibitions.

In practice, these restrictions have proved unworkable and discriminatory, as set out in more detail below. However, after passage of the congressional resolution in the Free Trade in Ideas Act, we understood that the Administration was working on changes to implement the congressional resolution and to allow all travel except tourist travel.

We were extremely disappointed on August 26, when, instead of making changes to implement the resolution, the Administration issued new regulations, tightening instead of loosening the travel restrictions. They did so, not in response to any asserted national security threat, but because record numbers of Cubans were fleeing Cuba for the United States and as part of an effort to persuade Castro to prevent more Cubans from leaving.

The new regulations ban all family travel, except in cases of terminal illness or severe medical emergency. Even then, you have to ask and wait for U.S. government permission to visit your dying mother. Such an absurd restriction is not only a violation of the right to travel, but also of the fundamental liberty interests that protect family relations. Congress clearly intended such travel to be protected when it passed the non-binding resolution. While the congressional resolution does not explicitly refer to "family" travel, it instead refers to the broader category of travel for "humanitarian" purposes. The resolution was meant to cover all travel except tourist travel, and did not explicitly refer to "family" travel only because no one ever thought that the administration would reverse this decade old policy.

The new regulations no longer permit travel by free-lance journalists or documentary film-makers: the general license for journalists is now restricted to those "regularly employed in that capacity by a news reporting organization" when the regulations had included a general license for "persons who are traveling for the purpose of gathering news, making news or documentary films," 31 C.F.R. §515.560(a)(1)(ii).

The new regulations require professional researchers to individually apply for permission to go, when they were previously free to travel under a general license.

The new regulations no longer permit travel "for purposes of public performances, public exhibitions or similar activities", when specific licenses for such purposes have been available since last June, and travel for this purpose was specifically referred to in the congressional resolution.

The new regulations contain no safeguards to ensure that even people coming within these limited categories will receive timely approval of their travel requests or that the Treasury Department will cease arbitrarily denying such licenses as it was doing prior to the passage of the Congressional resolution.[6]

Since August, Administration policy has been unclear. While Anthony Lake stated that "the President remains firmly committed to the free exchange of ideas and information," that commitment evidently extends only to persons who can demonstrate "genuine educational or research needs" to the satisfaction of the Treasury Department.[7] Although Lake also announced that "travel for educational or research purposes will continue to be permitted under the same standards as before" in practice that has not turned out to be the case.

Since the August tightening of restrictions, groups of academics seeking to attend academic conferences who would previously have been free to travel under the general license for professional researchers have been forced to submit extensive information about themselves and their scholarly pursuits. They needed a lawyer to obtain permission. Dan Walsh of Liberation Graphics, an importer of Cuban political posters, has been unable to get his specific license renewed, even though Treasury Department employees told him he was in full compliance and entitled to renewal of this license. Treasury Department employees have also said that while they have been directed to first process requests for permission from Cuban-Americans seeking to visit family members in emergencies, they do not have the staff to do so.

In general there is great confusion about who is entitled to go under the regulations and no written guidance from the Treasury Department. For example, while the regulations state that only persons "regularly employed . . . by a news reporting organization," travel under the general license, Treasury has informed some people that it interprets this to include free-lance journalists. As a result, Americans seeking to exercise their constitutional rights must find a lawyer to advise them whether they face jail for doing so.

Even before the August charges, the regulatory scheme had proved unworkable and discriminatory. Some persons, including a group of mathematicians who should have been entitled to a specific license for educational travel were denied licenses. The government threatened to criminally prosecute a group of travelers who were clearly entitled to a specific license for an educational trip, but chose as a matter of principle not to apply for a license. In October, 1993 and again in June, 1994, the group called the Freedom to Travel Campaign organized an educational trip to Cuba, but did not apply for a specific license because they believed the regulations to be unconstitutional. The 175 travelers on the October trip were professionals, free-lance journalists, and others with an established interest in Cuba. They came from around the country and included doctors, teachers, engineers, priests, and blue collar workers, ranging in age from 4 to 89. They spent a week in Cuba with a full-time schedule of educational, research, and journalistic activities, including visiting day care centers, health clinics, and agricultural cooperatives. They met and had extensive discussions with government officials, experts on Cuban affairs, and ordinary citizens. Upon their return, many were questioned and harassed by Customs agents. The travelers were then referred to the Department of Justice for possible criminal prosecution under the Trading with the Enemy Act and the matter has not been resolved. The group organized a second trip in June and right before the trip, the Treasury Department blocked the group's bank account on the grounds that they intended to violate the law. The group went anyway and has filed a lawsuit seeking return of their money and challenging the Cuba travel regulations. The lawsuit is now pending and the group is at this moment in Cuba on a third trip.

All of these examples illustrate the grave constitutional problems which arise under a regulatory scheme which picks and chooses which Americans may exercise their constitutional rights and then makes those rights subject to bureaucratic regulations. Indeed, as far as we can determine, the government threatened with prosecution and froze the bank account of the Freedom to Travel campaign without any high level policy review of whether the government interest at stake is the "weightiest national security interest" necessary to restrict these constitutional rights. Indicting Americans for simply exercising their First and Fifth Amendment rights would be unprecedented in recent history. Before the government even considers doing so, the Secretary of State and the Attorney General personally should determine that doing so is essential to the national security. We do not believe that determination can be made in good faith.

Moreover, a regulatory scheme such as this, which gives Treasury officials unbounded discretion to grant or deny a permit application, violates the First Amendment on that ground as well. See 31 C.F.R. §515.560(b) (allowing OFAC to grant licenses "in appropriate cases" without defining such cases). "[I]n the area of free expression a licensing statute placing unbridled discretion in the hands of a government official or agency constitutes a prior restraint and may result in censorship." *Lakewood* v. *Plain Dealer Pub. Co.*, 486 U.S. 750, 757 (1988).

CONCLUSION

None of the national security considerations found by the Supreme Court to justify the Cuban travel ban in 1982, apply today. Recognizing these changed circumstances, the Executive no longer attempts to justify the travel restrictions as necessary to our national defense. Instead, the restrictions are justified as helpful to the U.S. foreign policy objective of promoting democracy and human rights in Cuba.[8] The most recent tightening of the restrictions was done in response to the increased flow of refugees permitted by Cuban Premier Castro. But there is no support for the proposition that fundamental rights of Americans may legitimately be sacrificed to promote human rights in Cuba.

While our constitutional history is replete with instances in which fundamental rights have been subordinated to real or asserted threats to the national security, never have such rights been sacrificed for the reasons that now underlie the present restrictions on travel to Cuba. Although those reasons may be sufficient to prevent Americans from purchasing cigars, rum, or sugar, they are not sufficient to restrict the exchange of ideas and information via the right to travel. Moreover, we suggest that it is paradoxical at the very least to promote democracy and human rights in Cuba through a policy that limits constitutional rights here.

Congress should now act to protect the constitutional right to travel so that the Executive Branch may not sacrifice that right whenever it deems it expedient to do so.

FOOTNOTES

[1] *See Regan* v. *Wald*, 468 U.S. 222 (1984); *Zemel* v. *Rusk*, 381 U.S. 1, 14 (1965); *Aptheker* v. *Secretary of State*, 378 U.S. 500, 505-06 (1964); *Kent* v. *Dulles*, 357 U.S. 116, 125 (1958).

[2] The Executive Branch agrees that a narrow construction of "all delegated powers that curtail or dilute citizens' ability to travel" is required. ICCPR Report at 99, quoting *Kent* v. *Dulles*, 357 U.S. at 129.

[3] The Regan Court reiterated the position it took in *Zemel* v. *Rusk*, 381 U.S. 1 (1965), that the government could prohibit travel in the face of an overriding national security threat. *Zemel* was decided shortly after the Cuban Missile Crisis, based on the government's assertions that allowing Americans to travel could endanger their lives and provoke a similar international incident if the Cuban government attacked or took Americans hostage.

[4] Letter dated June 7, 1993 from Secretary of State Christopher to Howard Berman, Chairman of the Subcommittee on International Operations ("Christopher Letter"). [A copy of this letter is attached to this testimony.]

[5] However, in his April 20, 1994 signing statement, President Clinton appeared to retreat from this commitment stating that "[w]e will carefully consider the sense of the Congress as we complete our review of the standards for general and specific licenses under embargo programs. We have not, however, committed as a matter of policy to remove restrictions affecting" such travel.

[6] The new regulations also further restrict specific licenses for "activities of recognized human rights organizations" to instances "investigating human rights violations."

[7] Letter from Anthony Lake, National Security Advisor, to Audrey Chapman, American Association for the Advancement of Science, September 19, 1994, copy attached.

[8] See "Speech by Alexander F. Watson, Assistant Secretary of State for Inter-American Affairs before the Cuban American National Foundation" (Oct. 26, 1993) ("Human rights and democracy are two of the pillars of United States foreign policy under the Clinton administration, and are at the core of our policy towards Cuba.").

THE SECRETARY OF STATE,
Washington, DC, June 7, 1993.

Hon. HOWARD L. BERMAN,
Chairman, Subcommittee on International Operations, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: I am writing in regard to the "Free Trade in Ideas Act of 1993", which is contained in Title II, Part E, of your legislation to authorize appropriations for FY 1994 and 1995 for the Department of State.

I am pleased to take this opportunity to affirm the Administration's commitment to the dissemination of information and ideas as a significant element in the promotion of democracy, a central tenet of our foreign policy. If conducted in a manner which safeguards national security, and which does not merely constitute an informational pretext for evasion of the larger financial purposes of economic embargoes, the free flow of ideas and information is also consistent with the maintenance and enforcement of economic embargoes. Indeed, the free flow of information can advance rather than hinder the foreign policy goals which embargoes seek to accomplish.

Accordingly, the Department endorses the underlying objectives of the Free Trade in Ideas Act. Nonetheless, like you, we believe the Administration should retain the authority to control information flow for nonprolife action, anti-terrorism, export control and other highly compelling foreign policy or national security purposes. We also believe that the objectives of your legislation, for the most part, can be achieved through regulation although some statutory clarification of these matters may be useful.

I propose that the Department conduct, on an expedited basis, an inter-agency review of our existing sanctions programs, policies, and legislation to ensure they properly reflect our mutual commitment to the dissemination of information and ideas. We will consult closely with you and your staff during this review. In return, I ask that you agree to withdraw this Title from the bill when it comes before the full committee.

I hope this proposal will be satisfactory to you. I look forward to hearing from you.

Sincerely,

WARREN CHRISTOPHER.

THE WHITE HOUSE,
Washington, DC, September 19, 1994.

AUDREY CHAPMAN,
Program Director, American Association for the Advancement of Science,
1333 H Street, N.W., Washington, DC.

DEAR MS. CHAPMAN: Thank you for your letter regarding United States policy toward Cuba. The decisions announced by the President on August 20, 1994, and subsequently implemented by the Department of the Treasury, are consistent with our long-standing goal of seeking a peaceful transition to democracy in Cuba. The careful application of sanctions is designed to pressure the Cuban government and cut off the supply of foreign currency it uses to support its failed economy.

I can assure you that the President remains firmly committed to the free exchange of ideas and information. Travel for educational or research purposes will continue to be permitted under the same standards as before. This will ensure that people with genuine educational or research needs will still be permitted to travel to Cuba.

I appreciate your concerns and assure you that the President and I share your goal of moving toward a democratic Cuba and resuming normal relations with a freely elected Cuban government.

Sincerely,

ANTHONY LAKE,
National Security Affairs.•

TRIBUTE TO EMERGENCY NURSES AND BARBARA FASSBINDER

• Mr. HARKIN. Mr. President, I rise today to recognize the work and dedication of emergency nurses in our country. Emergency nurses deliver the highest quality of care in times of crisis and distress. They respond quickly to situations in which every second is vital to the welfare of their patients. The Emergency Nurses Association estimates that over 70,000 emergency nurses work in the United States and deliver care in trauma centers, health clinics, ambulatory care centers as well as rural and urban hospitals. Throughout our Nation's history, nurses including emergency nurses, have been at the core of our health care system, providing high quality and cost-effective care.

Mr. President, I want to take this opportunity to reflect upon the life and work of a very special emergency nurse from Iowa who worked courageously to prevent the spread of AIDS. In 1986, while treating an emergency room patient, Barbara Fassbinder became infected with the HIV virus. Barbara responded to her personal crises by working to raise AIDS awareness and educating all of us. She focused not on her own problems but on how to help others. She worked to prevent others from being infected and sought to help those already living with AIDS. She explained, "If this can happen to me, it can happen to anybody. If what I'm doing prevents it from happening to just one other health care worker, then it means a lot to me." Because of the work and dedication of Barbara Fassbinder and other advocates, precautions are now taken to help protect

health care professionals. Preventive measures, such as the use of gloves and masks, are widely used to protect providers and patients from infection.

Barbara Fassbinder reflected upon her role in the fight against AIDS and remarked, "Think of it this way. You're traveling down a mountain road. You see a guard rail. How many people had to go over the edge before they put a guard rail up? We were a few of those people who had to go over the rail." Barbara is greatly missed by not only her colleagues, friends, and family in Iowa, but by all those who are working to end the spread of AIDS. I had the pleasure of meeting with Barbara on a number of occasions and she was a valuable resource for me as well as my staff. She was a remarkable woman. I cannot begin to imagine the number of lives which have been touched and will continue to be touched by Barbara and her work. I can only express my deepest gratitude.

Emergency nurses, like Barbara Fassbinder, have improved the quality of medical care in our country. It must be clear that their dedication is not taken for granted. For this reason, I would like to extend much deserved recognition and appreciation to the many emergency nurses who serve our country.●

AUTHORITY FOR BANKING COMMITTEE TO FILE REPORT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Banking Committee be permitted to file its report on the Whitewater hearings on Tuesday, January 3, between the hours of 12 noon and 3 p.m.

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

AUTHORIZING ADMINISTRATION OF OATH OF OFFICE

Mr. DOLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 289) to authorize the President of the Senate to administer the oath of office to the Honorable Fred Thompson, of Tennessee.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

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

The resolution (S. Res. 289) was agreed to, as follows:

S. RES. 289

Resolved, That the President of the Senate be, and he is hereby, authorized to administer the oath of office to the Honorable Fred Thompson of Tennessee in the Senate Chamber on Friday, December 9, 1994, and that the said oath, when administered as herein authorized, shall be accepted and received by the Senate as the oath of office of the said Fred Thompson.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTING COMMITTEE TO NOTIFY PRESIDENT CONCERNING PROPOSED ADJOURNMENT OF SESSION

Mr. MITCHELL. Mr. President, I send a resolution to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 290) appointing a committee to notify the President concerning the proposed adjournment of the session.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

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

The resolution (S. Res. 290) was agreed to, as follows:

S. RES. 290

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join a similar committee of the House of Representatives to notify the President of the United States that the two Houses have completed their business of the session and are as ready to adjourn unless he has some further communication to make to them.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Pursuant to the resolution just adopted, the Chair appoints the majority and minority leaders as members of the committee to inform the President of the United States that the two Houses have completed their business of the session and are ready to adjourn, unless he has some further communication to make to them.

THANKING THE VICE PRESIDENT

Mr. MITCHELL. Mr. President, I send a resolution to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 291) tendering the thanks of the Senate to the Vice President for the courteous, dignified and impartial manner in which he has presided over the deliberations of the Senate.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

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

The resolution (S. Res. 291) was agreed to, as follows:

S. RES. 291

Resolved, That the thanks of the Senate are hereby tendered to the Honorable Al Gore, Vice President of the United States and President of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the second session of the One Hundred Third Congress.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THANKING THE PRESIDENT PRO TEMPORE

Mr. MITCHELL. Mr. President, I send a resolution to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 292) tendering the thanks of the Senate to the President pro tempore for the courteous, dignified and impartial manner in which he has presided over the deliberations of the Senate.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

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

The resolution (S. Res. 292) was agreed to, as follows:

S. RES. 292

Resolved, That the thanks of the Senate are hereby tendered to the Honorable Robert C. Byrd, President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the second session of the One Hundred Third Congress.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THANKING THE MAJORITY LEADER

Mr. DOLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 293) to commend the exemplary leadership of the majority leader.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

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

The resolution (S. Res. 293) was agreed to, as follows:

S. RES. 293

Resolved, That the thanks of the Senate are hereby tendered to the distinguished Majority Leader, the Senator from Maine, the Honorable George J. Mitchell, for his exemplary leadership and the cooperative and dedicated manner in which he has performed his leadership responsibilities in the conduct of Senate business during the second session of the 103d Congress.

COMMENDING THE EXEMPLARY LEADERSHIP OF THE REPUBLICAN LEADER

Mr. MITCHELL. Mr. President, acting in the belief that one good resolution deserves another, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 294) to commend the exemplary leadership of the Republican Leader.

There being no objection, the Senate proceeded to consider the resolution.

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

The resolution (S. Res. 294) was agreed to as follows:

S. RES. 294

Resolved, That the thanks of the Senate are hereby tendered to the distinguished Republican leader, the Senator from Kansas, the Honorable Robert Dole, for his exemplary leadership and the cooperative and dedicated manner in which he has performed his leadership responsibilities in the conduct of Senate business during the second session of the 103d Congress.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair announces, on behalf of the Vice President, in accordance with 22 U.S.C. 1928a–1928d, as amended, the following appointments, which were made during the previous Senate recess, to the Senate Delegation to the North Atlantic Assembly Fall Meeting during the Second Session of the 103d Congress, which was held in Washington, DC, November 14–18, 1994: The Senator from Connecticut [Mr. DODD]; the Senator from South Dakota [Mr. DASCHLE]; and the Senator from Texas [Mrs. HUTCHISON].

BOSNIA

Mr. DOLE. Mr. President, this morning I returned from a trip to NATO headquarters and London. While in Brussels, I met with the NATO Secretary General Willy Claes, our Supreme Allied Commander George Joulwan, the 16 Permanent Representatives to NATO, including our U.S. Ambassador to NATO, Robert Hunter, representatives of the countries participating in the Partnership For Peace, and the Russian Ambassador to NATO.

I went to Brussels because I am a strong supporter of NATO—I have been since the very beginning of the alliance. And, as a staunch supporter of NATO I have been extremely concerned about the impact of the situation in Bosnia-Herzegovina on the future of NATO. As I told those I met with in Brussels, I would like to see NATO expand in the near future—As NTO decided to do today. And I believe that there is an important role, for NATO in defending against potential instability in Europe and the former Soviet Union in the future. However, realistically it will be difficult to make progress on these matters until we deal with Bosnia.

I carried the same message to London where I met with former Prime Minister, Lady Thatcher, Foreign Minister Douglas Hurd, Defense Minister Rifkind, and Prime Minister Major. Moreover, I emphasized that as I see it, close ties between our Government and that of the United Kingdom are as essential to NATO's success in the future, as they have been in the past. Our differences over Bosnia should not and will not change that fact.

However, as I see it, NATO's failure to respond adequately to the war in Bosnia has undermined its credibility and raised serious questions about NATO's continued relevance. It is not that NATO is unable, to act decisively, it is that NATO has an unwilling partner—namely, the United Nations who can veto air strikes and limit NATO targets. Last April, NATO decided "* * * if any Bosnian Serb attacks involving heavy weapons are carried out on any U.N.-designated safe areas * * * these weapons and other Bosnian Serb military assets * * * will be subject to NATO air strikes." That's pretty clear. And it's pretty clear that nothing has happened. The bottom line is that because of the so-called dual key arrangement, NATO does not have control over its military operations in Bosnia—the U.N. protection forces do. In my view this U.N. veto over NATO actions sets a dangerous precedent. I recognize the need for coordination, but not for subordination.

Mr. President, I raised these concerns in my meetings at NATO. No one disputed the facts as I presented them. Everyone admitted that NATO's military actions have not been "robust," because of the U.N. straitjacket. I was told however, that the decision had been made several years ago to go this route and so NATO was stuck with this decision. It seems to me that the worst excuse for sticking with any policy, is to say, well that is the way we've been doing it, so we must continue to do it this way.

President Clinton assumed office with a "lift and strike" policy. In the spring of 1993, the White House held serious consultations with the congressional leadership on this matter and I told the President I would support him—it was the right thing to do. But, in May 1993, the administration decided to abandon its push for "lift and strike" and go along with the European approach of creating and protecting safe havens in Bosnia and pursuing a "negotiated settlement." At the U.N. Security Council request and pursuant to U.N. Security Council resolutions, NATO agreed to protect all six safe havens in Bosnia through this use of air power. But while U.N. Security Council members make these bold decisions on paper, U.N. commanders block their implementation.

As events in Bihac demonstrate, these U.N. resolutions and NATO authorities are meaningless. And whether intentionally or not, the failure of U.N. protection forces in Bosnia to permit militarily effective air strikes, against Serbian military targets—as decided upon by NATO in April of this year—is helping the Serb aggressors. The situation all over Bosnia is deteriorating—food convoys are not getting through; the U.N. airlift has been suspended; missile attacks on Sarajevo are escalating; more peacekeepers have been kidnapped; and the war in Bosnia has widened to include Serb forces from the Serb-occupied area of Croatia known as Krajina. Why is this happening? Is it because NATO put a few holes in a runway last week?

In my view the situation in Bosnia is deteriorating because United Nations and NATO's passivity amount to a green light to the Serbs. Far from adding to the protection of U.N. peacekeepers, inaction in the face of Serbian defiance has made the U.N. peacekeepers more vulnerable.

As I told Prime Minister Major, I understand and appreciate the concerns of the British and others who have peacekeepers on the ground. I respect the soldiers who are making sacrifices and taking real risks on the ground in Bosnia. But, let's face it. The U.N. protection forces are unable to protect themselves, and they are even less able to protect the Bosnians. So, the idea that the United States should send peacekeepers to Bosnia, in the same helpless position and unable to effectively carry out their mandate, in order to have a say in Bosnia policy is ridiculous. We have done our share in the former Yugoslavia, just as we have

done our share elsewhere around the globe. This argument distracts from the real issue—which is whether or not this policy has been a success.

The European approach was designed to do two things: protect Bosnian civilians and bring about a negotiated settlement. We know that it has not achieved the first objective, and despite the Bosnian Government's signature on the Vance/Owen plan and the Contact Group plan last July, there is no peace. There are only two ways to achieve a settlement: by pressuring the Serbs, or by making further concessions to them. Unfortunately, the international community, and this administration, have only been prepared to do the latter.

Apparently half of Bosnia is not enough for the Serbs to sign up to the Contact Group plan. But, it is not only land the Bosnian Serbs wants—they want to join Serbia in a "Greater Serbia." And, the French have a proposal that may make this a reality. The French want to allow the Bosnian Serbs to confederate with Serbia—after all, they say, the Bosnians and the Croats have that option now through the agreements signed in Washington last spring. The French say this proposal provides for "equality of rights"—equality of rights for the aggressors. What about equality of rights for the more than 2 million people who have lost their homes? What about equality of rights for those who were tortured and maimed in concentration camps?

Mr. President, this policy has failed not only the moral test, but has failed by its own standards. British officials say that the war has been "contained." Serbs from the U.N. protected areas in Croatia are now involved. Furthermore, I don't understand how we contain Serbian aggression by legitimizing the results. If Bosnia, as a member state of the United Nations, is denied its basic rights—such as the right to self-defense—how does this deter Serbian repression of the 2 million Albanians in Kosova who do not have the rights accorded to a state? In my view, it doesn't. It gives another green light.

During my meeting in London with Lady Thatcher I discussed NATO and U.N. policy toward Bosnia. Lady Thatcher agrees with me not only in pronouncing the president policy a miserable failure, but in the outlines for a new policy. It is time to return to President Clinton's original idea of "lift and strike" although it will probably have to be "strike and lift."

The Bosnians have the inherent right to self defense—which is recognized in article 51 of the U.N. Charter. The U.N. arms embargo was imposed on the former Yugoslavia and extending it to Bosnia is not only unjust, but illegal. One way to avoid the issue of illegality of denying Bosnia the ability to defend itself in the face of aggression, is to redefine the Bosnian War as a "civil war"—which the Europeans have done and the Clinton administration has joined in doing. If the war in Bosnia is a civil war, why are Secretary Christopher and the British and French Foreign Ministers considering traveling to Belgrade this weekend to offer Serbian President Milosevic more concessions? If this is a civil war, why were sanctions imposed on Serbia? By redefining this war, the United States, its allies, and the United Nations, hope to limit their responsibility for the course of the war these past 3 years.

Lifting the arms embargo on Bosnia is legally and morally right. The practical difficulties of doing so are not to be minimized—the risks are there; they were outlined to me by Prime Minister Major quite eloquently. But, Bosnia is bleeding right now, despite the presence of thousands of peacekeepers. And, in the absence of NATO and U.N. resolve, the only alternative to the Bosnians continuing their struggle is a disguised surrender. Maybe the Bosnian Government will agree to a Greater Serbia. I don't know. They have had few options as they sit at the negotiating table with a Serb gun to their head and international mediators pressing for a signature at their side.

However, if the Bosnians do not agree to sign up to a greater Serbia, if they want to continue their struggle for survival, those of us in the United States Senate who have supported their efforts, such as myself and Senator LIEBERMAN will be back in January to work to lift the arms embargo. I will ask the Foreign Relations Committee, the Armed Services Committee, and the Intelligence Committee to hold hearings on all aspects of U.S. policy towards Bosnia and on options for lifting the arms embargo.

I would like to bring to the attention of my colleagues, a most compelling editorial by Morton Abramowitz, the president of the Carnegie Endowment for International Peace, who writes in today's Washington Post about the risks of writing Bosnia off. And I quote, "Wouldn't assisted suicide be best for everybody, Bosnia most of all? We're practically there already. . . ."

He continues, "Should Bosnia disappear from the map or be left a misshapen shadow of itself, its dismembered ghost would haunt the region . . . for years to come." What then would be the fate of multiethnic Macedonia? . . . of Belgrade-oppressed Kosova, with its 95-percent Albanian population? . . . The more we try to put the partition of Bosnia behind us the larger it looms ahead.

"Some prefer to think of Bosnia as a terminal case. But Bosnia is fighting for its life. It is we, in the west, who are inert and insensible. Whose life is it anyway." I ask unanimous consent that the entire article be included in the RECORD.

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

[From the Washington Post, Dec. 1, 1994]

BOSNIA: LAST CHANCE

(By Morton Abramowitz)

Do we really want to wake up someday and read this obituary in the morning paper? "Poor Bosnia—we didn't know her well. Once a multiethnic state in the Balkans, now gone—partitioned, annexed, absorbed, confederated—a casualty of post-Cold War ethnic conflict. . . . Survivors include 3 million refugees. Awarded (posthumously) the Nuremberg Prize for Justice. In lieu of flowers, please send donations to the Save NATO Fund."

If we and our allies are too quick to write Bosnia off, we may end up burying other things besides.

For more than two years, an increasingly divided West has watched Bosnia bleed. Frustration has mounted because the victim hasn't done us the courtesy of going fast or gently, and we have grown weary of our vigil. No one shows any will to save Bosnia, and no one will help Bosnia try to save itself.

Lacking a consensus on anything from lifting or not lifting the arms embargo to delivering punishing air strikes or pinpricks, the West has been left with a non-strategy of wait and see and hope that something will turn up. Something always has: Sarajevo market bombings, Gorazde, Bihac. Always more refugees. Yesterday's papers even featured pictures of Serbs forcing Muslims to wear the fez, like Jews forced by the Nazis to wear the Star of David.

The only thing worse than no consensus is a bad consensus. And this week, a consensus worthy of Dr. Kevorkian has begun to form. Whether it is being reached with agonized reluctance, as in the U.S. case, or harsh realism, as in the British and French, matters little. The effect on Bosnia would be the same: pulling the plug.

Wouldn't assisted suicide be best for everybody, Bosnia most of all? We're practically there already. A big "no aggressive measures" sign long has hung on Bosnia's door, despite all the reassurances to the patient that we will use "all necessary means." Last summer, the five-nation contact group persuaded Bosnia to sign the consent form for an ethnic split of territory one step shy of partition: "So you lose a limb or two—or three—dismemberment's better than death. Besides, we'll make the Serbs agree—or else."

Of course, the "else" never occurred. Instead, we relied on Serbian President Milosevic turning against his arch rival, the Bosnian Serb leader Karadzic. But Karadzic was unimpressed by Milosevic's hollow sticks and ours. So now, we're trying to entice him with juicy carrots.

Meanwhile, Bosnia has the temerity to keep fighting for its own existence. Only a month ago, the media marveled at the success that the Bosnian army was having in the Bihac pocket, regaining home ground lost to Serbian ethnic cleansing. Now, as resurgent Bosnian Serb and Croatian Serb forces converge on the Bihac "safe area," cleansing and burning as they go, the Bosnian army is castigated for having had the nerve to try to take back its own territory.

The Bihac "safe zone," swelled with refugees from both the prior and current Serb campaigns, reportedly is being hit at a rate of six shells a minute. The unchecked Serb attack on Bihac is also destroying the

Bosnian-Croat Federation. Though the West thus far has prevented Zabreb from re-entering the war, Croatia now sees that only force, and not the West's intercession, will get back the Krajina.

There is still time—very little—for the West and the international community to act, not only to preserve Bosnia but also to restore some respect for international institutions, for principles and for something called the Western alliance. That will not come from pressuring Bosnia to surrender—it won't—or agreeing to a Greater Serbia. We and our allies should:

Recognize that UNPROFOR—now more than ever clearly a hostage—has become more of a hindrance than a help. Withdraw it.

Since UNPROFOR's withdrawal inevitably giving up the enclaves, evacuate their civilian inhabitants to other, less-exposed areas.

Put the Bosnian Serbs on notice that any interference with the U.N. and civilian withdrawals will be met with massive NATO air attacks.

Focus on consolidating the Bosnian government and its position in central Bosnia.

Once UNPROFOR is gone, open up the arms spigot to Bosnia.

Tell the Bosnian Serbs that if they continue to attack civilian populations, prevent the delivery of humanitarian supplies or fail to engage in any serious negotiations, we will use air power against arms dumps, oil depots and military targets throughout the territory they occupy.

This is not a great proposal. It has uncertainties and difficulties, particularly with relief supplies. None of the above can work unless we and our NATO allies are prepared to use robust, sustained air power, and even if we are, the desired results are not guaranteed. The Bosnian government may balk at some of it. Civilian populations would have to be moved—safely—en masse. NATO must be persuaded. But it is better in the long term than Western capitulation to Serb aggression.

Critics will argue that doing the above will only prolong the misery and expand the war. They have said that for three years while Bosnia has hemorrhaged. They have constantly proposed straw-man military options for the infusion of large numbers of ground troops that are not options but excuses for inaction. They do not explain how a Bosnia-less Balkans, or its equivalent, can produce a stable peace.

Should Bosnia disappear from the map or be left a misshapen shadow of itself, its dismembered ghost would haunt the region and cause the West even bigger headaches—for years to come. What then would be the fate of multiethnic Macedonia? Of the volatile Krajina? Of Belgrade-oppressed Kosovo, with its 95 percent Albanian population? If the Serbs get their Greater Serbia, wouldn't the Albanians of Kosovo be entitled to a Greater Albania? The more we try to put the partition of Bosnia behind us, the larger it looms ahead.

Some prefer to think of Bosnia as a terminal case. But Bosnia is fighting for its life. It is we in the West who are inert and insensible. Whose life is it anyway?

Mr. DOLE. Mr. President, finally, Mr. President, I would like to call attention to a letter I received from Prime Minister Benazir Bhutto of Pakistan who supports our efforts to lift the arms embargo. Pakistan is one of many countries who would be willing and able to assist Bosnia if the arms embargo were lifted. The United States would not be alone. Recently, 96 countries in the U.N. General Assembly voiced their support for lifting the arms embargo. I ask unanimous consent that the Prime Minister's letter to me be included in the RECORD.

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

PRIME MINISTER,
Pakistan, November 29, 1994.

Senator ROBERT DOLE,
Embassy of the United States,
London.

MY DEAR SENATOR DOLE: I had hoped we would be able to meet during your visit to London and I would be able to offer personally my felicitations on the remarkable victory achieved by the Republican Party in the recent elections and your own elevation in the new Congress to the position of Senate majority leader. Unfortunately it appears that our schedules make this difficult and I must therefore be content with congratulating you through this note.

I recall with great pleasure our meeting during my visit to the United States in 1989 and the clear manifestation of your views on America's foreign policy and what its objectives should be. Under your guidance the Senate will now move purposefully to mould and promote these objectives. A matter of immediate concern in Bosnia. Like you I have been deeply concerned about the situation in Bihac. The United States, Pakistan and other like-minded countries must work together to ensure that Serbian aggression is not rewarded and the dismemberment of a member state of the United Nations is not tolerated. The consequences of temerity, particularly the repercussions in other parts of the world, are too horrible to contemplate and must weigh heavily with all of us.

Yours sincerely,

BENAZIR BHUTTO.

Mr. MITCHELL. 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.

ADJOURNMENT SINE DIE

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate, and no other Senator is seeking recognition, I now move that the Senate stand adjourned sine die in accordance with the provisions of House Concurrent Resolution 315.

The motion was agreed to, and the Senate, at 9:14 p.m., adjourned sine die.

NOMINATIONS

Executive nominations received by the Senate December 1, 1994:

STATE JUSTICE INSTITUTE

TERRENCE B. ADAMSON, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1997. (REAPPOINTMENT)

NATIONAL COUNCIL ON DISABILITY

YERKER ANDERSON, OF MARYLAND, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1996, VICE ANNE C. SEGGERMAN, TERM EXPIRED.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

ROBERT CLARKE BROWN, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON AIRPORTS AUTHORITY FOR A TERM OF 6 YEARS, VICE JACK EDWARDS, TERM EXPIRED.

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

HOWARD W. CANNON, OF NEVADA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING MARCH 3, 1998. (REAPPOINTMENT)

DEPARTMENT OF DEFENSE

HERSCHELLE CHALLENOR, OF GEORGIA, TO BE A MEMBER OF THE NATIONAL SECURITY EDUCATION BOARD FOR A TERM OF 4 YEARS, VICE STEVEN MULLER.

SHEILA CHESTON, OF THE DISTRICT OF COLUMBIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE AIR FORCE, VICE GILBERT F. CASELLAS.

DEPARTMENT OF VETERANS AFFAIRS

DENNIS M. DUFFY, OF PENNSYLVANIA, TO BE AN ASSISTANT SECRETARY OF VETERANS AFFAIRS (POLICY AND PLANNING), VICE VICTOR P. RAYMOND.

NATIONAL TRANSPORTATION SAFETY BOARD

ROBERT TALCOTT FRANCIS II, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR A TERM EXPIRING DECEMBER 31, 1999, VICE JOHN K. LAUBER, TERM EXPIRING.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

E. GORDON GEE, OF OHIO, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 1999, VICE GARY EUGENE WOOD, TERM EXPIRED.

NATIONAL SCIENCE FOUNDATION

SANFORD D. GREENBERG, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000, VICE WARREN J. BAKER, TERM EXPIRED.

DEPARTMENT OF DEFENSE

ELEANOR HILL, OF VIRGINIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF DEFENSE, VICE SUSAN J. CRAWFORD.

DEPARTMENT OF STATE

LEE C. HOWLEY, OF OHIO, TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE 49TH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

ISABELLE LEEDS, OF NEW YORK, TO BE AN ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE 49TH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

HERMAN E. GALLEGOS, OF CALIFORNIA, TO BE AN ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE 49TH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

FEDERAL DEPOSIT INSURANCE CORPORATION

NORWOOD J. JACKSON, JR., OF VIRGINIA, TO BE INSPECTOR GENERAL, FEDERAL DEPOSIT INSURANCE CORPORATION. (NEW POSITION)

RAILROAD RETIREMENT BOARD

JEROME F. KEVER, OF ILLINOIS, TO BE A MEMBER OF THE RAILROAD RETIREMENT BOARD FOR A TERM EXPIRING AUGUST 28, 1998. (REAPPOINTMENT)

EXECUTIVE OFFICE OF THE PRESIDENT

KATHLEEN A. MCGINTY, OF PENNSYLVANIA, TO BE A MEMBER OF THE COUNCIL ON ENVIRONMENTAL QUALITY, VICE MICHAEL R. DELAND, RESIGNED.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

DALE MINAMI, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 3 YEARS. (NEW POSITION)

NATIONAL SCIENCE FOUNDATION

CLAUDIA I. MITCHELL-KERNAN, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000, VICE DANIEL C. DRUCKER, TERM EXPIRED.

DIANA S. NATALICIO, OF TEXAS, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000, VICE CHARLES L. HOSLER, JR., TERM EXPIRED.

NATIONAL COUNCIL ON DISABILITY

LILLIAM RANGEL POLLO, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A

TERM EXPIRING SEPTEMBER 17, 1996, VICE HELEN WILSHIRE WALSH, TERM EXPIRED.

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

LT. GEN. WILLIAM W. QUINN, U.S. ARMY, RETIRED, OF MARYLAND, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING OCTOBER 13, 1999. (REAPPOINTMENT)

NATIONAL COUNCIL ON DISABILITY

DEBRA ROBINSON, OF PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1997, VICE ANTHONY HURLBUTT FLACK, TERM EXPIRED.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

ISADORE ROSENTHAL, OF PENNSYLVANIA, TO BE A MEMBER OF THE CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD FOR A TERM OF 5 YEARS. (NEW POSITION)

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

LYNDA HARE SCRIBANTE, OF NEBRASKA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING OCTOBER 13, 1999, VICE DEAN BURCH.

RAILROAD RETIREMENT BOARD

VIRGIL M. SPEAKMAN, OF OHIO, TO BE A MEMBER OF THE RAILROAD RETIREMENT BOARD FOR A TERM EXPIRING AUGUST 28, 1999. (REAPPOINTMENT)

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

JOSEPH E. STEVENS, JR., OF MISSOURI, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 1997, VICE TRUMAN MCGILL HOBBS, TERM EXPIRED.

NATIONAL SCIENCE FOUNDATION

WARREN M. WASHINGTON, OF COLORADO, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000, VICE ROLAND W. SCHMITT, TERM EXPIRED.

JOHN A. WHITE, JR., OF GEORGIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000, VICE BENJAMIN S. SHEN, TERM EXPIRED.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

STEVEN L. ZINTER, OF SOUTH DAKOTA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 1997, VICE RICHARD J. FITZGERALD, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT

MARTIN NEIL BAILY, OF MARYLAND, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS, VICE ALAN S. BLINDER, RESIGNED.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

ROBERT G. BREUNIG, OF ARIZONA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998. (REAPPOINTMENT)

KINSHASHA HOLMAN CONWILL, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1997, VICE WILLARD L. BOYD, TERM EXPIRED.

EXECUTIVE OFFICE OF THE PRESIDENT

G. EDWARD DESEVE, OF PENNSYLVANIA, TO BE CONTROLLER, OFFICE OF FEDERAL FINANCIAL MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET, VICE EDWARD JOSEPH MAZUR, RESIGNED.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

ROBERT F. DRINAN, OF MASSACHUSETTS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 3 YEARS. (NEW POSITION)

DEPARTMENT OF TRANSPORTATION

JAY C. EHLE, OF OHIO, TO BE A MEMBER OF THE ADVISORY BOARD OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION, VICE CONRAD FREDIN.

NATIONAL COUNCIL ON DISABILITY

JOHN A. GANNON, OF OHIO, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1995. (REAPPOINTMENT)

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

PEGGY GOLDWATER-CLAY, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING JUNE 5, 2000, VICE BARRY M. GOLDWATER, JR., TERM EXPIRED.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

SUSAN HAYASE, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 3 YEARS. (NEW POSITION)

NATIONAL INSTITUTE OF BUILDING SCIENCES

STEVE M. HAYS, OF TENNESSEE, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL INSTITUTE OF BUILDING SCIENCES FOR A TERM EXPIRING SEPTEMBER 7, 1997, VICE DIANNE E. INGELS, TERM EXPIRED.

NATIONAL MEDIATION BOARD

KENNETH BYRON HIPP, OF HAWAII, TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD FOR A TERM EXPIRING JULY 1, 1997, VICE PATRICK J. CLEARY, RESIGNED.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

CHARLES HUMMEL, OF DELAWARE, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1999, VICE MARILYN LOGSDON MENNELLO, TERM EXPIRED.

NUCLEAR REGULATORY COMMISSION

SHIRLEY ANN JACKSON, OF NEW JERSEY, TO BE A MEMBER OF THE NUCLEAR REGULATORY COMMISSION FOR A TERM OF 5 YEARS EXPIRING JUNE 30, 1999, VICE FORREST J. REMICK, TERM EXPIRED.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

AYSE MANYAS KENMORE, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR THE REMAINDER OF THE TERM EXPIRING DECEMBER 6, 1995, VICE DAPHNE WOOD MURRAY, RESIGNED.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

CHERRY T. KINOSHITA, OF WASHINGTON, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 2 YEARS. (NEW POSITION)

CIVIL LIBERTIES PUBLIC EDUCATION FUND

ELSA H. KUDO, OF HAWAII, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 2 YEARS. (NEW POSITION)

YEIICHI KUWAYAMA, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 3 YEARS. (NEW POSITION)

COMMUNICATIONS SATELLITE CORPORATION

CHARLES T. MANATT, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMUNICATIONS SATELLITE CORPORATION UNTIL THE DATE OF THE ANNUAL MEETING OF THE CORPORATION IN 1997, VICE RUDY BOSCHWITZ.

SECURITIES PROTECTION CORPORATION

CHARLES L. MARINACCIO, OF THE DISTRICT OF COLUMBIA, TO BE A DIRECTOR OF THE SECURITIES INVESTOR PROTECTION CORPORATION FOR A TERM EXPIRING DECEMBER 31, 1996, VICE GEORGE H. PFAU, JR., TERM EXPIRED.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NANCY MARSIGLIA, OF LOUISIANA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998, VICE GEORGE S. ROSBOROUGH, JR., TERM EXPIRED.

NATIONAL INSTITUTE FOR LITERACY

MARCIENE S. MATTLEMAN, OF PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR THE REMAINDER OF THE TERM EXPIRING OCTOBER 12, 1995, VICE JIM EDGAR, RESIGNED.

NATIONAL COUNCIL ON DISABILITY

AUDREY L. MCCRIMON, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1997, VICE ROBERT S. MUELLER, TERM EXPIRED.

NATIONAL SCIENCE FOUNDATION

EVE L. MENGER, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000, VICE ARDEN L. BEMENT, JR., TERM EXPIRED.

FEDERAL HOUSING FINANCE BOARD

BRUCE A. MORRISON, OF CONNECTICUT, TO BE A DIRECTOR OF THE FEDERAL HOUSING FINANCE BOARD FOR A TERM EXPIRING FEBRUARY 27, 2000, VICE WILLIAM C. PERKINS, RESIGNED.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

DON T. NAKANISHI, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 2 YEARS. (NEW POSITION)

EXECUTIVE OFFICE OF THE PRESIDENT

ROSE OCHI, OF CALIFORNIA, TO BE AN ASSOCIATE DIRECTOR FOR NATIONAL DRUG CONTROL POLICY, VICE KAY COLES JAMES, RESIGNED.

FEDERAL HOUSING FINANCE BOARD

J. TIMOTHY O'NEILL, OF VIRGINIA, TO BE A DIRECTOR OF THE FEDERAL HOUSING FINANCE BOARD FOR THE REMAINDER OF THE TERM EXPIRING FEBRUARY 27, 1997, VICE MARILYN R. SEYMANN, RESIGNED.

FEDERAL TRADE COMMISSION

ROBERT PITOFSKY, OF MARYLAND, TO BE A FEDERAL TRADE COMMISSIONER FOR THE TERM OF 7 YEARS FROM SEPTEMBER 26, 1994, VICE DEBORAH KAYE OWEN, TERM EXPIRED.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

ARTHUR ROSENBLATT, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1997, VICE RICHARD J. SCHWARTZ, TERM EXPIRED.

PANAMA CANAL COMMISSION

VINCENT REED RYAN, JR., OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE PANAMA CANAL COMMISSION, VICE WALTER J. SHEA.

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

NIRANJAN SHAMALBHAI SHAH, OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING AUGUST 11, 1998, VICE TIMOTHY W. TONG, TERM EXPIRED.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

STANLEY K. SHEINBAUM, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SECURITY EDUCATION BOARD FOR A TERM OF 4 YEARS, VICE JOHN P. ROCHE, RESIGNED.

NATIONAL SCIENCE FOUNDATION

ROBERT M. SOLOW, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000, VICE PETER H. RAVEN, TERM EXPIRED.

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

CATHERINE BAKER STETSON, OF NEW MEXICO, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT FOR A TERM EXPIRING MAY 19, 2000, VICE JAMES D. SANTINI, TERM EXPIRED.

NUCLEAR REGULATORY COMMISSION

ROBERT M. SUSSMAN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE NUCLEAR REGULATORY COMMISSION FOR A TERM OF 5 YEARS EXPIRING JUNE 30, 1998, VICE JAMES R. CURTISS, TERM EXPIRED.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

RUTH Y. TAMURA, OF HAWAII, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1996, VICE JAMES H. DUFF, TERM EXPIRED.

NATIONAL INSTITUTE FOR LITERACY

LYNNE C. WAIHEE, OF HAWAII, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM OF 3 YEARS. (NEW POSITION)

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

TOWNSEND WOLFE, OF ARKANSAS, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1995, VICE ROSEMARY G. MCMILLAN, TERM EXPIRED.

CONSUMER PRODUCT SAFETY COMMISSION

THOMAS HILL MOORE, OF FLORIDA, TO BE A COMMISSIONER OF THE CONSUMER PRODUCT SAFETY COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING OCTOBER 26, 1996, VICE JACQUELINE JONES-SMITH, RESIGNED.

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

JOHN A. KOSKINEN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 104TH CONGRESS, VICE HANSFORD T. JOHNSON, TERM EXPIRED.

JOHN M. DEUTCH, OF MASSACHUSETTS, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 104TH CONGRESS, VICE BEVERLY BUTCHER BYRON, TERM EXPIRED.

THOMAS P. GLYNN, OF MASSACHUSETTS, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 104TH CONGRESS, VICE REBECCA GERNHARDT COX, TERM EXPIRED.

GIL CORONADO, OF TEXAS, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 104TH CONGRESS, VICE PETER B. BOWMAN, TERM EXPIRED.

JOSEPH E. STIGLITZ, OF CALIFORNIA, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 104TH CONGRESS, VICE ROBERT D. STUART, JR., TERM EXPIRED.

BOB J. NASH, OF ARKANSAS, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 104TH CONGRESS, VICE ARTHUR LEVITT, JR., TERM EXPIRED.

CASSANDRA M. PULLEY, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 104TH CONGRESS, VICE HARRY C. MCPHERSON, JR., TERM EXPIRED.