

obligations and stop wrongly protecting its air service markets before a new treaty can be discussed.

Other countries faced with that same decision overwhelmingly have chosen progress. Over the past 2 years, over 20 nations have signed more liberal aviation accords with the United States. No wonder. The economic benefits flowing from an opening of air service opportunities can be enormous. Our recent phased-in open skies agreement with Canada dramatically makes this point. Since that signing, the United States-Canada aviation market has generated an additional 1 million passengers and a remarkable \$2 billion in economic activity on both sides of the border. In terms of enhanced consumer choice, nearly 50 city-pair markets have received first time scheduled service and another 14 city-pair markets have received additional competition. These benefits will surely grow as the remaining barriers are phased out. In fact, the United States Department of Transportation estimates from 1995 through 2000, the cumulative economic benefits of this accord to both countries will be \$15 billion.

In contrast, some countries such as France have chosen protectionism thereby foregoing the economic benefits of further liberalization. While air service markets around France have grown significantly in recent years as those countries have opened their markets, the French air service market has been stagnant. In fact, last year combined passenger traffic at the two major Paris airports fell nearly 1 percent. Is it any wonder Air France has accumulated losses totaling \$3.3 billion since 1990, and continues to have operating costs among the highest in the world? As the French experience unmistakably shows, in today's global economy a protectionist air service policy is economic folly.

Fortunately, most countries are rejecting the protectionist path. For instance, most recently 18 member economies of the Asia Pacific Economic Cooperation [APEC] organization voted specifically to add aviation to the list of core industries designated for liberalization, and the European Union has been given a limited mandate by member States to negotiate an open skies agreement with the United States. Nevertheless, there are major United States trading partners in addition to France, such as Japan and the United Kingdom, that continue to resist change.

Madam President, in Japan's case the reasons are evident. For nearly two decades cost inefficiency has caused Japanese carriers to become less competitive and to lose their market share even on Asian and Pacific routes that are not open to significant competition. Japan's chief aviation policy makers at the Ministry of Transportation [MOT] have responded to the challenge negatively, creating operational obstacles for U.S. carriers and demanding increasingly restrictive

limitations on its originally open 1952 Air Transport Agreement with the United States.

And therein lies the heart of the problem confronting the United States delegation in the aviation talks. The issue is both philosophical and economic. Japan is convinced its airlines cannot compete for Asian markets whose annual passenger volume is expected to triple—and account for more than half the world's traffic—by 2010. The United States, on the other hand, has to be concerned that, as the Economic Strategy Institute concluded recently, the loss of its competitive aviation presence in the booming Asia-Pacific market would cost this country \$5 billion in trade receipts annually and hundreds of thousands of United States jobs. Incredibly, the MOT's approach—in contradiction to the Japanese Government's stated goal in virtually all other sectors—is to eliminate competition from highly cost-efficient United States airlines. In pursuit of this shortsighted policy, the MOT has threatened sanctions to penalize carriers that are only exercising their rights. Thus, Japan is caught in a trap. The restrictions it has imposed over the years have prevented its airlines from becoming more efficient, and now the MOT believes it has to protect them if they are to compete in Asia.

Nonetheless, to the United States, the MOT's intransigence poses a series of inescapable dilemmas. It cannot ignore Japan's refusal to abide by the 1952 agreement without setting a very dangerous precedent for all of our other international agreements. It cannot concede more treaty modifications or restrictions without surrendering the few rights left to United States carriers and accepting Japanese control over the United States presence in many United States/Asian aviation markets. It cannot stand passively by while Japanese carriers expand service in those very same markets to which United States carriers are wrongly denied access. And, ultimately, the United States cannot yield to Japan's protectionist policy without abandoning its long-standing commitment to the principle that open competition in a free market environment is the only way to advance the best interests of consumers, countries, communities, and carriers that together shape a global and interdependent economy.

Thus far, United States negotiators are standing firm in defending that critically important principle despite intense pressure exerted by Japan directly and indirectly. As the talks proceed, our representatives deserve our complete support. We can hope only that their efforts will lead to Japan's realization that protectionism is inevitably an obsolete trading weapon capable of serving no one but of causing great harm.

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 Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 1:06 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1903. An act to designate the bridge, estimated to be completed in the year 2000, that replaces the bridge on Missouri highway 74 spanning from East Girardeau, Illinois, to Cape Girardeau, Missouri, as the "Bill Emerson Memorial Bridge," and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore [Mr. THURMOND].

The message also announced that the Speaker, pursuant to the provisions of Resolution 459, appoints to Funeral Committee of the late Hon. Bill Emerson the following Members on the part of the House: Mr. CLAY of Missouri, Mr. GINGRICH of Georgia, Mr. GEPHARDT of Missouri, Mr. BOEHNER of Ohio, Mr. SKELTON of Missouri, Mr. VOLKMER of Missouri, Mr. HANCOCK of Missouri, Ms. DANNER of Missouri, Mr. TALENT of Missouri, Ms. MCCARTHY of Missouri, Mr. MONTGOMERY of Mississippi, Mr. HALL of Ohio, Mr. LEWIS of California, Mr. HUNTER of California, Mr. ROBERTS of Kansas, Mr. WOLF of Virginia, Mr. KANJORSKI of Pennsylvania, Mr. MCNULTY of New York, Mr. POSHARD of Illinois, Mr. MORAN of Virginia, Mrs. LINCOLN of Arkansas, Mr. CHAMBLISS of Georgia, Mrs. CUBIN of Wyoming, and Mr. LATHAM of Iowa.

At 2:48 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 3525) to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

At 8:42 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 192. Concurrent resolution providing for an adjournment of the two Houses.

The message also announced that the House has passed the following bill, in

which it requests the concurrence of the Senate:

H.R. 3666. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 3666. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes; to the Committee on Appropriations.

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-3178. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on Regular Trade Adjustment Assistance; to the Committee on Finance.

EC-3179. A communication from the President of the United States, transmitting, pursuant to law, a report concerning an extension of waiver authority; to the Committee on Finance.

EC-3180. A communication from the Chairman of the Social Insurance Committee of the American Academy of Actuaries, transmitting, pursuant to law, the report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for calendar year 1996; to the Committee on Finance.

EC-3181. A communication from the Chair of the Physician Payment Review Commission, transmitting, pursuant to law, the report entitled "Monitoring Access of Medicare Beneficiaries and Monitoring the Financial Liability of Medicare Beneficiaries"; to the Committee on Finance.

EC-3182. A communication from the Chief of Staff of the Office of the Commissioner of Social Security, transmitting, pursuant to law, the rule entitled "Payment For Vocational Rehabilitation Services Furnished Individuals During Certain Months of Non-payment of Supplemental Security Income Benefits," (RIN0960-AD39) received on June 17, 1996; to the Committee on Finance.

EC-3183. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to value units for the full range of pediatric physicians' services; to the Committee on Finance.

EC-3184. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a final rule entitled "Health Maintenance Organizations," (RIN0938-AE64) received on June 10, 1996; to the Committee on Finance.

EC-3185. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the status of the implementation and evaluation of social health maintenance organization demonstration; to the Committee on Finance.

EC-3186. A communication from the Assistant Secretary of the Treasury (Tax Policy),

transmitting, a draft of proposed legislation to amend the Internal Revenue Code; to the Committee on Finance.

EC-3187. A communication from the General Counsel of the Department of the Treasury, transmitting, a draft of proposed legislation to amend section 304 of the Tariff Act of 1930; to the Committee on Finance.

EC-3188. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the rule entitled "Miscellaneous Regulations Relating to Liquor," (RIN1512-AB44) received on June 18, 1996; to the Committee on Finance.

EC-3189. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the rule entitled "The Extension of the Paso Robles Viticultural Area," (RIN1512-AA07) received on June 19, 1996; to the Committee on Finance.

EC-3190. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the rule entitled "The Malibu-Newton Canyon Viticultural Area," (RIN1512-AA07) received on June 21, 1996; to the Committee on Finance.

EC-3191. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a statement of procedural rules (RIN1512-AB53) received on June 21, 1996; to the Committee on Finance.

EC-3192. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the rule entitled "Taxpaid Distilled Spirits Used in Manufacturing Products Unfit for Beverage Use," (RIN1512-AA20) received on June 24, 1996; to the Committee on Finance.

EC-3193. A communication from the Chief of Regulations Unit, Department of Treasury, transmitting, pursuant to law, the report of temporary regulations entitled "Extensions of Time to Make Elections," (RIN1545-AU41) received on June 26, 1996; to the Committee on Finance.

EC-3194. A communication from the Chief of Regulations Unit, Department of Treasury, transmitting, pursuant to law, the report of temporary regulations entitled "Regulations Under Section 382 of the Internal Revenue Code of 1986," (RIN1545-AU37) received on June 26, 1996; to the Committee on Finance.

EC-3195. A communication from the Chief of Regulations Unit, Department of Treasury, transmitting, pursuant to law, the report of temporary regulations entitled "Consolidated returns-Limitations on the use of certain losses and deductions," (RIN1545-AU35) received on June 26, 1996; to the Committee on Finance.

EC-3196. A communication from the Chief of Regulations Unit, Department of Treasury, transmitting, pursuant to law, the report of temporary regulations entitled "Regulations Under Section 1502 of the Internal Revenue Code of 1986," (RIN1545-AU36) received on June 26, 1996; to the Committee on Finance.

EC-3197. A communication from the Chief of Regulations Unit, Department of Treasury, transmitting, pursuant to law, the report of Revenue Procedure 96-37; to the Committee on Finance.

EC-3198. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the rule entitled "Basic Permit Requirements

Under the Federal Alcohol Administration Act, Nonindustrial Use of Spirits and Wine, Bulk Sales and Bottling of Distilled Spirits," (RIN1512-AB43) received on June 10, 1996; to the Committee on Finance.

EC-3199. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, Notice 96-35 entitled "Regulatory Reinvention Initiative," received on June 17, 1996; to the Committee on Finance.

EC-3200. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the Revenue Ruling 96-34 entitled "Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property," received on June 19, 1996; to the Committee on Finance.

EC-3201. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the Revenue Procedure 96-34 received on June 11, 1996; to the Committee on Finance.

EC-3202. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the Treasury regulation entitled "Modification of Bad Debts," (RIN1545-AT14) received on June 25, 1996; to the Committee on Finance.

EC-3203. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the Treasury regulation entitled "Modification of Debt Instruments," (RIN1545-AR04) received on June 25, 1996; to the Committee on Finance.

EC-3204. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the Treasury regulation entitled "Debt Instruments with Original Issue Discount," (RIN1545-AQ86, 1545-AS35) received on June 25, 1996; to the Committee on Finance.

EC-3205. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the rule relative to the Visa Waiver Pilot Program, (RIN1115-AB93) received on June 26, 1996; to the Committee on the Judiciary.

EC-3206. A communication from the Acting General Sales Manager and Acting Vice President, Commodity Credit Corporation, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a rule concerning the Commodity Credit Corporation Supplier Credit Guarantee Program, (RIN0551-AA30) received on June 25, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3207. A communication from the Executive Director of the Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting, pursuant to law, a rule relative to additions to the procurement list, received on June 26, 1996; to the Committee on Governmental Affairs.

EC-3208. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, the rule entitled "Federal Energy Management and Planning Programs," (RIN1991-AA80) received on June 26, 1996; to the Committee on Energy and Natural Resources.

EC-3209. A communication from President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a notice relative to U.S. exports to Russia for a storage terminal project; to the Committee on Banking, Housing, and Urban Affairs.

EC-3210. A communication from the Acting Director of the Defense Security Assistance