*(b) CONSULTATION.—In conducting the evaluation under this section, the Secretaries shall consult with appropriate State agencies.*

*(c) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Secretaries shall transmit a report to Congress on their findings under this section.*

***SEC. 585. NATIONAL CENTER FOR NANOFABRICATION AND MOLECULAR SELF-ASSEMBLY.***

*(a) IN GENERAL.—The Secretary is authorized to provide financial assistance for not to exceed 50 percent of the costs of the necessary fixed and movable equipment for a National Center for Nanofabrication and Molecular Self-Assembly to be located in Evanston, Illinois.*

*(b) TERMS AND CONDITIONS.—No financial assistance may be provided under this section unless an application is made to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may require.*

*(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $7,000,000 for fiscal years beginning after September 30, 1996 .*

***SEC. 586. SENSE OF CONGRESS REGARDING ST. LAWRENCE SEAWAY TOLLS.***

*It is the sense of Congress that the President should engage in negotiations with the Government of Canada for the purposes of—*

*(1) eliminating tolls along the St. Lawrence Seaway system; and*

*(2) identifying ways to maximize the movement of goods and commerce through the St. Lawrence Seaway.*

***SEC. 587. PRADO DAM, CALIFORNIA.***

*(a) SEPARABLE ELEMENT REVIEW.—*

*(1) REVIEW.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall review, in cooperation with the non-Federal interest, the Prado Dam feature of the project for flood control, Santa Ana River Mainstem, California, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4113), with a view toward determining whether the feature may be considered a separable element, as that term is defined in section 103(f) of such Act.*

*(2) MODIFICATION OF COST-SHARING REQUIREMENT.—If the Prado Dam feature is determined to be a separable element under paragraph (1), the Secretary shall reduce the non-Federal cost-sharing requirement for such feature in accordance with section 103(a)(3) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(a)(3)) and shall enter into a project cooperation agreement with the non-Federal interest to reflect the modified cost-sharing requirement and to carry out construction.*

*(b) DAM SAFETY ADJUSTMENT.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall determine the estimated costs associated with dam safety improvements that would have been required in the absence of flood control improvements authorized for the Santa Ana River Mainstem project referred to in subsection (a) and shall reduce the non-Federal share for the Prado Dam feature of such project by an amount equal to the Federal share of such dam safety improvements, updated to current price levels.*

***SEC. 588. MORGANZA, LOUISIANA TO THE GULF OF MEXICO.***

*(1) STUDY.—The Secretary shall conduct a study of the environmental, flood control and navigational impacts assoiciated with the construction of a lock structure in the Houma Navigation Canal as an independent feature of the overall flood damage prevention study currently being conducted under the Morganza, Louisiana to the Gulf of Mexico feasibility study. In preparing such study, the Secretary shall consult the South Terrebonne Tidewater Management and Conservation District and consider the District's Preliminary Design Document, dated February, 1994. Further, the Secretary shall evaluate the findings of the Coastal Wetlands Planning, Protection and Restoration Federal Task Force, as authorized by Public Law 101–646, relating to the lock structure.*

*(2) REPORT.—The Secretary shall transmit to Congress a report on the results of the study conducted under paragraph (1), together with recommendations on immediate implementation not later than 6 months after the enactment of this Act.*

***TITLE VI—EXTENSION OF EXPENDITURE AUTHORITY UNDER HARBOR MAINTENANCE TRUST FUND***

***SEC. 601. EXTENSION OF EXPENDITURE AUTHORITY UNDER HARBOR MAINTENANCE TRUST FUND.***

*Paragraph (1) of section 9505(c) of the Internal Revenue Code of 1986 (relating to expenditures from Harbor Maintenance Trust Fund) is amended to read as follows:*

*''(1) to carry out section 210 of the Water Resources Development Act of 1986 (as in effect on the date of the enactment of the Water Resources Development Act of 1996),''.*

Mr. SHELBY. Mr. President, I ask unanimous consent that the Senate disagree to the amendment of the House and request a conference with the House on the disagreeing vote and the Chair be authorized to appoint conferees on the part of the Senate.

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

The PRESIDING OFFICER (Mr. SMITH) appointed Mr. CHAFEE, Mr. WARNER, Mr. SMITH, Mr. BAUCUS, and Mr. MOYNIHAN conferees on the part of the Senate.

## CLARIFYING THE DESIGNATION OF NORMAL TRADE RELATIONS

Mr. SHELBY. Mr. President, I ask unanimous consent the Finance Committee be discharged from further consideration of S. 1918, and further that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1918) to amend trade laws and related provisions to clarify the designation of normal trade relations.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MOYNIHAN. Mr. President, I rise in strong support of S. 1918, legislation aimed at bringing a modicum of clarity to our trade laws. This bill, cosponsored by all 20 members of the Senate Committee on Finance, would replace the term ''most-favored-nation'' with a more direct, more accurate, less muddled phrase to describe the basis of our trade policy.

Since the 18th century, American trade policy has been one of nondiscrimination: the vast majority of our trading partners receive treatment equal to all others. Not most-favored treatment, but normal treatment. And hence, we propose the term ''normal trade relations'' in the hopes that it will lessen the confusion when we discuss trade matters.

At the root of the problem is that we continue to use a term that first appeared at the end of the 17th century—''most-favored-nation''—in our treaties and agreements, in our trade laws and executive orders, a term that, even then, was a misnomer.

There is, Mr. President, no single most favored nation. As noted in a 1919 report to the Congress by the United States Tariff Commission (known today as the U.S. International Trade Commission):

It is neither the purpose nor the effect of the most-favored-nation clause to establish a ''most favored nation;'' on the contrary its use implies the intention that the maximum of advantages which either of the parties to a treaty has extended or shall extend to any third State—for the moment the ''most-favored''—shall be given or be made accessible to the other party.''

That is, the most favored nation is not the nation with which we are negotiating, but rather a third nation altogether that happens to benefit from the lowest tariffs or smallest trade barriers with respect to some particular product. The most-favored-nation principle means merely that we will grant to the country with which we are negotiating the same terms that we give to that third country, for the moment the most favored.

Little wonder, then, that the term, though used for more than two centuries, has increasingly caused public confusion. And yet we must have a term to describe our normal trade relations for the simple reason that there is still in law a very unfavorable tariff—that is, the Smoot-Hawley Tariff Act of 1930, the last tariff schedule enacted line-by-line by the Congress, producing the highest tariff rates, overall, in our history.

In response to the disaster that followed, the Roosevelt administration negotiated a series of trade agreements—agreements with individual countries as well as multilateral agreements negotiated under the auspices of the General Agreement on Tariffs and Trade. These agreements brought down our tariffs, as they brought down tariffs worldwide.

These are the tariffs that we call our most-favored-nation tariff rates, which, in fact, apply to the vast majority of our trading partners. They are thus the norm, and not in any way more favorable than the tariffs that apply to nearly all other countries.

Nor are they, in fact, the lowest tariff rates the United States applies. We have free trade arrangements with Canada, Israel, and Mexico. We grant other tariff preferences to developing countries under the Generalized System of Preferences, to Caribbean nations under the Caribbean Basin Initiative and to Andean countries under the Andean Trade Preferences Act. The tariff rates under all of these regimes are lower than the most-favored-nation rates referred to in our laws and treaties. Hence the confusion, and hence the need to change the terminology to clarify that our most-favored-nation

tariff rates represent, in fact, our normal trade relations.

Mr. President, this legislation in no way intends to alter our fundamental international obligations. The term ''most-favored-nation'' has a long history of application and interpretation, and that will stand. This legislation is not intended as a substantive change in our trade policy. Rather, it is intended only as a change in nomenclature with the sole purpose of making our trade policy more comprehensible.

Mr. President, it is rare that legislation before the Senate has the cosponsorship of the entire membership of the committee of jurisdiction. That is the case with S. 1918, which strikes a bipartisan blow for clarity in our trade laws.

Mr. SHELBY. I ask unanimous consent the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

The bill (S. 1918) was deemed read for a third time and passed, as follows:

S. 1918

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. FINDINGS AND POLICY.**

(a) FINDINGS.—The Congress makes the following findings:

(1) Since the 18th century, the principle of nondiscrimination among countries with which the United States has trade relations, commonly referred to as ''most-favored-nation'' treatment, has been a cornerstone of United States trade policy.

(2) Although the principle remains firmly in place as a fundamental concept in United States trade relations, the term ''most-favored-nation'' is a misnomer which has led to public misunderstanding.

(3) It is neither the purpose nor the effect of the most-favored-nation principle to treat any country as ''most favored''. To the contrary, the principle reflects the intention to confer on a country the same trade benefits that are conferred on any other country, that is, the intention not to discriminate among trading partners.

(4) The term ''normal trade relations'' is a more accurate description of the principle of nondiscrimination as it applies to the tariffs applicable generally to imports from United States trading partners, that is, the general rates of duty set forth in column 1 of the Harmonized Tariff Schedule of the United States.

(b) POLICY.—It is the sense of the Congress that—

(1) the language used in the United States laws, treaties, agreements, executive orders, directives, and regulations should more clearly and accurately reflect the underlying principles of United States trade policy; and

(2) accordingly, the term ''normal trade relations'' should, where appropriate, be substituted for the term ''most-favored-nation''.

**SEC 2. CHANGE IN TERMINOLOGY.**

(a) TRADE EXPANSION ACT OF 1962.—The heading for section 251 of the Trade Expansion Act of 1962 (19 U.S.C. 1881) is amended to read as follows: ''**NORMAL TRADE RELATIONS**''.

(b) TRADE ACT OF 1974.—(1) Section 402 of the Trade Act of 1974 (19 U.S.C. 2432) is amended by striking ''(most-favored-nation treatment)'' each place it appears and inserting ''(normal trade relations)''.

(2) Section 601(9) of the Trade Act of 1974 (19 U.S.C. 2481(9)) is amended by striking ''most-favored-nation treatment'' and inserting ''trade treatment based on normal trade relations (known under international law as most-favored-nation treatment)''.

(c) CFTA.—Section 302(a)(3)(C) of the United States Canada Free-Trade Agreement Implementation Act of 1988 (19 U.S.C. 2112 note) is amended by striking ''the most-favored-nation rate of duty'' each place it appears and inserting ''the general subcolumn of the column 1 rate of duty set forth in the Harmonized Tariff Schedule of the United States''.

(d) NAFTA.—Section 202(n) of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3332(n)) is amended by striking ''most-favored-nation''.

(e) SEED ACT.—Section 2(c)(11) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 (c)(11)) is amended—

(1) by striking ''(commonly referred to as 'most favored nation status')'', and

(2) by striking ''MOST FAVORED NATION TRADE STATUS'' in the heading and inserting ''NORMAL TRADE RELATIONS''.

(f) UNITED STATES-HONG KONG POLICY ACT OF 1992.—Section 103(4) of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5713(4)) is amended by striking ''(commonly referred to as most-favored-nation status)''.

**SEC. 3. SAVINGS PROVISIONS**

Nothing in this Act shall affect the meaning of any provision of law, Executive order, Presidential proclamation, rule, regulation, delegation of authority, other document, or treaty or other international agreement of the United States relating to the principle of ''most-favored-nation'' (or ''most favored nation'') treatment. Any Executive order, Presidential proclamation, rule, regulation, delegation of authority, other document, or treaty or other international agreement of the United States that has been issued, made, granted, or allowed to become effective and that is in effect on the effective date of this Act, or was to become effective on or after the effective date of this Act, shall continue in effect according to its terms until modified, terminated, superseded, set aside, or revoked in accordance with law.

## G.V. (SONNY) MONTGOMERY DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER

Mr. SHELBY. Mr. President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of S. 1669, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1669) to name the Department of Veterans Affairs medical center in Jackson, Mississippi, as the ''G. V. (Sonny) Montgomery Department of Veterans Affairs Medical Center.''

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, I am privileged to have introduced S. 1669, along with Senator THAD COCHRAN, to name the VA medical center in Jackson, MS, in honor of our friend and colleague, Representative SONNY MONTGOMERY. A companion bill, H.R. 3253, was introduced by Representative MIKE PARKER, and it has already passed the House.

As many of you know, Congressman MONTGOMERY is retiring at the end of his current term after 30 illustrious years in the House. He has had a distinguished career and served under seven Presidents. ''Mr. Veteran,'' as many of us have affectionately called SONNY, led efforts to obtain Cabinet-level status for the Department of Veterans Affairs. He introduced and guided to passage a peacetime GI education bill which provides incentives for both recruitment and retention of qualified young men and women for the Armed Forces. This landmark legislation bears his name as the Montgomery GI bill.

Congressman MONTGOMERY has strongly championed the State Veterans Affairs nursing homes. He has done yeoman's service for veterans as chairman of the Veterans' Affairs Committee and as a distinguished member of the House National Security Committee. Veterans throughout the Nation have benefited greatly from the outstanding resources provided by VA facilities established and improved under SONNY's watch. In particular, veterans from Mississippi, and neighboring States, are well served by the Veterans Benefits Administration Southern Area Office, the VA Regional Office, and two VA medical centers made possible by the chairman's able hand.

The VA medical center in Jackson definitely needs an official name. Others have distinguished names such as the Sam Rayburn VA, the Jerry Pettis VA, and the James Haley Veterans Hospital. Unquestionably, Representative SONNY MONTGOMERY, Congress' ''Mr. Veteran,'' truly is well-deserving of having the Jackson VA Medical Center named in his honor.

It is very appropriate that this legislation comes before us now because of several events that are occurring to pay tribute to SONNY. Representative MONTGOMERY is being honored this week by his colleagues on the House Veterans' Affairs Committee for his dedicated service. Also, Mississippi State University, the chairman's alma mater, is hosting a benefit dinner for him. Proceeds from this benefit will establish the Sonny Montgomery Scholars Program at MSU. Furthermore, House colleagues have made arrangements to plant a magnolia tree on the southeast corner of the Capitol Grounds as a living testimony of SONNY's many years of service and outstanding achievements.

Mr. President, SONNY is one of the most outstanding, revered, and beloved Members of Congress. Veterans' Affairs Committee Chairman ALAN SIMPSON is a cosponsor of S. 1669, and strongly supports this measure. I urge my colleagues to join with me in this fitting tribute to our friend and colleague, Representative G.V. (SONNY) MONTGOMERY.