the way to Wolsey, pushing the total to 273 miles. The Aberdeen to Oakes line in northeastern South Dakota was also being considered for abandonment.

C&NW declined invitations to negotiate. The future of the rail lines looked bleak.

A breakthrough came when PRESSLER intervened in a proposed sale of Conrail to the Norfolk Southern Railroad, a merger that C&NW claimed would cost it $60 million a year in traffic diversions.

In return, C&NW approached the negotiating table with a commitment to find a potential buyer of its South Dakota track.

And in dramatic fashion, those along the track provided a huge show of support.

''C&NW joined me in a day-long working train trip in May 1985.'' PRESSLER said. ''We rode in a rail car between Rapid City and Pierre. Twelve hundred people turned out along the way to express their support for continued service. That really helped turn things around with C&NW officials.''

For the first time, the shortline or regional railroad concept was introduced.

And that trip across South Dakota's prairie seemed to have a calming effect on the players.

''It coalesced everyone,'' PRESSLER said. ''It was the first time all sides sat down and discussed the issue with the uniform goal to make the line work. Everyone agreed it would take some give and take.''

At a rail conference in September 1985, C&NW outlined a divestiture proposal which led to the birth of the DM&E Railroad.

A year later, the new railroad's locomotives were pulling cars full of grain, lumber, wood chips, bentonite clay and cement.

This summer, 100 miles of deteriorated track between Wessington and Pierre has been upgraded with new, 115-pound rail. This $20 million project is being financed by a bond issue the railroad will repay over 20 years with no state dollars.

The project is two months ahead of schedule. Crews are in the stretch run, laying new track between Blunt and Pierre.

In May, DM&E added 203 miles to its system when it purchased the ''Colony Line'' from the Union Pacific Railroad.

The line connects with the DM&E at Rapid City and extends north to Bentonite near Colony, Wyo., and south to Crawford and Chadron, Neb., where it links with Burlington Northern Santa Fe and Nebkota Railway.

''We are looking forward to a smooth transition'' DM&E president J.C. ''Pete'' McIntyre said when the sale was announced.

The railroad purchased 12 more locomotives and hired 50 employees, increasing the workforce to more than 300.

''These are good-paying jobs and benefits,'' *Pressler* said.

Also, the railroad announced it is spending more than $32 million for 625 new freight cars, including 325 covered hoppers to haul cement from South Dakota Cement Plant at Rapid City.

Others—such as grain elevators along the rail line—have made major improvements as well.

It's obvious to Anderson that had C&NW been successful in its abandonment efforts, the line wouldn't have been rebuilt.

''Business would have gone over to the Nebraska line,'' he said.

But because it didn't—and rail traffic now travels in South Dakota—it means long-term economic development for the state, he said.

''The C&NW had rerouted traffic out of the Black Hills to Nebraska,'' he said. ''When they failed to abandon the line from Rapid City to Pierre, they decided to sell it.

''After we began operations, and began upgrading the line and showed the ability to handle the carload business, we convinced C&NW to reroute that traffic coming across South Dakota in lieu of Nebraska.''

And then C&NW decided to abandon the Nebraska line.

''The reverse could have happened,'' Anderson said.

Ten years ago, one of the first repainted C&NW locomotives was named the ''Larry *Pressler*.'' Since then, locomotives have carried the names of cities along DM&E's service area.

The railroad also honored him by naming a Rapid City intersection ''*Pressler* Junction.''

Pressler admits he was like a kid in a candy store on a particularly memorable trip back home.

''They let me drive a locomotive a little bit once,'' he said.

DM&E KEEPS S.D. ON THE RIGHT TRACK

In the middle of the night, a train whistle carries a mournful, lonely sound on the prairie air.

As homesteaders pushed westward in the 19th century, the advent of trains signaled hope and opportunity in the uncertain vastness of Dakota Territory.

Today, they continue to represent a kind of comforting stability.

They have become as familiar to the landscape as rolling grasslands and an endless horizon. But trains in much of west and central South Dakota were nearly derailed by a corporate stroke of the pen a decade ago.

Chicago & North Western Railroad wanted to abandon its deteriorating track between Rapid City and Wolsey. It talked about walking away from its line between Aberdeen and Oakes, N.D., as well.

In historic fashion, shippers circled their wagons and waited for reinforcements. And, as their forefathers had done with other territorial disputes, they pushed for a reasonable solution.

Into the mix came Sen. Larry Pressler, R–S.D., who rightfully used his political standing in Washington to force field hearings.

In the end, it came down to a little give-and-take. C&NW's back was scratched when a railroad merger elsewhere in the country—which could have hurt its bottom line—was opposed by Pressler. In return, the boys in the C&NW boardroom agreed to find a buyer for the track it wanted to abandon in South Dakota.

Thus, the birth of Dakota, Minnesota & Eastern Railroad.

DM&E has been a good corporate neighbor in its first 10 years. It has proven it can handle the needs of shippers, farmers and other customers up and down its 900-mile line.

And it's doing something else that's certainly long overdue.

It's putting its money—and longterm viability—where its mouth is.

With the current track upgrade between Wolsey and Pierre nearly complete, DM&E has invested some $90 million in infrastructure. Millions more dollars have been committed to purchase hundreds of new rail cars.

Trains have had a romantic, endearing quality in this part of the country for well over a century.

For those who truly care about the future, their whistles will continue to beckon with faith and anticipation.

ECONOMIC NEEDS OF PUERTO RICO

Mr. JOHNSTON. Mr. President, since 1973, my first year in the Senate, I have spent a great deal of time and energy on issues affecting Puerto Rico. I rise today to voice my concern for our fellow citizens in Puerto Rico, who have been greatly affected by our recent action to eliminate economic development incentives under section 936 of the Internal Revenue Code without providing them with an alternative program. I understand the need to curb excessive corporate tax benefits in order to get our Nation's fiscal house in order. However, in accomplishing this, we must not ignore the needs of the people of Puerto Rico. The 3.7 million American citizens of Puerto Rico deserve the opportunity to become economically solvent and self-sufficient. We must work hand in hand with them to develop a sound economic development program that helps achieve those goals. Modifications, improvements or alternatives such as a wage credit have been suggested for Puerto Rico. All of these options deserve serious consideration, but above all we must not allow the economy of Puerto Rico to be devastated by inaction or the wrong action by Congress. Although I shall not be returning for the 105th Congress, I urge my colleagues to give prompt attention to this issue early next year.

AMERICA, WHO STOLE THE DREAM?

Mr. HOLLINGS. Mr. President, lost in the rhetorical haze generated by pollster politics is a serious discussion of the principle challenge facing this Nation, that is, how can we arrest the decline in wages and living standards and restore the American Dream. Instead of addressing this fundamental issue, what currently passes for political discourse is a mindless discussion in which each candidate stands up and proudly proclaims that he or she is for the family and he or she is against crime. What neither party wants to address is the immutable connection between two decades of economic stagnation and dislocation, and the breakdown of families and the destruction of communities.

In the past decade over 2 million high paying jobs in manufacturing have disappeared. The social fabric of hundreds of communities have been ripped apart. Those who have jobs are working longer and harder for less compensation. Isn't it more than a coincidence that the breakdown in the family and the collapse of our inner cities would coincide with an unprecedented era of economic insecurity? Once the land of opportunity, America now has the worst distribution of income in the industrialized world.

Fortunately, the Philadelphia Inquirer has filled this void. In a penetrating 10 part series, the Pulitzer Prize winning team of Donald Barlett and James Steele have put a human face on the devastation wrought by our failed trade policy. From our unwillingness to enforce our trade laws to the sorrid spectacle of former U.S. officials lining up to represent foreign interests, Bartlett and Steele correctly identify the root causes of our economic decline.

The strength of Barlett and Steele's piece is epitomized by the vicious attacks that have been leveled at this prize-winning team. Barlett and Steele have drawn fire from the same crowd who have for decades produced the same mindless, conventional wisdom that equates unilateral free trade with economic growth. These are the same people, whose wild assertions about NAFTA and GATT, were utterly false.

During the NAFTA debate the purveyors of conventional wisdom anointed Carlos Salinas as the man of the decade, valiantly reforming the political system and transforming Mexico into a first world economy. NAFTA was supposed to usher in a golden era for U.S. exports to Mexico creating thousands of new high wage jobs. Two years later we have recorded $23.2 billion worth of trade deficits with Mexico. The Mexican economy collapsed into a depression and the man of the year, Carlos Salinas, is living in forced exile while the extent of his administration's corruption is documented in the pages of the New York Times and the Wall Street Journal. NAFTA was supposed to create a North American Free Trade Block to compete against Europe and Asia. Instead, Asian investment has poured into Mexico. A recent article in the Nikkei Weekly, specifically cites Mexico's low wages and NAFTA's duty-free access as the reason why Asian investors are flocking to Mexico.

Mr. President, the same group that attacks Barlett and Steeles' objectivity, never once, during the debate on the GATT, questioned blatantly false assertions made about the efficacy of section 301, or the GATT Rounds' impact on the U.S. economy.

While we were assured that the United States maintained its rights to use section 301, Japan's Minister of Trade and Industry boldly proclaimed that, ''the era of bilateralism is over, all disputes will be settled by the WTO.''

In the year since the GATT/WTO has taken effect, our trade deficit has continued to soar at a record pace. Trade has become a net drag on the economy, robbing the United States of close to 1 percent of growth as imports consistently out-pace exports. Most pernicious were the claims made by the members of the Alliance for GATT Now. Claims of export booms that would lead to increases in employment. The reality is that 250 companies are responsible for 85 percent of U.S. exports. These same companies have been among the largest downsizers in the American economy. Pink slips rained down on workers at AT&T, IBM, and General Electric. According to an executive vice president at General Electric, ''We did a lot of violence to the expectations of the American worker.''

How can those who have consistently been wrong about trade now turn around and question Barlett and Steele?

Mr. President, this provocative series in the Philadelphia Inquirer has undermined many of the dubious assertions about trade. Assertions that for decades have been unquestionably accepted.

I urge my colleagues to read this series, and I hope it will stimulate a much needed debate on the most serious issue facing this Nation.

GLOBAL CLIMATE CHANGE

Mr. HELMS. Mr. President, Senator Sam J. Ervin, Jr., the distinguished former Senator from North Carolina, often said that the United States had never lost a war nor won a treaty. Well, during the summer, the Clinton administration quietly set the wheels in motion in Geneva for yet another disastrous treaty for the United States.

During July meetings, Tim Wirth, Undersecretary of State for Global Affairs, committed the United States to the negotiation of a binding legal instrument with the stated goal of reducing global greenhouse gas emissions.

Many experts agree that the premise for this new treaty, which excludes developing countries from enforcing the commitments to reduce emissions, makes its goal simply unachievable. Developing nations such as China will be the largest source of new greenhouse gas emissions in the post 2000 period, yet will be exempt from any new restrictions.

The United States currently is party to the U.N. Convention on Global Climate Change, signed at Rio in 1992 and ratified by the Senate in 1993. Under that treaty the member countries are divided into industrialized countries, termed ''Annex I countries,'' and developing countries, termed ''non-Annex I countries,'' for purposes of determining treaty commitments. The treaty tasks Annex I Parties to reduce greenhouse gas emissions to 1990 levels by the year 2000.

In March of 1995, the parties to the U.N. Convention laid the framework for the current negotiations when they met in Berlin, Germany, and agreed to the so-called Berlin mandate. The Berlin mandate states that the parties to the Convention would address this global problem post 2000 without binding any of the non-Annex I parties to new commitments. By agreeing to this disastrous concession—after making assurances to Congress that they would not do so, I might add—the means for addressing the issue as a global problem were removed from the table.

Mr. President, as things often happen, the flawed Berlin mandate became the building block for the latest round of concessions made by Tim Wirth in Geneva. There, parties approved a Ministerial Declaration which—in ''U.N. speak''—directs Annex I parties to ''instruct their representatives to accelerate negotiations on the text of a legally-binding protocol of another legal instrument.'' The Declaration directs that the commitments of Annex I parties will include ''quantified legally-binding objectives for emission limitations and significant overall reductions within specified timeframes, such as 2005, 2010, 2020.''

In plain English this means that any new treaty commitments regarding greenhouse gas emissions will set forth legally binding emission levels that must be met by industrialized countries only. The U.S. position turns basic principles of sound economic policy on its head since it directs industrialized countries to subsidize developing countries by polluting less while incurring higher costs so that developing countries can pollute more without incurring costs.

Some of our allies recognize the serious flaws in the current negotiations. According to the findings of an Australian Government study entitled ''Global Climate Change: Economic Dimensions of a Cooperative International Policy Response Beyond 2000,'' the treaty will not even achieve the desired environmental effect. The study finds that stabilizing carbon dioxide emissions of developed countries only at 1990 levels during the period from the years 2000 to 2020 ''would lead to minimal reductions in global emissions and would have higher costs for most countries than alternative abatement strategies.'' According to the Australian study, despite the additional costs, there will be no substantial reduction in the growth of global emissions because of the continued growth in the rest of world emissions.

Mr. President, even the elements that would provide some leveling of the playing field are nonexistent in the Ministerial Declaration that was approved by the parties in Geneva. For example, the document makes no reference to Joint Implementation [JI], a practice by which a country's emissions abatement costs can be spread across national borders. Under JI, a nation with relatively high marginal abatement costs can offset costs through involvement with projects in countries with relatively low emissions reduction costs. If countries were truly serious about decreasing the level of global emissions this plan would provide a global solution to the problem and bring economic benefits to the lower cost country in the form of foreign investment. These are clearly not the goals of the parties advancing this doomed policy.

According to a study by the General Accounting Office that I requested, during the period from 1993 to 1995, Federal agencies of the United States have spent almost $700 million on global climate change related spending. This is more than 70 percent of the total spending by the United States to advance major international environmental treaties. Despite the heavy resources being pumped into this Convention by the Clinton administration, Congress has yet to be provided a full economic analysis of the costs of the proposed protocol to the original treaty. Nor has the administration been forthcoming in its own proposals for