

land held by the Federal Government, but I do not think anyone, liberal or conservative, Democrat or Republican, would question the fact that sometimes that land is not held in the location where most would prefer it. Most of our land ends up being where settlers did not homestead it or where miners did not stake a claim. However, it is not the only basis that you ought to use for land allocation and ownership.

What this bill does is give us a chance to shift the ownership of the public land away from areas where it is not needed to areas where it clearly will be needed.

I cannot help but think that this measure has enormous environmental pluses in it, and I find myself dumbfounded that the President would choose to veto it. My hope is that the administration will be willing to sit down with us, let us know their concerns, and work things out if that is the case. But, also, I must say I am not willing to roll over on this. I am not willing to ignore good legislation. My suggestion is that if the President wants to work with Congress, he has to be willing to step forward and enunciate his concerns. Right now we are in a circumstance where the President has put these projects on a hit list without even being willing to name or articulate what his concerns are.

My belief is and always has been that good legislation is a product of thoughtful review and good communication between those involved not only at the legislative level but those outside of this body. I hope the President will reconsider his actions. Once before a President of the United States came up with a hit list for the Western United States. President Carter took vengeance out on the Western United States with his hit list. My hope is that President Clinton will not repeat that mistake.

I yield the floor.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. I thank the Chair for recognizing me.

#### ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT AGREEMENT

Mr. BREAUX. Mr. President, I take the floor to make a couple of comments about my extreme disappointment over the obvious fact that now this Congress will not be able to take up an agreement that has been worked on and negotiated for over 7 years that has now been completed but that will not be considered by our Congress through the ratification process.

The agreement that I speak to is the so-called OECD agreement, which is the Organization for Economic Co-operation and Development, which has brought together the shipbuilding countries of the world, and after 7 years and two administrations nego-

tiating this agreement and having the other nations of the world that build ships sign on the dotted line saying that this agreement is right for this time, unfortunately, this Congress, and this Senate in particular, will not be in a position to even bring it up for ratification.

The bottom line is that this agreement, which has been negotiated for so long, has as its major purpose the ending of shipbuilding subsidies by the other countries of the world.

In my time in the Congress, I have heard from people who work in shipyards, people who own shipyards, people who have shipyards in their districts and in their States, that if we could only end the other countries' subsidies to their yards, government subsidies, we in the United States could not only compete with these other foreign shipyards but we could do much better than they are doing.

This agreement, I say to my colleagues and to all, does exactly that. After 7 years of negotiation under the leadership of the Clinton administration and Bush administration, both of which have said this is a priority, and this agreement has now been completed and signed, we at this last hour refuse to take it up because there are some in our country who have said it is not perfect so, if it is not perfect, we will not participate. The losers of this battle are the people who asked us to enter into these negotiations in the first place, the shipbuilding industry. It is unfortunate that now there is such a division among the industry that we in the Congress are not able to do something which helps everybody in a major way.

I am committed to continue our efforts in the next Congress. I am fearful, however, that other countries will see the U.S. lack of ratification of this international agreement to mean that they will then be able to engage in their own subsidy wars once again, and that will be most unfortunate because, if there is anything which is clear, it is that this country cannot participate and cannot win an international subsidy battle with other countries willing to heavily subsidize their shipbuilding industries as a matter of national policy.

We have no subsidies directly provided by our Government to our shipbuilding industry. That program, the construction subsidy differential program, was ended in the administration of President Ronald Reagan. He said we are not going to do that any more. Congress agreed, and there is no longer any shipbuilding subsidies in place for our yards in this country, but all the other countries that are major shipbuilders still have subsidy programs.

This international agreement got them all to sit down at the table after 7 years and say, all right, if everybody agrees they are not going to do it, we are not going to do it either.

That agreement is a win-win for the United States. Failure to ratify and ap-

prove that treaty is a lose-lose for the United States industry and the thousands and thousands of men and women who work in those industries, because if we do not enact this agreement and other countries continue to subsidize their yards, we will continue to lose business. We will continue to build only militarily useful vessels in this country and commercial shipbuilding will continue to go overseas to yards that are consistently subsidized by their governments, because in many of these countries shipbuilding is their biggest industry. It is not in our country, and therefore we do not subsidize it. This agreement would have put other countries on a level playing field with us.

I am struck by the fact that at the last minute, when some of our industry people came in and said, well, we do not like this agreement because of this, that and the other, my staff, USTR people, many Members of the Senate and in the House sat down and said, all right, we will try to get what we can to fix it to address your concerns. Those who opposed the treaty said, well, they needed explicit clarification that the United States would not under any circumstances change our Jones Act, and we did that and clarified that in the treaty, that that would be exactly the way they asked for it.

They said that they need explicit clarification that our national security interests would be protected by this treaty, and that the defense features and military reserve vessels would be outside of the agreement. And we put that into this treaty to be ratified.

They said they needed 30 additional months of the current title 11 financing program for our shipbuilders to cover projects that were close to having their applications in. And we did that.

They said they needed clarification that the limited restructuring subsidies for some countries, which were allowed under the agreement to four countries in order to reduce their shipbuilding capacity, would be actionable if they, in fact, increased their capacity instead of reduced their capacity. And we did that.

It is unfortunate that, in the end, some would agree only on a perfect agreement. If anyone has been here longer than 2 weeks, he or she knows there are no such things as perfect bills, perfect legislation, or perfect treaties—or perfect anything. We are humans who try to do the best we can. Perfection is not something that we, oftentimes, are able to achieve.

So, while this agreement may not have been perfect, we answered in each instance the opposition of those who continue to oppose this treaty. They, in my opinion, will be the ones who will ultimately suffer the most by their stopping this Congress from bringing forth this agreement for ratification.

I know there are a lot of people who worked very hard. I commend Congressman SAM GIBBONS, from the other body, who really tried to bring his people together on this issue. Senator BILL

ROTH, the distinguished chairman of the Senate Finance Committee, worked very hard with his staff to say, yes, let us meet to try to bring this together. Our Democratic leader, TOM DASCHLE, tried to urge people to sit and negotiate. And also, particularly, Senator TRENT LOTT, the majority leader, who hosted meetings with the differing parties to try to bring people closer together, to say, yes, we should get this agreement in a posture to which everyone could agree.

I will conclude, Mr. President. We have been ravaged, ravaged by the subsidy practices of other countries in the shipbuilding industries. This agreement that two different administrations hammered out and negotiated over a 7-year period was an effort to end those subsidy practices of those other countries so the United States, which does not have a direct subsidy program, would be able to compete with our competitors from around the world on a level playing field.

Unfortunately, in the absence of this agreement being ratified by this body, we as a country have a signature on a piece of paper which is meaningless because we in the Senate could not bring the parties together to see the benefits of this agreement. It is a most unfortunate set of circumstances. It is unfortunate because there will be thousands of men and women who work in these yards every day who will be disadvantaged and who will be less competitive, not because they have less skills or are less productive, but because they are unable to compete with other governments.

Our workers and our industry and our engineers and our technicians can compete with any other engineer or any other technician or any other worker anywhere in the world. But our workers cannot compete with other governments who are not concerned about making a profit. We cannot compete under those terms with another government that so highly subsidizes those industries in those nations.

It is clear, at a time when we are talking about reducing Medicaid benefits, reducing welfare benefits, reducing benefits in Medicare, that we are certainly not going to start subsidizing our shipbuilding industries in the opposite direction.

So I am extremely disappointed, but, as always, I try to always be optimistic. There will be those in the next Congress who will realize this was a tragic mistake. I say to the other countries around the world that they, too, should look upon this effort, not as a final failure on the part of the United States, but rather only a pause in the legislative process, and, in the next Congress, hopefully we will get back on track and get our industries together to allow this Congress, and particularly this body, to approve what I think is a good treaty.

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

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

#### THE U.S. ECONOMY—ON THE RIGHT TRACK

Mr. CONRAD. Mr. President, yesterday we received more good news on the performance of the U.S. economy. Yesterday, the Census Bureau reported outstanding news with respect to increases in personal income and reductions in the levels of poverty in our country. I believe a significant part of the reason for the excellent economic performance is the Clinton economic plan that was passed in 1993. I believe that plan has contributed by reducing the deficit, reducing the deficit 4 years in a row. That took pressure off interest rates, and that fueled an economic resurgence in this country.

I think when we evaluate the performance of the last three Presidents on the question of deficit reduction, the record is remarkably clear.

Back in 1981, President Reagan came into office and inherited a deficit of \$79 billion. The deficit promptly skyrocketed under the theory of supply-side economics—the notion that we could dramatically cut taxes while increasing defense spending and somehow it would all add up.

Unfortunately, it did not add up. In fact, the deficit exploded. The deficit went up to over \$200 billion a year and stayed at that level through much of the Reagan administration, although there was some improvement in the final years of that administration.

Then we saw President Bush come into office. He inherited a deficit of about \$153 billion, and then the deficit truly went out of control. Each and every year the deficit rose, until in the final year of the Bush administration, we had a budget deficit of \$290 billion. That was the budget deficit.

Perhaps it would be helpful to explain the difference between deficits and debt, because I often find that people are confused by the two. Deficits are the annual difference between what we raise in revenue and what we spend. It is the annual difference. Debt, of course, is the accumulation of all of the deficits.

Under President Clinton, unlike President Bush where the deficit went up every year, in the Clinton years, the deficit has declined each and every year. In fact, we went from a unified deficit of \$290 billion—

Mr. REID. Will the Senator yield for a question?

Mr. CONRAD. I will be happy to yield.

Mr. REID. It is true, is it not, I say to the Senator from North Dakota, that 4 years in a row of declining deficits, the last time that happened was in the 1840's—that is 1840's—prior to the Civil War; is that true?

Mr. CONRAD. That is correct. The first time that we have seen the deficit decline 4 years in a row under one President was back in the 1840's.

Mr. REID. I also ask the Senator from North Dakota, in looking at the chart as I came into the Chamber, it appears to me that the deficit is only one-third of what it was at the height of the Reagan deficits.

Mr. CONRAD. If you measure the deficit against the size of our national income, which is probably the best measure of the deficit, that is true. In fact, the deficit measured against the size of the economy is the lowest it has been since 1974. In fact, we now have the lowest deficit of any of the major industrialized countries in the world. Again, I think that is the central reason we have seen this economic resurgence.

Mr. REID. Can I ask one final question? And that is, I think the Senator from North Dakota would agree that even though the last 4 years have been remarkable in driving down the annual deficit, I think we would all acknowledge we are working toward a zero deficit; is that true?

Mr. CONRAD. I think that is the goal that many of us share. I hope that would be what we could accomplish, to have a balanced budget in this country. It is critically important that we do that, because we face the demographic time bomb of the baby-boom generation. In very short order, the retirement of the baby boomers is going to double the number of people eligible for our major programs, from 24 billion to 48 billion. That is why we have to keep the pressure on to keep the deficit down.

I will conclude the point with respect to the Clinton administration's performance. In 1992 President Clinton promised he would cut the deficit in half. He has done much better than that. In fact, the deficit is down about 60 percent during the Clinton years.

Interestingly enough, the Federal Reserve Chairman, not known as a strong supporter of the Clinton administration—in fact, originally appointed by a Republican President—said that the deficit reduction in President Clinton's 1993 economic plan was “an unquestioned factor in contributing to the improvement in economic activity that occurred thereafter.”

This is the Chairman of the Federal Reserve in February of this year indicating that the Clinton plan was the central reason we have seen that dramatic improvement in the deficit during the Clinton years.

Not only do we see an outstanding story with respect to deficit reduction, this chart shows what has happened to real business fixed investment in billions of 1992 dollars. This chart goes back to 1985. You can see, ever since Bill Clinton has been in office, we have seen a dramatic improvement in business fixed investment. In fact, this is the best record for increases in business investment for any President since World War II.