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

FAST-TRACK LEGISLATION

Ms. MOSELEY-BRAUN. Mr. President, today's economic reality is that trade is global. Whether we enter into new international trade agreements or not, we cannot turn back the clock on the pace of globalization of our economy.

Nor should we want to. In open and free trade lies the potential of increased trade, and with increased trade and constructive interaction among the peoples of the world, the prospect of job creation, and an improved standard of living worldwide is created.

Americans, who have enjoyed the highest standard of living in the world, need not fear our ability to compete and win in this new global economy. To the contrary, we have every interest in preparing ourselves to meet and master the challenges of this new era.

Economic growth through trade can produce better jobs, increased prosperity, and a continuation of the high standard of living and opportunity that define the American dream. In the last 4 years, exports have accounted for one out of every three jobs created in the U.S. economy. Moreover, the strength of our economy is reflected in the fact that the United States is the No. 1 exporting nation in the world.

Our trade competitors, in recognition of the trends already evident in this new global economy, have formed regional trading alliances and relations to meet U.S. competition in world markets. Europe is beginning to trade as a European Community; an agreement among the Association of Southeast Asian Nations, known as ASEAN, augments Asian competition; and the United States entered into the NAFTA, in order to begin the formation of a regional trading arrangement in our hemisphere.

I believe that trade liberalization can have positive effects for our American economy. I do not believe, however, that it is advisable at this time to resort to the fast-track procedure to get there.

At the outset, I want to remind my colleagues and the public at large that what is at issue with this debate is not whether we will embrace trade liberalization, but how we will do so, and under what conditions. For constitutional, policy, and practical reasons I cannot support S. 1269, given the current lack of consensus in this Congress on trade policy objectives. I believe that this legislative proposal, as currently constituted, leaves too many questions unanswered regarding the balance that needs to be struck in the interest of American business and the American people.

Section 8 of article 1 of the Constitution gives to Congress the commercial power: ''Congress shall have the power to . . . regulate commerce with foreign nations, and among the several states, . . . and to lay and collect duties, imports and excises'' The Framers of the Constitution very clearly made it our responsibility to make commercial agreements, to set tariff levels, and to pass the laws necessary to implement legislation for trade agreements that are not self-executing. This power was put into the hands of the Congress, after no small amount of debate, as a check and balance on the President's authority to make treaties and to conduct foreign policy.

The concept of checks and balances lies at the heart of our constitutional system of government. The separation of powers, and the checks and balances it provides, was, and is, a defense against the tyranny that concentration of power invites. In fact, some of the Framers of the Constitution argued that the powers vested in one branch of the Government could only be exercised by that branch. In 1789, James Madison proposed an amendment to our Constitution which explicitly stated as much: ''the legislative, executive and judiciary powers vested by the Constitution in the respective branches of the government of the United States shall be exercised according to the distribution therein made, so that neither of said branches shall assume or exercise any of the powers peculiar to either of the other branches.'' (The House adopted Madison's proposed amendment, while the Senate, for reasons lost to history, rejected it.)

While it is still a matter of scholarly debate to what extent the separation of powers exists as a doctrine or as a concept within our Constitution, the fact that we are engaging in this debate at all is witness to the fact that this bill calls upon the legislature to transfer a good part of its constitutional authority, in regards to commercial treaties, to the Executive.

That is not to suggest that the fast-track authority has been a failure, or that the Executive should never be entrusted to assume such authority as the Constitution makes our responsibility. An early Secretary of the Treasury, Albert Gallatin, speaking to those instances in which ''shared'' authority might be appropriate, noted that, ''it is evident that where the Constitution has lodged the power, there exists the right of acting, and the right of direction''. . . . but he went on to address the accommodation that might be appropriate between the branches of government in this regard: ''the opinion of the executive, and where he has a partial power, the application of that power to a certain object will ever operate as a powerful motive upon our deliberations. I wish it to have its full weight, but I feel averse to a doctrine which would place us under the sole control of a single force impelling us in a certain direction, to the exclusion of all the other motives of action which should also influence us.'' (Gallatin, 7 Annals of Congress 1121–22 (1798))

The bill before us would effectively preclude the Congress from informing the Executive of ''all the other motivations of action,'' and even limits the time for debate. No amendments to trade agreements negotiated under the fast-track authority are permitted, and only 20 hours of debate are allowed. Given the momentous changes which are taking place in this new and global economy, this restriction on congressional input seems to me unwise and unnecessary, and should not be allowed to become routine practice.

Part of the lingering bitterness over the NAFTA, I suspect, arises from the fact that it was presented to the Congress under the same kind of fast-track procedures as are at issue now. Now, it is true that the claims on both sides of that debate, of a great ''sucking sound'' on the one hand, or of unprecedented job creation, on the other, did not materialize. What we have seen, in fact, is a mix of results, some better than predicted, some very much worse, but none fully realized, or more importantly, shared with the American people.

My home State of Illinois, for example, is a great exporting State, the fifth largest in our country; 425,000 Illinois jobs are directly related to exports, and Illinois manufacturing exports have grown by 53 percent since 1993. Illinois' agricultural sector has also benefited from increased exports of corn and soybeans.

On the other hand, the losses of manufacturing jobs have been significant enough to give more credence than I would have liked to the dire predictions of the debate over NAFTA. Other States have had different experiences, and one need only reflect on the impact on wheat imports, for example, to conclude that we have yet to reach closure on the long term effects that increased liberalization will create.

And yet, despite that history and despite the absence of a clear trade policy architecture that can command broad support both in Congress and across our Nation generally, S. 1269 would again mute the voice of the Congress concerning the architecture and objectives of our trade policy. Without the ability to amend such agreements as may be reached in the future, or to even enjoy normal parliamentary rights, we are left to that ''sole control of a single force impelling us in a certain direction,'' which Mr. Gallatin feared.

We need a trade policy framework that will represent the interests of all of the American people, and that will best advantage our business sector in its global competitive challenge. Unfortunately, despite the best efforts of our President and his first rate economic and trade team, we do not yet have such a framework.

I am particularly concerned about the issue of child labor. American business cannot compete fairly with nations that allow labor costs to be artificially depressed by the exploitation of children. In 1994, the U.S. Department of Labor issued a startling report

entitled ''By the Sweat and Toil of Children—the Use of Child Labor in U.S. Manufactured and Mined Imports.'' That report found that in textiles manufacturing, food processing, furniture making, and a host of other export-directed activities, children are employed for long hours in abysmal conditions, and are paid very low wages. They have few, if any legal rights, can be fired without recourse, and are often abused. They are hired by our foreign competitors to minimize labor costs. The International Labor Organization reports that 25 million children, world wide, are so engaged.

In the Philippines, for example, the Labor Department Report stated that in the wood and rattan furniture industry, children working in factories received 15 to 25 pesos per day—approximately 61 cents to $1. About 29 percent of the children were unpaid or compensated with free food; the rest were paid on a piece rate basis. About 48 percent of the children work between 15 to 25 hours a week, while another 13 percent work more than 50 hours for less than minimum wage.

The report stated that children who work in the garment industry in Thailand work 12-hour days in shops where they earn as little as five cents for sewing 100 buttons. Furthermore, they reported that in Cairo in Egypt's small family-operated textile factories, 25 percent of the workers were under the age of 15. Seventy-three percent of the children worked in excess of 12 hours per day and earned an average of $8 per month.

These are just a few examples of countries that employ children. Clearly, it is in the interest of every modern business and every industrialized nation to develop new international standards to help end child labor. Lower wages and extremely poor working conditions can lower manufacturers' costs in the short term, but they create long-term economic and geopolitical problems, not just for the country that exploits its children, but for the United States, as well.

When foreign industries artificially depress their labor costs by exploiting children, how can a U.S. worker compete? We must level the playing field for American workers. And more importantly, we must put our Nation on record that child labor must end. The United States must realize that it is an enlightened business policy to eliminate abusive child labor. Free-trade agreements should contain clear provisions against the use of abusive child labor.

Child labor should be designated an unfair trade practice, but S. 1269 does not make it so. Without such minimal ground rules with respect to child labor, our trade policy will be at cross purposes with our trade and larger foreign policy and national security objectives. We will have created a two-tier system in which U.S. companies will be prohibited from exploiting children here at home, while foreign firms, and U.S. companies, which leave to take advantage of the lower labor costs on foreign soil, will be permitted to exploit children so they can gain competitive advantage over those who play by our domestic rules. Such a system does nothing to benefit American business, creates incentives for the loss of U.S. jobs, and leaves us all with the shame of complicity in child abuse.

Finally, it is important to note that the Executive has the ability and the authority to negotiate trade agreements even in the absence of the fast-track procedure. It is my understanding that some 200 trade agreements have been concluded without it. Fast-track has only been used five times since 1974, for the GATT Tokyo round in 1979, the United States-Israel Free-Trade Area Agreement in 1985, the United States-Canada Free-Trade Agreement in 1988, NAFTA in 1992, and the Uruguay round of the GATT in 1994.

Instead of closing off debate about the proper purposes and architecture of free trade, we ought to encourage open and full debate with the American people about it. Trade is inevitably a more and more important aspect of our economic landscape, and indeed, as American business achieves the kind of market access in the world community that its capacity will allow, more and more U.S. workers will see the benefits of liberalization. Even today, those businesses which have benefited from the increased access accorded by NAFTA and GATT are enthusiastic about the prospects for real economic growth from this sector. We should be optimistic about our prospects overall, because American goods and services are seen by the rest of the world as providing the excellence they want. But we will see only fractiousness and retreat, if we fail to achieve consensus about the rules of our foray into this global economic competition.

I have a sense that trade, and its impacts, not only on our economy, but on our foreign policy as well, will come more and more to dominate the debate in our country about our future course and direction. If we are to be mindful of the ancient warning that ''all wars start with trade'' then we should redouble our resolve to make certain that our policy is based on consensus among our people regarding its direction, its objectives, its ground rules. We do not have such consensus yet. We should not shut off the debate which is the only way to get that consensus.

PUBLIC UTILITY HOLDING COMPANY ACT REPEAL

Mr. LOTT. Mr. President, I would like to state my strong support for S. 621, and express my disappointment that a few Senators have prevented this body from considering the bill this year. A bipartisan majority of Senators supports PUHCA repeal, and I will bring it to the floor for consideration and passage early next year.

Both Chairmen D'AMATO and MURKOWSKI, along with Senators DODD and SARBANES, deserve great credit for helping to move this legislation forward. It is unfortunate that their efforts on both sides of the aisle were unsuccessful this session. They know—as do the other 20 cosponsors of S. 621—that repealing PUHCA would remove an outdated regulatory burden that restricts the operations of a handful of electric and gas utilities.

Mr. President, PUHCA was enacted in 1935 to eliminate holding company abuses of that time, and it was quite successful. In the last six decades, however, Congress and the States have enacted a whole spectrum of securities, antitrust and utility regulatory statutes that make it impossible for those abuses to occur again. Even the Securities and Exchange Commission, the agency tasked to enforce PUHCA, has said that PUHCA is no longer needed and should be repealed.

Now, long past its usefulness, PUHCA stands in the way of competition. While some argue that PUHCA should only be repealed as a part of comprehensive restructuring legislation, I believe that incremental steps toward competition are responsible and realistic accomplishments for the 105th Congress. Repealing PUHCA should be the first incremental step.

Mr. President, crafting comprehensive restructuring legislation requires Congress to consider a whole host of difficult issues—stranded cost recovery, State versus Federal authority, renewable resources, public power subsidies, environmental impacts. The list goes on and on. There is no consensus among Senators on these issues, but there is an overwhelming amount of support for PUHCA repeal.

Instead of searching for the perfect total package, let's focus on the incremental steps toward competition that we can agree on. PUHCA is the biggest single Federal obstacle to the advancement of retail competition, and it should be repealed now. Several States have already adopted or are in the process of adopting retail competition plans without comprehensive utility restructuring legislation. We can't allow the Federal Government to block progress in the States. Without PUHCA repeal, retail competition in the States simply cannot flourish.

Mr. President, now is the time for PUHCA repeal. Although the few opponents of S. 621 have prevented the Senate from considering the bill this year, I will bring it to the floor early next year. I hope that my colleagues on both sides of the aisle will join me in repealing this outdated and burdensome Federal obstacle to competition in the utility industry.

KEEP HIGH TECHNOLOGY FREE FROM WASHINGTON INTERFERENCE

Mr. ABRAHAM. Mr. President, I rise to urge my colleagues to join me in