

was chosen to represent the school as the ambassador to the Hugh O'Brien Youth Foundation's annual conference.

The following year—junior year—Mr. Platzner raised funds and chaired the Student Council. He was also selected to sit on the board of trustees' education committee—2-year term—and elected president of the Model United Nations Organization. Adam Platzner won the Outstanding Delegate Award at the Ivy League Model United Nations Conference, as well as the class prize for his hard work, leadership, and dedication in the city of New Rochelle, NY. Mr. Platzner was appointed to the Youth Court.

During his senior year he continued to lead the KLHT Political Union forward. In the beginning of the year he was appointed to lead Students Against Driving Drunk. It was in decline and Mr. Platzner's job is to turn it around. Adam Platzner continues to be a dedicated member of the KLHT community. •

#### EUROPEAN UNION BANANA TRADE INEQUITY

• Mr. INOUE. Mr. President, I join today with my friend and colleague from Hawaii, Senator AKAKA, to congratulate Ambassador Charlene Barshefsky and her staff at the Office of the U.S. Trade Representative on their outstanding work to date in the World Trade Organization [WTO] action involving the European Union [EU] banana policy. On March 18, 1997, a neutral WTO panel charged with reviewing the banana case issued a detailed interim report finding the EU regime to be in violation of over 20 WTO principles. This represents more violations in a single case than has ever before been found in the history of the General Agreement on Tariffs and Trade and WTO dispute settlement.

Although narrow in scope, the one implication I am obliged to mention first relates to U.S. banana production. Hawaii has produced bananas commercially for almost 160 years. Bananas are Hawaii's seventh leading agricultural crop by value and show considerable promise for expansion and export. This growth potential is extremely important as Hawaii makes a critical transition from a large plantation style agricultural base in sugar and pineapple to a diversified crop base featuring a very wide range of tropical and subtropical products. While Hawaii is a small producer of bananas by global standards, the distortions to global banana trade caused by the EU banana import regime have taken a decisive toll on Hawaiian producers in the form of depressed producer prices. If the EU's panel report is adopted as expected, it will have a leveling effect on the prices received by Hawaii banana growers.

Other U.S. agricultural interests far beyond the banana sector also stand to benefit if the banana panel ruling is adopted in its present form. Farming interests throughout our country, in-

cluding in Hawaii, share a widespread concern that international agreements do not adequately protect them against unfair foreign trading practices, particularly against repeat offenders like the EU. With the banana report now out in preliminary form, we are close to having in hand the most favorable, comprehensive findings ever rendered against a single EU agricultural policy. The Journal of Commerce properly described the ruling as "a welcome signal that the WTO will not simply acquiesce when Brussels requires all member nations to raise their trade barriers to the highest level imposed elsewhere in the union." I request that the Journal of Commerce editorial in which that quote appears, entitled "Ending banana inanity," be included in the RECORD immediately following our remarks today.

Mr. AKAKA. Mr. President, I am pleased to join Senator INOUE in encouraging the U.S. Trade Representative's continued pursuit of this case. The consequences of this interim WTO report are significant—not just for Hawaii, but for the U.S. agricultural community and for U.S. trading interests generally. Ambassador Barshefsky wisely recognized those implications when she joined with numerous other WTO members in calling for a WTO dispute settlement panel to condemn the EU banana import regime.

The WTO panel acknowledged that in an increasingly interdependent global economy, governments will be held accountable for the adverse consequences their trade policies may have on foreign producing sectors, however large or small they might be. Hence, if the banana panel's interim report is adopted, as we expect it to be, small producing interests, such as the banana producers of Hawaii will be entitled under the long arm of the WTO to all rights and interests guaranteed by that treaty. Since the success of small producing interests is a critical aspect of Hawaii's agricultural future, this long arm protection is of great reassurance to us.

Under the new WTO rules, if the banana report is adopted, the EU will face a stark choice: it will either have to dismantle this unlawful regime or face legal WTO trade retaliation. After decades of EU disregard of U.S. agricultural interests, a strict enforcement of that choice should establish an effective model for resolving future disputes with the EU and, equally important, should deter the EU from even engaging in unlawful agricultural policies in the first instance. Restored confidence in international dispute settlement should, in turn, help broaden the general view that trade agreements are a positive force in the promotion of U.S. agricultural trading interests.

The banana report promises to be helpful to U.S. agriculture in still another way. By clarifying the conditions under which agricultural tariff rate quotas [TRQ's] can be administered, the report should prevent countries

from using TRQ's to accomplish the sort of nontransparent, discriminatory and restrictive non-tariff barriers that the Uruguay Round sought to eliminate.

In addition to the favorable precedent being set for American agriculture, the banana report also gives expansive life and coverage to the new WTO agreement governing services. The report found that U.S. service suppliers engaged in the wholesale distribution of fresh fruit have had their conditions of trade adversely affected by the EU regime in numerous ways, always to the direct benefit of EU corporate interests. The measure of U.S. harm as a result of these services violations may exceed \$1 billion, a level well in excess of the harm normally implicated in international dispute settlement actions. By strictly upholding U.S. service supplier interests in this case, the panel has helped ensure meaningful, lasting protection of all U.S. sectors covered by the new international services accord.

In short, if adopted, the WTO banana report will represent an unambiguous win for multiple trading interests throughout our country. We accordingly ask our Senate colleagues to lend all necessary support to Ambassador Barshefsky and her staff to secure adoption and full implementation of this important WTO report.

The editorial follows:

[From the Journal of Commerce, Apr. 11, 1997]

#### ENDING BANANA INANITY

An interim ruling last month by a World Trade Organization dispute panel, calling on the European Union to overhaul its system of banana trade preferences, was a big achievement for the 40 countries—one-third of the WTO's membership—involved in the case. It showed that a rules-based trading system can yield just decisions even in complex and politically charged cases.

The banana case involved a decades-old system of trade preferences that European nations granted their banana producing former colonies in Africa, the Caribbean and the Pacific. For six of those countries, that preferential access left relatively slim quotas for Latin American producers, many of whom market their fruit through U.S.-based Chiquita Brands.

That difficulty was compounded when, in 1993, the EU sought to transform the voluntary preference program adopted by some of its member states into a uniform regime for the entire union. That meant forcing Germany, Belgium, the Netherlands and other EU states to impose caps on banana imports, driving up the price and limiting the supply of the Latin American bananas their consumers prefer.

In principle, the EU could have handled this change in a way that did not discriminate against third countries and break WTO rules. But Brussels took the opportunity to set up a whole new system that favored European banana marketing companies and put Chiquita Brands at a disadvantage. The mechanism was a Byzantine system of import and export licenses, which were made available to European marketers and to the foreign governments willing to cooperate with them.

Four countries—Colombia, Costa Rica, Venezuela and Nicaragua—were made an

offer by the EU that they couldn't refuse: Agree to supply bananas under the EU regime or be punished with less access to the world's largest banana market. The EU also enlisted Caribbean politicians to defend the system it had set up to benefit European marketers. The result was that Chiquita saw its market share in Europe plunge by nearly 50%, costing it hundreds of millions of dollars.

The United States has fought this system in world trade bodies for years. Dispute panels of General Agreement on Tariffs and Trade, forerunner of the WTO, twice ruled that Europe's banana regime violates trade law, but the EU refused to honor those rulings. Washington's persistence may pay off yet, however, since the WTO's rules prevent a single nation from blocking a panel ruling.

To its credit, the three-member WTO panel withstood overheated lobbying by the EU and its allies in the Caribbean, who falsely charged that the United States was out to wreck the original preference program for former colonies. Instead, the panel identified the real issue: the right of investors in services—in this case, marketing and distributing bananas—to have a fair shot at a big market.

Moreover, the EU's claims notwithstanding the panel's interim ruling will not threaten Caribbean exports to Europe, which amount to 8% of Europe's banana imports. The only losers will be the big European banana trading firms, which will not longer be able to charge monopoly prices.

The ruling also is a welcome signal that the WTO will not simply acquiesce when Brussels requires all member nations to raise their trade barriers to the highest level imposed elsewhere in the union. The WTO allows this "leveling up," but also requires that exporters in third countries be compensated for their losses. The panel decision, if finalized, would require the EU to offer such compensation.

The decision is a victory for European consumers, who have been paying high prices as a result of the EU banana regime. If the interim ruling is finalized—as is expected—and the EU implements it as it should, Europe's long chapter of banana inanity may finally draw to a close.

#### WTO DISPUTE SETTLEMENT PANEL REPORT

Mr. GLENN. Mr. President, I rise to bring my colleagues' attention to a recent and very significant decision by a dispute settlement panel of the new World Trade Organization [WTO]. The case is extraordinarily complex and I congratulate Ambassador Charlene Barshefsky and her staff at USTR on their skillful handling of this matter on behalf of the United States.

To summarize the issue, the United States, Mexico, Ecuador, Honduras, and Guatemala went to WTO dispute settlement seeking an end to an EU banana trade regime which discriminates against banana exports from certain Latin American countries and against certain United States and Latin American banana marketing companies. The EU regime has deprived Latin American countries of market share and export growth in the EU and has taken business away from United States and Latin American banana marketers, giving that business over to European marketing firms.

The WTO panel's decision is a major victory for the United States and our Latin American partners in the case. The panel found that the EU banana

regime is founded on over 20 violations of international trade agreements, including the General Agreement on Tariffs and Trade [GATT], the General Agreement on Trade in Services [GATS], and the Agreement on Import Licensing Procedures.

This case has implications much broader than simply the banana trade. The United States has many, very contentious, on-going agricultural trade disputes with the EU, and for that reason U.S. agricultural interests have been watching the banana case with great interest. First, this case is an example of the successful use of WTO dispute settlement to resolve these agricultural trade issues. Further, according to the American Farm Bureau, the panel's report "helps establish clear parameters for the implementation of agricultural tariff rate quotas [TRQ's]. These parameters will help prevent TRQ's from becoming the very type of nontariff barrier the Uruguay Round sought to eliminate."

In addition, this case is the first test of the General Agreement on Trade in Services. The United States was instrumental in ensuring that GATS was included in the final Uruguay Round Agreement. It is in our interest to see the MFN and "national treatment" obligations, traditionally applied to goods in trade agreements, now extend to services, an increasingly important portion of U.S. foreign commerce. The panel decision in the banana case interprets broadly the GATS protections against government policies which discriminate against foreign service suppliers. This is an important precedent and a significant victory for U.S. interests.

Once again, Mr. President, I complement USTR on a job well done and urge the administration to persevere through the inevitable appeal process, doing everything necessary to ensure that this important ruling is not undermined. I sincerely hope that, with the panel's decision in hand, a negotiated solution to end the discriminatory banana regime can be found. However, if not, the United States has a WTO-sanctioned right to retaliate, which we should not hesitate to invoke, if necessary, to achieve full EU conformity with the panel ruling in this case.

#### A HOPEFUL STEP FOR AMERICA'S FARMERS

Mr. DEWINE. Mr. President, I am very pleased to join with my distinguished colleagues from Hawaii, Senator INOUE and Senator AKAHA, to congratulate Ambassador Charlene Barshefsky and her team at the Office of the U.S. Trade Representative for the efforts they have taken in their case against the European Union [EU] banana regime, which is pending before the World Trade Organization [WTO]. I know this is an issue of interest not just for the three of us, but also my Ohio colleague, Senator GLENN, my distinguished friend from Utah, Senator HATCH, and the majority leader, Senator LOTT. Last week, the six of us

joined together in a letter to Ambassador Barshefsky, expressing our appreciation for her office's great work to date.

The case in question was brought before the WTO by the United States, Mexico, Guatemala, Honduras, and Ecuador. Last March, a panel of the WTO made public an interim report, which found the EU banana regime to be in violation of more than 20 WTO principles. As the senior Senator from Hawaii pointed out, this one case has produced more violations than any other in the history of the WTO dispute settlement process.

I am sure one could ask why a Senator from Ohio would be interested in a trade dispute involving bananas. It's easy to answer: I am a Senator who represents a large number of farmers in Ohio. Ohio farmers produce agricultural goods for both domestic and international markets. Indeed, if American agriculture is to remain a growth industry, we need to increase our presence in world markets. It's that simple.

The hard fact for many farmers is that free and fair trade on the world stage hasn't always been simple, particularly when they have to go up against the EU. It is our job in Washington to achieve and advance trade agreements that protect and advance our agricultural interests. That can be easier said than done. It took years of negotiations before Congress finally ratified the General Agreement on Tariffs and Trade and supported the creation of the WTO. Despite this progress in our trade laws and agreements, I still hear from farmers who believe that international trade agreements don't do the job, or express a lack of confidence in the WTO system.

That's why I followed with great interest the case against the EU banana regime. The ultimate outcome of this case stands to shape both the real and perceived effectiveness of our U.S. trade team, and the WTO as a means to achieve those goals.

Last month's interim report represents the most significant and hopeful sign that our Nation's interests can be voiced effectively in the WTO. It's important to emphasize the interim report is a first step. The report still must be adopted by the WTO and the EU be compelled to achieve full conformity with its findings. If the WTO adopts the report, it will be the first time the United States has won a case brought against the EU in the WTO. If adopted, U.S. agricultural trade policy will stand at a vital crossroads. America's farmers have battled the EU's tough and predatory trade practices for decades. Now, it appears that the WTO is in a position to shift the balance toward fairness and respect for U.S. agricultural interests in two ways: First, by offering an impartial forum to hear and resolve trade disputes; and second, by serving notice to the EU that its past practices will not be tolerated.

Again, I congratulate Ambassador Barshefsky and her team for their persistent efforts to stand up for America's farmers before the WTO. I urge my colleagues to express their support as well. I hope we will see continued success as this report proceeds through the adoption process, and as other cases are brought before the WTO.

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ORDERS FOR TUESDAY, MAY 6,  
1997

Mr. SESSIONS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 a.m., on Tuesday, May 6. I further ask unanimous consent that on Tuesday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then immediately resume consideration of S. 672, the supplemental appropriations bill.

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

Mr. SESSIONS. Mr. President, I further ask unanimous consent that the first-degree amendments under the cloture motion be filed by 2:30 p.m., tomorrow.

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

Mr. SESSIONS. Mr. President, I now ask unanimous consent that on Tuesday, the Senate stand in recess from the hours of 12:30 to 2:15 in order for the weekly policy conferences to meet.

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

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PROGRAM

Mr. SESSIONS. For the information of all Senators, tomorrow morning the Senate will resume consideration of S. 672, the supplemental appropriations bill. As previously announced, the Senate will recess from 12:30 to 2:15 in order for the weekly policy luncheons to meet. There is a pending amendment which will necessitate a rollcall vote. Senators will be notified as soon as

possible as to the scheduling of that and other votes. In addition, we expect other amendments to the supplemental appropriations bill to be introduced tomorrow. Therefore, Senators can expect additional voting during Tuesday's session of the Senate. As a reminder to all Senators, a cloture motion was filed today. Therefore, all first-degree amendments must be filed by 2:30 p.m. to be in order.

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

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ADJOURNMENT UNTIL 10 A.M.  
TOMORROW

Mr. SESSIONS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 5:06 p.m., adjourned until Tuesday, May 6, 1997, at 10 a.m.