

competitive and productive capacity of this Nation.

I think this is an extremely important issue. We should not minimize it. Lower taxes will make us a stronger and more competitive Nation. We will have a greater increase in our economic growth. And out of that growth, we will have the capacity to serve those who are less fortunate. If we kill the goose that laid the golden egg, if we continue to tax this economy to the degree that it drives its growth down, we will not have that strength and that capacity to meet the challenges of our Nation.

Just look at the economies of Europe and Japan. You will see what can happen to us if we are not careful.

I am excited about what is happening. I look forward to having the opportunity to vote on many of these issues. I hope that the result will be that this economy will be free from further taxation, that we will have more growth and more productivity, and that we will be more competitive in the world.

Thank you, Mr. President.

I yield the floor.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, June 20, 1997, the Federal debt stood at \$5,331,587,514,810.20. (Five trillion, three hundred thirty-one billion, five hundred eighty-seven million, five hundred fourteen thousand, eight hundred ten dollars and twenty cents)

One year ago, June 20, 1996, the Federal debt stood at \$5,108,536,000,000. (Five trillion, one hundred eight billion, five hundred thirty-six million)

Twenty-five years ago, June 20, 1972, the Federal debt stood at \$426,219,000,000 (Four hundred twenty-six billion, two hundred nineteen million) which reflects a debt increase of nearly \$5 trillion—\$4,905,368,514,810.20 (Four trillion, nine hundred five billion, three hundred sixty-eight million, five hundred fourteen thousand, eight hundred ten dollars and twenty cents) during the past 25 years.

THE PROBLEM OF GLOBAL CLIMATE CHANGE

Mr. BYRD. Mr. President, on Thursday, June 19, I appeared before the Subcommittee on International Economic Policy, Export and Trade Promotion to testify on Global warming and on behalf of my sense-of-the-Senate resolution on the same matter which now has 61 cosponsors including myself.

I was pleased to appear on the same panel with my good friend, Congressman JOHN DINGELL. I ask unanimous consent that my testimony and that of Congressman DINGELL on that occasion be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR ROBERT C. BYRD

Mr. Chairman, I thank you for the opportunity to appear before the subcommittee to

discuss the critically important issue of the negotiations aimed at signing a protocol during the third session of the Conference of the Parties to the United Nations (UN) Framework Convention on Climate Change, which is scheduled to be held in December in Kyoto, Japan. I am concerned that the protocol that results from these negotiations could have a serious impact on American industry and on our economy, while at the same time failing to address a looming threat to the global environment.

On June 12, I introduced a Sense of the Senate Resolution, together with Senator Hagel and a bipartisan group of my colleagues, which addresses the conditions for U.S. agreement to revisions to the United Nations Framework Convention on Climate Change. The resolution has been cosponsored by 60 Senators from both sides of the aisle. This resolution states the Sense of the Senate that the developing world must fully participate in the treaty negotiations and commitments and play a meaningful role in effectively addressing the problem of global climate change.

In essence, the resolution accepts the thesis, which is still the subject of some dispute, that the increasing release of carbon dioxide (CO₂) and its accumulation in our atmosphere are causing a very gradual heating of the globe, which has many adverse consequences for us all. I believe the Administration should be commended for its efforts on this issue, and I commend this subcommittee for its attention to this matter. If substantial steps are going to be taken to influence carbon dioxide and other greenhouse gas emissions, we need to accelerate new technologies, anticipate new developments, and encourage public/private sector participation.

President Bush signed the United Nations Framework Convention on Climate Change, the so-called Rio Pact, in 1992, which was subsequently approved by the Senate, and calls on the industrialized nations to aim to reduce their greenhouse gas (GHG) emissions to their 1990 levels by the year 2000, a goal which will not be achieved by the U.S. nor by the vast majority of the industrialized nations unless further steps are taken.

The parties to the Framework Convention met in Berlin in 1995 to discuss the future direction of the treaty in light of this projected failure to meet the voluntary objectives, agreeing that any new commitments would be binding upon the signatories. Specifically excluded from any new commitments, however, would be the countries that comprise the developing world. The rationale for the so-called Berlin Mandate was that it is the industrialized OECD (Organization for Economic Cooperation and Development) nations that have been the major emitters of greenhouse gases in the past, and will continue to be in the next decade.

There are two intrinsic problems with the Berlin Mandate. First, while the industrialized world is the primary contributor to the current problem, that will not be the case in only a few years. As this chart demonstrates, the emissions of the developing world are rapidly increasing on a sharp, upward slope. These emissions will actually surpass those of the industrialized OECD nations by the year 2015. In short, the developing world is rapidly becoming a clone of the OECD nations.

Let us assume that the current negotiations for a new protocol, which are to be concluded in Kyoto this December, result in a binding commitment that the OECD nations must reduce their emissions to 1990 levels by 2010. This chart demonstrates that under such a scenario the OECD nations will sharply reduce our emissions of greenhouse gases. The price we will pay in order to achieve

these reductions is open to debate, as estimates differ. Nonetheless, the key point is that this responsibility will not be shared because of the Berlin Mandate, for the chart clearly shows that the emissions of the developing world continue on their inexorable upward track, even as we in the OECD group make the painful and costly adjustments necessary to force down our emissions.

This demonstrates the second problem with the Berlin Mandate, which is that we gave away the store, and we received nothing in return. Many of the biggest emitters of greenhouse gases in the developing world have refused to even discuss, let alone seriously consider, taking any emissions limitations commitments upon themselves. In what can only be viewed as an act of environmental irresponsibility, the developing nations have adamantly refused to recognize that they will, over the next two decades, become the primary cause of the problem, in terms of annual emissions.

The refusal of the developing world to discuss any future emissions limitations commitments has become a central issue, for any attempt to bring them into the process is labeled by some as a "treaty killer." I have a different perspective. My resolution is not a treaty killer. It is, in fact, a treaty enhancer. It calls upon the Administration not to agree to a protocol, unless it includes new commitments to limit or reduce greenhouse gases emissions for developing country parties within the same compliance period. My resolution improves the treaty. For any treaty that does not include emissions limitations provisions for the developing world is inherently unsound and ineffectual on its face. Environmentally, we are all in the same global boat. What good does it do for the United States and other developed nations to work feverishly to plug the holes in the boat, if the developing nations are drilling holes at the other end just as fast as we plug them? Be assured that the global boat will sink just as rapidly and we are all going to be in for a long, long swim.

Bringing the developing world in under the climate change tent, as part of any future treaty, will not only increase the prospects of Senate ratification, it will also be enormously beneficial for the international environment. Let me further clarify that point. This chart shows the world of 1995, in terms of world carbon emissions in millions of metric tons of carbon. The United States and OECD nations, shown in red, are responsible for a little over half of that total. The next chart projects the world as it might be after the currently proposed treaty is adopted, with only the developed world taking action to reduce greenhouse gas emissions. The difference is startling. The developing world, shown in purple, has assumed the U.S. and OECD nations' place as the biggest global polluters. The problem remains the same, only the names have changed. And again, because of the flawed Berlin Mandate, all of these emissions from the developing world will be completely uncontrolled, and free to increase even further. From this perspective, it is the Berlin Mandate—and the fact that it lets the developing world off the hook scott-free—that will seriously harm the global environment in future years.

Finally, let us examine the role of China. Despite possessing a strong and growing economic and industrial base, despite possessing the ability to launch satellites into orbit, China is still counted among the family of developing nations. But its industrial growth is matched by its growing contribution to global pollution. This chart compares China's contribution to global carbon emissions to the contribution made by the United States. On the left, we can see that based upon current trends, China will surpass the

United States in carbon emissions by 2015. On the right, we can see that if current proposals are adopted, under which we would reduce our carbon emissions to 1990 levels, while imposing no requirements upon the developing world and China, China all by itself will greatly exceed the United States in metric tons of carbon emitted.

I find it disturbing that despite its future role as the world's leading contributor to the problem of carbon emissions, China has indicated steadfast refusal to apply any type of binding obligations upon its own economy and industries. I believe that if the treaty we are negotiating today does not equally commit developing nations like China to binding commitments, there will be no incentive for China and the other nations of the developing world to make responsible and environmentally sound choices as they develop. You can be sure that after China assumes its role as a leading carbon emitter, she will not be very eager to make the tough and costly corrections to retrofit her industries to reduce emissions of greenhouse gases. Indeed, she may expect to benefit from a treaty in which she escapes binding commitments, because it may allow her to import industries from OECD nations that would choose to relocate there rather than change their ways and clean up their acts at home.

My message to U.S. negotiators is that all nations, but particularly those that are making and will make a significant contribution to greenhouse gas emissions, need to (1) make commitments at Kyoto that unequivocally demonstrate an action program to tackle this problem, and (2) to start with aggressive efforts to act on those commitments immediately and not settle for vague promises to return to a future negotiation to get serious. Finally, while countries have different levels of development, each must make unique and binding contributions of a pace and kind consistent with their industrialization. The developing world must agree in Kyoto to some manner of binding targets and commitments which would begin at the same time as the developed world in as aggressive and effective a schedule as possible given the gravity of the problem and the need for a fair sharing of the burden.

In closing, I note that my resolution states than any treaty presented to the Senate be accompanied by a "detailed explanation of any legislation or regulatory actions that may be required to implement the protocol or other agreement and should also be accompanied by an analysis of the detailed financial costs and other impacts on the economy of the United States which would be incurred by the implementation of the agreement." There surely will be costs if the United States is to make the changes to our existing industrial base and to our existing lifestyle necessary to meet the goals of this treaty. Our smokestacks must be cleaner and our automobiles more efficient. There are many ways to achieve these goals. We must be able to tell the American people what will be required to meet any proposed commitment.

Politically, I believe that there needs to be a strong consensus between the President and Congress about any plan of action. The Administration's policy of follow-on multilateral negotiations to deepen the impact of the Rio Pact requires very substantial consensus-building with the Congress, and broad educational activities to bring the American public along. To impose effective, legally-binding measures on the U.S. economy, will mean having the strong support of the Senate. We Senators need to be deeply concerned over the alarm that has been expressed to us by a very broad range of American industry and labor over the impacts on our economy of a treaty which commits the United States

to deep emission reductions, and which does not spread the burden of responsibility equitably across the globe. These assessments by bedrock American industry must be taken seriously. I hope that this hearing will result in new Senate attention to the progress of these negotiations, and that this Committee will serve to interact regularly with the State Department and Administration policy-makers as our negotiating strategy is developed and refined.

The resolution that Senator HAGEL and I introduced, and which has won the support of a majority of sixty Senators, is aimed at that negotiation, and beyond. Since carbon and other greenhouse gases can accumulate in the atmosphere and persist for long periods, we will not as a community of nations get a handle on these threats to our global climate unless everyone participates and does their share to solve the problem. We all share our earth in common. We breathe the same air, and we are exposed to the same global climate system. We must all accept our share of the responsibility for the global climate. We must keep this fragile boat afloat, together, and the sooner we have commitments from all its passengers to work together in that effort, the better.

TESTIMONY OF THE HONORABLE JOHN D. DINGELL, SENATE FOREIGN RELATIONS COMMITTEE, SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY, EXPORT AND TRADE PROMOTION, JUNE 19, 1997

Mr. Chairman, I appreciate your holding this hearing. I consider it a great honor to testify beside my good friend and highly respected colleague from West Virginia, Senator Byrd.

I do not appear before this Subcommittee as a critic of the idea that we are engaged in climate change negotiations and that we are moving forward. I'm critical of the idea that we are negotiating without the full and proper information that we need.

With respect to the climate change negotiations, I have several questions to which I have yet to receive satisfactory answers.

One: Have we overreached on the science?

The State Department has concluded that current science proves that global warming is "dangerous" and requires immediate emissions reductions. But the official U.N. scientific body has gone only so far as to identify a link between human activity and warming, but their own document on the science states, and I quote, "our ability to quantify the human influence on global climate is currently limited." In other words, we don't know with any degree of precision how big the problem is, we don't know how fast it's moving, or how it can be mitigated.

My friend and former colleague Tim Wirth, who will testify later this morning, agrees on this point. At a public forum this February he said there is "no doubt about the theory" of climate change and that "we don't know where, how much or how fast."

Two: Is what we're seeing here a classic example of mission creep?

We've seen a shift from voluntary to mandatory policies. Initially, the Administration's policy was based on voluntary agreements with industry and reliance on "joint implementation" of mutually beneficial partnerships between U.S. industry and developing countries. For instance, U.S. companies would get credit for helping developing countries build clean power plants. But sometime early in 1996, the tone changed. Mandatory emissions reduction became the goal.

Three: Who is representing America's interests? Are we setting ourselves up for an economic fiasco?

In a letter to me in 1995, President Clinton promised not to agree to anything which

would adversely affect U.S. competitiveness. But the State Department has signed onto agreements that are procedurally and substantively disadvantageous. The outcome may be an agreement late in 1997 in Kyoto imposing mandatory emissions reductions on developed countries, and at best only voluntary steps for developing nations.

We've already committed ourselves to steps to control emissions and potentially harm our competitiveness. The developing countries are scot-free. We've gotten not a single, solid, binding commitment from them.

My friends in the Administration argue that they are being hard-nosed because they have rejected the more extreme proposals advanced by groups such as the Association of Small Island States, or AOSIS. But I find scant reason to congratulate our negotiators for refusing the chance to submit our unconditional surrender.

Four: Even if you disagree that climate change is a problem, is the Administration really doing anything to protect the environment?

The theory of global warming holds that greenhouse gases have an effect no matter where in the world they are emitted. This is not like the debate over acid rain or ozone, where emissions from one part of the country were thought to cause problems in another, identifiable region. China will surpass us in terms of emissions early in the next century. If you accept the theory of global warming, those emissions will cause as much harm to the climate as emissions from the developed countries today.

Five: How is all this going to work?

I've yet to see a proposed negotiating text that includes specific dates and numbers. Those are important matters, but there are some other fundamental issues at hand: Who will have to do what? Who will enforce the agreement, and how timely would enforcement be? If we establish a trading system, is China or any other developing country going to be allowed to keep credits for themselves as a country? Or will companies be allowed to use them to offset operations elsewhere in the world? Does anyone seriously believe China, or any other country for that matter, will act on altruistic motives?

This leads me to my sixth and final question. Why are we doing this before we have the most basic information about how climate change policies will affect our economy? In short, has the Administration bothered to do its homework?

We were supposed to have the vaunted analysis and assessment of the impact of climate change policies on the U.S. economy by the end of last year. It has not been completed yet, despite repeated promises to Congress and industry that it would be available before important policy decisions are made. But the State Department formally proposed a cap-and-trade negotiating position in January. In short, the analysis is self-evidently too late to inform the process, and likely will be used to justify what the Administration has already decided to do. Just as clearly, public participation and comment on the analysis and assessment is irrelevant. And the Department of Commerce official in charge of the analysis and assessment has moved on to pursue other career opportunities.

I have asked the Administration whether, when they go to Kyoto next December, they will refuse to sign any agreement that binds the U.S. to new emissions obligations unless it holds our economic competitors in the developing world to equivalent obligations. I cannot in all truth say that I have received a reassuring answer.

My concerns very closely parallel those of American labor, and I am delighted that you

will be hearing from Secretary-Treasurer Trumka of the AFL-CIO. I commend to you the resolution on climate change adopted by the AFL-CIO Executive Council, as well as the Senate resolution offered by Senator Byrd.

Let me close by noting again that I am not opposed to our being part of international negotiations on climate change. But I would approach those negotiations the way I would approach a high-stake poker game: with an open mind, but not with a blank check.

CHARLES BEATTY'S DEDICATED SERVICE TO THE SENATE

Mr. BYRD. Mr. President, I would like to commend a fellow West Virginian, Charles E. ("Chuck") Beatty for his significant contributions to the Senate on the occasion of his recent retirement from the Bell Atlantic Telephone Company after more than 32 years of service.

During the past 11 years, Chuck has faithfully served this institution. He was assigned to the Senate in 1986 when he was involved in the digital telephone switch installation. He has worked diligently and tirelessly throughout these years on any project required by the Senate, regardless of the deadline. Some of his other major accomplishments include overseeing the installation of telecommunications service for the last three Presidential Inaugurations and implementation of the state-of-the-art rewiring of the Russell Senate Office Building, which is nearly completed. No job was ever too big or too small or required too quickly. Chuck always provided the Senate whatever was needed as soon as necessary.

Chuck was born in Cheat Neck, West Virginia, outside of Morgantown, where his parents still reside. He frequently returns to a cabin near Moorefield to enjoy the West Virginia scenery and air as well as canoeing on the North Fork of the Potomac River.

I want to take this opportunity to thank Chuck for his dedicated service to the Senate and wish him well in his future endeavors.

SMALL BUSINESS LOANS FOR INNER CITY

Mr. ALLARD. Mr. President, recently, the Rocky Mountain News reported on a new program in Colorado, the Community Entrepreneurial Program, which provides small business loans to inner city Denver entrepreneurs.

The Community Entrepreneurial Program uses private and nonprofit funds, not government money, to fund these micro-loans. It is part of an international effort to set up small businesses around the world, Enterprise Development International, headquartered in Arlington, VA.

As we continue to find ways to help people help themselves, this program is leading the way in helping individuals with the initiative and drive to start a small business.

To quote Wil Armstrong, a Denver business leader who is very active in the Community Entrepreneurial Program, "We're backing one little business at a time, trying to make a difference for just one person or one family at a time."

I ask unanimous consent that the Rocky Mountain News story be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Rocky Mountain News, May 25, 1997]

MICRO-LOANS AID DENVER POOR

(By Al Lewis)

Micro-loans have long been heralded as a solution to Third World economic woes. Now a handful of micro-lending organizations are bringing them to Denver.

"We call ourselves the investment banker to the ghetto," said Stephen Rosenburgh, chief executive officer of Arlington, Va.-based Enterprise Development International. "We seek to enable the poorest of the poor."

Since 1985, his group has helped 660,000 people set up small businesses around the world. It has helped first-time entrepreneurs purchase everything from rickshaws to trucks, hand tools to laptops.

Now the group is contributing to a \$240,000 loan pool that will finance small start-ups in low-income areas of Northeast Denver.

The Community Entrepreneurial Program, launched last week, will make 16 to 20 loans of up to \$15,000 to entrepreneurs in the Whit-tier, Five Points, Park Hill and City Park East neighborhoods, said Bill Bridges of Belay Enterprises.

"A lot of inner-city people find it hard to connect with a bank," Bridges said. "But with welfare reform on the horizon, home-based businesses and self-employment are going to become very important."

Belay received \$20,000 from Enterprise Development International to launch the program. It also received \$20,000 from Agape Christian Church, Church in the City, Jubilee Community Church and Loving Saints Christian Church; and it received \$40,000 from a statewide organization called Colorado Capital Initiatives.

The \$80,000 from the various groups will be used to secure \$240,000 worth of loans from Northwest Bank Colorado.

The three-year loans carry interest rates of just one point above the prime lending rate.

They will help start businesses ranging from painting and carpentry contractors to home-based medical billing and mortgage brokerage services, Bridges said. Loan candidates will be referred by participating churches.

Micro-lending programs like Belay's may be the wave of the future for corporate charity.

Business people sometimes scoff at the idea of a handout, but they are usually happy to donate money to programs that cultivate an entrepreneurial spirit in beneficiaries, Rosenburgh said.

They also offer their time and expertise.

"I want to use business in a way that impacts others," said Wil Armstrong, vice president of Cherry Creek Mortgage Co. Inc.

Armstrong, who once volunteered at Mother Teresa's home for the destitute in India, is director of Enterprise International. His father, former Colorado Republican Sen. William Armstrong, serves on the group's international advisory board, which is chaired by Jack Kemp.

"Mother Teresa was out to change the world for one person at a time," Armstrong said. "In a lot of ways, that's what I believe Enterprise does. We're backing one little business at a time, trying to make a difference for just one person or one family at a time."

Mr. ALLARD. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ENZI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

BALANCED BUDGET ACT OF 1997

The PRESIDING OFFICER. The Senate will now proceed to the consideration of S. 947, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 947) to provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for the fiscal year 1998.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I suggest the absence of a quorum, and I ask that the time be equally divided.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Parliamentary inquiry, Mr. President. I understand we are on the reconciliation bill?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. Time has been running?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. How much time has run?

The PRESIDING OFFICER. Thirty minutes.

Mr. DOMENICI. I understand that the leadership has indicated there will be no votes today, which does not mean there will not be amendments offered. We hope that we will take a few amendments and debate them and then put them over in some stacked regime for tomorrow.

I also understand there are 20 hours of debate equally divided on this bill. Is that correct?

The PRESIDING OFFICER. That is correct.