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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND.]

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, giver of every good gift for our growth as Your people, we ask for health and strength only that we may serve You. You alone know what is good for us. Therefore, grant us only what is best for us. We have no other purpose than to spend our days seeking and doing Your will.

We acknowledge our utter dependence on You. All that we have and are we have received from You. You sustain us day by day and moment by moment. We deliberately empty our minds and our hearts of anything that does not glorify You. We release to You any pride, self-serving attitudes, or willfulness that may have been harbored in our hearts. We ask You to take from us anything that makes it difficult not only to love but to like certain people. May our relationships reflect Your initiative, love, and forgiveness.

We commit to You the work of this day. Fill this Chamber with Your presence and each Senator with Your power so that whatever is planned or proposed may bring our Nation closer to Your righteousness in every aspect of our society. You are our Lord and Savior. Amen.

PLEDGE OF ALLEGIANCE

The Honorable WAYNE ALLARD, a Senator from the State of Colorado, led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Colorado is recognized.

SCHEDULE

Mr. ALLARD. Mr. President, today the Senate will resume consideration of the CBI/African trade bill. Amendments to the bill are expected to be offered during the postcloture debate, and therefore Senators can expect votes throughout the day. The Senate may also begin consideration of the conference report to accompany the financial services modernization bill during today's session of the Senate. It is hoped the Senate can complete action on the African trade bill and the financial services conference report by tomorrow's session. It is also still possible an agreement can be reached regarding the bankruptcy reform bill so the Senate can consider that legislation prior to the impending adjournment.

I thank my colleagues for their attention.

MEASURE PLACED ON THE CALENDAR

Mr. ALLARD. Mr. President, I understand there is a bill at the desk due for its second reading.

The PRESIDENT pro tempore. The clerk will now read the bill for the second time.

The bill clerk read as follows:

A bill (H.R. 1883) to provide for the application of measures to foreign persons who transfer to Iran certain goods, services or technology, and for other purposes.

Mr. ALLARD. Mr. President, I object to further proceedings on this bill at this time.

The PRESIDENT pro tempore. Under the rule, the bill will be placed on the calendar.

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

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. ALLARD). Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

AFRICAN GROWTH AND OPPORTUNITY ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 434, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 434) to authorize a new trade and investment policy for sub-Sahara Africa.

Pending:

Lott (for Roth/Moynihan) amendment No. 2325, in the nature of a substitute.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill 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 (Mr. GRAMS). Without objection, it is so ordered.

AMENDMENT NO. 2360

(Purpose: To establish trade negotiating objectives for the United States for the next round of World Trade Organization negotiations that enhance the competitiveness of the United Stated agriculture, spur economic growth, increase farm income, and produce full employment in the United States agricultural sector)

Mr. CONRAD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

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The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself and Mr. GRASSLEY, proposes an amendment numbered 2360.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. ___. AGRICULTURE TRADE NEGOTIATING OBJECTIVES AND CONSULTATIONS WITH CONGRESS.

(a) FINDINGS.—Congress finds that—

(1) United States agriculture contributes positively to the United States balance of trade and United States agricultural exports support in excess of 1,000,000 United States jobs;

(2) United States agriculture competes successfully worldwide despite the fact that United States producers are at a competitive disadvantage because of the trade distorting support and subsidy practices of other countries and despite the fact that significant tariff and nontariff barriers exist to United States exports; and

(3) a successful conclusion of the next round of World Trade Organization negotiations is critically important to the United States agricultural sector.

(b) OBJECTIVES.—The agricultural trade negotiating objectives of the United States with respect to the World Trade Organization negotiations include—

(1) immediately eliminating all export subsidies worldwide while maintaining bona fide food aid and preserving United States market development and export credit programs that allow the United States to compete with other foreign export promotion efforts;

(2) leveling the playing field for United States producers of agricultural products by eliminating blue box subsidies and disciplining domestic supports in a way that forces producers to face world prices on all production in excess of domestic food security needs while allowing the preservation of non-trade distorting programs to support family farms and rural communities;

(3) disciplining state trading enterprises by insisting on transparency and banning discriminatory pricing practices that amount to de facto export subsidies so that the enterprises do not (except in cases of bona fide food aid) sell in foreign markets at prices below domestic market prices or prices below the full costs of acquiring and delivering agricultural products to the foreign markets;

(4) insisting that the Sanitary and Phytosanitary Accord agreed to in the Uruguay Round applies to new technologies, including biotechnology, and clarifying that labeling requirements to allow consumers to make choices regarding biotechnology products or other regulatory requirements cannot be used as disguised barriers to trade;

(5) increasing opportunities for United States exports of agricultural products by first reducing tariff and nontariff barriers to trade to the same or lower levels than exist in the United States and then eliminating barriers, such as—

(A) restrictive or trade distorting practices that adversely impact perishable or cyclical products;

(B) restrictive rules in the administration of tariff-rate quotas; and

(C) unjustified sanitary and phytosanitary restrictions or other unjustified technical barriers to agricultural trade;

(6) encouraging government policies that avoid price-depressing surpluses; and

(7) strengthening dispute settlement procedures so that countries cannot maintain unjustified restrictions on United States exports in contravention of their commitments.

(c) CONSULTATION WITH CONGRESSIONAL COMMITTEES.—

(1) CONSULTATION BEFORE OFFER MADE.—Before the United States Trade Representative negotiates a trade agreement that would reduce tariffs on agricultural products or require a change in United States agricultural law, the United States Trade Representative shall consult with the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate and the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives.

(2) CONSULTATION BEFORE AGREEMENT INITIALED.—Not less than 48 hours before initialing an agreement relating to agricultural trade negotiated under the auspices of the World Trade Organization, the United States Trade Representative shall consult closely with the committees referred to in paragraph (1) regarding—

(A) the details of the agreement;

(B) the potential impact of the agreement on United States agricultural producers; and

(C) any changes in United States law necessary to implement the agreement.

(3) NO SECRET SIDE DEALS.—Any agreement or other understanding (whether verbal or in writing) that relates to agricultural trade that is not disclosed to the Congress before legislation implementing a trade agreement is introduced in either house of Congress shall not be considered to be part of the agreement approved by Congress and shall have no force and effect under United States law or in any dispute settlement body.

(d) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) reaching a successful agreement on agriculture should be the top priority of United States negotiators; and

(2) if the primary competitors of the United States do not reduce their trade distorting domestic supports and export subsidies in accordance with the negotiating objectives expressed in this section, the United States should increase its support and subsidy levels to level the playing field in order to improve United States farm income and to encourage United States competitors to eliminate export subsidies and domestic supports that are harmful to United States farmers and ranchers.

Mr. CONRAD. Mr. President, the amendment Senator GRASSLEY and I are offering is to set the negotiating objectives for agriculture for our trade negotiators at the next round of trade talks. I don't think anybody in this Chamber appreciates any more than the current occupant of the chair how serious the crisis in agriculture is in our part of the country. We have seen what I call a triple whammy to American agricultural producers: bad prices, bad weather, and bad policy. That triple whammy has threatened literally tens of thousands of farm families.

Certainly, in my State, where we had a special crisis team at USDA analyze the circumstances when the Secretary of Agriculture was coming to North Dakota a year ago, that team said that if something dramatic did not happen in the next 2 years, we would lose 30 percent—and perhaps more—of the farm families in North Dakota. That is how serious the circumstances are.

I will put up a couple of charts to demonstrate the problem we face.

The key determinant to farm income is farm prices. Farm prices, as this chart shows, are at a 53-year low in real terms. This chart depicts wheat and barley prices from 1946 to 1999, and it shows these prices in constant dollars. So we are comparing apples to apples. What one can see is that prices have had a long-term downward trend over this 53-year period, with one major interruption that occurred back in the 1970s. I think we all recall those times, when we saw a tremendous spike in virtually all commodity prices. But over the long term, when we compare on a fair basis, what we see is constantly declining prices, and we see now the lowest prices in 53 years in real terms. That is why we see so many serious concerns in farm country about what the future holds.

This chart represents a little different way of looking at what faces our producers because this looks at not only the prices farmers receive—that is the red line—but also what the farmers are paying for the inputs to produce their crops. This looks at over a 10-year period. One can see that the prices farmers are paying for their inputs have escalated rather dramatically during this 10-year period. That is not true about the prices farmers are receiving. Those prices peaked at the time we were discussing the last farm bill, in 1996.

It was very interesting that, at the time we were told farmers were going to have a remarkable situation—they were faced with what we were told at the time was permanently high farm prices because of export demand—those permanently high prices lasted about 90 days. That was just about the time we were passing the last farm bill. After that, prices collapsed and collapsed on a continuous basis. We have had nothing but one way for prices, and that is down, down, down. That is the reason we have seen a collapse of farm income.

This chart is another way of looking at what is happening. This shows a comparison of the prices farmers receive—the red line—to the cost of their production, which is the green line. This is for wheat. Wheat is the dominant commodity in my State. You can see the cost of production is about $5 a bushel. But ever since the last farm bill passed, we have been well below the cost of production. In fact, now we are down to about $2.50, $2.60, $2.70 a bushel, depending on the day and market conditions at the time—far below the cost of production. This is what is undermining financial security for American producers.

It is not just wheat. If I had put up the chart on corn, or barley, or on virtually any commodity, one would see the same pattern. It is not just in crops; it is also in livestock. Last year, we saw hogs go down to 8 cents a

pound. It costs 40 cents a pound to produce a hog. So this combination of high input costs for farmers yet low prices for what they sell has put farmers in a cost/price squeeze. That squeeze is getting tighter and tighter. It is eliminating farm income.

That is why this next round of trade talks is so critically important because, very frankly, we have been playing a losing hand in agriculture. I think anybody who has really studied the matter understands that our chief competitors—the Europeans—are outspending us, outhustling us, and, as a result, they are winning markets all across the world that were once ours.

If we just pierce the veil here and look below the surface, I think what we see is very revealing. This shows what Europe has been doing in terms of agricultural support over the last 3 years; that is the red box. That is what Europe is spending per year, the average for the last 3 years. The blue box is what the United States is spending under the last farm bill. You can see that the disparity is enormous. The Europeans are spending $44 billion a year, on average; the United States, under the terms of the last farm bill, is spending $6 billion a year—a 7-to-1 disparity.

It is very hard to be successful or to have a level playing field when the opponents are outspending you 7-to-1. We would never permit this in a military confrontation. Why we permit it in a trade confrontation eludes me. It is a guaranteed path to disaster. That is precisely what has happened.

If we look at this in a somewhat different way, if we look at it in terms of export subsidy for agricultural commodities, and we look at various regions of the world, we see another interesting picture emerge. This shows in the last year for which we have full figures, 1996, who was doing what with respect to agricultural trade subsidy. There are our European friends again. They are the blue hunk of the pie; 83.5 percent of all world agricultural export subsidy belongs to the Europeans. Here is the U.S. share, at 1.4 percent, this little piece of the pie right here.

I know a lot of my colleagues think we are spending too much on agriculture. I hear it all the time from some of our colleagues from more urban areas.

I say to them that you have to look at what is happening in the rest of the world. You have to look at what our competitors are doing. If you look at what our competitors are doing, it is dramatic and it is clear.

Here are the Europeans. Nearly 84 percent of all world agricultural export subsidy is accounted for by the Europeans. The United States is 1.4 percent.

These aren't KENT CONRAD's figures. These aren't the figures from the Governor of North Dakota. These aren't figures from the agriculture commissioner of North Dakota. These are the statistics from the U.S. Department of Agriculture. They show Europe is outspending us on agricultural export subsidies by 60 to 1. How are you going to win a fight when you are outgunned 60 to 1? This is totally unfair to our farmers. They don't have a level playing field from which to compete. They have a playing field that is totally distorted. We have to change this playing field. We have to level it out. We have to make it possible for our farmers to compete fairly.

We are willing to compete against anybody at any time. But it is not fair to say to our farmers: You go out there and take on the French and German farmers, and while you are at it, take on the French and German Governments as well. That isn't a fair fight.

We shouldn't abandon our farmers to that kind of circumstance. But that is precisely what we have done because in the last farm bill we cut our support to producers in half. Under the previous farm bill, we were spending, on average, $10 billion a year to support our producers in the face of the competition from the Europeans who were spending $50 billion a year during that period.

What did we decide to do? Did we decide to level the playing field? No. We engaged in unilateral disarmament on the pretext that if we cut somehow we would set a good example for the Europeans and they would follow right along.

Guess what. We cut our support in half for agricultural producers under the new farm bill, down to $5 billion a year on average. What did the Europeans do? Did they follow suit? Did they take our ''good example''? I put that in quotes, our ''good example.'' No. The Europeans kept right on spending.

Do you know why? Because they have a strategy and they have a plan. Their strategy and plan is to dominate world agricultural trade. They are doing it the old-fashioned way. They are buying these markets.

I have spent a good deal of time talking to the European negotiators. What they have shared with me is as clear as it can be. They have said to me: Senator, we believe we are in a trade war with the United States on agriculture. We believe at some point there will be a cease-fire in this trade war. We believe there will be a cease-fire in place, and we want to occupy the high ground. The high ground in this contest is world market share. That is exactly the strategy and plan of our European friends.

They have said to me: You know, Senator, we have much higher levels of support in our country than you have in yours, and we believe in all of these negotiations instead of leveling the playing field, and instead of closing the gap, that we will be able to secure equal percentage reductions in the level of support on both sides.

If you think about it, they have much higher levels of support in Europe, as I have demonstrated, than we do in this country. They seek to get equal percentage reductions from those unequal bases leaving Europe always on top. That is their strategy. That is their plan. Oh, how well it is working.

In the last trade talks, although the levels of support were dramatically uneven, was there any closing of the gap? Not at all, not any closing of the gap. They didn't come down. We didn't go up. Both of us did not engage in a pattern and practice that would narrow the differences. Instead, what they won were equal percentage reductions from those unequal bases maintaining European dominance.

If we let that happen again, shame on us, because we will be consigning our farmers to the dustbin of financial failure. There is no other way this can come out. That is going to be the absolute assured result if we come back with another failed negotiation.

Some people blame our negotiators. I personally do not. I blame us because we have sent unarmed negotiators to the negotiations.

In my previous job, mostly what I did was negotiate. One thing I learned very early on in my previous life was that you don't win in negotiation unless you have leverage. You have to have leverage in order to prevail in a negotiation.

Our negotiators have no leverage. What leverage do they conceivably have when we send them in there and the other side is outgunning us on export subsidies 60 to 1? How are they going to win a negotiation with that sort of fact? How are they going to win when Europe has 84 percent of the world's export subsidy and we have 1.4 percent? How are we possibly going to prevail in that kind of negotiating climate? I say there is very little chance that we are.

That is why I have introduced the FITEA bill, Farm Income and Trade Equity Act, to try to level the playing field, to rearm our negotiators to give us a chance to prevail in these negotiations.

That bill is gaining steam. It has gotten broad support in my own home State of North Dakota. I believe it is going to get even greater support around the country.

Earlier this week, I went to meet in Baltimore with the State presidents of the National Farmers Union. I gave them an outline of the FITEA plan. I hope they will endorse it.

The national rural electric service areas have before them at their regional meetings opportunities to endorse the FITEA plan. It has already been endorsed by eight or nine of the national rural electric service areas.

We have to give our negotiators leverage. But at the same time we have to also give them instructions. We have to tell them what their negotiating objectives are in this next round of trade talks. It is our responsibility. We can't leave it to the President. Certainly, it is his obligation as well. But Congress has a role to play. I believe we ought to take the opportunity to send a clear

message to our trade ambassador and her assistants as to what their negotiating objectives are with respect to agriculture.

That is what we have before us in the amendment offered on a bipartisan basis by Senator GRASSLEY of Iowa and myself. Senator GRASSLEY and I serve on both the Agriculture Committee and the Finance Committee. We have a special responsibility. We have taken it seriously. That is why we have come forward with a set of negotiating objectives for our trade ambassador in this next round of trade talks.

This amendment sets out seven principal negotiating objectives for agriculture:

No. 1, we should insist on the immediate elimination of all export subsidy programs worldwide. The elimination of all export subsidies worldwide should be the negotiating objective.

No. 2, we should insist that the European Union and others adopt domestic farm policies that force their producers to face world market prices at the margin so they do not produce more than is needed for their own domestic markets.

It is one thing for a country to adopt domestic policy that supports higher prices to meet domestic demand. It is quite another thing for them to have higher prices domestically and, therefore, develop greater production than they need for the domestic market and then dump that surplus on the world market at fire sale prices depressing prices for everyone.

Objective No. 2 is to insist that the E.U. and others adopt domestic farm policies that force their producers to face world prices at the margin.

No. 3, we should insist that State trading enterprises, such as the Canadian Wheat Board, are disciplined so that their actions are transparent and so they do not provide de facto export subsidies.

Sometimes we fool ourselves with our own rhetoric around here. We talk about free markets. Many are strong supporters of free markets. In agriculture, there are no free markets. We can see, through what the Europeans are doing and spending to buy these markets, that we are not dealing in a free-market circumstance in world agricultural trade.

We are certainly not dealing with it with respect to our neighbors to the north in Canada. There, individual farmers don't market their commodities; they have a wheat board that markets for them. A very significant portion of production goes to the wheat board, and they market on behalf of all of their farmers. Does anyone think that gives them all kinds of opportunities to play games in world markets? Absolutely, because the prices they charge are not transparent. Anyone can learn our prices any minute of any day by going to the Chicago Board of Trade and seeing what commodities are selling for. Try to find out what our friends to the north are selling for. They don't have a transparent market. They are not advertising their prices, except to the major buyers in the world. The few times we have a glimpse of what they are doing, we find they go to buyers before other countries and say: Whatever the United States is selling for, we are selling for 5 cents less a bushel. That is what they are doing in order to take markets that have traditionally been ours. We have to wake up and smell the coffee.

No. 4, we should insist on the use of sound science when it comes to sanitary and phytosanitary restrictions. Too often, these are hidden protectionist trade barriers. On genetically modified organisms, we should insist foreign markets be open to our products, but obviously we can't force consumers to buy what they don't want. We have to give consumers the ability to make an informed choice on whether they want to buy these products without letting inflammatory labels be used as hidden trade barriers.

No. 5, we should insist our trading partners immediately reduce their tariffs on our agricultural exports to levels no higher than ours, and then further reduce these barriers on a cooperative and comprehensive basis.

No. 6, we should seek cooperative agricultural policies to avoid price-depressing surpluses or food shortages. My own long-term view for agriculture is, we desperately need to have among the major producers a common set-aside policy, a common conservation reserve policy, and a common food reserve policy.

No. 7, we should strengthen disputes settlement and enforce existing commitments. The United States honors its international obligations, but all too often our trading partners refuse to live up to their commitments and use the dispute settlement process to delay our efforts to call them to account. That is totally unacceptable, and we need to send that message very clearly.

These are the seven principles we believe we should send as an instruction to our trade ambassador. We should say very clearly that we believe these are the things they need to accomplish in this next round of trade talks. I also think we should say: Don't bring back under any circumstances equal percentage reductions in support from these unequal bases. Don't do that. That way lies permanent inferiority in the position of world agricultural trade. If we want to fritter away our long-term dominance, that is the path for such a result.

I urge my colleagues to give very careful consideration to this amendment. Senator GRASSLEY and I have worked in a bipartisan way in consultation with other colleagues. We believe these are the appropriate negotiating objectives for our trade representatives in the agricultural sector.

Let me end where I began. American agriculture is in crisis. We desperately need a victory in the next round of trade talks, and we need it soon. Our farmers simply cannot survive year after year in a circumstance in which our major competition outspends us 7–1 on domestic support and 60–1 on export subsidies.

I believe our farmers can compete against any producer anywhere in the world but they have to have a level playing field. They have to have a country that is fighting for them when our chief competitors are fighting for their producers at every set of trade talks.

I hope very much our colleagues will support this amendment that lays out clear negotiating objectives for our trade representatives in this next round of trade talks. I believe this amendment is a first step in that process. I urge my colleagues to support it. I welcome cosponsorship, as I know Senator GRASSLEY would, from other Members who are concerned about these issues.

I yield the floor.

Mr. WELLSTONE. If my colleague will yield for a question, I don't intend to take the floor.

After the Conrad amendment is disposed of, is it the intention of the chairman to have votes?

Mr. ROTH. I am going to ask unanimous consent to set aside this amendment. Senator GRASSLEY desires the opportunity to comment. I think we will stack votes as we did yesterday. It would be in order for another amendment to be raised.

Mr. WELLSTONE. I need to go to a markup.

Mr. ROTH. We will be ready in a minute for another amendment.

Mr. MOYNIHAN. Mr. President, if I could say to my friend from Minnesota, if he has 5 minutes, he can start.

Mr. ROTH. In the meantime, I ask unanimous consent to lay aside this amendment. As I said, Senator GRASSLEY, the cosponsor of this legislation, desires the opportunity to speak.

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

Mr. CONRAD. I ask unanimous consent that Senator ENZI and Senator ASHCROFT be listed as original cosponsors of the Conrad-Grassley amendment.

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

Mr. MOYNIHAN. Mr. President, if I might comment on the remarks of my friend from North Dakota regarding the Seattle ministerial conference which begins at the end of this month. There is no wide agreement on what the next round of negotiations will address. However, there is no doubt that agriculture will be one of the matters addressed in the next round. There is much disagreement in other areas.

The idea of our setting some negotiating objectives is a good idea, in my view, and I think the chairman agrees.

Mr. ROTH. Mr. President, I share that opinion. There is no question but it is appropriate for Congress to help set these objectives.

I say to my distinguished colleague from North Dakota, I agree very much

about the need to develop a level playing field. One of my concerns is the fact our markets are the most open markets in the world. That obviously includes agriculture. The purpose of these negotiations should be to lower them in such a way that everyone is on an even playing field. I am very sympathetic to what the Senator is proposing.

Mr. MOYNIHAN. I am sure the chairman will agree, and I cannot doubt that my friend from North Dakota will agree, it would be much better if the President were to go to Seattle with the traditional trade negotiating authority other Presidents have had. This President does not. It is not for the lack of the Finance Committee trying to give it to him. There has been a real breakdown at both ends of the avenue, as it were. The White House has let small political considerations enter into their calculations. We are not unknown to such failings ourselves.

But the fact is, at the end of the 20th century the President of the United States does not have the negotiating authority he has had, in essence, for 65 years—since the Reciprocal Trade Agreements Act of 1934. The more, then, ought we try to speak to the coming negotiations in the manner suggested; the more, then, should we get this legislation passed else the President might decide not to go at all.

Mr. ROTH. I think that would be a very serious setback. Let me comment on fast track. As the Senator said, our committee, of course, has acted on that. I regret the President does not have this authority. I have to say I do not think negotiations can be effective until the President obtains it. Does the Senator agree with that?

Mr. MOYNIHAN. It is an elemental fact in international relations that most countries have a unitary legislative/executive branch, such that if the Prime Minister of Great Britain sends his Foreign Secretary to negotiate, that Foreign Secretary represents a majority in the House of Commons. Any agreement they reach will be ratified.

That is not the case with us. The world discovered this in 1919 when the Treaty of Versailles, negotiated by President Wilson, was not ratified in this Chamber. That sank in over the next 20 years. So we have been giving the President this authority so his representatives can say: If I make an agreement, we will keep the agreement.

Absent that, I do not know what will come. I think I am correct—I take the liberty of asking my able assistant, Dr. Podoff—we have never had a multilateral GATT or WTO negotiation without the President having traditional negotiating authority, have we, to complete the negotiations? No.

This, sir, would be the first time—the first time. That is not an experiment I think we should be running, but perhaps we can make up for it in time. In the meantime, I welcome the thoughts of my friend, our colleague on the Committee on Finance.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the chairman and ranking member for their consideration. They have been most patient in listening to me today and on the Finance Committee as I have talked about these issues. I appreciate, too, they believe, as I do, it is appropriate for us to lay out negotiating objectives for our trade representatives for this next round. I hope very much our colleagues will support this amendment. I think it is important to send a signal as to what we expect our trade representatives to focus on in the agricultural sector.

Again, I thank our chairman and our ranking member very much for their assistance this morning. I note my cosponsor, Senator GRASSLEY, is held up in committee. He would very much like to speak on this amendment before it is finally considered. So I appreciate the consideration of the chairman and ranking member with respect to providing time for him as well.

I yield the floor.

Mr. GRASSLEY. Mr. President, today I rise in support of an amendment I am sponsoring with Senator CONRAD to establish trade negotiating objectives for the new round of multilateral trade negotiations the United States will help launch in about four weeks with 133 other WTO member nations in Seattle.

The principles contained in this amendment are important because the upcoming negotiations in agriculture are so vital to our farm economy, and vital to the United States.

The last multilateral trade round, the Uruguay Round, established, for the first time, multilateral rules on market access, export subsidies, and domestic support for agriculture.

But as significant as the Uruguay Round was for agriculture, it was only a first step. Much remains to be done.

Agricultural tariffs in industrial countries still average more than 40 percent, compared with tariffs of 5 to 10 percent in manufactured goods.

The average world agricultural tariff is 56 percent. In the United States, it is 3 percent. But tariffs for some agricultural products reach 200 percent or more.

Export subsidies are still far too high, and distort trade in third-country markets.

Producer subsidy equivalents, which measure assistance to producers in terms of the value of transfers to farmers generated by agricultural policy, are also far higher in the European Union than in the United States.

These transfers are paid either by consumers or by taxpayers in the form of market price support, direct payments, or other support.

The Producer subsidy equivalent for all agricultural products in the EU has averaged around 45 percent.

In the United States, the producer subsidy equivalent is only 16 percent.

So-called ''Blue Box'' spending is also out of control. This is the trade-distorting spending that was authorized in the Uruguay Round.

Currently, the United States has no programs that fall within the Blue Box. But the European Union maintains huge trade-distorting subsidy payments.

We should finally admit that the Blue Box is a mistake, and eliminate it completely.

State trading enterprises allow some countries to undercut United States exports into third markets and restrict imports.

And the principle of sound science is being thwarted with regard to bio-engineered products, to the great detriment of our farm economy.

We need to address all of these issues in the upcoming WTO negotiations.

But we also need to make certain that when we negotiate with our trading partners, that the deal we finally implement is the one that was actually negotiated, and not a different agreement that was changed later through secret understanding or side arrangement.

This is an important principle of international law. It is also a basic principle of equity and fairness.

Only after the WTO Agreement was signed into law did some of us in the Senate learn for the first time that there was more to the Uruguay Round agreement than we originally thought, due to secret side agreements.

This must not happen again.

The amendment I am offering with Senator CONRAD will insure that this practice will end.

The only trade deal that should be enforced is the one the parties actually negotiated.

I strongly urge my colleagues to adopt this amendment, so that we can get this new round of trade negotiations off to the best possible start.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, am I correct, then, the understanding is before a final vote on this amendment, Senator GRASSLEY will be speaking and right now I will go forward with my amendment? Is that correct?

Mr. President, before I send this amendment to the desk, I want to emphasize one issue that this amendment does not speak to directly but which is very much on my mind. There is an (A) and a (B) part to this issue.

The (A) part is the economic convulsion in agriculture that has taken place all across our land, and certainly in our State of Minnesota. I also hasten to add there is no question in my mind that if we do not change the course of policy, we are going to lose a whole generation of producers.

The (B) part of what I want to say before going forward with this amendment is that I have, for at least the last 6 weeks, if not longer, been involved in what I would almost have to describe as a ferocious fight to have

the opportunity to bring an amendment to the floor that speaks to at least part of what is going on with this crisis in agriculture. No one amendment is the be-all or end-all. But one amendment would deal with all the mergers that are taking place and the ways in which these conglomerates are driving out family farmers across the land, the whole problem of concentration of power in the food industry, in agriculture.

Other colleagues from agricultural States such as Minnesota have other ideas, but the point is that we want an opportunity to bring an amendment to the floor that speaks to what is going on in agriculture. I thought we would have the opportunity to do that on this trade bill. We have been clotured out. Last week, we were successful in blocking cloture. Now we have been clotured out, with the understanding this will happen on the bankruptcy bill.

I want to express my skepticism on the floor of the Senate today as to whether or not that bankruptcy bill will be brought to the floor and whether or not we will have that opportunity. I want to express some indignation in advance if, in fact, we end up closing out this part of our session and going home without having had any debate, further debate about agriculture, and any effort whatsoever to alleviate the pain and misery in the countryside. I think it should be a top priority for us.

Over the next several days, whatever period we are dealing with, I am going to continue to fight to get this amendment out there. My understanding is we have an agreement that there will be an amendment on agriculture that will be part of the debate we will have when the bankruptcy bill comes to the floor, along with minimum wage, along with East Timor. That is the commitment that has been made. I certainly hope we will see that commitment carried out.

AMENDMENT NO. 2487

(Purpose: To condition trade benefits for Caribbean countries on compliance with internationally recognized labor rights)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Only filed amendments may be called up. Does the Senator have a filed amendment?

Mr. WELLSTONE. I am sorry, the amendment has been filed. I do not need to send it to the desk.

The PRESIDING OFFICER. Which number is the amendment?

Mr. WELLSTONE. Since I did not know it had been filed, I will speak on the amendment.

Mr. MOYNIHAN. Is it 2487?

Mr. WELLSTONE. Mr. President, 2487 is the number.

Mr. MOYNIHAN. Mr. President, might I just slip over and make sure we have the right amendment?

Mr. WELLSTONE. I apologize. I did not know the amendment had been filed.

When I talk about labor rights, my colleague from New York is very familiar with the ILO. This is his fine work. What we are talking about is the right of association, the right to organize and bargain collectively, the prohibition on the use of any form of coerced or compulsory labor, some kind of international minimum wage for the employment of children age 15, and acceptable working conditions.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

At the appropriate place, add the following:

SEC. . ENCOURAGING TRADE AND INVESTMENT MUTUALLY BENEFICIAL TO BOTH THE UNITED STATES AND CARIBBEAN COUNTRIES.

(a) CONDITIONING OF TRADE BENEFITS ON COMPLIANCE WITH INTERNATIONALLY RECOGNIZED LABOR RIGHTS.—None of the benefits provided to beneficiary countries under the CBTEA shall be made available before the Secretary of Labor has made a determination pursuant to paragraph (b) of the following:

(1) The beneficiary country does not engage in significant violations of internationally recognized human rights and the Secretary of State agrees with this determination; and

(2)(A) The beneficiary country is providing for effective enforcement of internationally recognized worker rights throughout the country (including in export processing zones) as determined under paragraph (b), including the core labor standards enumerated in the appropriate treaties of the International Labor Organization, and including—

(i) the right of association;

(ii) the right to organize and bargain collectively;

(iii) a prohibition on the use of any form of coerced or compulsory labor;

(iv) the international minimum age for the employment of children (age 15); and

(v) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

(B) The government of the beneficiary country ensures that the Secretary of Labor, the head of the national labor agency of the government of that country, and the head of the Inter-American Regional Organization of Workers (ORIT) each has access to all appropriate records and other information of all business enterprises in the country.

(b) DETERMINATION OF COMPLIANCE WITH INTERNATIONALLY RECOGNIZED WORKER RIGHTS.—

(1) DETERMINATION.—

(A) IN GENERAL.—For purposes of carrying out paragraph (a)(2), the Secretary of Labor, in consultation with the individuals described in clause (B) and pursuant to the procedures described in clause (C), shall determine whether or not each beneficiary country is providing for effective enforcement of internationally recognized worker rights throughout the country (including in export processing zones).

(B) INDIVIDUALS DESCRIBED.—The individuals described in this clause are the head of the national labor agency of the government of the beneficiary country in question and the head of the Inter-American Regional Organization of Workers (ORIT).

(C) PUBLIC COMMENT.—Not later than 90 days before the Secretary of Labor makes a determination that a country is in compliance with the requirements of paragraph (a)(2), the Secretary shall publish notice in the Federal Register and an opportunity for public comment. The Secretary shall take into consideration the comments received in making a determination under such paragraph (a)(2).

(2) CONTINUING COMPLIANCE.—In the case of a country for which the Secretary of Labor has made an initial determination under subparagraph (1) that the country is in compliance with the requirements of paragraph (a)(2), the Secretary, in consultation with the individuals described in subparagraph (1), shall, not less than once every 3 years thereafter, conduct a review and make a determination with respect to that country to ensure continuing compliance with the requirements of paragraph (a)(2). The Secretary shall submit the determination to Congress.

(3) REPORT.—Not later than 6 months after the date of enactment of this Act, and on an annual basis thereafter, the Secretary of Labor shall prepare and submit to Congress a report containing—

(A) a description of each determination made under this paragraph during the preceding year;

(B) a description of the position taken by each of the individuals described in subparagraph (1)(B) with respect to each such determination; and

(C) a report on the public comments received pursuant to subparagraph (1)(C).

(c) ADDITIONAL ENFORCEMENT.—A citizen of the United States shall have a cause of action in the United States district court in the district in which the citizen resides or in any other appropriate district to seek compliance with the standards set forth under this section with respect to any CBTEA beneficiary country, including a cause of action in an appropriate United States district court for other appropriate equitable relief. In addition to any other relief sought in such an action, a citizen may seek the value of any damages caused by the failure of a country or company to comply.

Mr. WELLSTONE. Mr. President, this amendment would provide for mutually beneficial trade between the United States and Caribbean countries by actually rewarding countries that comply with internationally recognized core labor rights with increased access to U.S. markets for certain textile goods.

That is what this should be about. We ought to reward countries that are willing to comply with internationally recognized core labor rights with increased access to the U.S. market.

This amendment provides for enforceable standards—let me emphasize this. I say to my colleagues, and I know they believe me, I am an internationalist. I very much want to see expanded trade. I very much want to see expanded relations with other countries. The question is the terms of trade, and I am especially focused on the need to have enforceable labor standards.

Under this amendment, before any of the benefits of the CBI trade bill can go into effect, the Secretary of Labor will have to determine a CBI country is providing for enforcement of the core ILO labor rights. That is what this amendment does.

The Secretary will make this determination after consulting with labor people from the region and after consideration of public comments. But the Secretary of Labor will make the determination to make sure the country

with which we have trade relations is providing for the enforcement of the ILO core labor rights. I want to make sure these standards are enforceable. U.S. citizens will also have a private right of action in district courts to enforce these provisions.

The alternatives in the CBI Parity bill are unenforceable. That is my dissent from this legislation. The CBI Parity bill merely includes labor rights as an eligibility criterion which can only be enforced by the administration. But the administration already enforces the GSP program and has never, not one time, suspended a CBI country, despite their terrible labor rights records.

Later on, I will provide, from my point of view, too much by way of documentation. That is to say, the number of petitions that have been filed with the USTR under the GSP program. Every single time the petition has been withdrawn. There has been no real response.

If the administration will not use its GSP leverage to improve labor rights in these countries, why would we expect them to use an eligibility criterion? The ILO is not an option because it does not have the enforcement power. I want to make sure there are some enforceable labor standards that will apply to this CBI trade agreement.

Some examples of GSP workers' rights cases accepted for review against major CBI countries are as follows:

Costa Rica, 1993, right of association, right to organize and bargain collectively, acceptable working conditions, petition withdrawn. That is the outcome.

Dominican Republic, 1989–1991, right of association, right to organize and bargain collectively—these are core labor rights—forced labor, child labor, review terminated in 1991 due to introduction of ''labor code reform.''

El Salvador, 1990–1994, right of association, right to organize and bargain collectively, review terminated.

Guatemala, 1992–1997, right of association, right to organize and bargain collectively, again, review terminated.

The list goes on.

What we want to do is parallel to what Senator FEINGOLD has done in his HOPE for Africa bill. That is, we want to apply some enforceable labor standards. We want to reward countries that comply with internationally recognized core labor rights. In this amendment, we call for the Secretary of Labor to determine whether or not a CBI country is providing for the enforcement of ILO core labor rights. Why wouldn't we want to do that in a piece of trade legislation? When will we?

Supporters of CBI parity complain that NAFTA-like benefits will help Caribbean workers. I have heard that argument made over and over. I want to read from a report that came out in October of 1999: ''Six years of NAFTA: A review from inside the maquiladoras.''

This 1999 report on the Mexican maquiladoras shows wages and conditions have actually deteriorated since passage of NAFTA. This was a joint effort between the Comite Fronterizo de Obreras and the American Friends Service Committee. I will quote from relevant sections of the report, ''Six years of NAFTA: A review from inside the maquiladoras'':

> In Mexican manufacturing, real wages have fallen by more than 20 percent since 1994. It is not only that real wages have remained stagnant overall, failing to keep pace with inflation, but wage levels have also come under attack wherever they are over the threshold considered competitive by the maquiladoras.

One sees over and over, in going through this report, wage levels dropping, basic violations of the people to organize, and failure to enforce child labor standards. When I hear about NAFTA-like benefits, I have to question whether or not this is the future.

I will speak about the CBI countries and what I call the race to the bottom. The CBI countries with the fastest export growth to the United States have also experienced the steepest decline in wages in the region. Over the last 10 years, textile and apparel imports from Honduras exploded by a whopping 2,523 percent. Yet from the 10 years spanning 1985 to 1996, wages of Honduran workers declined by 59 percent.

I will repeat this since we are talking about the benefits for the workers in these countries. I am not making an argument that we should have enforceable labor standards because I only care about workers in our country. I do care about workers in our country, and I do worry that the message we're sending to workers in our country, if we do not have enforceable labor standards in this agreement, is: If you dare to organize and bargain collectively to get a better wage and a better standard of living for yourselves and your families, then these companies will just go to the Caribbean countries.

That is part of the message. Let me tell you why I think it is the message. This is a list of approximate apparel wages around the world. In the United States, the average is $8.42. Do my colleagues know what it is in Colombia? Seventy to 80 cents; Dominican Republic, 69 cents; El Salvador, 59 cents; Guatemala, somewhere between 37 to 50 cents; Haiti, 30 cents; Honduras, 43 cents; Nicaragua, 23 cents.

I am worried that not only is the message to workers in our country: Look, we will just go to these countries where we can pay 23 or 40 cents an hour; you cannot compete with them so you dare not call for better wages and working conditions.

I am also worried the message we're sending to these countries is: Yes, there is going to be economic expansion and there is going to be more trade, but the only way you can get the foreign investment is if you agree to work for less than 50 cents an hour.

Again, I will give some figures. CBI countries with the fastest export growth to the United States have also experienced the sharpest decline in wages in the region. Maybe my colleagues can explain to me why this is the case.

Over the last 10 years, in Honduras: Apparel imports from Honduras exploded 2,523 percent. Yet for the same 10 years, the wages in Honduras declined by 59 percent.

In El Salvador: Apparel exports to the United States have increased 2,512 percent, while wages have decreased 27 percent.

In contrast, Jamaica's export growth has been less impressive, culminating in an actual 17 percent decline over the past year. One explanation is that Jamaica's high rate of unionization has ensured that workers' wages have increased.

So here is the message. May I simply say to my colleagues why enforceable IOL standards are important: The basic right to be able to organize and not wind up in prison; the basic right to be able to bargain collectively and not wind up in prison. It is because if we do not have enforceable labor standards—and we do not in this trade legislation right now, and this amendment puts enforceable labor standards into this legislation—then we are saying to workers in our States: You had better not ask for more by way of wages. You had better not be too assertive for yourselves or your families because we'll just go to these CBI countries and we'll pay 50 cents an hour or less.

What it says to the workers in these countries—and I just gave you some aggregate data—is: By the way, we're not going to guarantee your right to organize. We're not going to guarantee any fair labor standards. We're not going to guarantee any IOL standards that will be enforceable. Therefore, the only way you get the investment is if you're willing to work under sweatshop conditions.

As a matter of fact, in the CBI countries, their growth in exports to our country has been unbelievable—dramatic growth—but the wages have declined. The only country where that has not happened is Jamaica, which is a country where there has been unionization. So the message is: You don't get the trade, you don't get the investment, if you dare to unionize.

I say to colleagues, there are many articles, many testimonies, and there is a GAO report which shows that workers' rights have not been respected and are not respected in Central America, Haiti, and the Dominican Republic. I do not think my colleagues are going to argue with me on this. It seems the evidence is irrefutable on that point.

Without this amendment, the CBI Parity bill is going to help defeat unionizing drives in our textile plants and American workers will compete with Caribbean apparel workers who are willing to work for 30 cents an hour—23 cents an hour actually in Nicaragua, 80 cents an hour in Colombia. The United States apparel workers

make, on the average, $8.42, which is not a lot of money.

There is a bitter irony: Many of these workers in U.S. textile plants are actually immigrants from these very same countries. A large number of them are poor, they barely make a living wage, they are women, they are minorities. Without this amendment, the CBI parity bill will merely encourage United States corporations to set up sweatshops in the Caribbean. My amendment is an anti-sweatshop amendment.

To summarize, there ought to be enforceable labor standards. There are not any in this trade bill. Without enforceable labor standards, we are not on the side of human rights, we are not on the side of people in the CBI countries wanting to organize and to be able to do well for their families, and we are not on the side of wage earners in our country who are going to lose their jobs to workers in Honduras who work for 40 cents an hour.

We ought to at least have enforceable IOL standards. That is exactly what this amendment speaks to.

I reserve the remainder of my time.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I congratulate the Senator from Minnesota for his remarks and tell him that he finds no difference of view among the managers of this legislation. We have a managers' amendment to address it.

The large issue, sir, that has emerged in the context of the World Trade Organization is the relevance of the international labor conventions negotiated under the auspices of the International Labor Organization, which began here in Washington in 1919. The first were adopted at the Pan-American Union Building. The Offices of the ILO itself were provided by then-Assistant Secretary of the Navy Franklin D. Roosevelt.

The problem is, at the time, these trade treaties—they were trade treaties—were designed to say, just as the Senator has said: If you, country X, have a minimum wage, and country Y does not, country Y will have trade advantages which will end up with employment in the original country. So do it together—improve labor standards together by means of international labor treaties. It is a principle.

We did not, until now, have any transparency. There was no inspection—a new idea, a post-World War II idea—an important key idea. There was no ranking, no reporting. We are getting there. The International Labor Organization, in 1998, issued this wonderful document: ''ILO Declaration on Fundamental Principles and Rights at Work.'' And there they are, the four basic principles. We have a lot to do in this regard, but we have begun.

So I congratulate the Senator. He is going to speak later and longer.

I know the Senator from Montana, under some pressure of time, would like to speak now, as I understand it, on the most agreeable subject of why this is an important bill and why he voted for it in the Finance Committee.

Mr. WELLSTONE. Mr. President, before yielding to the Senator from Montana—I will be pleased to accommodate him—my understanding is that before we come to a final vote, there will be an opportunity for further discussion of this amendment. There are some additional comments I want to make, especially in response to the very helpful comments of the Senator.

Mr. MOYNIHAN. We understand that.

Mr. WELLSTONE. I thank the Senator.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from Montana.

Mr. BAUCUS. Mr. President, like many of my colleagues, I was very disappointed last week when it appeared that we would not have a chance to act on this very important piece of legislation. I was disappointed for several reasons.

First, because there's a lot more at stake here than the four basic elements of this bill: CBI, Africa Trade, TAA and GSP. All four are important, and I will say a few words about each one of them.

But even more important is the signal that we send now. At the end of this month, the United States will host the World Trade Organization ministerial meeting in Seattle. The WTO writes and enforces the rules governing some $6 trillion in international trade. Delegations from over 130 nations will come participate in the meeting. They will launch a new global round of negotiations aimed at expanding trade.

All of those delegations will have a common concern: Does the United States still intend to lead the world on trade? They will look at the way we deal with the trade bill before us as an indication of how they should answer that question.

The signals we have sent them recently are not encouraging.

First, we have failed to pass legislation granting negotiating authority to the U.S. Trade Representative. This undercuts our ability to persuade other nations to offer concessions, since we are not in a position to make credible offers.

Second, the United States has not put forward the kind of visionary, far-reaching proposals needed at the onset of trade talks. Rather than leading the way forward, we seem to have adopted another strategy: offend the fewest number of people as possible.

While we send these weak signals, other countries have moved into the breach to advance their own interests. The European Union and Japan mounted campaigns to paint us as foot-draggers on trade. They say that our proposals for trade negotiations are too narrow to allow for any real bargaining. They claim that they want to talk about the full range of trade issues, while we want to pull major portions of the trade system off the table.

We know what they are really up to. They want to undercut the talks and make them drag on for years. That way they can avoid living up to their responsibilities on agriculture. Unfortunately, a number of countries are persuaded by the picture of America's trade policy that Europe and Japan are painting.

This bill is the only opportunity the Senate will have before the Seattle meetings to show where America stands. It is vitally important that we pass this legislation to demonstrate our commitment to free market principles, and to open, fair trading system.

Mr. President, I filed two amendments to the bill, both of them trade-related. Both of them are on issues which are extremely important to Americans. I was very disappointed that we were locked out of discussing them last week.

One of the amendments allowed for tariff cuts on environmental goods as part of a global agreement in the WTO. The measure has the support of both business and environmental groups. This is a rare instance where both sides of the trade-environment debate agree on something. It's a shame that the Senate cannot move forward on something so sensible.

The second amendment concerned agricultural subsidies. American farmers are the most productive in the world. But they're being frozen out of foreign markets by European and Japanese subsidies. I filed an amendment that would fight back by funding our Export Enhancement Program.

This amendment required the Secretary of Agriculture to target at least two billion dollars in Export Enhancement Program funds into the EU's most sensitive markets if they fail to eliminate their export subsidies by 2003. It's time to start fighting fire with fire. This ''GATT trigger'' should provide leverage in the next round of the WTO in reducing grossly distorted barriers to agricultural trade.

In addition to these amendments, Mr. President, I also filed a resolution in the form of an amendment about another important trade issue: telecommunications. It calls on the Administration to continue to pursue efforts to open the Japanese telecommunications market. This is another example of how Japan must shoulder its responsibilities as a major trading nation. It cannot benefit from access to foreign markets unless its offers access to its home market. It's simply a question of fairness.

Mr. President, I voted against cloture last week because I objected to the way the Majority Leader handled the bill. I was denied the ability to do what the people of Montana sent me here to do: debate and pass legislation. But I support the bill itself. I support each of its

elements—the Caribbean Basin Initiative, the Africa Growth and Opportunity Act, and the renewal of both Trade Adjustment Assistance and the Generalized System of Preferences.

CARIBBEAN BASIN PARITY INITIATIVE (CBI)

I have long supported efforts to extend additional tariffs preferences to the Caribbean Basin. But with conditions. The benefits should be conditioned on the beneficiary countries' trade policies, their participation and cooperation in the Free Trade Area of the Americas (''FTAA'') initiative, and other factors. This trade bill is substantially similar to the version I supported in the 105th Congress with some reservation.

I see a flaw in this bill, however, and would like to work to repair it. The bill suggests criteria the President can use when deciding whether to grant CBI benefits. It is a long list of about a dozen items. Criteria like Intellectual Property Rights. Investment protections. Counter-narcotics. Each one is important. The bill should make these criteria mandatory.

In particular, I believe that the President should be required to certify that CBI beneficiaries respect worker rights, both as a matter of law and in practice. We can't maintain domestic support for open trade here at home unless our programs take core labor standards into account.

We want to help our Caribbean neighbors compete effectively in the U.S. market. But we don't want them to compete with U.S. firms by denying their own citizens fundamental worker rights.

It only seems reasonable that as we help the economic development of these nations, we also help them enforce the laws already on their books. The majority of these countries already have the power and only need the will to ensure that their citizens see the benefits of enhanced trade—decent wages, decent hours and a decent life.

Overall, I believe that CBI parity is the right thing to do—if it does what it is intended to do. That is lift the people of the hurricane devastated countries out of poverty and ensure them a better way of life.

I also believe that the United States must lead by example. Sensitivity to labor and environment must play a role in our trade decisions and actions around the world.

It's tragic that partisan politics keeps the United States Senate from taking these actions.

AFRICAN GROWTH AND OPPORTUNITY ACT

I have the same concerns about labor in terms of the African Growth and Opportunity portion of the bill. But I supported the Chairman's mark, which included a provision requiring U.S. fabric for apparel products produced in eligible sub-Saharan African countries.

Developing markets is in the best interest of us all. And the trade bill would help Africa move in that direction. But this bill is about more than trade. It is about hope.

It is about bringing the struggling nations of sub-Saharan Africa into our democratic system. It is about establishing stability and a framework wherein the citizens of these nations can enjoy the fruits of prosperity. It is about building a bridge between the United States and Africa that will be a model for all nations.

TRADE ADJUSTMENT ASSISTANCE

The third part of the bill renews the Trade Adjustment Assistance Program. We cannot expect to maintain a domestic consensus on trade if we fail to assist those who are adversely affected. For 37 years, this program helped Americans adjust to the forces of globalization.

I would like to acknowledge Senator MOYNIHAN, who originated this program, in another demonstration of his wisdom and foresight. I have seen the effects of this program in Montana. The renewal of Trade Adjustment Assistance translates to 330 Montana employees impacted and approximately $44 million in gross annual sales preserved.

This legislation is long overdue. TAA authorization expired on June 30. There are families who are displaced in the world economy, and they are living off this transitional benefit—200,000 eligible workers.

While we delay, certified firms anxiously await funding. This is fundamentally unfair—especially for employees of firms fighting import competition that is beyond their control. They cannot afford to wait while TAA is caught up in the annual battle for funding as the ''perennial bargaining chip'' for other trade proposals. That's just ineffective government. It's time to pass this legislation.

GENERALIZED SYSTEM OF PREFERENCES

Finally, let me say a word about GSP renewal. This is the fourth part of the trade bill. This is also a question of effective government. Over the years, the program has lapsed periodically when renewal legislation was delayed. Like TAA, the latest lapse occurred on June 30. Four months later, we still haven't acted on its renewal.

Who gets hurt? Not just foreign companies. A lot of American firms get hurt. That includes both American importers and exporters. A lot of the American firms produce abroad and then export to the United States. Much of this is internal company trade. That's the reality of today's global economy.

When GSP lapses, these companies are suddenly required to deposit import duties into an account. Customs holds the money until renewal legislation is signed. Eventually the companies get their money back. But they don't know how long renewal legislation will take. So they don't how much they'll have to set aside, or how long the money will be in escrow.

How can we expect businesses to operate efficiently under such conditions? These cycles of GSP lapsing and then being renewed represent government at its worst. We have a responsibility to provide business and consumers with a consistent, predictable set of rules. We need to fix this GSP lapse as quickly as possible.

Mr. President, a lot of effort, a lot of thought, a lot of time has gone into this bill. Much time has also gone into formulating amendments. It was a great disappointment to see this effort unravel over partisan politics. We have a second chance this week. Let's not squander the opportunity. We can and should work together to pass this bill.

We were elected to this body to pass legislation not to bicker. Let's do what the people sent us here to do.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I rise briefly to express the wish that every Member of the Senate will have heard, or will have read, the remarks of the Senator from Montana. There speaks the American voice. I trust it will be heard. Thanks to him, it will prevail.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I rise to address the African Growth and Opportunity Act and to discuss two amendments I hope to offer. I would like to begin by thanking the chairman and the ranking member of the committee for their good work on this bill. Anyone who has spent time in Africa knows the poverty and environmental problems inherent on that continent. The Africa Growth and Opportunity Act, I believe, is the most hopeful vehicle for positive change that has come about. It opens the door to trade, investment, economic growth, and a higher quality of life for people of African nations. It will give Africans options and new abilities to build economically, to develop, to improve opportunities for trade worldwide, and to build new businesses on African and Caribbean soil.

Sub-Saharan Africa is a market of some 700 million people. Yet less than 1 percent of our Nation's total trade is currently conducted with nations of this region. Expanding trade with this emerging market will help keep America competitive with Europe and Asia, who are already expanding their markets in the African nations. As the nations of sub-Saharan African reform their economies to spur economic growth, U.S. exporters will have access to new and larger markets for their products. This, in the long run, creates and sustains American jobs.

Just as important, this legislation contains provisions to support and encourage democracy and human rights in sub-Saharan Africa. A country is not eligible for trade and investment benefits if it engages in gross violations of internationally recognized human rights and does not respect basic labor rights, such as the right to organize and bargain, the right of association, and acceptable working conditions.

Now, I recognize that those rights aren't as strong and enforceable as some might want. Nonetheless, they are the basic rights that are inherent in virtually every trade bill.

Finally, as President Clinton noted, deepening our economic ties with these nations will also strengthen our cooperative efforts to address a host of transnational threats, such as environmental degradation, infectious disease, and illicit drug trafficking. I had intended to offer an amendment to address any potential impact this legislation might have on the domestic apparel industry of our Nation. The amendment I would have introduced would have created a tax credit of 30 percent for the first $12,300 in the first year of employment, rising to 50 percent over 5 years for domestic garment and sewn manufacturers who hire a worker who is at or below the poverty line in this country. For an individual, that is $8,240; for a family of four, it is $16,700.

However, both the chairman and the ranking member of the Finance Committee have made it clear they don't believe tax credit amendments should be offered to this legislation, and I respect that. The offset we also had in mind, it turns out, has been utilized. However, the amendment has been scored. I will not offer this domestic textile worker tax credit amendment on this bill, though my intention is to offer it as a separate bill with an offset at a later time.

I think this legislation would provide real incentive for domestic manufacturers to keep jobs in the United States, to hire American workers, and to keep them on the job. Moreover, by targeting the benefits to employees who, before being hired, are living at or below the poverty line, the amendment would also help move families off of welfare and public assistance and provide them good jobs in which they can support themselves and their families.

My second amendment addresses the need for the United States to remain in the forefront of the fight against HIV/AIDS in Africa.

Mr. President, this bill inadvertently threatens to undermine the fight against AIDS in Africa. Approximately 34 million people, if you can believe it, in sub-Saharan Africa—that is the equivalent of the population of the State of California—are or have been infected with AIDS or HIV. And 11.5 million people of those infected have died—11.5 million people. These fatalities comprise 83 percent of the world's total HIV/AIDS-related death. Eighty-three percent of the death from AIDS in the world are in the sub-Saharan African countries. So the impact of AIDS in Africa is huge. It continues to be a major threat to the well-being of the entire African Continent. Frankly, it even threatens the well-being of this legislation if it is left unaddressed.

Unfortunately, this legislation carries with it intellectual property rights for the American pharmaceutical companies which prevent the licensing, manufacture, and sale of cheaper generic AIDS drugs. That is a practice known as ''compulsory licensing.''

Without compulsory licensing, a practice fully consistent with international law, the vast majority of HIV/AIDS patients in Africa could not afford the more expensive drugs from American pharmaceutical companies and, thus, more will suffer and die simply without treatment. AIDS drugs in this country literally cost several hundred dollars a month. They must be taken several times a day regularly, and they often necessitate other drugs to ward off serious side effects of AIDS-reducing drugs.

The amendment I have authored, which is cosponsored by Senator FEINGOLD, on which we have worked with the staff on both sides, and which we believe will be acceptable to both sides, draws on a provision in Senator FEINGOLD's HOPE for Africa bill. It allows the countries of sub-Saharan Africa to pursue compulsory licensing by preventing the U.S. Government from enforcing one specific U.S. intellectual property right that, when implemented, would prevent the license, manufacture, and sale of generic AIDS drugs in Africa.

For those of my colleagues who may be concerned that this amendment may undermine wider intellectual property rights, this amendment acknowledges the World Trade Organization's agreement on trade-related aspects of intellectual property and that that is the presumptive legal standard for intellectual property rights.

The WTO, however, allows countries flexibility in addressing public health concerns, and the compulsory licensing process under this amendment is consistent with the WTO's balancing of intellectual property rights with the moral obligation to meet public health emergencies such as the HIV/AIDS epidemic in Africa.

When 11 million people die of a single disease, it certainly deserves and merits this kind of consideration.

In effect, this amendment will allow the countries of sub-Saharan Africa to continue to determine the availability of HIV/AIDS pharmaceuticals in their countries, and provide their people with more affordable HIV/AIDS drugs.

It is clearly in the national interest of the United States to prevent the further spread of HIV/AIDS in Africa, and I believe that this amendment is an important improvement to this legislation if we are to continue to assist the countries of the region to bring this deadly disease under control.

I am pleased to support the African Growth and Opportunity Act and the Caribbean Basin Initiative because I believe they are both in the national interest of this country.

I thank both the chairman and the ranking member for their support of this amendment.

I yield the floor.

Mr. FEINGOLD. Mr. President, I rise today to express my strong support for the amendment of the Senator from California to the African Growth and Opportunity Act. First, let me thank Senator FEINSTEIN for her leadership on this critical issue. This very provision is incorporated in my own HOPE for Africa bill, S. 1636, and I am especially pleased she is offering that language as an amendment to this bill today.

AGOA's aim is to strengthen economic ties between the United States and the diverse states of sub-Saharan Africa, fostering economic development and mutually beneficial growth. I think that we can all agree that this is a worthy goal. The disagreement is about how we get from here to there.

It is my belief that no U.S.-Africa trade bill will succeed unless it addresses the underlying context for growth and development in Africa. The United States needs to pass legislation that will help set the stage for a real economic partnership.

The Feinstein-Feingold amendment is a good start because it is impossible to address Africa's economic and social development problems without taking serious action to combat the region's HIV/AIDs epidemic.

In 1998, four out of every five HIV/AIDs-related deaths occurred in sub-Saharan Africa. In fact, HIV/AIDS kills over 5,000 Africans each day.

Common decency tells us that this is a humanitarian catastrophe. Basic logic also tells us that it is economically devastating.

AIDS attacks the most productive segment of society—the young adults who would otherwise be the engine in Africa's economy. And it leaves far too many children orphaned, preparing to take their place in society without the guidance and security that their parents would have provided.

And the health-care costs associated with AIDS are astronomical. Life-savings medications can cost $12,000 per year—an impossible burden in countries where average per-capita annual income often barely exceed $1,000.

How can the United States expect to find a strong economic partner in Africa if it ignores these facts?

This amendment does not hide from these realities. It approaches them head-on, by prohibiting U.S. funds from being used to change the intellectual property laws of African states.

That means that taxpayer dollars will not be spent to help pharmaceutical companies undermine the legal efforts of some African states to gain and retain access to lower cost pharmaceuticals.

It is important to be clear—this amendment does not allow African states to ''get away with something.'' It explicitly refers to the legal means by which these countries are entitled to address their public health emergencies.

These legal methods, which are permitted under the agreement on Trade Related Aspects of Intellectual Property, or TRIPS, lower prices for consumers by creating competition in the

market for patented goods through a procedure called compulsory licensing. TRIPS is an agreement administered by the World Trade Organization.

Compulsory licensing does not ignore the rights of patent-holders. Pharmaceutical companies holding patents on HIV/AIDS drugs are paid a royalty under these arrangements.

This amendment simply prohibits the United States from spending money to undermine an entirely legal fight for survival that is being waged in Africa today.

It is legal. It is the right thing to do. And ultimately, it is in America's interest, as healthier African people will undoubtedly lead to healthier African economies.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I appreciate the remarks of the distinguished Senator from California. She seeks to address a most critical problem, one that is unbelievable, as she pointed out, with 11 million a year dying from this disease.

We have been working. We expect to come together on an amendment that will be acceptable to both sides.

Mrs. FEINSTEIN. I thank the chairman very much. I appreciate that.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, Federal Reserve Board Chairman Alan Greenspan has said numerous times that increased trade has raised the standard of living and the quality of life for almost all countries involved in trade, and especially the quality of life in our own country. Chairman Greenspan believes the No. 1 benefit of trade is not simply jobs but an enhanced standard of living. I can think of no more important enhancement to the standard of living of America's hardest pressed working families than to increase the minimum wage. Surely, it is appropriate to send a message on this legislation that increased trade must definitely mean a better quality of life for the working poor.

I had hoped to offer an amendment to this bill to raise the minimum wage. Regrettably, it was perhaps the only vehicle that was going to be left in this year of this particular session. But the majority leader's actions prevented me from doing that. This trade bill has been offered to enhance the standard of living for workers in Africa and the Caribbean. I am certainly in favor of that. But there are honest disagreements as to whether the proposal before us effectively does so.

While we express our concern for the workers in these nations, we cannot forget the workers in our own country. I believe the American people will hold this Congress responsible for refusing to address so many issues which are critical to our families and our communities, and the majority, I believe, has once again turned a deaf ear to the pleas of the American people for action. I regret this latest missed opportunity.

I take this opportunity as we are coming into the final days of this congressional year to express what I know has to be the frustration of about 12 million Americans who had hoped this Congress would have raised the minimum wage, or at least had the opportunity to debate this issue and discuss this issue and consider this issue during this past summer, or this past fall, or even prior to the time that we were going to go into recess. But we have been denied the opportunity to do so. Every legislative possibility has been excluded from us doing so up to this time, and even excluded on this piece of legislation.

I join with all of those who share this enormous frustration and a certain amount of disgust at the way this issue is being treated as we are moving into these final days.

We now have seen some modification or adjustment to prior positions of opposition to any increase in the minimum wage which had been expressed by the Republican leadership in the House and also in the Senate. Now, evidently, there is a bidding war in the House of Representatives—hopefully, it won't take place in the Senate, but certainly in the House of Representatives—about not what we can do for the working poor but how many additional tax breaks we can add on to the minimum wage when we consider it in the House of Representatives.

If we extend the minimum wage over a longer period of time, for some 3 years, actually the benefits that special interests would receive by the tax considerations, which in the House position would reach $100 billion over 10 years, which isn't paid for, the only way you could assume they could be paid for would be out of Social Security because it is not paid for—and the bidding war wants to keep adding that until finally, evidently, the financial interests, which are the most opposed to any increase in the minimum wage, would finally say: All right, let's go ahead because the benefits we are going to receive so exceed and outweigh the modest increase in the increase in the minimum wage that it is worthwhile.

As we are coming to the end of this session, we are finding that this Senate refuses to address an issue which cries out for fairness and decency as the minimum wage slips further and further back for working families at the lower end of the economic ladder, who are in many instances doing such important work as teachers aides in the classrooms of this country, are doing important work in nursing homes and looking after the elderly people, or working in the great buildings of this country at nighttime in order to clean them so the American economy and efficiency can continue during the course of the day, that we have decided in this body evidently that we are going to leave this session granting ourselves a $4,600 pay increase and denying a one dollar-an-hour pay increase for over 11 million of our fellow citizens who are working at the lower rung of the economic ladder. That is not right. That is not fair. That is wrong.

We ask ourselves: Why should this be the case? Certainly we have not heard those who have resisted us in bringing this matter to the floor make the economic argument that, well, this will mean an increase in the numbers of unemployed Americans. They haven't been willing to make that. They have made it at other times, and it was so totally refuted during the last increases in the minimum wage that they evidently are not prepared to come out and debate that issue.

The other argument, that it was going to be an inflator in terms of our general economy, has been refuted completely, as a practical matter. The last time we raised the minimum wage it was demonstrated effectively that there was virtually no increase in the cost of living. We are denied the opportunity of even hearing a well thought out argument for opposing the minimum wage. All we hear is the same, tired, old arguments that have been disproved time in and time out.

What we see as a result is that without the increase in the minimum wage, there is a continued deterioration in the purchasing power of the minimum-wage workers. Even without the minimum wage, if we did not consider it until even 2000 or 2001, we would be back to $4.80 an hour, close to the lowest point in the last 40 years of minimum wage, at a time of unprecedented economic prosperity for everyone except those at the lowest rung of the economic ladder.

We will not even debate the issue. If Members want to vote against it, they can do so, but why deny Members the opportunity to debate the issue and take the time on this particular measure? Members cannot make the argument that it will take a lot of time after what we have gone through in the past days where, effectively, from a parliamentary point of view, we were in a stalemate in the Senate without any amendments being even considered on the trade bill for a number of days.

We could have dealt with this issue in a matter of hours. We are certainly prepared to deal with this issue in a relatively short time period—a few hours if necessary. Obviously, the majority, the Republicans, retain their rights in terms of a very modest increase in the minimum wage, 50 cents next year and 50 cents the following year. That is too high for our Republican friends. We can debate that and at least have the Senate work its will. The position taken by the Republican leadership on the other side has been, if we are going to extend it, they will deny us the opportunity to bring the minimum wage up this year. If we bring it up at the end of the session, we will put it, effectively, well into next year and carry it on to the following year, which will extend it perhaps $1.00 over 5 years.

Still, we will carry on the tax goodies which, over a 10-year period in the proposal recommended by the Republican leadership, will be $100 billion in tax breaks for the special interests. That is what is happening. That is what is so unacceptable.

This morning, there was an excellent editorial in the Washington Post, and I ask unanimous consent it be printed in the RECORD.

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

[From the Washington Post, Nov. 3, 1999]

THE MINIMUM WAGE SQUEEZE

The minimum wage should be increased, and the increase should not become a political football. Unfortunately, there is more than a little risk that it will become a football in the remaining days of the session.

The wage, now $5.15 an hour, was last increased in 1997. The president has proposed taking it up another dollar an hour: 50 cents next Jan. 1 and 50 cents a year thereafter. Republicans and some Democrats would spread the increase over an additional year. That's something reasonable people can disagree about. The wage ought not be allowed to lose ground to inflation, and perhaps in real terms ought to be a set higher than it has been in recent years, though the government powerfully supplements it with the earned-income tax credit, food stamps and other benefits.

The wage itself, however, has become almost a secondary issue. Those sponsoring a slower increase also want to use the bill as a vehicle for some of the tax cuts the president vetoed earlier in the year. Ostensibly, these are to make whole the smaller businesses that would have to pay the higher wage. But the data suggest that little of the benefit would go to such employers. These are costly cuts in the estate tax, tax treatment of pension set-asides, etc., that would mainly go to people of very high income. No provision is made to offset the costs, which tend to be understated in that early on they would be relatively low and only later begin to rise.

The president has rightly threatened, mainly on these fiscal grounds, to veto the bill. It may well be that the bill will have to include some tax relief to pass, but the relief should be targeted and paid for. The gatekeepers seek too heavy a toll. The price of a bill to help the working poor ought not be an indiscriminate tax cut for those at the very top of the economic mountain.

Mr. KENNEDY. This article reminds everyone how the interests of some of the hardest working Americans are being toyed with by the Republican leadership. They say maybe we will add a little more in terms of tax breaks if we consider the increase in the minimum wage.

This increase is a matter of enormous importance and consequence for the people receiving it. Sixty percent are women; over 75 percent of minimum wage workers heading up families are women. It is an issue in terms of children. It is a family issue. It is an issue relating to men and women of color since one-third of those who receive the minimum wage are men and women of color. It is a civil rights issue, a family issue, a children's issue, a women's issue. It is a fairness issue. Yet we are denied it.

How quickly this institution went ahead with a $4,600-per-year increase for their pay while denying this side the opportunity to vote on 50 cents an hour over each of the next two years for the minimum-wage worker, an increase of $2,000 a year for people working at the lower end of the economic ladder. Yet, $4,600 for the Members of Congress.

It is wrong to play with the life and the well-being of these workers. They are being toyed with by considering how much in additional tax breaks we will provide for special interests. That is what the bidding is that is going on. It is not the Congress or leadership acting in these workers' best interest.

What does $2,000 mean to a minimum-wage family? The two increments, of 50 cents each, mean 7 months' of grocery. That means a lot to a family. It is 5 months of rent. It is 10 months of utilities. It is 18 months of tuition and fees at a 2-year college for a family of four living on the minimum wage.

While many parts of our country have experienced the economic boom, we have found another very important area of need for minimum-wage workers: Housing. In so many areas of this country, the housing costs have gone off the chart and are virtually out of the reach of the minimum-wage workers. The hours a minimum-wage worker would have to work in Boston for a one-room apartment—100 a week. It is absolutely impossible to understand why we are not dealing with this issue.

This chart/table shows what happened when we had the increase in the minimum wage in 1996 and 1997. The unemployment rates continued to go down. This is true in the industry that has expressed the greatest reservation about a minimum-wage increase, the restaurant industry. They have increased their total workers by 400,000 over the period since the last increase in the minimum wage. They are out here day in and day out trying to undermine and lobby against the increase in the minimum wage.

This is not just an issue in which Democrats are interested, although we are interested in and we are committed to it. I daresay if we had a vote on an increase in the minimum wage, the way we have identified it, we would get virtually every member of our party and perhaps a few courageous Republicans as well.

This is what Business Week says about the increase in the minimum wage:

Old myths die hard. Old economic theories die even harder . . . higher minimum wages are supposed to lead to fewer jobs. Not today. In a fast-growth, low-inflation economy, higher minimum wages raise income, not unemployment.

This is from Business Week—not a labor organization, although they would agree—from Business Week, which understands it. They have probably reviewed carefully what happened in the State of Oregon that now has the highest minimum wage with the largest growth rate in terms of reduction of unemployment when they introduced the minimum wage. Why? Because people not working went into the labor market, it created more economic activity, and they paid more in taxes. The whole economy moved along together. We are glad to debate it if people want to dispute that.

What does this mean in people's lives?

Melissa Albis lives in North Adams, MA. She works for the local Burger King for $5.25 an hour. She has five children all under 12. She is struggling to pay her $550-a-month rent and is looking for less expensive housing because she fears she and her children will be evicted if she cannot earn more.

Cathi Zeman, 52 years old, works at the Rite Aid in Canonsburg, PA, a town near Pittsburgh. She earns $5.68 an hour: Base pay of $5.43, plus .25 for being a ''key carrier.'' Her husband has a heart condition and is only able to work sporadically, so she is the primary earner in her family. An increase in minimum wage means a lot to Cathi.

Shirley Briggs is a senior citizen living near Williamstown, MA. Her husband passed away in 1982, and even though she has arthritis, she works for $5.50 an hour to try to make ends meet. Even with supplement income and Social Security, she has trouble paying for medicine. ''My income is not enough to live.'' Minimum wage means a lot to Shirley.

Dianne Mitchell testified in June 1998 that she made $5.90 an hour at a laundry in Brockton, MA. For Dianne, with three daughters and a granddaughter, living on minimum wage is nerve-wracking. She is ''always juggling food and utilities,'' even having to choose one over the other. An increase in the minimum wage would give women like Dianne peace of mind—they could provide for their families.

Cordelia Bradley testified at a Senate forum last year she was working at a clothing chain store outside of Philadelphia. She and her son lived in a rented room for $300 a month. She hoped to have her own apartment, but at the current minimum wage that goal was out of reach.

Kimberly Frazier, also from Philadelphia, testified she was a full-time child care aide earning $5.20. A child care aide, how many times are we going to hear long speeches about children and looking out for children; children are our future; we need to do more caring for children. Kimberly Frazier is earning $5.20 an hour as a full-time child care aide. With three children, her pay barely covers the bills for rent, food, utilities, and clothes for her children. For Kimberly and her family, a pay increase of $1 an hour could make a real difference.

This is enormously important to individuals. Republicans want to see how little they can do for the workers, and how much, evidently, they can do for the corporations and special interests. You cannot look at the conduct of leadership in these last 4 weeks and not

understand that is what is happening. The workers are being nickled and dimed. This is absolutely unacceptable.

We are going to continue. The days are going down, the hours are going down, but we are resolute in our determination, and we are not going to have a bidding war out here on the floor of the Senate on this issue. We are not going to permit the toying with the lives of American workers who are playing by the rules, working 40 hours a week, 52 weeks a year, who want to provide for their children. They should not have to live in poverty in the United States of America. By denying us the opportunity to do something about this, the leadership, Republican leadership, is denying us a chance to deal with that issue, and it is fundamentally and basically wrong.

I will speak just briefly on another matter.

In passing the Norwood-Dingell bill, a large bipartisan majority in the House voted for strong patient protections against abuses by HMOs. Despite an extraordinary lobbying and disinformation campaign by the health insurance industry, the House approved the bill by a solid majority of 275 to 151. Mr. President, 68 Republicans as well as almost every Democrat in the House stood up for patients and stood up against industry pressure.

Now the insurance industry and its friends in the Republican leadership are at it again. Their emerging strategy is, once again, to delay and deny relief that American families need and that the House overwhelmingly approved. Every indication is that the intention of the Republican leadership is to see that this legislation, as it passed the House of Representatives, will not reach the President for his signature.

According to the Los Angeles Times, Senator LOTT's response to the passage of the House bill is that the House-Senate conferences on other legislation have a higher priority and resolving the differences on this bill will take some time.

According to the Baltimore Sun, Senator LOTT also indicated Congress might not have the time to work out differences or approve a final bill before it adjourns for the year. Senator NICKLES said the conference committee will probably not begin serious work until early next year.

I say: Why don't we consider the House bill—the bill that passed the House overwhelmingly with 68 Republicans—a bipartisan bill with Democrats and Republicans working together? Why don't we pass that in the Senate this afternoon? We could do that. I certainly urge that we go ahead and do that today. Every day we fail to pass the Patients' Bill of Rights, we are permitting insurance company accountants to make medical decisions that doctors and nurses and other trained medical personnel should have the opportunity to make. That is why the Patients' Bill of Rights is so important.

We believe that medical professionals, trained, dedicated and committed to their patients, should make those decisions, not accountants. This chart shows what we will see as long as we permit accountants to make health care decisions. We are going to see about 35,000 patients every single day will have needed care delayed. Specialty referrals will be denied to 35,000 patients. It may be that a child with cancer will see a pediatrician but doesn't get the necessary referral to see a pediatric oncologist. Mr. President, 31,000 patients are forced to change doctors every day; 18,000 are forced to change medication because the HMOs refused to reimburse the medicine their physician prescribed. The final result is that 59,000 Americans every day experience unnecessary added pain and suffering; 41,000 Americans see their conditions worsen every day that we fail to act.

We still have time to act in the final days of this session. Republicans are beginning to lay the groundwork for a failed conference. Comparing the Senate and House bills, Congressman BILL THOMAS says you don't see many crossbreeds between Chihuahuas and Great Danes walking around. That is quite a quote—we don't see many crossbreeds between Chihuahuas and Great Danes walking around.

I say, let's do what every health care professional organization in the United States has urged us to do, and pass the House bill. I am still waiting for the other side to list one major or minor health organization that supports their proposal: Zero, none, none. Every one of them—every doctors' organization, patients' organization, nursing organization, children's organization, women's health organization, consumer organization—supports our proposal.

Here is how Bruce Johnston of the U.S. Chamber of Commerce put it:

> To see nothing come out of the conference is my hope. The best outcome is no outcome. But if the strategy of delay and denial ultimately breaks down, the Republican leadership once again has an alternative to try to weaken the House bill as much as possible.

As the Baltimore Sun reported:

> The House majority whip suggested the Republican-dominated House conference would not fight vigorously for the House-approved measure in the conference committee. Mr. DeLay said, ''Remember who controls the conference: the Speaker of the House.''

That ought to give a lot of satisfaction to parents who are concerned about health care for their children. It ought to give a lot of satisfaction to the doctors who are trying to provide the best health care. This is what the House majority whip suggested: Remember who controls the conference: the Speaker of the House—unalterably opposed to the program.

The conference that produces legislation that looks like the Senate Republican bill will break faith with the American people, make a mockery of the overwhelming vote in the House of Representatives, and cause unnecessary suffering for millions of patients. Every day we delay in passing meaningful reforms means more patients will suffer and die.

Finally, I do not think, when we consider minimum wage and consider health, we have addressed these issues in the last few days. These are the matters about which most families are concerned. These are the issues they want addressed. The Republican leadership is considering what they will do on the bankruptcy issue. We have seen great economic prosperity. Do you know who is going bankrupt, by and large? It is the men and women who have lost out in the mergers, the supermergers that have brought extraordinary wealth and accumulation of wealth to individual stockholders. It is families who have had to pay increased costs for prescription drugs. It is women who are not receiving their alimony payments or women who are not getting child care support—there are some 400,000 of them. These are the individuals who are going into bankruptcy. Their needs should be protected.

We have to ask ourselves, if we are going to call bankruptcy up, why aren't we dealing with minimum wage? Why aren't we working on the Patients' Bill of Rights? Why are we not coming to grips with these issues, which are at the center of every working family's hopes and dreams.

In the months since the House passed the Norwood-Dingell bill and the Republican leadership has failed to allow a conference to proceed, 1 million patients have had needed care delayed; 1 million patients have been denied or delayed referral to a specialist; 940,000 patients have been forced to change doctors; more than 535,000 patients have been forced to change medication; Mr. President, 1.8 million patients have experienced added pain and suffering as a result of health plan abuses, and 1.2 million patients have seen their conditions worsen because of health plan abuses.

In the final days of this Congress, we can still take some important steps that will have a direct impact on the well-being of families who are at the lower end of the economic ladder. We can still take important steps that will have a direct impact on families who are faced with health care challenges. We can have a positive impact. We have had the hearings. We have had the debates. We have had the deliberations. All we need is to have the vote the way the House of Representatives had the vote. We can pass what has been a bipartisan bill in the House of Representatives in a matter of a few short hours.

The Republican leadership has waited a month since the House bill was passed to start this conference, effectively pushing action to next February at the earliest. Today is another litmus test of their intention with the appointment of House conferees. We expect those conferees to be stacked against meaningful reform.

We are prepared to participate in a fair conference, and we are willing to

enter into a reasonable compromise, but we are sending notice today that we will not tolerate a charade designed only to protect insurance company profits while patients continue to suffer. We will come back to this issue over and over until the American people prevail.

Mr. President, I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2408

Mr. FEINGOLD. Mr. President, I would like to very much thank the chairman and manager of the bill for accepting amendment No. 2408, which I offered and was cosponsored by Senator DURBIN of Illinois, with regard to anticorruption efforts and the desire to do something about the fact that bribery is an important problem worldwide. It poisons the business environment and distorts the normal practices of the marketplace. Bribery undermines democracy and leads to a lower global economy, and when corruption goes unchecked, everybody loses.

To pass the U.S. trade package without addressing corruption simply doesn't make sense, particularly if the package claims to actually promote growth and opportunity in Africa. Of the 16 sub-Saharan African states rated in the Transparency International 1999 Corruption Perception Index, 12 ranked in the bottom half.

The amendment Senator DURBIN and I have offered expresses a sense of Congress that the United States should encourage the accession of sub-Saharan African companies to the OECD Convention combating bribery of foreign officials in international business transactions. The OECD Convention criminalizes bribery of foreign officials to influence or retain business. Some have had said OECD standards are too demanding for the developing economies of Africa. But if we are going to engage in a new economic partnership with Africa, I think we need to leave this double standard behind. Transparency, integrity, and the rule of law are as important in Mali and Botswana as they are right here at home.

Ever since Congress passed the Foreign Corrupt Practices Act of 1977, under the leadership of one of my predecessors, Senator William Proxmire of Wisconsin, we have shared a consensus in this country that economic relations depend upon a foundation of fair play. This amendment incorporates that reality in African trade regulations. This anticorruption amendment also sends an important signal. It tells sub-Saharan states that responsibilities come with benefits in any trade partnership. If this Congress is serious about engaging Africa economically, we have to make these responsibilities crystal clear.

I, again, thank the Chair for accepting this amendment. I also commend Senator DURBIN, who has taken the lead—and I joined him—on another amendment having to do with this corruption issue. I am hopeful and optimistic that item will be accepted as well.

We have provided two different important provisions that will move forward with regard to the corruption problem in general and specifically with regard to the African nations.

AMENDMENT NO. 2409

(Purpose: To establish priorities for providing development assistance)

Mr. FEINGOLD. Mr. President, with regard to amendment No. 2409, I urge Members to look at the Statement of Policy in the text of the African Growth and Opportunity Act. In this section the bill asserts congressional support for a series of noble causes, such as supporting the development of civil societies and political freedom in the region, and focusing on countries committed to accountable government and the eradication of poverty.

But then those causes seem to disappear. The implication is that the United States plans to support for these worthy goals—goals that are in our own self-interest—through a series of limited trade benefits.

Nowhere does AGOA mention the role that development assistance plays in pursuing the very ends that it advocates—the eradication of poverty and the development of civil society.

This omission sends an alarming signal. It suggests that the United States may delude itself into thinking that trade alone will stimulate African development.

Trade alone cannot address the crippling effects of the HIV/AIDS epidemic, which has lowered life expectancies by as much as seventeen years in some African countries. Striking at the most productive segment of society—young adults—HIV/AIDS has dealt a brutal blow to African economic development, and has left a generation of orphans in its wake.

And trade alone will not provide sufficient access to education or to reproductive health services for African women—yet both elements are crucial to developing Africa's human resources.

This amendment expresses a sense of Congress that the HIV/AIDS epidemic and chronic food insecurity should be key priorities in U.S. assistance to Africa. It also prioritizes voluntary family planning services, including access to prenatal healthcare; education and vocational training, particularly for women; and programs designed to develop income-generating opportunities, such as micro-credit projects.

This amendment also mandates that the Development Fund for Africa be reestablished for aid authorized specifically for African-related objectives. The DFA allows USAID more flexibility in its Africa program. Perhaps most importantly, it is symbolic of U.S. commitment to African development.

In addition, my amendment requires USAID to submit a report to help the United States to get smarter about how it administers development assistance, and will ensure that our assistance fosters dynamic civil societies across the diverse nations of Africa.

This amendment sends an important signal. Even as the United States considers closer trade relations with sub-Saharan Africa, this country will not abandon its commitment to responsible and well-monitored development assistance.

Mr. President, I understand that a point of order is likely to be raised to this amendment. I understand the consequence of that. But I want to offer the amendment. I call up amendment No. 2409.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. FEINGOLD) proposes an amendment numbered 2409.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new title:

TITLE ____—DEVELOPMENT ASSISTANCE FOR SUB-SAHARAN AFRICAN COUNTRIES

SEC. ___01. FINDINGS.

(a) IN GENERAL.—Congress makes the following findings:

(1) In addition to drought and famine, the HIV/AIDS epidemic has caused countless deaths and untold suffering among the people of sub-Saharan Africa.

(2) The Food and Agricultural Organization estimates that 543,000,000 people, representing nearly 40 percent of the population of sub-Saharan Africa, are chronically undernourished.

(b) AMENDMENT TO FOREIGN ASSISTANCE ACT OF 1961.—Section 496(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(a)(1)) is amended by striking ''drought and famine'' and inserting ''drought, famine, and the HIV/AIDS epidemic''.

SEC. ___02. PRIVATE AND VOLUNTARY ORGANIZATIONS.

Section 496(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(e)) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

''(2) CAPACITY BUILDING.—In addition to assistance provided under subsection (h), the United States Agency for International Development shall provide capacity building assistance through participatory planning to private and voluntary organizations that are involved in providing assistance for sub-Saharan Africa under this chapter.''.

SEC. ___03. TYPES OF ASSISTANCE.

Section 496(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(h)) is amended by adding at the end the following:

''(4) PROHIBITION ON MILITARY ASSISTANCE.—Assistance under this section—

''(A) may not include military training or weapons; and

''(B) may not be obligated or expended for military training or the procurement of weapons.''.

SEC. ___04. CRITICAL SECTORAL PRIORITIES.

(a) AGRICULTURE, FOOD SECURITY AND NATURAL RESOURCES.—Section 496(i)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(1)) is amended—

(1) in the heading, to read as follows:

''(1) AGRICULTURE, FOOD SECURITY AND NATURAL RESOURCES.—'';

(2) in subparagraph (A)—

(A) in the heading, to read as follows:

''(A) AGRICULTURE AND FOOD SECURITY.—'';

(B) in the first sentence—

(i) by striking ''agricultural production in ways'' and inserting ''food security by promoting agriculture policies''; and

(ii) by striking '', especially food production,''; and

(3) in subparagraph (B), in the matter preceding clause (i), by striking ''agricultural production'' and inserting ''food security and sustainable resource use''.

(b) HEALTH.—Section 496(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(2)) is amended by striking ''(including displaced children)'' and inserting ''(including displaced children and improving HIV/AIDS prevention and treatment programs)''.

(c) VOLUNTARY FAMILY PLANNING SERVICES.—Section 496(i)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(3)) is amended by adding at the end before the period the following: ''and access to prenatal healthcare''.

(d) EDUCATION.—Section 496(i)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(4)) is amended by adding at the end before the period the following: ''and vocational education, with particular emphasis on primary education and vocational education for women''.

(e) INCOME-GENERATING OPPORTUNITIES.—Section 496(i)(5) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(5)) is amended—

(1) by striking ''labor-intensive''; and

(2) by adding at the end before the period the following: '', including development of manufacturing and processing industries and microcredit projects''.

SEC. ___05. REPORTING REQUIREMENTS.

Section 496 of the Foreign Assistance Act of 1961 (22 U.S.C. 2293) is amended by adding at the end the following:

''(p) REPORTING REQUIREMENTS.—The Administrator of the United States Agency for International Development shall, on a semiannual basis, prepare and submit to Congress a report containing—

''(1) a description of how, and the extent to which, the Agency has consulted with nongovernmental organizations in sub-Saharan Africa regarding the use of amounts made available for sub-Saharan African countries under this chapter;

''(2) the extent to which the provision of such amounts has been successful in increasing food security and access to health and education services among the people of sub-Saharan Africa;

''(3) the extent to which the provision of such amounts has been successful in capacity building among local nongovernmental organizations; and

''(4) a description of how, and the extent to which, the provision of such amounts has furthered the goals of sustainable economic and agricultural development, gender equity, environmental protection, and respect for workers' rights in sub-Saharan Africa.''.

SEC. ___06. SEPARATE ACCOUNT FOR DEVELOPMENT FUND FOR AFRICA.

Amounts appropriated to the Development Fund for Africa shall be appropriated to a separate account under the heading ''Development Fund for Africa'' and not to the account under the heading ''Development Assistance''.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I object to this amendment on the grounds that the Senator's amendment is inconsistent with the unanimous consent setting the terms of this debate. I appreciate the distinguished Senator's interest in this matter.

I make a point of order the amendment is not within the jurisdiction of the Finance Committee. It seems to me the appropriate place to debate this is in the context of the foreign operations appropriations bill or a foreign relations bill. For these reasons, I urge my friend to withdraw this amendment.

The PRESIDING OFFICER. The Senator's point is well taken and the amendment falls.

Mr. FEINGOLD. In light of the concerns raised by the chairman, I will withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. ROTH. On the first matter dealing with the anticorruption, we are in agreement. I congratulate and thank the Senator for his leadership in this matter. Because of his interest, as well as others, we are including a specific anticorruption provision in the managers' amendment.

I thank the distinguished Senator for his cooperation.

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

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. 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. SPECTER. Mr. President, I ask unanimous consent the Wellstone amendment be temporarily laid aside so that I may proceed with another amendment.

The PRESIDING OFFICER (Mr. HAGEL). Without objection, it is so ordered.

AMENDMENT NO. 2347, AS MODIFIED

Mr. SPECTER. Mr. President, I am sending an amendment to the desk on behalf of Senator BYRD, Senator HATCH, Senator HOLLINGS, Senator HELMS, Senator SANTORUM, and myself relating to a private right of action. I ask it be immediately considered.

The PRESIDING OFFICER. I am informed by the Parliamentarian the Senator can only call up an amendment that has been filed.

Mr. SPECTER. This amendment has been filed.

The PRESIDING OFFICER. Does the Senator have the number?

Mr. ROTH. I give the Senator permission to make modifications, if that is necessary.

Mr. SPECTER. Mr. President, as I have discussed with the distinguished chairman of the committee, it is amendment No. 2347. There have been two minor changes made which I have discussed with the distinguished chairman of the committee.

The PRESIDING OFFICER. The Chair notifies the Senator it takes a unanimous consent to modify the amendment.

Mr. SPECTER. I ask unanimous consent to modify the amendment. The modifications are minor.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment (No. 2347), as modified, is as follows:

At the appropriate place, insert the following new title:

TITLE ___—PRIVATE RIGHT OF ACTION FOR DUMPED AND SUBSIDIZED MERCHANDISE

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Unfair Foreign Competition Act of 1999''.

SEC. ___02. PRIVATE ACTIONS FOR RELIEF FROM UNFAIR FOREIGN COMPETITION.

(a) ACTION FOR DUMPING VIOLATIONS.—Section 801 of the Act of September 8, 1916 (39 Stat. 798; 15 U.S.C. 72) is amended to read as follows:

''SEC. 801. IMPORTATION OR SALE OF ARTICLES AT LESS THAN FOREIGN MARKET VALUE OR CONSTRUCTED VALUE.

''(a) PROHIBITION.—No person shall import into, or sell within, the United States an article manufactured or produced in a foreign country if—

''(1) the article is imported or sold within the United States at a United States price that is less than the foreign market value or constructed value of the article; and

''(2) the importation or sale—

''(A) causes or threatens to cause material injury to industry or labor in the United States; or

''(B) prevents, in whole or in part, the establishment or modernization of any industry in the United States.

''(b) CIVIL ACTION.—An interested party whose business or property is injured by reason of an importation or sale of an article in violation of this section may bring a civil action in the United States District Court for the District of Columbia Circuit against any person who—

''(1) manufactures, produces, or exports the article; or

''(2) imports the article into the United States if the person is related to the manufacturer or exporter of the article.

''(c) RELIEF.—

''(1) IN GENERAL.—Upon an affirmative determination by the United States District Court for the District of Columbia Circuit in an action brought under subsection (b), the court shall issue an order that includes a description of the subject article in such detail as the court deems necessary and shall—

''(A) direct the Customs Service to assess an antidumping duty on the article covered by the determination in accordance with section 736(a) of the Tariff Act of 1930 (19 U.S.C. 1673e); and

''(B) require the deposit of estimated antidumping duties pending liquidation of entries of the article at the same time as estimated normal customs duties on that article are deposited.

''(d) STANDARD OF PROOF.—

''(1) PREPONDERANCE OF EVIDENCE.—The standard of proof in an action brought under subsection (b) is a preponderance of the evidence.

''(2) SHIFT OF BURDEN OF PROOF.—Upon—

''(A) a prima facie showing of the elements set forth in subsection (a), or

''(B) affirmative final determinations adverse to the defendant that are made by the administering authority and the United States International Trade Commission under section 735 of the Tariff Act of 1930 (19 U.S.C. 1673d) relating to imports of the article in question for the country in which the manufacturer of the article is located,

the burden of proof in an action brought under subsection (b) shall be upon the defendant.

''(e) OTHER PARTIES.—

''(1) IN GENERAL.—Whenever, in an action brought under subsection (b), it appears to the court that justice requires that other parties be brought before the court, the court may cause them to be summoned, without regard to where they reside, and the subpoenas to that end may be served and enforced in any judicial district of the United States.

''(2) SERVICE ON DISTRICT DIRECTOR OF CUSTOMS SERVICE.—A foreign manufacturer, producer, or exporter that sells articles, or for whom articles are sold by another party in the United States, shall be treated as having appointed the District Director of the United States Customs Service for the port through which the article that is the subject of the action is commonly imported as the true and lawful agent of the manufacturer, producer, or exporter, and all lawful process may be served on the District Director in any action brought under subsection (b) against the manufacturer, producer, or exporter.

''(f) LIMITATION.—

''(1) STATUTE OF LIMITATION.—An action under subsection (b) shall be commenced not later than 4 years after the date on which the cause of action accrues.

''(2) SUSPENSION.—The 4-year period provided for in paragraph (1) shall be suspended—

''(A) while there is pending an administrative proceeding under subtitle B of title VII of the Tariff Act of 1930 (19 U.S.C. 1673 et seq.) relating to the article that is the subject of the action or an appeal of a final determination in such a proceeding; and

''(B) for 1 year thereafter.

''(g) NONCOMPLIANCE WITH COURT ORDER.—If a defendant in an action brought under subsection (b) fails to comply with any discovery order or other order or decree of the court, the court may—

''(1) enjoin the further importation into, or the sale or distribution within, the United States by the defendant of articles that are the same as, or similar to, the articles that are alleged in the action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with the order or decree; or

''(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

''(h) CONFIDENTIALITY AND PRIVILEGED STATUS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be maintained in any action brought under subsection (b).

''(2) EXCEPTION.—In an action brought under subsection (b) the court may—

''(A) examine, in camera, any confidential or privileged material;

''(B) accept depositions, documents, affidavits, or other evidence under seal; and

''(C) disclose such material under such terms and conditions as the court may order.

''(i) EXPEDITION OF ACTION.—An action brought under subsection (b) shall be advanced on the docket and expedited in every way possible.

''(j) DEFINITIONS.—In this section, the terms 'United States price', 'foreign market value', 'constructed value', 'subsidy', 'interested party', and 'material injury', have the meanings given those terms under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

''(k) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in any action brought under subsection (b) as a matter of right. The United States shall have all the rights of a party to such action.

''(l) NULLIFICATION OF ORDER.—An order by a court under this section may be set aside by the President pursuant to section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).''.

(b) ACTION FOR SUBSIDIES VIOLATIONS.—Title VIII of the Act of September 8, 1916 (39 Stat. 798; 15 U.S.C. 71 et seq.) is amended by adding at the end the following new section:

''SEC. 807. IMPORTATION OR SALE OF SUBSIDIZED ARTICLES.

''(a) PROHIBITION.—No person shall import into, or sell within, the United States an article manufactured or produced in a foreign country if—

''(1) the foreign country, any person who is a citizen or national of the foreign country, or a corporation, association, or other organization organized in the foreign country, is providing (directly or indirectly) a subsidy with respect to the manufacture, production, or exportation of the article; and

''(2) the importation or sale—

''(A) causes or threatens to cause material injury to industry or labor in the United States; or

''(B) prevents, in whole or in part, the establishment or modernization of any industry in the United States.

''(b) CIVIL ACTION.—An interested party whose business or property is injured by reason of the importation or sale of an article in violation of this section may bring a civil action in the United States District Court for the District of Columbia Circuit against any person who—

''(1) manufactures, produces, or exports the article; or

''(2) imports the article into the United States if the person is related to the manufacturer, producer, or exporter of the article.

''(c) RELIEF.—

''(1) IN GENERAL.—Upon an affirmative determination by the United States District Court for the District of Columbia Circuit in an action brought under subsection (b), the court shall issue an order that includes a description of the subject article in such detail as the court deems necessary and shall—

''(A) direct the Customs Service to assess a countervailing duty on the article covered by the determination in accordance with section 706(a) of the Tariff Act of 1930 (19 U.S.C. 1671e); and

''(B) require the deposit of estimated countervailing duties pending liquidation of entries of the article at the same time as estimated normal customs duties on that article are deposited.

''(d) STANDARD OF PROOF.—

''(1) PREPONDERANCE OF EVIDENCE.—The standard of proof in an action filed under subsection (b) is a preponderance of the evidence.

''(2) SHIFT OF BURDEN OF PROOF.—Upon—

''(A) a prima facie showing of the elements set forth in subsection (a), or

''(B) affirmative final determinations adverse to the defendant that are made by the administering authority and the United States International Trade Commission under section 705 of the Tariff Act of 1930 (19 U.S.C. 1671d) relating to imports of the article in question from the country in which the manufacturer of the article is located,

the burden of proof in an action brought under subsection (b) shall be upon the defendant.

''(e) OTHER PARTIES.—

''(1) IN GENERAL.—Whenever, in an action brought under subsection (b), it appears to the court that justice requires that other parties be brought before the court, the court may cause them to be summoned, without regard to where they reside, and the subpoenas to that end may be served and enforced in any judicial district of the United States.

''(2) SERVICE ON DISTRICT DIRECTOR OF CUSTOMS SERVICE.—A foreign manufacturer, producer, or exporter that sells articles, or for which articles are sold by another party in the United States, shall be treated as having appointed the District Director of the United States Customs Service for the port through which the article that is the subject of the action is commonly imported as the true and lawful agent of the manufacturer, producer, or exporter, and all lawful process may be served on the District Director in any action brought under subsection (b) against the manufacturer, producer, or exporter.

''(f) LIMITATION.—

''(1) STATUTE OF LIMITATIONS.—An action under subsection (b) shall be commenced not later than 4 years after the date on which the cause of action accrues.

''(2) SUSPENSION.—The 4-year period provided for in paragraph (1) shall be suspended—

''(A) while there is pending an administrative proceeding under subtitle A of title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) relating to the article that is the subject of the action or an appeal of a final determination in such a proceeding; and

''(B) for 1 year thereafter.

''(g) NONCOMPLIANCE WITH COURT ORDER.—If a defendant in an action brought under subsection (b) fails to comply with any discovery order or other order or decree of the court, the court may—

''(1) enjoin the further importation into, or the sale or distribution within, the United States by the defendant of articles that are the same as, or similar to, the articles that are alleged in the action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with the order or decree; or

''(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

''(h) CONFIDENTIALITY AND PRIVILEGED STATUS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be maintained in any action brought under subsection (b).

''(2) EXCEPTION.—In an action brought under subsection (b) the court may—

''(A) examine, in camera, any confidential or privileged material;

''(B) accept depositions, documents, affidavits, or other evidence under seal; and

''(C) disclose such material under such terms and conditions as the court may order.

''(i) EXPEDITION OF ACTION.—An action brought under subsection (b) shall be advanced on the docket and expedited in every way possible.

''(j) DEFINITIONS.—In this section, the terms 'subsidy', 'material injury', and 'interested party' have the meanings given those terms under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

''(k) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in any action brought under subsection (b) as a matter of right.

The United States shall have all the rights of a party to such action.

''(l) NULLIFICATION OF ORDER.—An order by a court under this section may be set aside by the President pursuant to section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).''.

(c) ACTION FOR CUSTOMS FRAUD.—

(1) AMENDMENT OF TITLE 28, UNITED STATES CODE.—Chapter 95 of title 28, United States Code, is amended by adding at the end the following new section:

''§ 1586. Private enforcement action for customs fraud

''(a) CIVIL ACTION.—An interested party whose business or property is injured by a fraudulent, grossly negligent, or negligent violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)) may bring a civil action in the United States District Court for the District of Columbia Circuit, without respect to the amount in controversy.

''(b) RELIEF.—Upon proof by an interested party that the business or property of such interested party has been injured by a fraudulent, grossly negligent, or negligent violation of section 592(a) of the Tariff Act of 1930, the interested party shall—

''(1)(A) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into the United States of the merchandise in question; or

''(B) if injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

''(2) recover the costs of suit, including reasonable attorney's fees.

''(c) DEFINITIONS.—For purposes of this section:

''(1) INTERESTED PARTY.—The term 'interested party' means—

''(A) a manufacturer, producer, or wholesaler in the United States of like or competing merchandise; or

''(B) a trade or business association a majority of whose members manufacture, produce, or wholesale like merchandise or competing merchandise in the United States.

''(2) LIKE MERCHANDISE.—The term 'like merchandise' means merchandise that is like, or in the absence of like, most similar in characteristics and users with, merchandise being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

''(3) COMPETING MERCHANDISE.—The term 'competing merchandise' means merchandise that competes with or is a substitute for merchandise being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

''(d) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in an action brought under this section, as a matter of right. The United States shall have all the rights of a party.

''(e) NULLIFICATION OF ORDER.—An order by a court under this section may be set aside by the President pursuant to section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).''.

(2) TECHNICAL AMENDMENT.—The chapter analysis for chapter 95 of title 28, United States Code, is amended by adding at the end the following new item:

''1586. Private enforcement action for customs fraud.''.

SEC. ___03. AMENDMENTS TO THE TARIFF ACT OF 1930.

(a) IN GENERAL.—Title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) is amended by inserting after section 753 the following new section:

''SEC. 754. CONTINUED DUMPING AND SUBSIDY OFFSET.

''(a) IN GENERAL.—Duties assessed pursuant to a countervailing duty order, an antidumping duty order, or a finding under the Antidumping Act of 1921 shall be distributed on an annual basis under this section to workers for damages sustained for loss of wages resulting from the loss of jobs, and to the affected domestic producers for qualifying expenditures. Such distribution shall be known as the 'continued dumping and subsidy offset'.

''(b) DEFINITIONS.—As used in this section:

''(1) AFFECTED DOMESTIC PRODUCER.—The term 'affected domestic producer' means any manufacturer, producer, farmer, rancher, or worker representative (including associations of such persons) that—

''(A) was a petitioner or interested party in support of the petition with respect to which an antidumping duty order, a finding under the Antidumping Act of 1921, or a countervailing duty order has been entered, and

''(B) remains in operation.

Companies, businesses, or persons that have ceased the production of the product covered by the order or finding or who have been acquired by a company or business that is related to a company that opposed the investigation shall not be an affected domestic producer.

''(2) COMMISSIONER.—The term 'Commissioner' means the Commissioner of Customs.

''(3) COMMISSION.—The term 'Commission' means the United States International Trade Commission.

''(4) QUALIFYING EXPENDITURE.—The term 'qualifying expenditure' means an expenditure incurred after the issuance of the antidumping duty finding or order or countervailing duty order in any of the following categories:

''(A) Plant.

''(B) Equipment.

''(C) Research and development.

''(D) Personnel training.

''(E) Acquisition of technology.

''(F) Health care benefits to employees paid for by the employer.

''(G) Pension benefits to employees paid for by the employer.

''(H) Environmental equipment, training, or technology.

''(I) Acquisition of raw materials and other inputs.

''(J) Borrowed working capital or other funds needed to maintain production.

''(5) RELATED TO.—A company, business, or person shall be considered to be 'related to' another company, business, or person if—

''(A) the company, business, or person directly or indirectly controls or is controlled by the other company, business, or person,

''(B) a third party directly or indirectly controls both companies, businesses, or persons,

''(C) both companies, businesses, or persons directly or indirectly control a third party and there is reason to believe that the relationship causes the first company, business, or persons to act differently than a nonrelated party.

For purposes of this paragraph, a party shall be considered to directly or indirectly control another party if the party is legally or operationally in a position to exercise restraint or direction over the other party.

''(6) WORKERS.—The term 'workers' refers to persons who sustained damages for loss of wages resulting from loss of jobs. The Secretary of Labor shall determine eligibility for purposes of this section.

''(c) DISTRIBUTION PROCEDURES.—The Commissioner in consultation with the Secretary of Labor shall prescribe procedures for distribution of the continued dumping or subsidies offset required by this section. Such distribution shall be made not later than 60 days after the first day of a fiscal year from duties assessed during the preceding fiscal year.

''(d) PARTIES ELIGIBLE FOR DISTRIBUTION OF ANTIDUMPING AND COUNTERVAILING DUTIES ASSESSED.—

''(1) LIST OF WORKERS AND AFFECTED DOMESTIC PRODUCERS.—The Commission shall forward to the Commissioner within 60 days after the effective date of this section in the case of orders or findings in effect on such effective date, or in any other case, within 60 days after the date an antidumping or countervailing duty order or finding is issued, a list of petitioners and persons with respect to each order and finding and a list of persons that indicate support of the petition by letter or through questionnaire response. In those cases in which a determination of injury was not required or the Commission's records do not permit an identification of those in support of a petition, the Commission shall consult with the administering authority to determine the identity of the petitioner and those domestic parties who have entered appearances during administrative reviews conducted by the administering authority under section 751.

''(2) PUBLICATION OF LIST; CERTIFICATION.—The Commissioner shall publish in the Federal Register at least 30 days before the distribution of a continued dumping and subsidy offset, a notice of intention to distribute the offset and the list of workers and affected domestic producers potentially eligible for the distribution based on the list obtained from the Commission under paragraph (1). The Commissioner shall request a certification from each potentially eligible affected domestic producer—

''(A) that the producer desires to receive a distribution;

''(B) that the producer is eligible to receive the distribution as an affected domestic producer; and

''(C) the qualifying expenditures incurred by the producer since the issuance of the order or finding for which distribution under this section has not previously been made.

''(3) DISTRIBUTION OF FUNDS.—The Commissioner in consultation with the Secretary of Labor shall distribute all funds (including all interest earned on the funds) from assessed duties received in the preceding fiscal year to workers and to the affected domestic producers based on the certifications described in paragraph (2). The distributions shall be made on a pro rata basis based on new and remaining qualifying expenditures.

''(e) SPECIAL ACCOUNTS.—

''(1) ESTABLISHMENTS.—Within 14 days after the effective date of this section, with respect to antidumping duty orders and findings and countervailing duty orders in effect on the effective date of this section, and within 14 days after the date an antidumping duty order or finding or countervailing duty order issued after the effective date takes effect, the Commissioner shall establish in the Treasury of the United States a special account with respect to each such order or finding.

''(2) DEPOSITS INTO ACCOUNTS.—The Commissioner shall deposit into the special accounts, all antidumping or countervailing duties (including interest earned on such duties) that are assessed after the effective date of this section under the antidumping order or finding or the countervailing duty order with respect to which the account was established.

''(3) TIME AND MANNER OF DISTRIBUTIONS.—Consistent with the requirements of subsections (c) and (d), the Commissioner shall by regulation prescribe the time and manner

in which distribution of the funds in a special account shall made.

''(4) TERMINATION.—A special account shall terminate after—

''(A) the order or finding with respect to which the account was established has terminated;

''(B) all entries relating to the order or finding are liquidated and duties assessed collected;

''(C) the Commissioner has provided notice and a final opportunity to obtain distribution pursuant to subsection (c); and

''(D) 90 days has elapsed from the date of the notice described in subparagraph (C).

Amounts not claimed within 90 days of the date of the notice described in subparagraph (C), shall be deposited into the general fund of the Treasury.''.

(b) CONFORMING AMENDMENT.—The table of contents for title VII of the Tariff Act of 1930 is amended by inserting the following new item after the item relating to section 753:

''Sec. 754. Continued dumping and subsidy offset.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to all antidumping and countervailing duty assessments made on or after October 1, 1996.

Mr. SPECTER. Mr. President, as noted, there are two modifications to the amendment. They are minor modifications. One relates to the court which will have jurisdiction. Instead of the Court of International Trade, it will be the U.S. District Court for the District of Columbia. And the second is the striking of language citing antitrust laws, which has been deleted to avoid any possible question as to whether this is a Finance Committee jurisdictional matter and appropriate amendment for this bill.

The essence of this bill is to provide a private right of action to damaged, injured parties when goods are imported into the United States which are dumped in violation of U.S. trade laws and in violation of international trade laws. Many American industries have been decimated as a result of this illegal practice, and the existing remedies are totally insufficient to provide adequate safeguards for the violation of these trade laws.

This bill does not deal with any issue of inappropriate consideration for domestic industries and is really not protectionist, as that term has been traditionally defined. The international trade laws are specific that the goods ought not to be sold in the United States at a lower price than they are sold in the country from which the exports are made and imported into the United States. Our trade laws in the United States preclude dumped goods from coming into this country. International trade laws preclude dumped goods.

This is an approach I have been advocating for more than 17 years now, with my initial bill having been introduced in the 97th Congress, S. 2167, on March 4, 1983. I followed up with similar legislation in the 98th Congress, S. 418 on February 3, 1983; in the 99th Congress, with S. 236; in the 100th Congress, with S. 361; in the 102d Congress, with S. 2508. The thrust has always been the same, that is to provide a private right of action so injured parties could go into Federal court and secure redress on their legal rights because the proceedings through section 201, through the Department of Commerce, through the International Trade Commission, are so long that they are virtually ineffective.

If an injured party goes into the Federal court under the Federal Rules of Civil Procedure, it is possible to get a temporary restraining order on affidavits within 5 days, then a prompt preliminary hearing and a preliminary injunction and prompt equitable proceedings for a permanent injunction.

The initial legislation, which was introduced back in 1982, called for injunctive relief. The pending amendment provides for a remedy of duties or tariffs equal to the amount of the dumping, the difference between what the product would be sold at in the United States compared to what the product is being sold at in the home country.

I have a list of antidumping duty orders in effect on March 1, 1999. I ask unanimous consent this list be printed in the CONGRESSIONAL RECORD at the conclusion of my statement.

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

(See Exhibit 1.)

Mr. SPECTER. Mr. President, on the 5 pages which I am submitting, there are some 290 items which are being subjected to the antidumping orders as of March 1 of this year.

Some illustrative provisions: In Argentina, there is a dumping order on carbon steel; as to Bangladesh, a dumping order on cotton shop towels; Belgium, a dumping order on sugar; Canada, a dumping order on red raspberries; Chile, a dumping order on fresh cut flowers; China, a dumping order on garlic. So the list goes on and on and on.

When I testified at the hearing before the Finance Committee in favor of this bill, the Senator from North Dakota, Mr. CONRAD, made a comment that this kind of provision might well be applied to wheat and wheat farmers, where they are subjected to dumping from other countries. I suggest to my colleagues who are listening to this on C-SPAN, or to the staffs, that there is hardly a State—there may be no State—which is unaffected by dumping where goods come in from a foreign country and are sold in the United States at a price lower than they are being sold in the foreign country in violation of U.S. trade laws and in violation of international trade laws.

The remedy has been modified to provide for the duties or tariffs, as I have stated, in order to comply with GATT, because a question had arisen as to whether injunctive relief was appropriate under GATT. I frankly believe it is. But to avoid any problem, the relief has been modified to duties or tariffs.

The difficulty with the proceedings with the existing laws is the tremendous length of time which is taken. For an illustration, there was an antidumping order issued as to salmon. It was initiated on July 10, 1997. The order was finally issued on July 30, 1998—time elapsed, 380 days.

A second illustrative case involved garlic from China, initiated on February 28, 1994; the order issued on November 16, 1994—200 days.

A third illustration, magnesium from Ukraine: Initiated April 26, 1994; the order issued May 12, 1995—360 days.

Hot rolled steel from Japan: The initiation of the action was October 27, 1998; the order issued on June 19, 1999. These are only illustrative of the enormous lapse in time.

Contrasted with what can happen in a court of equity, a temporary restraining order can be issued within 5 days on affidavits, prompt proceedings for preliminary injunctions, prompt proceedings for injunctive relief generally.

The difficulty with existing law is that the decisions are made based upon political considerations and foreign relations, and not based upon what is right for American industries who are being undersold by these dumped goods and have suffered a tremendous loss of employment.

My State, Pennsylvania, has been victimized by dumping for the past 2 decades. Two decades ago, the American steel industry employed some 500,000 individuals. Today that number has dwindled to 160,000, notwithstanding the fact that the American steel industry has spent some $50 billion in modernizing.

Under existing laws, the executive branch has the authority to issue suspension agreements. One illustration of that was a suspension agreement issued on July 13 of this year when Secretary Daley announced the United States and Russia had reached agreements to reduce imports of steel. That was immediately followed by strenuous objections by a number of steel companies operating out of my State, Pennsylvania—Bethlehem Steel, LTV, National Steel Corporation, U.S. Steel Group—where they made strenuous objection to these suspension agreements which undermine the effectiveness and credibility of U.S. trade laws and a rule-based international trade system.

I recall, in 1984, a time when the American steel industry was especially hard hit by imports, dumped imports.

The International Trade Commission had issued an order 3–2 in favor of the position of American Steel. The President had the authority to overrule that decision. Senator Heinz and I then made the rounds and talked to International Trade Representative Brock who agreed that the International Trade Commission order in favor of American Steel should be upheld. We talked to Secretary of Commerce Malcolm Baldrige who similarly agreed. We then talked to Secretary of State George Shultz who disagreed, as did Secretary of Defense Weinberger, with Secretary of State Shultz putting it on

grounds of U.S. foreign policy and Secretary of Defense Weinberger putting it on grounds of U.S. defense policy.

When these matters are left to the executive branch, the executive branch inevitably does a balancing of what is happening in Russia, what is happening in Argentina, what is happening in Japan, what is happening in Korea.

It is certainly true that when the suspension agreements were entered into by Secretary Daley on July 13, 1999, the Russian economy was in a precarious state, but then so were certain aspects of the economy of western Pennsylvania.

The thrust of taking the matter to the courts is that justice will be done in accordance with existing law, contrasted with what the desirability may be for U.S. foreign policy or for U.S. defense policy.

There is stated from time to time a reluctance to take matters to the court, but my own view, having had substantial practice in the Federal courts as well as the State courts, is that is where justice is done. If there is a case that could be made to show there is a violation of U.S. trade laws and foreign trade laws on dumping, those legal principles will be administered by the courts. Where the wheat industry is being victimized by dumping or the steel industry is being victimized by dumping or the sugar industry is being victimized by dumping or the fresh cut flower industry is being victimized by dumping, justice will be done in the Federal courts.

I yield the floor.

EXHIBIT 1

ANTIDUMPING DUTY ORDERS IN EFFECT ON MARCH 1, 1999

[Duty orders revoked by Sunset Review remain in effect until Jan. 1, 2000]

CASE NUM AND COUNTRY	PRODUCT	DAT INI
A–357–007 ARGENTINA	CARBON STEEL WIRE ROD	12/
A–357–405 ARGENTINA	BARBED WIRE AND BARBLESS WIRE STRAND	12/
A–357–802 ARGENTINA	L–WR WELDED CARBON STEEL PIPE & TUBE	06/
A–357–804 ARGENTINA	SILICON METAL	09/
A–357–809 ARGENTINA	LINE AND PRESSURE PIPE	07/
A–357–810 ARGENTINA	OIL COUNTRY TUBULAR GOODS	07/
A–831–801 ARMENIA	SOLID UREA	08/
A–602–803 AUSTRALIA	CORROSION-RESISTANT CARBON STEEL FLAT PRODUCTS	07/
A–832–801 AZERBAIJAN	SOLID UREA	08/
A–538–802 BANGLADESH	COTTON SHOP TOWELS	04/
A–822–801 BELARUS	SOLID UREA	08/
A–423–077 BELGIUM	SUGAR	08/
A–423–602 BELGIUM	INDUSTRIAL PHOSPHORIC ACID	12/
A–423–805 BELGIUM	CUT-TO-LENGTH CARBON STEEL PLATE	07/
A–351–503 BRAZIL	IRON CONSTRUCTION CASTINGS	06/
A–351–505 BRAZIL	MALLEABLE CAST IRON PIPE FITTINGS	08/
A–351–602 BRAZIL	CARBON STEEL BUTT-WELD PIPE FITTINGS	03/
A–351–603 BRAZIL	BRASS SHEET & STRIP	04/
A–351–605 BRAZIL	FROZEN CONCENTRATED ORANGE JUICE	06/
A–351–804 BRAZIL	INDUSTRIAL NITROCELLULOSE	10/
A–351–806 BRAZIL	SILICON METAL	09/
A–351–809 BRAZIL	CIRCULAR WELDED NON-ALLOY STEEL PIPE	10/
A–351–811 BRAZIL	HOT ROLLED LEAD/BISMUTH CARBON STEEL PRODUCTS	05/
A–351–817 BRAZIL	CUT-TO-LENGTH CARBON STEEL PLATE	07/
A–351–819 BRAZIL	STAINLESS STEEL WIRE ROD	01/
A–351–820 BRAZIL	FERROSILICON	02/
A–351–824 BRAZIL	SILICOMANGANESE	12/
A–351–825 BRAZIL	STAINLESS STEEL BAR	01/
A–351–826 BRAZIL	LINE AND PRESSURE PIPE	07/
A–122–047 CANADA	ELEMENTAL SULPHUR	02/
A–122–085 CANADA	SUGAR & SYRUP	04/
A–122–401 CANADA	RED RASPBERRIES	07/
A–122–503 CANADA	IRON CONSTRUCTION CASTINGS	06/
A–122–506 CANADA	OIL COUNTRY TUBULAR GOODS	08/
A–122–601 CANADA	BRASS SHEET & STRIP	04/
A–122–605 CANADA	COLOR PICTURE TUBES	12/
A–122–804 CANADA	NEW STEEL RAILS	10/
A–122–814 CANADA	PURE AND ALLOY MAGNESIUM	10/
A–122–822 CANADA	CORROSION-RESISTANT CARBON STEEL FLAT PRODUCTS	07/
A–122–823 CANADA	CUT-TO-LENGTH CARBON STEEL PLATE	07/
A–337–602 CHILE	FRESH CUT FLOWERS	06/
A–337–803 CHILE	FRESH ATLANTIC SALMON	07/
A–337–804 CHILE	PRESERVED MUSHROOMS	02/
A–570–001 CHINA PRC	POTASSIUM PERMANGANATE	03/
A–570–002 CHINA PRC	CHLOROPICRIN	05/
A–570–003 CHINA PRC	COTTON SHOP TOWELS	09/
A–570–007 CHINA PRC	BARIUM CHLORIDE	11/
A–570–101 CHINA PRC	GREIG POLYESTER COTTON PRINT CLOTH	09/
A–570–501 CHINA PRC	NATURAL BRISTLE PAINT BRUSHES & BRUSH HEADS	03/
A–570–502 CHINA PRC	IRON CONSTRUCTION CASTINGS	06/
A–570–504 CHINA PRC	PETROLEUM WAX CANDLES	09/
A–570–506 CHINA PRC	PORCELAIN-ON-STEEL COOKING WARE	12/
A–570–601 CHINA PRC	TAPERED ROLLER BEARINGS	09/
A–570–802 CHINA PRC	INDUSTRIAL NITROCELLULOSE	10/
A–570–803 CHINA PRC	HEAVY FORGED HAND TOOLS, W/WO HANDLES	05/
A–570–804 CHINA PRC	SPARKLERS	07/
A–570–805 CHINA PRC	SULFUR CHEMICALS (SODIUM THIOSULFATE)	08/
A–570–806 CHINA PRC	SILICON METAL	09/
A–570–808 CHINA PRC	CHROME-PLATE LUG NUTS	11/
A–570–811 CHINA PRC	TUNGSTEN ORE CONCENTRATES	02/
A–570–814 CHINA PRC	CARBON STEEL BUTT-WELD PIPE FITTINGS	06/
A–570–815 CHINA PRC	SULFANILIC ACID	10/
A–570–819 CHINA PRC	FERROSILICON	06/
A–570–820 CHINA PRC	COMPACT DUCTILE IRON WATERWORKS FITTINGS	08/
A–570–822 CHINA PRC	HELICAL SPRING LOCK WASHERS	10/
A–570–825 CHINA PRC	SEBACIC ACID	08/
A–570–826 CHINA PRC	PAPER CLIPS	11/
A–570–827 CHINA PRC	PENCILS, CASED	12/
A–570–828 CHINA PRC	SILICOMANGANESE	12/
A–570–830 CHINA PRC	COUMARIN	01/
A–570–831 CHINA PRC	GARLIC, FRESH	02/
A–570–832 CHINA PRC	PURE MAGNESIUM	04/
A–570–835 CHINA PRC	FURFURYL ALCOHOL	06/
A–570–836 CHINA PRC	GLYCINE	07/
A–570–840 CHINA PRC	MANGANESE METAL	12/
A–570–842 CHINA PRC	POLYVINYL ALCOHOL	04/
A–570–844 CHINA PRC	MELAMINE INSTITUTIONAL DINNERWARE	03/
A–570–846 CHINA PRC	BRAKE ROTORS	04/
A–570–847 CHINA PRC	PERSULFATES	08/
A–570–848 CHINA PRC	FRESHWATER CRAWFISH TAILMEAT	10/
A–583–008 CHINA TAIWAN	SMALL DIAM. WELDED CARBON STEEL PIPE & TUBE	05/
A–583–080 CHINA TAIWAN	CARBON STEEL PLATE	10/
A–583–505 CHINA TAIWAN	OIL COUNTRY TUBULAR GOODS	08/
A–583–507 CHINA TAIWAN	MALLEABLE CAST IRON PIPE FITTINGS	08/
A–583–508 CHINA TAIWAN	PORCELAIN-ON-STEEL COOKING WARE	12/
A–583–603 CHINA TAIWAN	TOP-OF-THE-STOVE STNLS STEEL COOKING WARE	02/
A–583–605 CHINA TAIWAN	CARBON STEEL BUTT-WELD PIPE FITTINGS	03/
A–583–803 CHINA TAIWAN	LIGHT-WALLED RECT. WELDED CARBON STEEL PIPE & TUBE	07/

ANTIDUMPING DUTY ORDERS IN EFFECT ON MARCH 1, 1999—Continued

[Duty orders revoked by Sunset Review remain in effect until Jan. 1, 2000]

CASE NUM AND COUNTRY	PRODUCT	DAT INI
A–583–806 CHINA TAIWAN	TELEPHONE SYSTEMS & SUBASSEMBLIES THEREOF	01/
A–583–810 CHINA TAIWAN	CHROME-PLATED LUG NUTS	11/
A–583–814 CHINA TAIWAN	CIRCULAR WELDED NON-ALLOY STEEL PIPE	10/
A–583–815 CHINA TAIWAN	WELDED ASTM A–312 STAINLESS STEEL PIPE	12/
A–583–816 CHINA TAIWAN	STAINLESS STEEL BUTT-WELD PIPE FITTINGS	06/
A–583–820 CHINA TAIWAN	HELICAL SPRING LOCK WASHERS	10/
A–583–821 CHINA TAIWAN	STAINLESS STEEL FLANGES	02/
A–583–824 CHINA TAIWAN	POLYVINYL ALCOHOL	04/
A–583–825 CHINA TAIWAN	MELAMINE INSTITUTIONAL DINNERWARE	03/
A–583–826 CHINA TAIWAN	COLLATED ROOFING NAILS	12/
A–583–827 CHINA TAIWAN	STATIC RANDOM ACCESS MEMORY	03/
A–583–828 CHINA TAIWAN	STAINLESS STEEL WIRE ROD	08/
A–301–602 COLOMBIA	FRESH CUT FLOWERS	06/
A–331–602 ECUADOR	FRESH CUT FLOWERS	06/
A–447–801 ESTONIA	SOLID UREA	08/
A–405–802 FINLAND	CUT-TO-LENGTH CARBON STEEL PLACE	07/
A–427–001 FRANCE	SORBITOL	07/
A–427–009 FRANCE	INDUSTRIAL NITROCELLULOSE	07/
A–427–078 FRANCE	SUGAR	08/
A–427–098 FRANCE	ANHYDROUS SODIUM METASLICATE	06/
A–427–602 FRANCE	BRASS SHEET & STRIP	04/
A–427–801 FRANCE	ANTIFRICTION BEARINGS	04/
A–427–804 FRANCE	HOT ROLLED LEAD/BISMUTH CARBON STEEL PRODUCTS	05/
A–427–808 FRANCE	CORROSION-RESISTANT CARBON STEEL FLAT PRODUCTS	07/
A–427–811 FRANCE	STAINLESS STEEL WIRE ROD	01/
A–427–812 FRANCE	CALCIUM ALUMINATE CEMENT AND CEMENT CLINKER	04/
A–100–001 GENERAL ISSUES	ANTIFRICTION BEARINGS	04/
A–100–003 GENERAL ISSUES	CARBON STEEL FLAT PRODUCTS (FILED 30–Jun–92)	07/
A–833–801 GEORGIA	SOLID UREA	08/
A–428–811 GERMANY UNITED	HOT ROLLED LEAD/BISMUTH CARBON STEEL PRODUCTS	05/
A–428–814 GERMANY UNITED	COLD-ROLLED CARBON STEEL FLAT PRODUCTS	07/
A–428–815 GERMANY UNITED	CORROSION-RESISTANT CARBON STEEL FLAT PRODUCTS	07/
A–428–816 GERMANY UNITED	CUT-TO-LENGTH CARBON STEEL PLATE	07/
A–428–820 GERMANY UNITED	SEAMLESS LINE AND PRESSURE PIPE	07/
A–428–821 GERMANY UNITED	LARGE NEWSPAPER PRINTING PRESSES & COMPONENTS	07/
A–428–082 GERMANY WEST	SUGAR	08/
A–428–602 GERMANY WEST	BRASS SHEET & STRIP	04/
A–428–801 GERMANY WEST	ANTIFRICTION BEARINGS	04/
A–428–802 GERMANY WEST	INDUSTRIAL BELTS	07/
A–428–803 GERMANY WEST	INDUSTRIAL NITROCELLULOSE	10/
A–428–807 GERMANY WEST	SULFUR CHEMICALS	08/
A–484–801 GREECE	ELECTROLYTIC MANGANESE DIOXIDE	06/
A–437–601 HUNGARY	TAPERED ROLLER BEARINGS	09/
A–533–502 INDIA	WELDED CARBON STEEL PIPES & TUBES	08/
A–533–806 INDIA	SULFANILIC ACID	06/
A–533–808 INDIA	STAINLESS STEEL WIRE ROD	01/
A–533–809 INDIA	STAINLESS STEEL FLANGES	02/
A–533–810 INDIA	STAINLESS STEEL BAR	01/
A–533–813 INDIA	PRESERVED MUSHROOMS	02/
A–560–801 INDONESIA	MELAMINE INSTITUTIONAL DINNERWARE	03/
A–560–802 INDONESIA	PRESERVED MUSHROOMS	02/
A–507–502 IRAN	IN SHELL PISTACHIOS	10/
A–508–602 ISRAEL	OIL COUNTRY TUBULAR GOODS	04/
A–508–604 ISRAEL	INDUSTRIAL PHOSPHORIC ACID	12/
A–475–059 ITALY	PRESSURE SENSITIVE PLASTIC TAPE	05/
A–475–401 ITALY	BRASS FIRE PROTECTION PRODUCTS	02/
A–475–601 ITALY	BRASS SHEET & STRIP	04/
A–475–703 ITALY	GRANULAR POLYTETRAFLUOROETHYLENE RESIN	12/
A–475–801 ITALY	ANTIFRICTION BEARINGS	04/
A–475–802 ITALY	INDUSTRIAL BELTS	07/
A–475–811 ITALY	GRAIN-ORIENTED ELECTRICAL STEEL	09/
A–475–814 ITALY	SEAMLESS LINE AND PRESSURE PIPE	07/
A–475–816 ITALY	OIL COUNTRY TUBULAR GOODS	07/
A–475–818 ITALY	PASTA, CERTAIN	06/
A–475–820 ITALY	STAINLESS STEEL WIRE ROD	08/
A–588–028 JAPAN	ROLLER CHAIN OTHER THAN BICYCLE	02/
A–588–041 JAPAN	METHIONINE, SYNTHETIC	08/
A–588–045 JAPAN	STEEL WIRE ROPE	08/
A–588–054 JAPAN	TAPERED ROLLER BEARINGS, UNDER 4″	12/
A–588–056 JAPAN	MELAMINE IN CRYSTAL FORM	12/
A–588–068 JAPAN	P.C. STEEL WIRE STRAND	11/
A–588–401 JAPAN	CALCIUM HYPOCHLORITE	05/
A–588–405 JAPAN	CELLULAR MOBILE TELEPHONES & SUBASSEMBLIES	11/
A–588–602 JAPAN	CARBON STEEL BUTT-WELD PIPE FITTINGS	03/
A–588–604 JAPAN	TAPERED ROLLE BEARINGS, OVER 4″	09/
A–588–605 JAPAN	MALLEABLE CAST IRON PIPE FITTINGS	09/
A–588–609 JAPAN	COLOR PICTURE TUBES	12/
A–588–702 JAPAN	STAINLESS STEEL BUTT-WELD PIPE FITTINGS	04/
A–588–703 JAPAN	INTERNAL COMBUSTION IND FORKLIFT TRUCKS	05/
A–588–704 JAPAN	BRASS SHEET & STRIP	08/
A–588–706 JAPAN	NITRILE RUBBER	09/
A–588–707 JAPAN	GRANULAR POLYTETRAFLUOROETHYLENE RESIN	12/
A–588–802 JAPAN	3.5″ MICRODISKS AND MEDIA THEREFOR	03/
A–588–804 JAPAN	ANTIFRICTION BEARINGS	04/
A–588–806 JAPAN	ELECTROLYTIC MANGANESE DIOXIDE	06/
A–588–807 JAPAN	INDUSTRIAL BELTS	07/
A–588–809 JAPAN	TELEPHONE SYSTEMS & SUBASSEMBLIES THEREOF	01/
A–588–810 JAPAN	MECHANICAL TRANSFER PRESSES	02/
A–588–811 JAPAN	DRAFTING MACHINES & PARTS THEREOF	05/
A–588–812 JAPAN	INDUSTRIAL NITROCELLULOSE	10/
A–588–813 JAPAN	MULTIANGLE LASER LIGHT SCATTERING INSTR	04/
A–588–815 JAPAN	GRAY PORTLAND CEMENT AND CEMENT CLINKER	06/
A–588–816 JAPAN	BENZYL P–HYDROXYBENZOATE (BENZYL PARABEN)	07/
A–588–823 JAPAN	PROF ELECTRIC CUTTING/SANDING/GRINDING TOOLS	06/
A–588–826 JAPAN	CORROSION–RESISTANT CARBON STEEL FLAT PRODUCTS	07/
A–588–829 JAPAN	DEFROST TIMERS	02/
A–588–831 JAPAN	GRAIN–ORIENTED ELECTRICAL STEEL	09/
A–588–833 JAPAN	STAINLESS STEEL BAR	01/
A–588–835 JAPAN	OIL COUNTRY TUBULAR GOODS	07/
A–588–836 JAPAN	POLYVINYL ALCOHOL	04/
A–588–837 JAPAN	LARGE NEWSPAPER PRINTING PRESSES & COMPONENTS	07/
A–588–838 JAPAN	CLAD STEEL PLATE	10/
A–588–840 JAPAN	GAS TURBO COMPRESSORS	06/
A–588–843 JAPAN	STAINLESS STEEL WIRE ROD	08/
A–834–801 KAZAKHSTAN	SOLID UREA	08/
A–834–804 KAZAKHSTAN	FERROSILICON	06/
A–779–602 KENYA	FRESH CUT FLOWERS	06/
A–580–507 KOREA SOUTH	MALLEABLE CAST IRON PIPE FITTINGS	08/
A–580–601 KOREA SOUTH	TOP-OF-THE-STOVE STNLS STEEL COOKING WARE	02/
A–580–603 KOREA SOUTH	BRASS SHEET & STRIP	04/

ANTIDUMPING DUTY ORDERS IN EFFECT ON MARCH 1, 1999—Continued

[Duty orders revoked by Sunset Review remain in effect until Jan. 1, 2000]

CASE NUM AND COUNTRY	PRODUCT	DAT INI
A–580–605 KOREA SOUTH	COLOR PICTURE TUBES	12/
A–580–803 KOREA SOUTH	TELEPHONE SYSTEMS & SUBASSEMBLIES THEREOF	01/
A–580–805 KOREA SOUTH	INDUSTRIAL NITROCELLULOSE	10/
A–580–807 KOREA SOUTH	POLYETHYLENE TEREPHTHALATE (PET) FILM	05/
A–580–809 KOREA SOUTH	CIRCULAR WELDED NON-ALLOY STEEL PIPE	10/
A–580–810 KOREA SOUTH	WELDED ASTM A–312 STAINLESS STEEL PIPE	12/
A–580–811 KOREA SOUTH	CARBON STEEL WIRE ROPE	05/
A–580–812 KOREA SOUTH	DRAMS OF 1 MEGABIT & ABOVE	05/
A–580–813 KOREA SOUTH	STAINLESS STEEL BUTT–WELD PIPE FITTINGS	06/
A–580–815 KOREA SOUTH	COLD–ROLLED CARBON STEEL FLAT PRODUCTS	07/
A–580–816 KOREA SOUTH	CORROSION–RESISTANT CARBON STEEL FLAT PRODUCTS	07/
A–580–825 KOREA SOUTH	OIL COUNTRY TUBULAR GOODS	07/
A–580–829 KOREA SOUTH	STAINLESS STEEL WIRE ROD	08/
A–835–801 KYRGYZSTAN	SOLID UREA	08/
A–449–801 LATVIA	SOLID UREA	08/
A–451–801 LITHUANIA	SOLID UREA	08/
A–557–805 MALAYSIA	EXTRUDED RUBBER THREAD	09/
A–201–504 MEXICO	PORCELAIN–ON–STEEL COOKING WARE	12/
A–201–601 MEXICO	FRESH CUT FLOWERS	06/
A–201–802 MEXICO	GRAY PORTLAND CEMENT AND CEMENT CLINKER	10/
A–201–805 MEXICO	CIRCULAR WELDED NON–ALLOY STEEL PIPE	10/
A–201–806 MEXICO	CARBON STEEL WIRE ROPE	05/
A–201–809 MEXICO	CUT–TO–LENGTH CARBON STEEL PLATE	07/
A–201–817 MEXICO	OIL COUNTRY TUBULAR GOODS	07/
A–841–801 MOLDOVA	SOLID UREA	08/
A–421–701 NETHERLANDS	BRASS SHEET & STRIP	08/
A–421–804 NETHERLANDS	COLD–ROLLED CARBON STEEL FLAT PRODUCTS	07/
A–421–805 NETHERLANDS	ARAMID FIBER OF PPD–T	07/
A–614–502 NEW ZEALAND	LOW FUMING BRAZING COPPER WIRE & ROD	03/
A–614–801 NEW ZEALAND	FRESH KIWIFRUIT	05/
A–403–801 NORWAY	FRESH & CHILLED ATLANTIC SALMON	03/
A–455–802 POLAND	CUT–TO–LENGTH CARBON STEEL PLATE	07/
A–485–601 ROMANIA	UREA	08/
A–485–602 ROMANIA	TAPERED ROLLER BEARINGS	09/
A–485–801 ROMANIA	ANTIFRICTION BEARINGS	04/
A–485–803 ROMANIA	CUTOTO-LENGTH CARBON STEEL PLATE	07/
A–821–801 RUSSIA	SOLID UREA	08/
A–821–804 RUSSIA	FERROSILICON	06/
A–821–805 RUSSIA	PURE MAGNESIUM	04/
A–821–807 RUSSIA	FERROVANADIUM AND NITRIDED VANADIUM	06/
A–559–502 SINGAPORE	SMALL DIAMETER STANDARD & RECTANGULAR PIPE & TUBE	12/
A–559–601 SINGAPORE	COLOR PICTURE TUBES	12/
A–559–801 SINGAPORE	ANTIFRICTION BEARINGS	04/
A–559–802 SINGAPORE	INDUSTRIAL BELTS	07/
A–791–502 SOUTH AFRICA	LOW FUMING BRAZING COPPER WIRE & ROD	03/
A–791–802 SOUTH AFRICA	FURFURYL ALCOHOL	06/
A–469–007 SPAIN	POTASSIUM PERMANGANATE	03/
A–469–803 SPAIN	CUT-TO-LENGTH CARBON STEEL PLATE	07/
A–469–805 SPAIN	STAINLESS STEEL BAR	01/
A–469–807 SPAIN	STAINLESS STEEL WIRE ROD	08/
A–401–040 SWEDEN	STAINLESS STEEL PLATE	05/
A–401–601 SWEDEN	BRASS SHEET & STRIP	04/
A–401–603 SWEDEN	STAINLESS STEEL HOLLOW PRODUCTS	11/
A–401–801 SWEDEN	ANTIFRICTION BEARINGS	04/
A–401–805 SWEDEN	CUT-TO-LENGTH CARBON STEEL PLATE	07/
A–401–806 SWEDEN	STAINLESS STEEL WIRE ROD	08/
A–842–801 TAJIKISTAN	SOLID UREA	08/
A–549–502 THAILAND	WELDED CARBON STEEL PIPES & TUBES	03/
A–549–601 THAILAND	MALLEABLE CAST IRON PIPE FITTINGS	09/
A–549–807 THAILAND	CARBON STEEL BUTT—WELD PIPE FITTINGS	06/
A–549–812 THAILAND	FURFURYL ALCOHOL	06/
A–549–813 THAILAND	CANNED PINEAPPLE FRUIT	07/
A–489–501 TURKEY	WELDED CARBON STEEL PIPE & TUBE	08/
A–489–602 TURKEY	ASPIRIN	11/
A–489–805 TURKEY	PASTA, CERTAIN	06/
A–489–807 TURKEY	REBAR STEEL	04/
A–843–801 TURKMENISTAN	SOLID UREA	08/
A–823–801 UKRAINE	SOLID UREA	08/
A–823–802 UKRAINE	URANIUM	12/
A–823–804 UKRAINE	FERROSILICON	06/
A–823–806 UKRAINE	PURE MAGNESIUM	04/
A–412–801 UNITED KINGDOM	ANTIFRICTION BEARINGS	04/
A–412–803 UNITED KINGDOM	INDUSTRIAL NITROCELLULOSE	10/
A–412–805 UNITED KINGDOM	SULFUR CHEMICALS	08/
A–412–810 UNITED KINGDOM	HOT ROLLED LEAD/BISMUTH CARBON STEEL PRODUCTS	05/
A–412–814 UNITED KINGDOM	CUT-TO-LENGTH CARBON STEEL PLATE	07/
A–461–008 USSR	TITANIUM SPONGE	11/
A–461–601 USSR	SOLID UREA	08/
A–844–801 UZBEKISTAN	SOLID UREA	08/
A–307–805 VENEZUELA	CIRCULAR WELDED NON-ALLOY STEEL PIPE	10/
A–307–807 VENEZUELA	FERROSILICON	06/
A–479–801 YUGOSLAVIA	INDUSTRIAL NITROCELLULOSE	10/

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I rise in opposition to my colleague's amendment. I do so do for three reasons. First, there is no evidence that the current antidumping and countervailing duty laws have failed to deliver relief to injured industries. My colleague argues that the amendment is required to address the unfair trade practices facing the steel industry. I would have preferred not to have to revisit the many points that were made in the context of the debate over the steel quota legislation this past summer. This bill is about trade and investment with Africa, the Caribbean, and Central America. I prefer we keep our focus there. That said, since my colleague's amendment has raised those issues before us yet again, I think it is important to remind my colleagues about the points that were made at length in this past summer's debate.

You may recall that, at the time, the steel industry and the steelworkers made the point that they faced a sudden surge of increased imports of steel and were sufficiently threatened that they sought to impose direct quotas on imports of various steel products. They argued that the existing import relief laws were inadequate to the task of addressing that surge. What the debate revealed was quite a different story. In fact, while imports into the United States did surge dramatically in the wake of the Asian financial crisis, they then dropped precipitously in response to the filing of a series of antidumping measures. Imports have continued that downward trend as a result of those unfair trade actions and the suspension agreements negotiated by the Commerce Department that effectively blocked any further imports of hot and cold rolled products from Russia and other countries engaged in below cost sales into the United States market. What lessons should we draw from that

experience? One is that the existing laws work exactly as they are intended. They provide an effective and efficient means of obtaining relief from unfairly dumped or subsidized imports. Indeed, as the Wall Street Journal pointed out in an article published in the midst of the steel industry's filing of dumping actions this past year, the mere filing of an unfair trade action under existing laws has a dramatic impact on prices. The article quoted Curtiss Barnette, the chief executive of Bethlehem Steel as acknowledging that trade cases had become a ''part of the Bethlehem's ''normal business-planning process,'' and acknowledging that, even where dumping actions failed, ''You have won some interim relief and you have said you're going to protect your rights.''

Nicholas Tolerico, executive vice president of Thyssen, a Detroit-based steel processing and importing unit of a German steelmaker, made the point even more emphatically. He indicated that, among importers faced with the prospect of an antidumping action, ''the response is just to stop importing.'' The same holds true for foreign exporters faced with unfair trade complaints even when they eventually win cases. The article quoted the chairman of Ispat International, one of the largest steel manufacturers in the world to the effect that his company had cut exports to the United States from a wire-rod mill in Trinidad and Tobago by 40 percent simply due to the risk inherent in trade litigation even though Trinidad's steelmakers eventually won the case. Why is that the case? Some statistics might help here.

The reason that both exporters and importers of steel halt trade the minute a trade case is filed is because of the record compiled by U.S. industry. The Department of Commerce grants relief to the petitioning industry in over 90 percent of the cases filed under the antidumping and countervailing duty laws. Due to the deference that the Court of International Trade is obliged to pay to the Commerce Department's decisions under current law, the Department's decisions are upheld over 90 percent of the time. In other words, if you are an exporter of steel facing an unfair trade action in the United States, there is a 9 in 10 chance that you will face some considerable penalty. Given that steel is a commodity product, and micro-economic theory would dictate that all such products would be priced to the margin, you, as the foreign exporter, are likely to find yourself priced out of the competitive U.S. market with even a slight dumping our countervailing duty added onto the price of your current shipments.

Now, let's look at it from an importer's perspective. Let's say you are in the automobile industry in the United States, or one of the other steel consuming industries that employ more than 40 persons in the United States for every person employed in the steel industry here. In fact, let's say you are the plant manager for the Dodge Durango plant in Delaware and you are operating as efficiently as you possibly can to compete with your competition in the hotly contested market for sport utility vehicles. You operate on the basis of ''just in time'' delivery to ensure that you carry as little inventory as possible. You do that, in part, to reduce the associated costs and, in part, to take advantage of any change in prices for component parts that may help you compete in your market. That, however, can make you more vulnerable to price swings in the market for component parts. Then, suddenly, the steel industry files a series of dumping actions. Do you continue to import steel when you could be faced with a dramatic increase in price if the case succeeds? No. You stop importing from the targeted country or companies in order to reduce your risk.

The net result is that the cases filed before the Commerce Department begin to raise prices as soon as they are filed simply because the market is responding to the fact that the Commerce Department, 9 cases out of 10, is going to impose a significant penalty at the end of the day. Now, would the result be the same if these cases were litigated before the Federal courts, as my colleague's amendment would require? I strongly doubt that. The cases are complex, the facts frequently are in dispute, and the outcome less assured because of the nature of the litigation process.

Those who have spent time litigating in the Federal courts tell me that they do not quote odds on cases to their clients even on sure winners due solely to the risks of litigation. Those with experience litigating before Federal courts tell me that the likely result of a shift of jurisdiction from the administrative agencies to the courts would be a more intrusive review—without the deference the courts currently pay to Commerce Department decisions. The net result would be greater uncertainty as to the result in these cases, which, for the steel industry, would ultimately spell a less reliable outcome than they currently achieve before the administrative agencies.

In short, the dumping and countervailing duty laws appear to be working as designed and the change suggested by my colleague would simply increase the uncertainty of the outcome from the steel industry's perspective. Second, there is no evidence that shifting the burden of investigating foreign unfair trade practices to the courts would in any way enhance the prospect for prompt relief. At hearings earlier this year before the Finance Committee, those who have litigated under the ''rocket docket'' at the Commerce Department and the International Trade Commission have complained about the fact that they do not get relief as promptly as they like. But, no one suggested that a shift of jurisdiction to the courts would some how improve the situation. Given the record of the courts in handling complex economic litigation in other areas, it is not clear to me that shifting the burden of the initial investigation to the courts, with any allowance at all for the normal process of discovery between private litigants, would provide a benefit to the petitioning industry in these cases.

While both petitioners and respondents complain about their treatment before the administrative agencies, largely due to what they consider to be the arbitrary basis for their decisions, both sides to the litigation seem to agree that the cases themselves are completed as rapidly as possible. That not only helps provide relief to the petitioning industry on as timely a basis as practical, it also has the significant benefit of deciding the issue for the rest of the players in the marketplace. What that really does is reduce the uncertainty in the market that the filing of the case creates. So the plant manager at the Dodge Durango facility in Delaware can rely on decisions in making his own assessment of who to purchase steel from for the coming production run.

Finally, let me say that my colleague's proposal may simply be ahead of its time. What it suggests is something akin to an antitrust remedy—in other words, litigation between private parties that reduces the Government's role in the process. I personally think that there would be real merit to examining that sort of proposal in the Finance Committee in the future. And I would welcome the opportunity to do so rather than forcing a vote on the proposal today. The reason I say that the proposal may be ahead of its time is that an antitrust remedy is relevant when the actions involved are solely those of private parties. That is not the case with most foreign unfair trade practices today. Even dumping is not solely a function of private pricing decisions by foreign producers. As long as governments continue to distort markets, whether through high import tariffs on U.S. steel exports or heavy subsidies to their own domestic producers, prices in the marketplace for products like steel will not equilibrate based solely on private actions.

Thus, for example, dumping is often the result of a country maintaining a closed market in which its companies can maintain a relatively high profit margin, which effectively allows those producers to cross-subsidize their exports to the United States. A private right of action does not reach that conduct. That is conduct that the United States must address at its root—which is the government-induced distortion of the market, rather than the private pricing decisions of the foreign producers.

What that means for the propose shift of the jurisdiction to the Federal courts proposed by my distinguished colleague's amendment is that it is premature. Neither he nor I would suggest that the steel industry's current

conditions are shaped solely by private pricing decisions. In fact, the principal problem facing the steel industry is the global overcapacity created by government protection of their home markets and subsidization of their exports to our shores. I therefore, ask my colleague to withdraw his amendment in order that the Finance Committee could take a look at the proposal and explore the ramifications of the farsighted suggestions in greater depth. Failing that, I must oppose the amendment and urge my colleagues to do so as well.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I join in the Chairman's request and also in his very proper remarks about the senior Senator from Pennsylvania. I believe it has been since 1982 that the Senator began offering amendments to this effect. The antidumping laws themselves have a much longer history and have been through several major revisions, most recently in the Uruguay Round, which we implemented in the Uruguay Round Agreements Act in 1994.

I think the idea of looking into this, as the Chairman suggests, is a very good one. But for the moment, sir, it is ineluctably the case that the amendment, as drafted, is inconsistent with the World Trade Organization's antidumping agreement in a number of significant ways. It does not say that we are wrong, but that we would be up against the agreed-upon international trading rules.

We have an international meeting of the World Trade Organization at the end of this month in Seattle. I do not think we should arrive there this way, particularly as other countries are seeking to reopen negotiations once again on these issues, arguing that they are an antiquated idea.

So I join in expressing the hope that the amendment might be withdrawn. We can take the idea with us to Seattle as something for other countries to consider when they approach our Government about modifying our existing laws.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the antidumping procedures are not antiquated at all. I have noted some 290 antidumping orders in effect as of March 1 of 1999 dealing with a wide variety of products: Steel, sugar, towels, raspberries, fresh cut flowers—the list goes on and on.

The grave difficulty is that the enforcement rests with the executive branch, and the executive branch is more concerned with foreign policy matters and defense policy than with any specific U.S. industry.

The trade-off is made, decimating industries and costing thousands of jobs in an unfair way. As of July 12 of this year, there were bankruptcies of five medium-size steel companies, Acme Steel, Laclede Steel, Gulf States, Qualtech, and Geneva.

When the argument is made that there will be an effect on prices of automobile manufacturers, that is true. But our laws are designed to provide fairness as fairness and justice relate to the steel industry and the auto industry. The auto industry ought not to be able to buy steel from a foreign importer where it is dumped—sold in the United States at a price lower than it is sold in the foreign country.

When the distinguished chairman of the committee makes a reference to wire rod, it ought to be noted that steel wire rods continued at record high levels, more than 14 percent over levels about a year ago in September of 1998. The wire rod industry has sustained serious damage, losses of some $94 million during the first half of 1999. A petition was filed on December 30, 1998, and the President, expected to make his determination by September 27, 1999, to postpone that decision, on September 28, claimed that the matter was still under review. To date, there hasn't been a decision.

Contrast that with what could be obtained in a court of equity, where a decision could be made on affidavits on an ex parte order in 5 days, within a few weeks on a preliminary injunction. It is not true that the Federal courts are unable to handle these serious matters. They do handle complicated antitrust matters all the time and deal with complex economic matters. If a damaged party is in a position to prove the case, they move into court and get a prompt decision in a court of equity, certainly nothing like a year's delay.

The line pipe industry filed a section 201 petition with the ITC claiming that, in 1998, some 331,000 net tons of lime pipe had been imported into U.S. markets at an increase of 49.5 percent over 1997. This petition was filed on June 30, 1999. The ITC issued an affirmative finding on October 28, 1999, but the President is not expected to review the matter until December 17 of this year, long after an equitable court would have been able to take care of it.

The lamb issue is similar. On September 30, 1998, the American sheep industry filed a section 201 petition to stop the flood of imported lamb into the United States. During the 1998 Easter/Passover season, U.S. slaughtered lamb prices were at a 4-year low, some 60 cents a pounds. On March 26, 1999, the ITC unanimously decided in favor of the industry and forwarded its recommendation to the President for decision by late May. In this case, the President did not make a decision to provide relief to the industry until July 7, 1999, which shows the enormous delay in proceedings under the International Trade Commission.

When the suggestion is made about having the matter taken up in Seattle, the grave difficulty is that the international trade agreements leave the ultimate discretion with the executive branch, and that works to the disadvantage of the American company and the American workers. We have provided that there would not be an opportunity for judge shopping, to go into a court in a jurisdiction where the industry was located where most of the damage had been done, by providing that the jurisdiction would be lodged in the U.S. District Court for the District of Columbia.

I think it is a matter of fundamental fairness as to whether our trade laws will be enforced, our trade laws consistent with GATT.

We see, again and again, enormous delays, very little effect, and then the executive branch taking over with suspension agreements to protect the Russians instead of seeing to it that there is justice for American industry and for American workers. This goes far beyond the question of steel, which is a major matter in my State. It goes to virtually every product on the books, as illustrated by the some 290 products which are subjected to antidumping orders in effect as of March 1, 1999.

This is an idea I have been pushing since 1982. My own experience in the court system, as a trial lawyer, shows me that when you go to court, you get the laws enforced—you have justice—contrasted with the executive branch decision, which will vary on many collateral considerations: U.S. foreign policy and U.S. defense policy.

I urge my colleagues to support this important amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. VOINOVICH). Is there a sufficient second?

There is not a sufficient second.

Mr. SPECTER. What does it take for a sufficient second?

The PRESIDING OFFICER. One-fifth of those Senators present.

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. There is not a sufficient second.

Mr. SPECTER. The determination is one-fifth of the Senators present?

The PRESIDING OFFICER. That is the Constitution.

Mr. SPECTER. If there are two Senators present and both agree to a rollcall—

The PRESIDING OFFICER. The presumption is that there are 51 Senators present, and it takes 11 in order to get the yea and nay call.

Mr. SPECTER. That is a rebuttable presumption, Mr. President. As the Chair notes, there are not 51 Senators present.

The PRESIDING OFFICER. The Chair is precluded from determining who is present without having a quorum call.

Mr. SPECTER. Well, if the quorum shows there is not a quorum present, then what?

The PRESIDING OFFICER. The Senate cannot proceed.

Mr. SPECTER. Except by unanimous consent to remove the quorum call?

The PRESIDING OFFICER. And by——

Mr. SPECTER. At which point, the Chair could make a determination if there were 51 Senators present until the quorum call, and with the 51 Senators not being present, the Senate could not proceed, so it is circular.

The PRESIDING OFFICER. Those are the rules of the Senate.

Mr. SPECTER. I shall move to ask for the yeas and nays at a later time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

AMENDMENT NO. 2487

Mr. WELLSTONE. Mr. President, I had a chance to speak earlier about the amendment I had introduced, and then we cut off the discussion to enable Senator BAUCUS to have a chance to speak on the floor. I look forward to comments by my colleague from Delaware, but I think what I will first try to do is summarize this amendment and then hear what my colleague, Senator ROTH, has to say.

This amendment would provide for mutually beneficial trade relations—that is what we talked about earlier—between the U.S. and Caribbean countries by rewarding those countries that comply with internationally recognized core labor rights with increased access to the U.S. market for certain textile goods.

Secondly, it would provide for enforceable labor standards. Before any of the CBI trade bill's benefits could go into effect, the Secretary of Labor would have to determine that a CBI country is providing for enforcement of ILO core labor rights. The Secretary would make this determination after consulting with labor officials in these other countries and after public comments. But the Secretary of Labor makes the final decision. U.S. citizens would have a private right of action in district court to enforce these provisions.

This amendment would basically apply the labor standards of Senator FEINGOLD's HOPE for Africa bill to CBI countries. Supporters of CBI parity claim that NAFTA-like benefits will help the Caribbean workers. I want to point out again—because I am an internationalist and I am interested in mutually beneficial trade—that an October 1999 report on Mexican maquiladoras by the Comite Fronterizo de Obreros shows that wages and conditions have actually deteriorated since NAFTA. If NAFTA hasn't helped Mexican workers, why would NAFTA parity help CBI workers? I already presented data this morning, and I won't do it again.

In October of 1999, the CFO Border Committee of Women Workers issued a report detailing what happened to workers in the Mexican maquiladoras since the passage of NAFTA. They found that the maquiladoras paid the lowest wages in Mexican industry; that real wages in Mexican manufacturing have declined by more than 20 percent since 1994; that wage levels have come under attack whenever they are over the threshold considered competitive by the maquiladoras; that border workers have endured a sharp decline in their standard of living since NAFTA; that the practice of using child labor in the maquilas is widespread; and that in the name of NAFTA, Mexican companies, aided by their government, are ''waging a tireless and surreptitious campaign of dirty tricks to stamp out unions in the maquiladoras.'' That is the report.

The same is true of the CBI countries. Those countries, which have the fastest growth in exports to the United States, have experienced the steepest decline in wages in the region. Honduran apparel exports to the United States increased 2,523 percent over the last 10 years but wages declined by 59 percent. In El Salvador, it was 2,512 percent and wages declined 27 percent. Jamaica had the least export growth, one reason being the rate of unionization in Jamaica.

You have average wages of 78 cents in Colombia, 69 cents in the Dominican Republic, 30 cents in Guatemala, and 23 cents in Nicaragua.

Basically, what we are saying again to workers in our own country is, if you organize and try to bargain collectively to make a better wage, these apparel companies will just go to these Caribbean countries. We will just basically undercut your right to organize.

I am in favor of the right of people to organize in our country. What we say to the workers in these countries is that if you want to make more than 35 cents an hour, or 43 cents an hour, and you join a union, or try to bargain collectively, we will deny you your right to do so. We don't have any enforceable labor standard to make sure these abuses don't continue to take place.

Sometimes I think the wage earners in our country are portrayed in some of this debate as if they are greedy or are portrayed as if they look backward and they don't understand this new international economy. I think in many ways this debate is about that.

What would you think if you were working for $8.50 an hour and you saw adopted on the floor of the Senate a trade agreement without any enforceable labor standard, which meant you were going to be competing against people who make 30 cents an hour or against people making 30 cents an hour in Guatemala? They are never going to get to $8.50. But don't we want to take these ILO standards and basic human rights standards and make sure they are enforceable? That way you can have the uplifting of the living standards of people in these countries.

Without this amendment, this CBI parity bill is going to merely encourage U.S. corporations to set up sweatshops in the Caribbean. This is an antisweatshop amendment. This amendment does not require that CBI countries match U.S. wages in work and working conditions, although 67 percent of the American people think the minimum wage of our trading partners should be raised to U.S. levels. That is not going to happen. But that is not what the amendment does. It only requires these countries to respect the core ILO labor standards before we give them additional benefits.

It is a human rights amendment. This amendment basically says we should not be encouraging these CBI countries to compete against our workers by setting up sweatshops, and it says that we have to make sure there is some means of enforcing such antisweatshop standards.

I want to support trade agreements. People in our country want to support trade agreements. But do you want to know something. The reason the trade policy is losing its legitimacy with the American people—I think probably poll after poll shows that the American people are suspicious of these trade agreements—is because they know they put our workers in a terrible position because they know there aren't enforceable labor standards, because they know there aren't enforceable human rights standards, and they tout these trade agreements as being great for the apparel industry, great for these corporations, and terrible for wage earners.

That is what this vote on this amendment is all about. Are you on the side of working people in our country so that they know they can organize in textile plants and the apparel industry, and they won't basically be shut out and the companies won't be able to say, goodbye; we are going to these other countries because we don't have to abide by any labor standards? Are you on the side of these workers or are you on the side of these corporations? American workers compete with Caribbean apparel workers earning from 23 cents an hour in Nicaragua to 80 cents an hour in Colombia. Our workers make about $8.42, on average.

Who is going to benefit from extending NAFTA benefits to the CBI countries without enforceable labor standards?

All I am asking with this amendment, I say to my colleague from Delaware, is enforceable labor standards. It is not going to be the textile workers. It is not going to be the workers in the CBI countries. It is going to be the American textile companies that want to shift production to sweatshops offshore so they can save labor costs.

Can I repeat that one more time?

Who is going to benefit from this trade legislation without this amendment? Who is going to benefit from extending NAFTA benefits to the CBI countries without enforceable labor standards? Not American textile workers; not working people in our country;

not the workers in the CBI countries. It is the American textile companies that are going to benefit that want to shift production to sweatshops offshore so they can save labor costs.

I say to Republicans and Democrats alike: Whose side are you on? If you are on the side of working people, if you are on the side of the right of people to be able to organize, if you are on the side of working people in these CBI countries and poor people in these CBI countries, and you are on the side of human rights of people in these countries, at the very minimum, we ought to vote for this amendment which will put some teeth into some enforceable labor standards. The alternatives to this amendment are unenforceable.

Let me be clear about that. I don't want a Senator to come to the floor and say we have already dealt with labor standards. The CBI parity merely includes labor rights as an eligibility criteria which can only be enforced by the administration. The administration already enforces the GSP program and has never suspended one CBI country despite their terrible labor rights record.

If the administration won't use its GSP leverage to significantly improve labor rights, why would it use eligibility criteria? Nobody can seriously argue that this administration would deny eligibility to a CBI country based on labor rights violations. They have never done it.

The GAO issued a report last year that listed the various GSP worker rights in CBI countries accepted for review. In each case—I gave examples earlier, so I will not do it again—the petitions were withdrawn usually after some nominal changes in the CBI country labor law. But in one CBI country after another, labor laws are flouted, often openly.

There have been 95 worker rights petitions against CBI countries under GSP. None, not one, has led to investigation and suspension. The ILO is not an acceptable substitute because it has no enforcement power.

This amendment speaks to the compelling need to have enforceable labor standards. The ILO has no enforcement power. The managers' amendment directs the President to ''seek the establishment in the ILO of a mechanism to ensure the effective implementation of each of the core labor conventions that ILO members have ratified.'' I commend Senators GRAHAM and MOYNIHAN for their effort in this direction. But, again, I have to say this on the floor of the Senate. The ILO has no enforcement power, so I am not sure how the ILO can ensure effective implementation. I think enforceable standards for core ILO labor rights need to be built into the trade agreement itself.

Let me repeat that.

You have to take these basic ILO labor rights, and you have to make sure that enforceable standards are there built into the trade agreement. Otherwise, what you have is a CBI parity bill which is going to actually provide an incentive for CBI countries to move in the opposite direction.

I welcome the provision in the managers' amendment on increased transparency. Let me repeat that. I think it is a good idea. It will be useful. But I don't believe it is an enforceable standard that will encourage CBI countries to improve conditions for working people. That is what this is all about. I don't want anybody to misunderstand this amendment. This amendment is based upon a belief in the importance of international trade relations. It is based upon the importance of making sure we address the standard of living in CBI countries and the standard of living of working people in our country. But you can't do that unless you have enforceable labor standards. That is what this amendment calls for.

I reserve the remainder of my time. I will wait to hear what my colleagues have to say.

AMENDMENT NO. 2402

(Purpose: To clarify the acts, policies, and practices that are considered unreasonable for purposes of section 301 of the Trade Act of 1974)

Mr. DORGAN. Mr. President, I filed on a timely basis an amendment numbered 2402. I ask unanimous consent to set aside the pending amendment, and I ask for consideration of amendment No. 2402.

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

The clerk will report.

The legislative assistant read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 2402.

Mr. DORGAN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. ___. UNREASONABLE ACTS, POLICIES, AND PRACTICES.

Section 301(d)(3)(B)(i) of the Trade Act of 1974 (19 U.S.C. 2411(d)(3)(B)(i)) is amended by striking subclause (IV) and inserting the following:

''(IV) market opportunities, including the toleration by a foreign government of systematic anticompetitive activities, which include predatory pricing, discriminatory pricing, or pricing below cost of production by enterprises or among enterprises in the foreign country (including state trading enterprises and state corporations) if the acts, policies, or practices are inconsistent with commercial practices and have the effect of restricting access of United States goods or services to the foreign market or third country markets,''.

Mr. ROTH. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. ROTH. Mr. President, I ask consent a vote occur on or in relation to the pending amendment No. 2487, of Senator WELLSTONE, and No. 2347, the Specter amendment, at 3:30, with 4 minutes prior to each vote for explanation. I further ask consent it be in order for me to make a motion to table at this point on both amendments with one show of seconds.

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

Mr. ROTH. I move to table the above-described amendments, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DORGAN. Mr. President, amendment No. 2402 deals with section 301 of the Trade Act. As a backdrop for this discussion, I wish to mention quickly several pieces of information.

First, we discuss the issue of trade with a backdrop of a trade deficit that is quite alarming. Almost everyone in this country now says a $25 billion-a-month trade deficit is unsustainable. The merchandise deficit is worse than this. But this is the trade deficit of goods and services. The trade deficit is spiking up, up, up, way up—a very difficult circumstance for this country. We must do something to address it.

What does this deficit result from? This chart shows imports and exports. We can see exports are a flat line, with imports spiking dramatically.

The section 301 trade law remedy, which I intend to discuss briefly in a moment, describes something that relates to a trade dispute we have not only with Canada but others, a state-sanctioned monopoly selling Canadian wheat. This is what has happened with respect to the shipment of Canadian durum wheat into this country. It was almost nothing and then spikes up. It came down when this country enforced a tariff rate quota against Canada. This is unfair trade by a state-sanctioned monopoly with secret prices. It is unfair to our farmers who have flat prices. We produce more than we can use or consume domestically, and we have an avalanche of Canadian grain coming into our country traded unfairly by a state trading enterprise.

Is this problem receding or growing? The first 6 months of this year is nearly double the first 6 months of last year. Last year was a record high. This is just durum wheat, a small issue, but big in North Dakota and big for family farmers—just one issue.

What about a state trading enterprise or state monopoly that trades Canadian grain, or agricultural products to Australia, and decides they will have a trade relationship that doesn't play fair, for example, in Algeria? Assume that Canadians say: We will use our state trading enterprise and we intend to ship our grain to Algeria at 10 cents a bushel and take away the United States Algerian market. Is it fair trade? Is it actionable for the United States to file a 301 trade complaint? I think it ought to be. The law is unclear.

I propose with this amendment a simple process to clarify that section

301, a remedy in trade law, can be applied to predator pricing by state trading enterprises in third-country markets. Very simple. The law is completely unclear whether this now exists. I think it does; some people think it does not. In any event, I think it ought to.

If a state trading enterprise—for example in Canada, the Canadian wheat board—decides to push the United States out of a foreign market with predator pricing, is that not actionable by the United States? Of course, it should be. Our amendment clarifies that the actions, policies, and practices that are unreasonable and inequitable, that destroy market opportunities, are actionable under 301.

Anyone who is proud we have eliminated the fiscal policy deficit in our country—and I am among those—ought to be alarmed by this chart. Our budget policies have created a fiscal policy that is largely now in balance. We do not have growing, swollen Federal budget deficits, and that is a success; it belongs to everyone involved in public policy. However, this is a failure; this is a deficit that is running out of control.

The trade deficit is a very serious problem. We must remedy it. One way to remedy it is to be able to respond to unfair trading practices with remedies that work. This green book produced by the U.S. trade ambassador describes foreign trade barriers. In the bowels of this book rests the story about why our producers are unable to access foreign markets. It is a big, thick book, nearly 500 pages, country after country after country. One way to address these issues is to decide we are going to take action against those that discriminate against American producers with unfair trade practices.

A final point. I turn to Japan in this green book. Japan has agreed to gradually reduce tariffs on imports of beef, pork, fresh oranges, cheese, et cetera. Japan has a $50 to $60 billion trade surplus with us; we have a deficit with them, and it has gone on forever. Even after our negotiations on beef, if one buys a T-bone steak in Tokyo this afternoon, there is a 40.5-percent tariff on every single pound of beef that goes into Japan. It is unforgivable. This country cannot persuade our trade partners to trade fairly.

I ask we include in this piece of legislation something that strengthens section 301, that gives the United States a remedy to go after unfair trade practices. I hope the majority and minority will decide to accept this amendment and take it to conference. It is a small amendment. Nonetheless, I think it is very important to American producers—not just farmers but manufacturers, all producers.

I ask for some time to discuss this amendment with staff. Therefore, I ask that the amendment be set aside.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

AMENDMENT NO. 2430

(Purpose: To limit preferential tariff treatment to countries with a gross national product that does not extend 5 times the average gross national product of all eligible sub-Saharan African countries)

Ms. LANDRIEU. Mr. President, I ask unanimous consent to lay aside the pending amendment and call up amendment 2430.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU] proposes an amendment numbered 2430.

Ms. LANDRIEU. I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. ___. LIMITATIONS ON PREFERENTIAL TREATMENT.

Notwithstanding any other provision of law, the President may not exercise the authority to extend preferential tariff treatment to any country in sub-Saharan Africa provided for in this Act, unless the President determines that the per capita gross national product of the country (calculated on the basis of the best available information including that of the International Bank for Reconstruction and Development) is not more than 5 times the average per capita gross national product of all sub-Saharan African countries eligible for such preferential tariff treatment under this Act.

Ms. LANDRIEU. Mr. President, I say to the Senator from Delaware that I am fully supportive of the efforts to provide opportunity for trade that will be mutually beneficial between the United States and Africa and the Caribbean. I have been to the floor now on more than one occasion talking about the merits of this bill. It is not perfect, but it is a good piece of legislation, and one I am convinced will be mutually beneficial to the nations included.

I believe my amendment will make this bill better and will clarify something which I think was the intention of this bill but may have been lost in the drafting.

This amendment simply says we will prohibit countries with a per capita GDP five times the average of all sub-Saharan African nations from participating in the Generalized System of Preferences portion of this legislation. Let me explain.

The African Growth and Opportunity Act, I believe, should live up to its billing; namely, this legislation should provide an opportunity for growth in Africa, not outside of Africa. As I stated last week, this bill is also an opportunity for businesses in my home State and for the whole country, but it is important we do not lose sight of this objective.

Faced with tight budgets, the United States will not make the same contributions to foreign aid as we have in the past. To replace this shortfall, we are relying on the great American promise of opportunity. In this case, the opportunity is represented by access to the greatest market in the world—our market. In essence, this bill is an invitation for Africa and the Caribbean to offer their best to America, to compete in our marketplace and, in so doing, raise the standard of living on both sides of the relationship.

The success of this new relationship between Africa and America rides on the ability of poor African States to capitalize on greater market access. Until now, they have been unable to do so, but one of the promises of this bill is it will attract additional investment in the region. With the necessary infrastructure and capital, Africa may compete in international markets and establish the requisites for a robust manufacturing base. The question becomes: If new foreign investment comes to Africa, where will it be applied?

I believe it is the intent of my colleagues in the Senate, as well as in the House, to assist the countries generally known as sub-Saharan Africa. We want to turn around two decades of economic decline in places such as Kenya, Tanzania, Liberia, and Ghana. That is the point of this amendment.

If the United States is going to take this step, it is important we make certain the results assist the intended nations. We need to have confidence that the direct investment inspired by this legislation is directed to the countries that need it most.

I restate that this amendment I am offering will try to make a good bill even better by prohibiting the Generalized System of Preferences to countries with a per capita GDP five times the average of all the sub-Saharan nations. The average per capita GDP in Africa, for anyone's interest, is $1,798. Thus, the cutoff of participation would be a per capita GDP of $8,987. This per capita cutoff is more than $2,500 more than South Africa, and also more than the per capita GDP in Russia, Brazil, Turkey, Hungary, and Poland. It is a reasonable cap.

Why is this important? This amendment does not seek to target any particular country, but it is important to know there is an island nation off the coast of Africa, Mauritius, that already has a GDP of $10,300. Furthermore, this island is closer to Africa than any other continent, and it is hardly the kind of place I believe our colleagues or the American public would conceive as part of sub-Saharan Africa.

One might well wonder how this island of over 1 million people has been able to attain such economic success. The answer is a well-developed textile industry. Through investments, Mauritius has managed to create a mature apparel processing shipment and manufacturing hub right in the middle of the Indian Ocean. It is a very tiny island with over 1 million inhabitants, but it is well developed. Its GDP would make countries in Europe green with envy.

Mauritius can proudly boast of unemployment rates that would be welcomed in countries in Europe and is unheard of on the African Continent.

Unfortunately, I am afraid if nations similar to this are included in the African Growth and Opportunity Act, much of, if not all of, the opportunity will go to the country that is already successful and hardly needs our assistance and directed help.

If, after a hard-fought battle to bring this legislation to the floor, all we accomplish is to raise the standards of a small island where standards are already raised and already has a successful industry, I do not think we have done much, and we have truly toiled in vain.

Again, this amendment creates objective and dynamic criteria for who can and cannot participate. It does not attempt to single out any particular place. But I do use that as an example of something I do not think is our intention.

If we are successful, the average per capita GDP of Africa will increase as the continent moves forward. A more wealthy nation, such as the one I have described, may be eligible to participate later on. However, at this juncture, I believe we must remain focused on our objective. That is why I urge our manager, the Senator from Delaware, to take a look at this amendment. I hope it can be acceptable to both sides as we work to make this bill even better.

I do not think it was our intention to move investments to a place that is already developed, and it is not fair to our industry in the United States. Our intention is to increase and bolster the infrastructure investment in the continent of Africa itself, particularly countries that are known as sub-Saharan Africa.

So with this small amendment, we can correct and make that clear. I urge my colleagues to support this amendment and thank them for their attention on this matter.

I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I oppose my colleague's amendment.

I do so because this amendment will undermine the very objectives this legislation is trying to further. In essence, this amendment says that if a country has managed to do well in that desperately poor and politically unstable region, its access to our market will be cut dramatically. I can't imagine a more damaging or more ironic signal to send.

Let me be a little more specific about my concerns. The purpose of this legislation is to use tariff preferences to spur investment in the sub-Saharan African countries. That investment will help create economic growth and create jobs in a region that has suffered so terribly for so long.

My colleague's amendment, however, would tell the Africans to watch out if they start succeeding, because their access to our market will be taken. It is an ironic signal to send.

While the signal that it will send to the Africans is unfortunate, the signal it will send to investors is particularly damaging.

Let me explain. This legislation is designed to encourage increased investment in the sub-Saharan region. This amendment would undermine that objective by telling investors that they cannot count on the market access that this legislation provides over the long term. As an investor, nothing is more troubling than uncertainty. When investors cannot count on what the future will hold in terms of market access, then they will avoid the region.

Given the political and economic uncertainties that already exist in that region—and given the disincentives that this creates for investors—adding more uncertainty through this amendment would be particularly cruel.

This amendment also ignores the fact that trade among the African countries themselves is vital to their economic future and to the effectiveness of this legislation. The rules of origin in my legislation are specifically designed to encourage the Africans to enter into economic partnership amongst themselves.

Such partnering is particularly important among these nations because they each have different resources and capabilities. We should, therefore, encourage each of these countries to take advantage of their comparative advantage.

My colleague's amendment, however, would selectively exclude certain countries in that region. This, unfortunately, will undermine the process of economic integration and partnering among the African nations that is vital to sound economic development in that region.

This amendment seems to suggest that the economic growth of the sub-Saharan region must rely exclusively on trade with the United States. While we would all like to think that that is enough to spur growth and investment in that region, we all know that it is not.

For these reasons, I oppose this amendment.

Ms. LANDRIEU addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, could I ask unanimous consent to respond for a moment?

Mr. ROTH. I could not hear the Senator.

Ms. LANDRIEU. I ask unanimous consent for an additional 2 minutes to respond.

Mr. HARKIN. Please do.

Ms. LANDRIEU. The Senator from Delaware should know I am going to certainly support this bill. It is not my intention to offer an amendment that would in any way weaken this bill. But I also believe very strongly that we should not be presenting false hope or providing loopholes or providing special treatment; that if our objective is clearly to develop Africa the continent of Africa and not islands off its shore, if it is to really develop sub-Saharan Africa, then we should shape a bill that will actually do this.

I say to the Senator, without this amendment, which clearly outlines that the per capita GDP I am suggesting is five times higher than any African nation currently—if we do not adopt this amendment, I could see clearly that the industries would just continue to go over to this one island off Africa, undercut some of the American industries, not result in investment in Africa, and give help to a particular place that does not need help. That does not make any sense to me.

So I offer this amendment in good faith. I have to say, respectfully, I do not understand the arguments against this amendment because, again, the per capita GDP in Africa is currently $1,798, and the business community knows they would be free to continue to do work until the per capita income reached $10,000, which is the cap. That would be many years down the line and would give them the stability they need but not allow us to be circumvented by an island that is not part of sub-Saharan Africa and I think could undercut our intentions.

I thank the Senators for extending me the time to respond. I look forward to a vote on this later today.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 2487

Mr. ROTH. These comments I will now make are in connection with the Wellstone amendment No. 2487.

Mr. President, I rise in opposition to the Wellstone amendment No. 2487. This amendment is very similar to one we tabled yesterday, and should be tabled today for similar reasons.

This amendment denies benefits until the U.S. Secretaries of Labor and State determine that the beneficiary country is enforcing internationally recognized human rights. In and of itself, this is unnecessary and duplicative. The managers substitute already contains criteria that the President must take into account in determining a beneficiary country's eligibility that includes the internationally agreed upon core labor standards.

I will address later in my statement the concern of the Senator from Minnesota as to the use of these criteria.

But this amendment goes further. It would force beneficiary countries to guarantee that the head of the national labor agency of that country, the U.S. Secretary of Labor, and an international union bureaucrat have access to all the private business information and records of all business enterprises in that country.

This undermines the sovereignty of these nations, and represents an intrusion on the privacy of their small businesses. The practical effect would be

that no country would ever allow an international union head to peek into the business dealings of all of their citizens. These countries simply would not choose to enjoy the trade benefits offered in this bill—and rightly so.

This amendment would also create an unprecedented private cause of action in U.S. courts if a U.S. citizen wants to seek compliance by those countries with the labor standards. This would invite unnecessary, wasteful litigation, and would create novel discovery activities by U.S. courts, to say the least.

To sum up, the provisions of this amendment would simply eviscerate the goals of this bill and is nothing more than protectionism by another name. The labor standards in the managers' substitute and the flexibility given to the President provide an appropriate means for regular dialog with the beneficiary countries on labor issues.

Let me be clear that the labor standards in the managers' substitute—and which are reflected in current law—are effective. As my colleague may know, CBI benefits are linked to a country's eligibility for the GSP program. If a country violates one of the requirements of the GSP program by, for example, failing to afford workers internationally recognized workers' rights, then that country will lose eligibility for both GSP and the CBI program.

The labor standards under the GSP program are not meaningless. In fact, 11 countries have been suspended from GSP benefits since 1985 for labor standard violations. Six countries are currently suspended. What this should tell us is that the system works, both under GSP and under my legislation for the CBI countries.

As evidence of the effectiveness of these criteria, I cite a June 1998 GAO report that concluded that the GSP and CBI programs have led to improvements of workers' rights in the beneficiary countries.

This is not the only evidence, however. In fact, the best way to tell whether the management's amendment presents an effective approach to the protection of labor standards is by asking those most affected: namely, the workers. I have with me a list of the labor unions in the Caribbean and Central America who endorse my approach on this issue. These leaders understand that the manager's amendment provides an effective way to protect workers, while at the same time spurring investment and economic growth that creates jobs.

I ask unanimous consent that this list be printed in the RECORD.

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

CBI UNIONS THAT SUPPORT CBI TRADE ENHANCEMENT

EL SALVADOR

Ricardo Antonio Soriano, Secretary General of FESINCONSTRANS, Federación de Sindicatos de la Industria de la Construcción Similares Transportes y, Otras Actividades.

Aníbal Somoza Peñate, Secretary General of CGS, Confederación General de Sindicatos.

Israel Huiza, Secretary General of FESINTRABS, Federación de Sindicatos de Trabajadores de Alimentos, Bebidas y Similares.

Miguel Ramírez, Secretary General of FESTRAES, Federación Sindical de Trabajadores de El Salvador.

Miguel Angel Lantan, President of FUNEPRODES, Fundación para la Educacion Progreso y Desarrollo del Obrero Salvadoreño.

Salvador Carazo, Secretary General of OSILS, Organización de Sindicatos Independientes, Libres Salvadoreños.

Jesús Amado Pérez Marroquin, Secretary General de FLATICOM, Federación Laboral de Sindicatos, Independientes de Transporte, Comercio y Maquila.

Juan José Huezo, FENASTRAS, Federación Nacional Sindical de Trabajadores Salvadoreños.

Juan Edito Juárez, FUSS, Federación Unitaria Sindical de El Salvador.

HAITI

Fignole St. Cyr, Secretary General, Centrale Autonome des Travailleurs, Haitiens (CATH).

Marc Antoine Destin, Secretary General, Confédération des Taravailleurs Haitiens (CTH).

Jacques Pierre, President, Konfederasyon Ouvriye Travayé Ayisyen (KOTA).

Patrick Numas, Secretary General, Organisation Général Indépendante des Tavailleurs Haitiens (OGITH).

DOMINICAN REPUBLIC

Mariano Negrontejada, Secretary General, Confederación Nacional de Trabajadores Dominicanos (CNTD).

Jacobo Ramos, Secretary General, Federación Unitaria de Trabajadores de Zonas Francas (FENATRAZONAS).

HONDURAS

Israel Salina, Secretary General, Confederación Unitaria de Trabajadores de Honduras (CUTH).

Felicito Avila Ordoñez, President, Central General de Trabajadores (CMT).

Felicito Avila Ordoñez, President, Central de Trabajadores.

JAMAICA

Lloyd Goodleigh, General Secretary, Jamaica Confederation of Trade Unions.

Mr. ROTH. For these reasons, I oppose the amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, in the discussion of this trade bill, we hear a lot of talk about the different things involved in trade and how we want to lift countries up; that the essence of this trade bill before us is to open up the avenues and the corridors of free trade so people living in Third World countries, in Africa specifically, can begin to enjoy some of the benefits of increased production, increased distribution of goods and services, and an increased standard of living. That is what the proponents of the trade bill are arguing.

I am not here to argue against that. I believe free trade, if it is practiced as free trade, it can have genuine beneficial effects on all parties involved. There are anomalies, however, in the trade structure that keep the benefits of open and free trade from being genuinely and broadly distributed among people in Third World countries. There are a lot of these, but I believe the single most important feature, institution or practice of Third World countries that inhibits their economic growth, inhibits their social growth, even if they are allowed into a free trade structure, is the use and practice of abusive child labor.

Child labor is the last vestige of slavery on the face of the Earth. It is widespread. It is condoned—if not openly, at least passively—by many of the major industrial nations of the world. I think it is time we get rid of this last vestige of slavery: child labor.

I have an amendment that is very simple and straightforward. It builds on the international consensus that emerged from the ILO conference in Geneva this summer in which the delegates unanimously adopted a convention to eliminate the worst forms of child labor. The amendment simply states that in order to be eligible for the trade benefits in this bill, a country must meet and effectively enforce the standards regarding child labor, as established by the ILO convention 182 for the Elimination of the Worst Forms of Child Labor. It is just that simple. In other words, if a country wants the benefits of this trade bill, they must meet and effectively enforce the standards of the recently adopted ILO convention 182.

This convention defines the worst forms of child labor as: all forms of slavery, debt bondage, forced or compulsory labor, or the sale and trafficking of children, including forced or compulsory recruitment of children for use in armed conflict; child prostitution, children producing and trafficking narcotic drugs; or any other work which by its nature or the circumstances in which it is carried out, is likely to harm the health, the safety, and the morals of children. These are the provisions of ILO convention 182.

As I stated earlier, for the first time in history, this last June, the world spoke with one voice in opposition to abusive and exploitative child labor. Countries from across the political, economic, and religious spectrum—from Jewish to Moslem, from Buddhist to Christians—came together to proclaim unequivocally that ''abusive and exploitative child labor is a practice which will not be tolerated and must be abolished.''

So gone is the argument that abusive and exploitative child labor is an acceptable practice because of a country's economic circumstances. Gone is the argument that abusive and exploitative child labor is acceptable because of cultural traditions. And gone is the argument that abusive and exploitative child labor is a necessary evil on the road to economic development. When this convention was approved, the United States and the international community as a whole laid these arguments to rest and laid the groundwork

to begin the process of ending the scourge of abusive and exploitative child labor.

Additionally, for the first time in its history, the U.S. tripartite group to the ILO—consisting of representatives from government, business, and labor—unanimously agreed on the final version of the ILO convention 182.

I believe strongly that the time has come to say to countries: If you want the trade benefits outlined in this bill, you must, at a minimum, enforce international standards on abusive and exploitative child labor. That is at a minimum.

So let me be clear about what is meant by abusive and exploitative child labor. This is not about kids working on the family farm. It is not about kids who work after school. There is nothing wrong with that. I worked in my youth when I was in school. Probably most of us in the Chamber today worked when we were young and in school. There is nothing wrong with that, and that is not what we are talking about. The convention that the ILO adopted in June deals with children who are chained to looms, who handle dangerous chemicals, who ingest metal dust from working around machinery, children who are forced to sell illegal drugs, forced into prostitution, forced into armed conflict, forced to work in factories where furnace temperatures exceed 1,500 degrees.

Let me refer to this chart again and repeat, for the sake of emphasis, what the convention does. It abolishes the harshest forms of child labor, including child slavery, child bondage, child prostitution, use of children in pornography, trafficking in children, the forced recruitment of children for armed conflict, the recruitment of children in the production or sale of narcotics, and hazardous work by children. Those are the abusive and exploitative forms of child labor that are covered.

According to the ILO, in Latin America and the Caribbean there are an estimated 17 million children working. In Africa—and we are on the Africa trade bill—80 million children are working. In Asia, about 153 million children are working. There are about half a million in Oceania, in the islands of the southwest Pacific. This totals about 250 million children world wide that are working full time.

They are forced to work with no protective equipment under hazardous and slave-like conditions. They endure long hours for little or no compensation. They simply work only for the economic gain of others. They are denied an education and denied the opportunity to grow and develop.

I paint this in sharp contrast to afterschool jobs that kids have so they can have some more spending money to buy the latest CD. These kids are not buying CDs. They are not even in school. They are kept out of school and are forced to work.

Again, I know firsthand what this is about. I have some charts here, some pictures. Last year, my legislative assistant, Rosemary Gutierrez, and I traveled to several countries in South Asia to investigate child labor. This happens to be a picture that was taken outside of a compound in Katmandu, Nepal. This was on a Sunday evening, shortly after dark, maybe about 7 or 7:30 in the evening. I had heard repeated stories about children who were working, making carpets, children as young as 5 to 7 years of age. But I also knew from others I had talked to that if you asked to visit one of these plants, by the time you got there, they had the kids out the back door. So nobody could ever see them.

Well, it turned out that, through mutual acquaintances, we located a young man—I don't know how old he is now, maybe 21 or 22 years old—who had been a former child laborer in one of these plants. He knew of a plant where he knew the guard at the gate on this Sunday evening in question. So what we did is, we got in an unmarked car and we drove to the outskirts of Katmandu and went up to this compound. Later, we found out we were mistaken and the owner was in fact there. So we went up to the gate, four or five of us, with this young Nepalese man. He got us in the gate.

This was the picture I took outside the gate. There is a sign posted very prominently in Nepalese and in English. As you can see, it says, ''Child labour under the age of 14 is strictly prohibited.'' They have these signs all over. So I took a picture of it.

We went to the gate of this compound. We walked down a fairly narrow alleyway. There were low-lying buildings on our left and right. We went down a few hundred yards and turned to our left to this carpet factory. We went into the carpet factory. Mind you, this is on a Sunday evening, and it is about 7:30. Here is what we found. I can tell you this is what we found because I took the picture. There were dozens and dozens of kids working in this building, with a lot of dust around; carpets put off a lot of dust when they make them. I took this picture of these two kids. I had the young man who spoke Nepalese there, and we were able to talk to them a little.

As best I could figure out, he was about 7 and she was about 8. This was at 7:30 in the evening. You can't see because the flashbulb wasn't strong enough, but there are dozens of children sitting in rows up and down the aisles working.

Here is a better picture, and I am in it. My staff assistant took this picture. These kids are 8, 9, 10, 11 years old, all the way back here, on both sides, up and down, working at 7:30 at night. These are kids who work probably 12 to 14 hours a day, 6 to 7 days a week. When they are not working, they are taken out of here to those low-lying buildings where they sleep and eat; that is where they live. They are not allowed to go out. They are not allowed to go out on the streets. They are not allowed to get an education, go to school. They go from their little Quonset hut, where they stay like stacks of cord wood. Then they are herded in here, work 12 to 14 hours a day, and they are herded back into the building. They are 7, 8, 9 years of age.

I said: What happens when they get to be 12, 13, or 14? I didn't see any children there that old there. Well, sometimes the boys go into different kinds of work, and the girls are sold into prostitution. You don't have to take my word for that; you can talk with anybody in the U.N., the ILO, and talk about the trafficking of young girls from Nepal to India, some as far away as Saudi Arabia.

I met with some young girls who had been sold into prostitution. There is an organization in Nepal of women trying to repatriate these young women, get them back to their country and their villages. Some were sent as far away as Saudi Arabia. Trafficking in prostitution—that is what we are talking about in this amendment. We are not talking about kids working after school. We are talking about these kids. Should a country that permits this and condones this and doesn't take active steps to stop it—should they, I ask you, get the benefits of this trade bill?

Here is another kid. I did not take this picture. This is not my picture. I admit that. But there is a young boy in the Sialkot region of Pakistan. He is 8 years old. His name is Mohammad Ashraf Irfan. You may not be able to see it from there, but he is making surgical equipment. These are scissors used in surgery that are shipped to this country. Think about that. Think about that the next time you go into the doctor's office. It is clean, it is sterile, you have a wound, and they are going to sew you up or they are going to make you well again. You see those little scissors come out, or the little knife, and the things they use. Think about Ashraf here who is 8 years old. Look at him. The next time you go into a doctor's office, think about Ashraf and think about hundreds of thousands like him sitting there day after day. He has no protective goggles, no protective equipment on his hands, and he is making surgical equipment to be used in the finest of doctor's offices and hospitals in Europe and America. That is what we are talking about in this amendment.

I believe our goal must be to encourage and to persuade other countries to build on the prosperity that comes with trade and to lift their standards up. Exploited child labor in other countries not only penalize Ashraf to a lifetime of illiteracy, low wages, bad health, and not only does it condemn him to that, and hurt his life, but the fact they exploit him means that it unfairly puts workers in our country and other countries at a disadvantage.

You can't compete with slavery. This is slavery. You can dress it up and call it what you want. But this is about the nearest thing you can get to slavery.

Yet, unfortunately, the legislation before us does not address this issue. It simply relies on the criteria of the Generalized System of Preferences, or GSP, to extend countries trade benefits.

Is that adequate to what we know is going on in the world?

This criteria in GSP has been on the books since 1984—15 years. And child labor today is worse than it was 15 years ago.

Let me explain that the USTR, our own Trade Representative office, in its implementation and enforcement of GSP, has, I believe, abused the language in the statute that calls for taking steps to afford respect for workers' rights, including child labor. They have interpreted that any gesture made by a country will satisfy the requirements of GSP.

There is a list of five internationally recognized workers' rights provisions in GSP. Here they are: One, the right of association; two, the right to organize and bargain collectively; three, a prohibition on the use of any form of forced or compulsory labor; four, a minimum age for employment of children; five, acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

If a country takes steps—we don't say how big a step—if a country takes one teeny, little bit of a step in any one of those areas, they are allowed GSP benefits. They may have the most abusive forms of child labor, but if they have taken steps —for example, to have the right of free association—there you go. They have satisfied the requirements. Quite frankly, these countries should be taking steps in all five areas and enforcing the laws they have on the books.

The fact is, there are laws in Nepal against the use of child labor in these looms. There are laws in Pakistan against what Ashraf Irfan is doing. They all have laws on the books. They are just not enforcing them. Many of these countries have been able to provide cosmetic and unenforceable actions. Then they are recognized as having taken steps, and they are off the hook. In fact, the principal sponsor of the GSP criteria, an individual I served with in the House of Representatives, Representative Don Pease, wanted to set a high standard to ensure that countries not only have laws on their books with regard to these rights and minimum age requirements but that they were also being enforced. When it got to conference, it was watered down. We have that today. If they meet just one of those criteria, that is all they have to do.

Fifteen years later after GSP, we now have a universal standard adopted this June by the ILO in Geneva. The ILO convention 182 is a well-defined, internationally accepted standard that I believe should be the criteria in granting any country U.S. trade benefits. ILO convention 182 that will hold everyone to one real and enforceable standard that was unanimously agreed to in Geneva this past June.

Again, as I have said before, I believe in free trade. I voted for the North American Free Trade Agreement. But I also believe in a level playing field. I also believe you should use trade to try to lift countries up—not lift countries up on the backs of children but to lift those countries up alongside of us.

U.S. workers can't compete with slaves. U.S. workers can't compete with 8-year-old kids working 12 and 14 hours a day who are paid almost nothing. You can dress it up any way you want. You can use whatever fancy words and language you want. That is slavery. These kids don't have a choice. They are forced to work in unbearable conditions. They don't have a choice. They do not have any freedom and liberty. Is that not the definition of slavery? Children are exploited for the economic gain of others. The child loses, the family loses, this country loses, and we in the world lose, too.

Every child lost to the workplace in this manner is a child who will not receive an education, learn a valuable skill, and help this country develop economically, or become a more active participant in the global market. When just one child is exploited in this manner, every one of us is diminished.

Recently, I came across a startling statistic. According to the UNICEF report entitled ''The State of the World's Children 1999,'' nearly 1 billion people will enter the 21st century—the new millennium—1 billion people will enter unable to read a book, or unable to sign their name because they are illiterate. This is a formula for instability, violence, and conflict down the road.

Nearly one-sixth of all humanity—think about it; three and a half times the population of the United States—next year won't even be able to read a book or sign their name.

This is the reason: Because they were denied an education when they were young. They were forced to work in front of rug looms, or making surgical equipment, glassware, and metals in mines and places such as that.

I believe it is shocking. I believe children making pennies a day spells disaster and conflict down the road. In cold, hard, economic terms, children making pennies a day will never buy a computer, they will never buy the software to run it, they will never purchase the latest music CD or a VCR to play American-made movies.

By allowing abusive and exploitative child labor to continue, we not only doom the child to a future of poverty and destitution, we doom future markets for American goods and services.

Why in our trade bill do we not just look one foot in front of our nose? We think about next year or the year after. Why not think about 10, 15, or 20 years from now, when 8-year-old Ashraf Irfan is in his twenties and thirties? What will he be buying? Will he buy a computer? Will he buy software and log on to the Internet? Will he buy clothes? No; he will be functionally illiterate. He will go to a store and watch television and see how the rest of the world lives and say, Why do I live like this?

It is ripe for revolutions, wars, insurrections, and instability all over the world.

Some say child labor shouldn't be dealt with in trade measures. I think this is wrongheaded thinking and closed minded. I believe we should be addressing child labor issues on trade measures. After all, we are ultimately talking about our trade policy. Not too long ago, agreements on intellectual property rights were not considered measures to be addressed by trade agreements. In the beginning, only tariffs and quotas were addressed by GATT because they were the most visible trade-distorting practices.

As time went on and as we began to develop more and more intellectual property in this country, we said we ought to include intellectual property rights and services, too. Now they have become an integral part of our trade agreements. The trade bill two years ago had several pages on intellectual property rights and one small, ineffectual paragraph on child labor. Now the WTO will consider rules dealing with foreign direct investment. That is another new step. A part of our trade agreements will now involve foreign direct investment and competition policy.

When I looked at the trade bill two years ago and saw all the pages dealing with intellectual property rights and I saw the little, ineffectual paragraph that actually turned the clock back on child labor, I thought to myself, if we can protect a song, can't we protect a kid? Think about it. We are going to protect someone's song so it can't be stolen, used, recorded, or sung by anybody else in the world—we can protect that; but we can't protect this kid? Tell me that child labor is not an apt policy for trade policy and trade bills. I believe it is time we do this. We as a nation cannot ignore what is happening.

In 1993, this Senate put itself on record in opposition to the exploitation of children for economic gain by passing a sense-of-the-Senate resolution that I submitted. That was in 1993. It was a sense-of-the-Senate resolution. Nonetheless, it passed. In 1994, I requested the Department of Labor to begin a series of reports on child labor. These reports now consist of five volumes representing the most comprehensive documentation ever assembled by the Government on this issue. Earlier this year, President Clinton issued an Executive order prohibiting the U.S. Government from procuring items made by forced or indentured child labor. We are making progress.

Some may say we have not even ratified convention 182 ourselves, so how do we expect others to abide by that? The chairman of the committee, Senator HELMS, had a hearing about 2

weeks ago on this. I thought it was a great hearing. I am pleased to report to my colleagues, just today the Senate Foreign Relations Committee reported out the new ILO convention. I am hopeful we will have it on the floor to get a unanimous vote and to ratify that before we leave this year. I have every reason to believe we will before we leave this year.

Mr. REID. Will the Senator yield?

Mr. HARKIN. I am happy to yield to the Senator.

Mr. REID. We are going to have a couple of votes at 3:30. There is no time agreement. The Senator may speak as long he desires. Both managers of the bill are in a position to accept the amendment of the Senator or, if the Senator desires a recorded vote, we can have that, too. They are willing to accept this amendment. There is an order in effect that there will be two votes at 3:30.

Mr. HARKIN. I will abruptly finish my remarks.

Mr. REID. And then make a decision.

Mr. HARKIN. Normally, I would say fine to accept it, but since the Foreign Relations Committee passed it out this morning and I believe we will have it before the Senate before the end of the year, I think it is important for the Senate to express itself on this issue on the forms of abusive and exploitative child labor. It is important we do that. We have taken so many steps and come so far, we ought to do that. I am hopeful my colleagues will support this.

My amendment is cosponsored by Senator HELMS, the chairman of the Foreign Relations Committee, and Mr. WELLSTONE from Minnesota. There is a pretty broad philosophical spectrum encompassed on this amendment.

I ask unanimous consent the pending amendment be temporarily set aside, and I ask to call up my amendment No. 2495.

Mr. REID. Reserving the right to object, what was the unanimous consent request?

Mr. HARKIN. To set aside the amendment and call up my amendment.

Mr. REID. Mr. President, we are trying to work out a time sequence. The Landrieu amendment is now pending. It is my understanding that we have two votes set and Landrieu makes three votes; is the Senator willing to make his the fourth vote in that stack?

Mr. HARKIN. Yes; I have no problem.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendment?

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Iowa has the floor and has stated a unanimous consent request.

Mr. HARKIN. I ask unanimous consent the pending amendment be temporarily set aside, and I ask that my amendment No. 2495 be called up.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, I say to my friend, he has no problem, if his amendment is called up, having his the fourth after these other three?

Mr. HARKIN. No. I don't have any problem with that, no.

The PRESIDING OFFICER. Is there objection?

Mr. ROTH. I object.

The PRESIDING OFFICER. The Senator from Delaware objects. Objection is heard. The Senator from Iowa continues to have the floor.

Mr. HARKIN. Mr. President, I thought I had just agreed to have the amendment voted on.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HARKIN. I will yield for a question to my colleague from Nevada. We are trying to work out an arrangement.

Mr. REID. I say to my friend, and the manager of the bill, this is my understanding of what the managers want to occur. We already have two amendments pending and there are motions to table those two amendments. The Landrieu amendment is going to come on as the third matter. They also want to move to table that. That can only be done while the amendment is pending. So that amendment is pending now.

I suggest there be a tabling motion made and then the Senator will offer his amendment, and his amendment be voted up or down.

Mr. HARKIN. Mr. President, let me see if I can revise my unanimous consent.

I ask unanimous consent after the Landrieu amendment is disposed of, in whatever form that disposal may take, that I be recognized to call up my amendment, amendment No. 2495, and to have the yeas and nays on that amendment.

The PRESIDING OFFICER. Is there objection? The Senator is advised he cannot obtain the yeas and nays by unanimous consent. That part of his consent cannot be granted.

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. First, we will have the unanimous consent request. Is there objection to the unanimous consent request?

The Chair hears none, and it is so ordered.

Mr. HARKIN. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, I ask consent a vote occur on or in relation to the pending amendment—the Landrieu amendment to H.R. 434 in the voting sequence occurring at 3:30 p.m. today, with all the parameters provided for the first two amendments in order.

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

Mr. ROTH. Mr. President, I ask unanimous consent to set aside the Landrieu amendment.

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

AMENDMENT NO. 2505

(Purpose: To authorize the extension of permanent normal trade relations to Albania and Kyrgyzstan, and for other purposes)

Mr. ROTH. Mr. President, I send to the desk the managers' amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 2505.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. LEVIN. Mr. President, President Clinton recently emphasized that while expanding trade, we also need to have basic labor standards so that people who work receive the dignity and reward of their work. The President said the WTO should create a working group in Seattle on trade and labor and asked, ''How we can deny the legitimacy or the linking of these issues, trade and labor, in a global economy?''

How, indeed? The rhetoric sounds right—that we should link the granting of trade benefits to whether countries are abiding by internationally recognized standards on such things as child labor, collective bargaining, use of forced or coerced labor, occupational health and safety and other worker rights. This should be especially the case when these countries have freely undertaken such obligations in treaties or conventions. This is a laudable objective and one that the Administration is now promoting. But how do we implement this objective?

We have our first test case under consideration before the Senate today. We should begin to promote standards on such things as child labor, collective bargaining, use of forced or coerced labor, occupational health and safety and other worker rights as part of our trade relationships by considering progress on those goals when unilaterally granting a trade benefit. In considering whether to grant a country a unilateral trade benefit, the President surely ought to consider the extent to which that country has undertaken its own existing obligations, obligations under treaties and conventions it has freely entered into relative to child labor, collective bargaining, the use of forced or coerced labor, occupational health and safety and other worker rights. Unfortunately, in the bill under consideration today, the President is not required to even consider this factor.

Mr. President, the trade bill we are considering contains two provisions that would provide trade benefits to certain countries unilaterally without asking that reciprocal action be taken.

This bill is flawed and it doesn't live up to our repeatedly stated beliefs. It contains no required consideration of

the extent to which a beneficiary country has undertaken to live up to its own commitments to internationally recognized standards on such things as child labor, collective bargaining, use of forced or coerced labor, occupational health and safety and other worker rights, before the country may receive the trade benefit conferred in the bill. I believe the extent to which a country demonstrates a willingness to abide by its own commitments freely undertaken, be it to labor standards, or anything else, should be an element that is at least considered when determining a country's eligibility to receive special benefits.

As the bill is currently written, before granting the trade benefits, the President must make certain determinations, such as determining if the country has demonstrated a commitment to undertake WTO obligations and to take steps to join the Free Trade Agreement of the Americas (FTAA). Only as a secondary consideration, the President may consider, when determining if the country has demonstrated a commitment to the WTO and FTAA, additional criteria, including the extent to which the country provides internationally recognized worker rights.

This is not strong enough because it is a discretionary standard that the President is not required to even consider and it is also only a secondary consideration that can be taken into account when making a determination as to whether a country has demonstrated a commitment to pursue certain other ends. It is not an end in itself.

It seems to me that the type of trade benefit we are considering today, a one-way-granting by the United States of duty free treatment, is a logical place to include a consideration of whether a country is attempting to live up to its own obligations it has freely undertaken with regard to standards on such things as child labor, collective bargaining, use of forced or coerced labor, occupational health and safety and other worker rights.

The President has said he wants to start to link trade and labor standards and will take steps to try to achieve this in the next round of WTO negotiations starting in Seattle. We should start here at home by requiring that the extent to which a beneficiary country has demonstrated a commitment to abide by obligations it has already undertaken in treaties and conventions it has freely entered into relative to child labor, collective bargaining, use of forced or coerced labor, occupational health and safety and other worker rights. If we can't even include such a consideration in today's legislation, how do we expect to succeed in including such provisions in a multilateral negotiation of over 130 member nations?

Mr. President, I am offering an amendment which would require consideration of internationally recognized labor standards when determining if a CBI country may benefit from unilateral trade preferences. My amendment would require the President, when designating a CBTEA beneficiary country, to consider the extent to which the country provides internationally recognized worker rights, such as the right of association, the right to organize and bargain collectively; prohibition on the use of any form of coerced or compulsory labor and a minimum age for the employment of children.

Most CBI countries are signatories of the International Labor Organization conventions. Considering the extent to which these countries abide by their own international obligations is the least we can do when considering whether they deserve to receive unilateral trade preferences from us.

Mr. MACK. Mr. President, I rise today to thank the chairman of the committee, Mr. ROTH, for including in the manager's package an amendment by Mr. SARBANES and myself expressing the sense of the Congress with respect to the issue of debt relief for poor countries. Our resolution simply expresses the desire of this body to work with the President and the international community to forgive the debt owed to us by the world's poorest countries in exchange for commitments from these countries to reform their economies and work toward a better quality of life for their people. This follows on legislation we introduced earlier this month to accomplish this important objective.

Our effort today is premised on the notion that we must help these poverty-stricken nations break the vicious cycle of debt and give them the economic opportunity to liberate their futures. This issue has united people of diverse interests and backgrounds from all around the world. There is a growing sense across the cultural and political spectrum that debt burdens are a major impediment to economic reform and the alleviation of the abject poverty facing the world's poorest countries. And there is increasing certainty that debt forgiveness—if done right—can be a positive force for change in the developing world. Our resolution makes clear that the objectives of debt relief should be the promotion of policies that promote economic growth, openness to trade and investment, and the development of free markets. I am glad the full Senate is joining us in this endeavor.

Today, Mr. President, the world's poorest countries owe an average of $400 for every man, woman, and child within their borders. This is much more than most people in these countries make in a year—in fact more than one billion people on Earth today live on less than a dollar a day. Debt service payments in many cases consume a majority of a poor country's annual budget, leaving scarce domestic resources for economic restructuring or such vital human services as education, clean water and sanitary living conditions. In Tanzania, for example, debt payments would require nearly four-fifths of the government's budget. In a country where one child in six dies before the age of five, little money remains to finance initiatives that would improve the country's economic prospects, its openness to trade and investment, or the standard of living of its people. Among sub-Saharan African countries—many of the very countries we're looking to help in the trade package before us today—one in five adults can't read or write.

Mr. President, the problems in the developing countries that yield such grim statistics will never be solved without a monumental commitment of will from their leaders, their citizens, and the outside world. We cannot solve all these problems today. Rather, we are simply affirming to the world that the small step of debt relief is one that can and should be taken without delay.

The effort to forgive the debts of the world's poorest countries has been ongoing for more than a decade. During this time the international community and the G7 came to the realization that the world's poorest countries are simply unable to repay the debt they owe to foreign creditors. What's more, the payments that are being made are hampering progress toward more free, open, and economically vibrant economies. The external debt for many developing nations is more than twice their gross domestic product, leaving many unable to even make interest payments. We must accept the fact that this debt is unpayable. The question is not whether we'll ever get paid back, but rather what we can encourage these heavily indebted countries to do for themselves in exchange for our forgiveness.

In Uganda, for example, debt relief obtained under the existing debt forgiveness programs has cleared the way for a doubling of classroom size, allowing twice as many children to attend school as before. This type of benefit is real. It is tangible. And it will bring untold benefits to the country in future years. We must do more to encourage these types of programs and debt relief is one vehicle that can help effect real change in the developing world.

Prudent debt relief is in all of our best interests. It is an investment in the commitment of the world's poorest countries to implement sound economic reforms and help their people live longer, healthier and more prosperous lives.

Our amendment today is another step toward this goal and I thank my colleagues for their support.

Mr. BINGAMAN. Mr. President, I rise today to address the Trade Adjustment Assistance program.

Let me begin by stating—as others have on this issue—that I believe strongly in the concept of free and fair trade, and I have always supported legislation that opens foreign markets, assures that trade agreements are enforceable, and provides the opportunity

for competitive U.S. firms to do business overseas. I support legislation of this type because I feel that in the long run it increases the economic welfare of our nation and leads to substantial and measureable benefits for Americans. Exports now generate over one-third of all economic growth in the United States. Export jobs pay ten to fifteen percent more than the average wage. Depending upon who you listen to, it has generated anywhere from two to eleven million jobs over the last ten years. Without expanded trade brought on as a result of globalization, we will end up fighting over an ever-decreasing domestic economic pie. Trade is inevitable, it is the terms of trade that we debate.

And this debate is important, because while many Americans are enjoying unprecedented opportunities as a result of the process of globalization, others are not so fortunate. Clearly, free trade has negative attributes, and the United States has not been immune to them. In my state alone over the last two years we have seen several thousand people laid off in trade-related plant closures—from high-tech to apparel to copper. Many more New Mexicans have been forced to find other work because they can no longer compete on an international basis. The vast majority of these people live in rural communities where there really isn't anything else for them to do in terms of employment. When I talk to these people, they ask me: Where am I supposed to work now? Where do I find a job with a salary that allows me to support a family, own a house, put food on the table, and live a decent life? Where are the benefits of free trade for me now that my company has gone overseas? What good are cheaper products when I no longer have a salary to pay for them?

These are tough questions, especially from someone who is trying to pay a mortgage, or get their children an education, or buy food for the table, and they deserve an answer. In my opinion, the answer does not lie in protectionism, as many would suggest, because it is no longer a legitimate option. It is impossible to go back in time and trade only within our own borders. Instead the answer lies in the development of programs that provide people with the skills to be gainfully employed and provide companies with the tools so they can become internationally competitive. It is through workforce development and technological innovation. Globalization is inevitable. It is not going to stop. Therefore, the question for us in this Chamber is: How we can manage it to benefit the national interest of the United States? How can we make it work for our people? How can we establish an environment where high-wage jobs can be obtained and communities sustained?

The Trade Adjustment Assistance program is supposed to do just that. As my good friend and colleague Senator MOYNIHAN has pointed out on the floor many times, this program and its component parts are part of a very reasonable agreement with American workers and companies: If Americans lose their jobs as a result of trade agreements entered into by the U.S. Government, then the U.S. government should assist these Americans in finding new employment with equivalent or better wages. If the U.S. government supports an open trading system, it is responsible to repair the negative impacts this policy has on its citizens. If you lose a job because of U.S. trade policy, you should have some help from the U.S. Government in getting unemployment benefits and retraining to get a new job that pays you as much or more as you were getting before.

And, since its inception, the Trade Adjustment Assistance program has attempted to do just that. It has over the years consistently helped individuals and companies in communities across the United States deal with the transitions that are an inevitable part of a changing international economic system. It helps people that can work and want to work to continue to work in productive jobs that contribute to the economic welfare of our country.

But, as good as the Trade Adjustment Assistance program is, it is not without flaws, and these flaws frequently make the program difficult to use for those that need it most. Even worse, in some cases, it is simply unavailable for those who need it most.

What are some concrete examples of these problems? In my state of New Mexico, we have over the last few years seen a serious lack of coordination between the federal and state agencies responsible for the provision of unemployment benefits and retraining, and we have seen a near complete incompatibility of application procedures. This lack of harmonization has made potential recipients run in circles to find information and advice that would help them find viable work.

We have passed legislation that provides benefits to some individuals that are not available to others. For instance, the NAFTA Trade Adjustment Assistance program provides unemployment benefits and retraining for those who have been negatively impacted by trade or shifts in production overseas, but the Trade Adjustment Assistance program only provides retraining in the case of former, not the latter. Furthermore, secondary workers—individuals who with their company provide direct inputs into primary manufacturing facilities—are not eligible for any support at all, this in spite of the fact that they too may lose their jobs when a primary facility is forced to close. How do you explain these programmatic differences to workers who need help, and need it now?

Another problem: Trade Adjustment Assistance provides assistance to workers in specific communities, but it does not provide assistance to those communities that have been significantly impacted by trade or shifts in production overseas. No evaluation of community needs, no strategic plan for economic development, no technical assistance to help a community recover from what has happened. Thus, while we provide federal funds so workers can retrain to find employment, in many cases there is no simply gainful employment to be had in the community. There is no work to retrain for that pays a living wage. In other words, there is no linkage between retraining programs and community workforce needs. Individuals thus have a choice: stay in town on unemployment until it runs out, take a lesser paying job that disallows them from providing for themselves and their family, or relocate to a region that has employment to offer. In either case, the community loses. And this is happening with disturbing frequency not only in New Mexico, but in rural communities across the United States. Ask any of my colleagues, and they will tell you they have heard the same story.

I would argue that in some very specific cases foreign trade or the transfer of production overseas has had a such an impact on a community that it is analogous to a natural disaster. The impact on the community is so severe, pervasive, and painful that it is equivalent to a flood, tornado, or earthquake. In many cases, not just individuals, but an entire community has become dislocated, and is not prepared as a political or economic entity to take the steps needed to recover. Not only the individuals, but the community, needs help to get back on its feet.

So what must be done in these circumstances? In this country we have organized a unique approach to first anticipate, and then respond to, natural disasters—the Federal Emergency Management Agency, or FEMA—and it is designed to integrate the federal/state/local activities to obtain optimal recovery. Why not have this kind of coordinated program for trade? We organize this kind of response through the Department of Defense and the Office of Economic Adjustment when a military base closes in a community. Why not have such a program for communities affected by trade? I am not talking about giving funds to those in need in perpetuity. I am talking about establishing a coherent strategic plan with an entry and exit policy that helps individuals and communities develop a workforce plan, create good jobs for their citizens, and become viable economic competitors in the international marketplace.

The time is ripe to examine these issues, and in my view it is time to think outside the box. There are too many inconsistencies in existing unemployment and re-training benefit programs—Trade Adjustment Assistance, NAFTA Trade Adjustment Assistance, the Job Training Partnership Act, the Workforce Investment Act, and unemployment insurance—and they must be examined so we can make them efficient and effective mechanisms for our

workers. In my view, these problems are not necessarily the fault of the Department of Labor, which administers many of the programs I refer to today. The problems are indicative of an ad hoc approach to policy formation over the years, and it is time to align these programs so they will have the maximum benefit effect for those who need them. Trade Adjustment Assistance is an excellent idea and it has served us well, but it is time that it be refined to better fit the needs of an increasingly interdependent international political economy.

To this end, I offer a very straightforward amendment today, and an action that I see as a first, but very important, step to more comprehensive Trade Adjustment Assistance reform. The immediate goal of the amendment is to obtain the information necessary to make informed decisions on how to proceed in future legislation. My amendment asks that the General Accounting Office study this issue, and, within nine months, offer Congress specific data and recommendations concerning the efficiency and effectiveness of federal inter-agency and federal and state coordination of unemployment and retraining activities associated with the following programs: the Trade Adjustment Assistance program, the NAFTA Trade Adjustment Assistance program, the Job Training Partnership Act, the Workforce Investment Act, and the Unemployment Insurance Program. The report will examine the activities since the enactment of the NAFTA agreement on January 1, 1994, and will include analysis of many of the issues I mentioned previously: the compatibility of program requirements and application procedures related to the unemployment and retraining of dislocated workers in the United States, the capacity of these programs to assist primary and secondary workers negatively impacted by foreign trade and the transfer of production to other countries, and the effectiveness of the aforementioned programs relative to the re-employment of United States workers dislocated by foreign trade and the transfer of production to other countries. This is an unambiguous and uncomplicated amendment, and it will help us chart a course for the future.

Trade Adjustment Assistance is a necessary part of our national trade policy toolbox, and I believe it has done an admirable job over the years. But we all know it will become even more important as our country becomes more integrated into the global economy. For this reason, it is time that it be made more effective, and that its goals be better defined. I believe this amendment will assist us in this effort, and I hope that my colleagues will support the passage of this bill when it comes to a vote.

Mr. LIEBERMAN. Mr. President, I rise to present legislative background and history on a provision contained in the Manager's Amendment to the African Growth and Opportunity Act adopted this evening by consent. Constituents in my state in the wool fabric industry have been concerned about any revision to tariff reduction and phase-out schedules that would unfairly alter their competitive posture and force layoffs of Connecticut employees.

The final language in the provision states that, ''It is the sense of the Senate that U.S. trade policy should place a priority on the elimination or amelioration of tariff inversions that undermine the competitiveness of the U.S. consuming industries, while taking into account the conditions in the producing industry in the United States, especially those currently facing tariff phase-outs negotiated under prior trade agreements.'' I want to note that this provision as adopted was modified to reflect specific concerns I raised about it. While this provision merely expresses a ''sense of the Senate'' and is in no way law or binding, I do want to provide background on the intent of the provision.

I note, first, that language in the provision as originally proposed directing the inclusion of the ''wool fabric'' industry sector in this provision was specifically deleted in the version that passed in the Manager's Amendment, underscoring the Senate's clear intent that this provision is not directed at this sector.

Second, the provision specifically requires that full account be taken of ''conditions'' in the various ''producing industry in the United States,'' indicating that whatever further action Congress may want to consider in the future on this issue, or that the U.S. Trade Representative may raise in future negotiations, must assure fairness and equitable treatment to those currently producing in the United States. Furthermore, the language specifically states that special attention and equity is to be provided to ''those currently facing tariff phase-outs negotiated under prior trade agreements.'' Since my constituents in the wool fabrication sector specifically fall into exactly that posture, properly relying on phase-out schedules negotiated in prior trade agreements, this protection and assurance is directed at their concerns, which, in turn, is why their industry sector was dropped from application of this provision.

I further appreciate the assurances provided me by the Managers of this bill that I will be provided full notice of any consideration of this issue in conference and that it will be resolved in a manner satisfactory to me in representation of my constituent's concerns.

Mr. ROTH. Mr. President, the managers' amendment has been worked on by the distinguished ranking member, Senator MOYNIHAN, and myself. We have worked with Members on both sides of the aisle. This represents the results. There is no objection from the Democrat or Republican side.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I simply confirm the chairman's statement. I thank all who have worked very hard on this extensive measure.

The PRESIDING OFFICER. Is there further debate on the managers' amendment?

Mr. ROTH. I ask for a voice vote.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2505) was agreed to.

Mr. ROTH. I thank the ranking member of the committee for his cooperation and help.

I think now we are about ready to proceed with the votes.

A quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

AMENDMENT NO. 2487

The PRESIDING OFFICER. The Senator from Minnesota is entitled to 2 minutes of his time.

Mr. WELLSTONE. Mr. President, this amendment provides for enforceable labor standards. This is about the terms of trade and wanting to make sure with the CBI countries that when it comes to the right to organize and bargain collectively, people are not imprisoned for asserting this right, and that basic human rights and basic labor rights are met. In that way, we will have a trade agreement with enforceable labor standards that says to wage earners in our country: You are not going to lose your job in the apparel industry to other countries because they are paying 35 cents an hour and violate basic labor rights. It also says to workers in CBI countries: It is a benefit to you; you do not have to depend on investment by only making 35 or 40 cents an hour and not able to have basic human rights and labor rights.

This amendment calls for enforceable labor rights. It is the right thing to do. It is all about the right terms of trade, and I hope my colleagues will vote for this amendment.

The PRESIDING OFFICER. Who yields time in opposition?

The Senator from New York.

Mr. MOYNIHAN. Mr. President, the managers' amendment which has just been adopted at the behest of Senator LEVIN, myself, and others, requires that core labor standards are necessary matters that the President must consider in granting these trade privileges. Of course, the Generalized System of Preferences incorporates substantially the same measures. The President is authorized to consider countries' compliance with these standards. Indeed, the President has already endorsed the

core labor standards through the ILO Declaration adopted in 1998. There is no need to micromanage his handling of foreign affairs.

In the interest of moving this measure along, with full agreement with the purposes of the Senator from Minnesota, I move to table the amendment.

The PRESIDING OFFICER. All time having been used or yielded back, the question is on agreeing to the motion to table amendment No. 2487. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that Senator from Arizona (Mr. MCCAIN) is necessarily absent.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The result was announced—yeas 66, nays 31, as follows:

[Rollcall Vote No. 349 Leg.]

YEAS—66

Abraham	Enzi	Lugar
Allard	Feinstein	Mack
Ashcroft	Fitzgerald	McConnell
Bayh	Frist	Moynihan
Bennett	Gorton	Murkowski
Biden	Graham	Murray
Bingaman	Gramm	Nickles
Bond	Grams	Robb
Breaux	Grassley	Roberts
Brownback	Gregg	Roth
Bryan	Hagel	Santorum
Bunning	Hatch	Sessions
Burns	Helms	Shelby
Cochran	Hutchinson	Smith (NH)
Coverdell	Hutchison	Smith (OR)
Craig	Inhofe	Stevens
Crapo	Kerrey	Thomas
Daschle	Kyl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lieberman	Voinovich
Domenici	Lincoln	Warner
Edwards	Lott	Wyden

NAYS—31

Akaka	Harkin	Reed
Baucus	Hollings	Reid
Boxer	Jeffords	Rockefeller
Byrd	Johnson	Sarbanes
Campbell	Kennedy	Schumer
Cleland	Kerry	Snowe
Collins	Kohl	Specter
Conrad	Lautenberg	Torricelli
Dorgan	Leahy	Wellstone
Durbin	Levin	
Feingold	Mikulski	

NOT VOTING—2

Inouye	McCain

The motion was agreed to.

AMENDMENT NO. 2347

The PRESIDING OFFICER. There are now 4 minutes equally divided before a vote on the motion to table amendment No. 2347.

The Senator from Pennsylvania, Mr. SPECTER, is recognized.

Mr. SPECTER. Mr. President, this amendment provides for a private right of action to go into Federal court and stop dumped goods from coming into the United States in order to enforce U.S. trade laws and international trade laws, consistent with GATT.

For example, today, if you take a case under 30201, the International Trade Commission takes up to a year to have it acted on, and then the administration can have a suspension order and eliminate it totally. Dumped goods are unfairly taking jobs from farmers, where dumped wheat comes into the United States. Textiles are dumped, steel is dumped, lamb is dumped; and the administration consistently decides these cases—as they did on steel with Russia—on a suspension agreement as to what is going to help the Russian economy for foreign policy and defense reasons, as opposed to seeing to it that United States trade laws are enforced that prohibit dumping—selling in the United States at a lower cost than illustratively selling in Russia.

This would give an injured party a chance to go to court and get an injunction within a few weeks, to have countervailing duties imposed, which would be an effective way to see to it that our antidumping laws are enforced and we do not have the disintegration of industries such as steel or unfair practices for wheat farmers, lamb farmers, and the like.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I rise in opposition to my colleague's amendment. I do so because there is no evidence that the current antidumping and countervailing duty laws have failed to deliver relief to injured industries. Indeed, it is not clear to me that shifting the burden of the initial investigation to the courts, with any allowance at all for the normal process of discovery between private litigants, would help the petitioning industry in these cases.

While both petitioners and respondents complain about their treatment before the administrative agencies, largely due to what they consider to be the arbitrary basis for their decisions, both sides to the litigation seem to agree that the cases themselves are completed as rapidly as possible. They also agree that the current system provides more certainty and predictability.

Given that, I urge my colleagues to think carefully about the implications of shifting these cases to the Federal courts. While the system is not perfect, the fact is that petitioners have been very successful in these cases. Moreover, the system is surprisingly quick and responsive, given the complexity of these cases. Anybody who has spent years before the Federal courts in a complex commercial matter can tell you that the current system of litigation of unfair trade cases administratively is quite rapid.

For these reasons, I urge my colleagues to vote to table the amendment. No such change, as proposed by this amendment, should be adopted without thorough study on the part of the appropriate committee.

Mr. President, I ask unanimous consent that this rollcall vote and future rollcalls in this series be limited to 10 minutes.

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

All time has expired. The question is on agreeing to the motion to table amendment No. 2347. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that, if present and voting the Senator from Massachusetts (Mr. KENNEDY) would vote ''no''.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 42, as follows:

[Rollcall Vote No. 350 Leg.]

YEAS—54

Abraham	Frist	Lugar
Allard	Gorton	Mack
Ashcroft	Graham	McConnell
Bennett	Gramm	Moynihan
Bingaman	Grams	Murkowski
Bond	Grassley	Murray
Boxer	Gregg	Nickles
Breaux	Hagel	Reid
Brownback	Harkin	Roberts
Bryan	Hutchinson	Roth
Cochran	Kerrey	Schumer
Coverdell	Kerry	Smith (OR)
Daschle	Kyl	Stevens
Dodd	Landrieu	Thomas
Domenici	Lautenberg	Thompson
Enzi	Lieberman	Voinovich
Feinstein	Lincoln	Warner
Fitzgerald	Lott	Wyden

NAYS—42

Akaka	Dorgan	Mikulski
Baucus	Durbin	Reed
Bayh	Edwards	Robb
Biden	Feingold	Rockefeller
Bunning	Hatch	Santorum
Burns	Helms	Sarbanes
Byrd	Hollings	Sessions
Campbell	Hutchison	Shelby
Cleland	Inhofe	Smith (NH)
Collins	Jeffords	Snowe
Conrad	Johnson	Specter
Craig	Kohl	Thurmond
Crapo	Leahy	Torricelli
DeWine	Levin	Wellstone

NOT VOTING—3

Inouye	Kennedy	McCain

The motion was agreed to.

Mr. ROTH. I move to reconsider the vote.

Mr. BAUCUS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2430

The PRESIDING OFFICER. Under the previous order, there will be 4 minutes equally divided for a vote on the motion to table the LANDRIEU amendment.

Ms. LANDRIEU. Mr. President, I will not ask my colleagues to vote. I will ask for the vote to be vitiated. However, I want to spend 1 minute on this amendment because there seems to be a misunderstanding about some of the facts. With all respect to the chairman and ranking member who do not support this amendment, perhaps we will have longer to debate this in the years to come.

It is my understanding—and I am supporting this bill—that our idea is to help develop the continent of Africa in a mutually beneficial way that helps our Nation, also. However, in the current draft of the bill, there is an island that is included which is technically part of Africa. There are 1 million inhabitants and the per capita GDP is $10,300, far exceeding other nations, such as Sudan with a GDP of $875; Ethiopia, with a GDP of $520; Somalia, with a GDP of $600 per year per capita.

I don't understand why we are including some islands that are already doing very well—in fact, better than some of our European nations. I bring this to the attention of the Senate. I will not ask for a vote. The ranking member has said there are administrative provisions in this trade agreement that make it clear our efforts are directed to the nations that need development and not to give preferential treatment to nations or areas that are already quite developed.

That is my only point. I am not going to ask the Senate to vote on it. Perhaps we will have a time to discuss this in the next year or the next Congress.

Mr. MOYNIHAN. Mr. President, I thank my distinguished colleague. She is absolutely right. We should address this issue. We will. I thank her for bringing it before us and do not forget to come back.

I yield the floor.

Mr. ROTH. Mr. President, I ask unanimous consent we dispense with the vote on the motion to table the Landrieu amendment.

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

The Senator from Iowa.

Mr. HARKIN. Mr. President, I believe my amendment is next in order?

The PRESIDING OFFICER. The Chair has an inquiry. Is it the intention of the Senator from Delaware—is the motion to withdraw the amendment?

Mr. ROTH. The Senator withdrew her amendment and I asked unanimous consent we dispense with the vote on the motion to table.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment (No. 2430) was withdrawn.

The PRESIDING OFFICER. The Senator from Iowa is recognized under the previous order.

Mr. HARKIN. For how long? Is it 2 minutes?

The PRESIDING OFFICER. The Senator is recognized to offer an amendment.

Mr. HARKIN. I thought my amendment was pending, under the unanimous consent agreement.

The PRESIDING OFFICER. The Senator would need to call up the amendment.

AMENDMENT NO. 2495

(Purpose: To deny benefits under the legislation to any country that does not comply with the Convention for the Elimination of the Worst Forms of Child Labor)

Mr. HARKIN. I call up amendment 2495.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2495.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . LIMITATIONS ON BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law, no benefits under this Act shall be granted to any country (or to any designated zone in that country) that does not meet and effectively enforce the standards regarding child labor established by the ILO Convention (No. 182) for the Elimination of the Worst Forms of Child Labor.

(b) REPORT.—Not later than 12 months after the date of enactment of this Act and annually thereafter, the President, after consultation with the Trade Policy Review Committee, shall submit a report to Congress on the enforcement of, and compliance with, the standards described in subsection (a).

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, under the understanding, I am going to take just a couple of minutes. Even though there was no time agreement, there was an understanding. I know people want to vote on this.

The PRESIDING OFFICER. If the Senator will yield, the Senate will be in order.

The Senator from Iowa.

Mr. HARKIN. Mr. President, this amendment is cosponsored by my colleague from North Carolina, the chairman of the Foreign Relations Committee, Senator HELMS, and also by my friend from Minnesota, Mr. WELLSTONE. As you can see, this has broad philosophical support.

I also at this moment inform my colleagues and thank Senator HELMS for reporting out just this morning, from the Foreign Relations Committee, the Convention 182 on the Elimination of the Worst Forms of Child Labor. That is record time. It was just adopted in June of this year. Then it had to go through some legal reviews and the President submitted to the Senate on August 5, 1999. So I want the chairman to know how much we appreciate the expeditious handling of that and the fact it is reported out. I am hopeful we can get a vote on it before we go out toward the end of this year.

The reason I had the clerk read the entire amendment is because it is not very long and not very convoluted. All it says, basically, is no country will get the benefits of this bill unless they adopt and enforce the provisions of this Convention 182 that was just adopted in June.

I might point out that there are 160 signators to this Convention. It is the first time in history the entire three representatives of the ILO Tripartite group, which are representatives from government, business, and labor agreed on the final form of a convention out of ILO. So it has broad support.

This talk about the worst forms of child labor, child prostitution, child trafficking in drugs, child trafficking itself, hazardous work, any forms of bondage or slavery—all of those are listed under 182. All this amendment says is the benefits of this bill cannot go to any country that does not adopt and enforce the provisions of 182.

I hope we can get a vote on the convention itself before we go out this fall. I believe it will say to all these countries in Africa: We are willing to trade with you, we are willing to help, but if you are going to have child prostitution, if you are going to traffic in kids, going to use kids in the drug trade, if you are going to chain them to looms, and you are not going to let them go to school, you are not going to permit them to have their own childhood—you are not going to get the benefits of this trade bill.

I think it is the least we can do, to try to help take one more step forward in eliminating child labor throughout the world.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, we can all thank the Senator from Iowa for bringing this matter forward. I think we are all close to being unanimously in support of the objectives.

I note, of 160 signatories to the convention, only one country has ratified it; that is the Seychelles, an island complex in the Indian Ocean with a population of 75,000.

Building up an international regime in which this convention will take hold and have consequences for the children is going to be the work of a generation. It will be well worth it, but we are only at the beginning. The chairman of the Foreign Relations Committee is to be congratulated and thanked for reporting the bill out. But we have not ratified it. That is the situation we face. But let us go forward with this vote.

The PRESIDING OFFICER. Is there further debate on the amendment? The Senator from Iowa.

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 2495.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that, if present and voting, Mr. KENNEDY would vote ''aye.''

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 351 Leg.]

YEAS—96

Abraham	Enzi	Lugar
Akaka	Feingold	Mack
Allard	Feinstein	McConnell
Ashcroft	Fitzgerald	Mikulski
Baucus	Frist	Moynihan
Bayh	Gorton	Murkowski
Bennett	Graham	Murray
Biden	Gramm	Nickles
Bingaman	Grams	Reed
Bond	Grassley	Reid
Boxer	Gregg	Robb
Breaux	Hagel	Roberts
Brownback	Harkin	Rockefeller
Bryan	Hatch	Roth
Bunning	Helms	Santorum
Burns	Hollings	Sarbanes
Byrd	Hutchinson	Schumer
Campbell	Hutchison	Sessions
Cleland	Inhofe	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kerrey	Snowe
Coverdell	Kerry	Specter
Craig	Kohl	Stevens
Crapo	Kyl	Thomas
Daschle	Landrieu	Thompson
DeWine	Lautenberg	Thurmond
Dodd	Leahy	Torricelli
Domenici	Levin	Voinovich
Dorgan	Lieberman	Warner
Durbin	Lincoln	Wellstone
Edwards	Lott	Wyden

NOT VOTING—3

Inouye	Kennedy	McCain

The amendment (No. 2495) was agreed to.

Mr. ROTH. I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 2359, AS MODIFIED

Mr. ROTH. Mr. President, I ask unanimous consent the previously agreed to Grassley-Conrad amendment No. 2359 be modified. Further, the modifications have been agreed to by both sides. I ask unanimous consent that the modification be adopted.

Mr. MOYNIHAN. I so move.

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

The amendment (No. 2359), as modified, was agreed to, as follows:

At the end, insert the following new title:

TITLE ___—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

Subtitle A—Amendments to the Trade Act of 1974

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Trade Adjustment Assistance for Farmers Act''.

SEC. ___02. TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.

(a) IN GENERAL.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end the following new chapter:

''CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

''SEC. 291. DEFINITIONS.

''In this chapter:

''(1) AGRICULTURAL COMMODITY PRODUCER.—The term 'agricultural commodity producer' means any person who is engaged in the production and sale of an agricultural commodity in the United States and who owns or shares the ownership and risk of loss of the agricultural commodity.

''(2) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity (including livestock, fish, or harvested seafood) in its raw or natural state.

''(3) DULY AUTHORIZED REPRESENTATIVE.—The term 'duly authorized representative' means an association of agricultural commodity producers.

''(4) NATIONAL AVERAGE PRICE.—The term 'national average price' means the national average price paid to an agricultural commodity producer for an agricultural commodity in a marketing year as determined by the Secretary of Agriculture.

''(5) CONTRIBUTED IMPORTANTLY.—

''(A) IN GENERAL.—The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

''(B) DETERMINATION OF CONTRIBUTED IMPORTANTLY.—The determination of whether imports of articles like or directly competitive with an agricultural commodity with respect to which the petition under this chapter was filed contributed importantly to a decline in the price of the agricultural commodity shall be made by the Secretary of Agriculture.

''(6) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''SEC. 292. PETITIONS; GROUP ELIGIBILITY.

''(a) IN GENERAL.—A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary by a group of agricultural commodity producers or by their duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.

''(b) HEARINGS.—If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested persons an opportunity to be present, to produce evidence, and to be heard.

''(c) GROUP ELIGIBILITY REQUIREMENTS.—The Secretary shall certify a group of agricultural commodity producers as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

''(1) that the national average price for the agricultural commodity, or a class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is less than 80 percent of the average of the national average price for such agricultural commodity, or such class of goods, for the 5 marketing years preceding the most recent marketing year; and

''(2) that either—

''(A) increases in imports of articles like or directly competitive with the agricultural commodity, or class of goods within the agricultural commodity, produced by the group contributed importantly to the decline in price described in paragraph (1); or

''(B) imports of articles like or directly competitive with the agricultural commodity, or class of goods within the agricultural commodity, produced by the group account for a significant percentage of the domestic market for the agricultural commodity (or class of goods) and have contributed importantly to the decline in price described in paragraph (1).

''(d) SPECIAL RULE FOR QUALIFIED SUBSEQUENT YEARS.—A group of agricultural commodity producers certified as eligible under section 293 shall be eligible to apply for assistance under this chapter in any qualified year after the year the group is first certified, if the Secretary determines that—

''(1) the national average price for the agricultural commodity, or class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is equal to or less than the price determined under subsection (c)(1); and

''(2) the requirements of subsection (c)(2)(A) or (B) are met.

''(e) DETERMINATION OF QUALIFIED YEAR AND COMMODITY.—In this chapter:

''(1) QUALIFIED YEAR.—The term 'qualified year', with respect to a group of agricultural commodity producers certified as eligible under section 293, means each consecutive year after the year in which the group is certified that the Secretary makes the determination under subsection (c) or (d), as the case may be.

''(2) CLASSES OF GOODS WITHIN A COMMODITY.—In any case in which there are separate classes of goods within an agricultural commodity, the Secretary shall treat each class as a separate commodity in determining group eligibility, the national average price, and level of imports under this section and section 296.

''SEC. 293. DETERMINATIONS BY SECRETARY.

''(a) IN GENERAL.—As soon as possible after the date on which a petition is filed under section 292, but in any event not later than 60 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 292(c) (or (d), as the case may be) and shall, if so, issue a certification of eligibility to apply for assistance under this chapter covering agricultural commodity producers in any group that meet the requirements. Each certification shall specify the date on which eligibility under this chapter begins.

''(b) NOTICE.—Upon making a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register together with the Secretary's reasons for making the determination.

''(c) TERMINATION OF CERTIFICATION.—Whenever the Secretary determines, with respect to any certification of eligibility under this chapter, that the decline in price for the agricultural commodity covered by the certification is no longer attributable to the conditions described in section 292, the Secretary shall terminate such certification and promptly cause notice of such termination to be published in the Federal Register together with the Secretary's reasons for making such determination.

''SEC. 294. STUDY BY SECRETARY WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

''(a) IN GENERAL.—Whenever the International Trade Commission (in this chapter referred to as the 'Commission') begins an investigation under section 202 with respect to an agricultural commodity, the Commission shall immediately notify the Secretary of the investigation. Upon receipt of the notification, the Secretary shall immediately begin a study of—

''(1) the number of agricultural commodity producers producing a like or directly competitive agricultural commodity who have been or are likely to be certified as eligible for adjustment assistance under this chapter, and

''(2) the extent to which the adjustment of such producers to the import competition may be facilitated through the use of existing programs.

''(b) REPORT.—The report of the Secretary of the study under subsection (a) shall be

made to the President not later than 15 days after the day on which the Commission makes its report under section 202(f). Upon making his report to the President, the Secretary shall also promptly make it public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of it published in the Federal Register.

"SEC. 295. BENEFIT INFORMATION TO AGRICULTURAL COMMODITY PRODUCERS.

''(a) IN GENERAL.—The Secretary shall provide full information to producers about the benefit allowances, training, and other employment services available under this title and about the petition and application procedures, and the appropriate filing dates, for such allowances, training, and services. The Secretary shall provide whatever assistance is necessary to enable groups to prepare petitions or applications for program benefits under this title.

''(b) NOTICE OF BENEFITS.—

''(1) IN GENERAL.—The Secretary shall mail written notice of the benefits available under this chapter to each agricultural commodity producer that the Secretary has reason to believe is covered by a certification made under this chapter.

''(2) OTHER NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to agricultural commodity producers that are covered by each certification made under this chapter in newspapers of general circulation in the areas in which such producers reside.

"SEC. 296. QUALIFYING REQUIREMENTS FOR AGRICULTURAL COMMODITY PRODUCERS.

''(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected agricultural commodity producer covered by a certification under this chapter who files an application for such allowance within 90 days after the date on which the Secretary makes a determination and issues a certification of eligibility under section 293, if the following conditions are met:

''(1) The producer submits to the Secretary sufficient information to establish the amount of agricultural commodity covered by the application filed under subsection (a), that was produced by the producer in the most recent year.

''(2) The producer certifies that the producer has not received cash benefits under any provision of this title other than this chapter.

''(3) The producer's net farm income (as determined by the Secretary) for the most recent year is less than the producer's net farm income for the latest year in which no adjustment assistance was received by the producer under this chapter.

''(4) The producer certifies that the producer has met with an Extension Service employee or agent to obtain, at no cost to the producer, information and technical assistance that will assist the producer in adjusting to import competition with respect to the adversely affected agricultural commodity, including—

''(A) information regarding the feasibility and desirability of substituting 1 or more alternative commodities for the adversely affected agricultural commodity; and

''(B) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected agricultural commodity by the producer, including yield and marketing improvements.

''(b) AMOUNT OF CASH BENEFITS.—

''(1) IN GENERAL.—Subject to the provisions of section 298, an adversely affected agricultural commodity producer described in subsection (a) shall be entitled to adjustment assistance under this chapter in an amount equal to the product of—

''(A) one-half of the difference between—

''(i) an amount equal to 80 percent of the average of the national average price of the agricultural commodity covered by the application described in subsection (a) for the 5 marketing years preceding the most recent marketing year, and

''(ii) the national average price of the agricultural commodity for the most recent marketing year, and

''(B) the amount of the agricultural commodity produced by the agricultural commodity producer in the most recent marketing year.

''(2) SPECIAL RULE FOR SUBSEQUENT QUALIFIED YEARS.—The amount of cash benefits for a qualified year shall be determined in the same manner as cash benefits are determined under paragraph (1) except that the average national price of the agricultural commodity shall be determined under paragraph (1)(A)(i) by using the 5-marketing-year period used to determine the amount of cash benefits for the first certification.

''(c) MAXIMUM AMOUNT OF CASH ASSISTANCE.—The maximum amount of cash benefits an agricultural commodity producer may receive in any 12-month period shall not exceed $10,000.

''(d) LIMITATIONS ON OTHER ASSISTANCE.—An agricultural commodity producer entitled to receive a cash benefit under this chapter—

''(1) shall not be eligible for any other cash benefit under this title, and

''(2) shall be entitled to employment services and training benefits under sections 235 and 236.

"SEC. 297. FRAUD AND RECOVERY OF OVERPAYMENTS.

''(a) IN GENERAL.—

''(1) REPAYMENT.—If the Secretary, or a court of competent jurisdiction, determines that any person has received any payment under this chapter to which the person was not entitled, such person shall be liable to repay such amount to the Secretary, except that the Secretary may waive such repayment if the Secretary determines, in accordance with guidelines prescribed by the Secretary that—

''(A) the payment was made without fault on the part of such person, and

''(B) requiring such repayment would be contrary to equity and good conscience.

''(2) RECOVERY OF OVERPAYMENT.—Unless an overpayment is otherwise recovered, or waived under paragraph (1), the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter.

''(b) FALSE STATEMENTS.—If the Secretary, or a court of competent jurisdiction, determines that a person—

''(1) knowingly has made, or caused another to make, a false statement or representation of a material fact, or

''(2) knowingly has failed, or caused another to fail, to disclose a material fact,

and as a result of such false statement or representation, or of such nondisclosure, such person has received any payment under this chapter to which the person was not entitled, such person shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter.

''(c) NOTICE AND DETERMINATION.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the Secretary has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the person concerned, and the determination has become final.

''(d) PAYMENT TO TREASURY.—Any amount recovered under this section shall be returned to the Treasury of the United States.

''(e) PENALTIES.—Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"SEC. 298. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated and there are appropriated to the Department of Agriculture for fiscal years 2000 through 2001, such sums as may be necessary to carry out the purposes of this chapter not to exceed $100,000,000 for each fiscal year.''.

''(b) PROPORTIONATE REDUCTION.—If in any year, the amount appropriated under this chapter is insufficient to meet the requirements for adjustment assistance payable under this chapter, the amount of assistance payable under this chapter shall be reduced proportionately.''.

(b) CONFORMING AMENDMENT.—The table of contents for title II of the Trade Act of 1974 is amended by inserting after the items relating to chapter 5, the following:

''CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

''Sec. 291. Definitions.
''Sec. 292. Petitions; group eligibility.
''Sec. 293. Determinations by Secretary.
''Sec. 294. Study by Secretary when International Trade Commission begins investigation.
''Sec. 295. Benefit information to agricultural commodity producers.
''Sec. 296. Qualifying requirements for agricultural commodity producers.
''Sec. 297. Fraud and recovery of overpayments.
''Sec. 298. Authorization of appropriations.''.

Subtitle B—Revenue Provisions Relating to Trade Adjustment Assistance

SEC. ___10. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. ___11. MODIFICATIONS TO ASSET DIVERSIFICATION TEST.

(a) IN GENERAL.—Subparagraph (B) of section 856(c)(4) is amended to read as follows:

''(B)(i) not more than 25 percent of the value of its total assets is represented by securities (other than those includible under subparagraph (A)),

''(ii) not more than 20 percent of the value of its total assets is represented by securities of 1 or more taxable REIT subsidiaries, and

''(iii) except with respect to a taxable REIT subsidiary and securities includible under subparagraph (A)—

''(I) not more than 5 percent of the value of its total assets is represented by securities of any one issuer,

''(II) the trust does not hold securities possessing more than 10 percent of the total voting power of the outstanding securities of any one issuer, and

''(III) the trust does not hold securities having a value of more than 10 percent of the total value of the outstanding securities of any one issuer.''.

(b) EXCEPTION FOR STRAIGHT DEBT SECURITIES.—Subsection (c) of section 856 is amended by adding at the end the following new paragraph:

''(7) STRAIGHT DEBT SAFE HARBOR IN APPLYING PARAGRAPH (4).—Securities of an issuer which are straight debt (as defined in section 1361(c)(5) without regard to subparagraph

(B)(iii) thereof) shall not be taken into account in applying paragraph (4)(B)(ii)(III) if—

''(A) the issuer is an individual, or

''(B) the only securities of such issuer which are held by the trust or a taxable REIT subsidiary of the trust are straight debt (as so defined), or

''(C) the issuer is a partnership and the trust holds at least a 20 percent profits interest in the partnership.''.

SEC. ___12. TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES.

(a) INCOME FROM TAXABLE REIT SUBSIDIARIES NOT TREATED AS IMPERMISSIBLE TENANT SERVICE INCOME.—Clause (i) of section 856(d)(7)(C) (relating to exceptions to impermissible tenant service income) is amended by inserting ''or through a taxable REIT subsidiary of such trust'' after ''income''.

(b) CERTAIN INCOME FROM TAXABLE REIT SUBSIDIARIES NOT EXCLUDED FROM RENTS FROM REAL PROPERTY.—

(1) IN GENERAL.—Subsection (d) of section 856 (relating to rents from real property defined) is amended by adding at the end the following new paragraphs:

''(8) SPECIAL RULE FOR TAXABLE REIT SUBSIDIARIES.—For purposes of this subsection, amounts paid to a real estate investment trust by a taxable REIT subsidiary of such trust shall not be excluded from rents from real property by reason of paragraph (2)(B) if the requirements of either of the following subparagraphs are met:

''(A) LIMITED RENTAL EXCEPTION.—The requirements of this subparagraph are met with respect to any property if at least 90 percent of the leased space of the property is rented to persons other than taxable REIT subsidiaries of such trust and other than persons described in section 856(d)(2)(B). The preceding sentence shall apply only to the extent that the amounts paid to the trust as rents from real property (as defined in paragraph (1) without regard to paragraph (2)(B)) from such property are substantially comparable to such rents made by the other tenants of the trust's property for comparable space.

''(B) EXCEPTION FOR CERTAIN LODGING FACILITIES.—The requirements of this subparagraph are met with respect to an interest in real property which is a qualified lodging facility leased by the trust to a taxable REIT subsidiary of the trust if the property is operated on behalf of such subsidiary by a person who is an eligible independent contractor.

''(9) ELIGIBLE INDEPENDENT CONTRACTOR.—For purposes of paragraph (8)(B)—

''(A) IN GENERAL.—The term 'eligible independent contractor' means, with respect to any qualified lodging facility, any independent contractor if, at the time such contractor enters into a management agreement or other similar service contract with the taxable REIT subsidiary to operate the facility, such contractor (or any related person) is actively engaged in the trade or business of operating qualified lodging facilities for any person who is not a related person with respect to the real estate investment trust or the taxable REIT subsidiary.

''(B) SPECIAL RULES.—Solely for purposes of this paragraph and paragraph (8)(B), a person shall not fail to be treated as an independent contractor with respect to any qualified lodging facility by reason of any of the following:

''(i) The taxable REIT subsidiary bears the expenses for the operation of the facility pursuant to the management agreement or other similar service contract.

''(ii) The taxable REIT subsidiary receives the revenues from the operation of such facility, net of expenses for such operation and fees payable to the operator pursuant to such agreement or contract.

''(iii) The real estate investment trust receives income from such person with respect to another property that is attributable to a lease of such other property to such person that was in effect as of the later of—

''(I) January 1, 1999, or

''(II) the earliest date that any taxable REIT subsidiary of such trust entered into a management agreement or other similar service contract with such person with respect to such qualified lodging facility.

''(C) RENEWALS, ETC., OF EXISTING LEASES.—For purposes of subparagraph (B)(iii)—

''(i) a lease shall be treated as in effect on January 1, 1999, without regard to its renewal after such date, so long as such renewal is pursuant to the terms of such lease as in effect on whichever of the dates under subparagraph (B)(iii) is the latest, and

''(ii) a lease of a property entered into after whichever of the dates under subparagraph (B)(iii) is the latest shall be treated as in effect on such date if—

''(I) on such date, a lease of such property from the trust was in effect, and

''(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

''(D) QUALIFIED LODGING FACILITY.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'qualified lodging facility' means any lodging facility unless wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such facility.

''(ii) LODGING FACILITY.—The term 'lodging facility' means a hotel, motel, or other establishment more than one-half of the dwelling units in which are used on a transient basis.

''(iii) CUSTOMARY AMENITIES AND FACILITIES.—The term 'lodging facility' includes customary amenities and facilities operated as part of, or associated with, the lodging facility so long as such amenities and facilities are customary for other properties of a comparable size and class owned by other owners unrelated to such real estate investment trust.

''(E) OPERATE INCLUDES MANAGE.—References in this paragraph to operating a property shall be treated as including a reference to managing the property.

''(F) RELATED PERSON.—Persons shall be treated as related to each other if such persons are treated as a single employer under subsection (a) or (b) of section 52.''.

(2) CONFORMING AMENDMENT.—Subparagraph (B) of section 856(d)(2) is amended by inserting ''except as provided in paragraph (8),'' after ''(B)''.

(3) DETERMINING RENTS FROM REAL PROPERTY.—

(A)(i) Paragraph (1) of section 856(d) is amended by striking ''adjusted bases'' each place it occurs and inserting ''fair market values''.

(ii) The amendment made by this subparagraph shall apply to taxable years beginning after December 31, 2000.

(B)(i) Clause (i) of section 856(d)(2)(B) is amended by striking ''number'' and inserting ''value''.

(ii) The amendment made by this subparagraph shall apply to amounts received or accrued in taxable years beginning after December 31, 2000, except for amounts paid pursuant to leases in effect on July 12, 1999, or pursuant to a binding contract in effect on such date and at all times thereafter.

SEC. ___13. TAXABLE REIT SUBSIDIARY.

(a) IN GENERAL.—Section 856 is amended by adding at the end the following new subsection:

''(l) TAXABLE REIT SUBSIDIARY.—For purposes of this part—

''(1) IN GENERAL.—The term 'taxable REIT subsidiary' means, with respect to a real estate investment trust, a corporation (other than a real estate investment trust) if—

''(A) such trust directly or indirectly owns stock in such corporation, and

''(B) such trust and such corporation jointly elect that such corporation shall be treated as a taxable REIT subsidiary of such trust for purposes of this part.

Such an election, once made, shall be irrevocable unless both such trust and corporation consent to its revocation. Such election, and any revocation thereof, may be made without the consent of the Secretary.

''(2) 35 PERCENT OWNERSHIP IN ANOTHER TAXABLE REIT SUBSIDIARY.—The term 'taxable REIT subsidiary' includes, with respect to any real estate investment trust, any corporation (other than a real estate investment trust) with respect to which a taxable REIT subsidiary of such trust owns directly or indirectly—

''(A) securities possessing more than 35 percent of the total voting power of the outstanding securities of such corporation, or

''(B) securities having a value of more than 35 percent of the total value of the outstanding securities of such corporation.

The preceding sentence shall not apply to a qualified REIT subsidiary (as defined in subsection (i)(2)). The rule of section 856(c)(7) shall apply for purposes of subparagraph (B).

''(3) EXCEPTIONS.—The term 'taxable REIT subsidiary' shall not include—

''(A) any corporation which directly or indirectly operates or manages a lodging facility or a health care facility, and

''(B) any corporation which directly or indirectly provides to any other person (under a franchise, license, or otherwise) rights to any brand name under which any lodging facility or health care facility is operated.

Subparagraph (B) shall not apply to rights provided to an eligible independent contractor to operate or manage a lodging facility if such rights are held by such corporation as a franchisee, licensee, or in a similar capacity and such lodging facility is either owned by such corporation or is leased to such corporation from the real estate investment trust.

''(4) DEFINITIONS.—For purposes of paragraph (3)—

''(A) LODGING FACILITY.—The term 'lodging facility' has the meaning given to such term by paragraph (9)(D)(ii).

''(B) HEALTH CARE FACILITY.—The term 'health care facility' has the meaning given to such term by subsection (e)(6)(D)(ii).''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 856(i) is amended by adding at the end the following new sentence: ''Such term shall not include a taxable REIT subsidiary.''.

SEC. ___14. LIMITATION ON EARNINGS STRIPPING.

Paragraph (3) of section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following new subparagraph:

''(C) any interest paid or accrued (directly or indirectly) by a taxable REIT subsidiary (as defined in section 856(l)) of a real estate investment trust to such trust.''.

SEC. ___15. 100 PERCENT TAX ON IMPROPERLY ALLOCATED AMOUNTS.

(a) IN GENERAL.—Subsection (b) of section 857 (relating to method of taxation of real estate investment trusts and holders of shares or certificates of beneficial interest) is amended by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively, and by inserting after paragraph (6) the following new paragraph:

''(7) INCOME FROM REDETERMINED RENTS, REDETERMINED DEDUCTIONS, AND EXCESS INTEREST.—

''(A) IMPOSITION OF TAX.—There is hereby imposed for each taxable year of the real estate investment trust a tax equal to 100 percent of redetermined rents, redetermined deductions, and excess interest.

''(B) REDETERMINED RENTS.—

''(i) IN GENERAL.—The term 'redetermined rents' means rents from real property (as defined in subsection 856(d)) the amount of which would (but for subparagraph (E)) be reduced on distribution, apportionment, or allocation under section 482 to clearly reflect income as a result of services furnished or rendered by a taxable REIT subsidiary of the real estate investment trust to a tenant of such trust.

''(ii) EXCEPTION FOR CERTAIN SERVICES.—Clause (i) shall not apply to amounts received directly or indirectly by a real estate investment trust for services described in paragraph (1)(B) or (7)(C)(i) of section 856(d).

''(iii) EXCEPTION FOR DE MINIMIS AMOUNTS.—Clause (i) shall not apply to amounts described in section 856(d)(7)(A) with respect to a property to the extent such amounts do not exceed the one percent threshold described in section 856(d)(7)(B) with respect to such property.

''(iv) EXCEPTION FOR COMPARABLY PRICED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

''(I) such subsidiary renders a significant amount of similar services to persons other than such trust and tenants of such trust who are unrelated (within the meaning of section 856(d)(8)(F)) to such subsidiary, trust, and tenants, but

''(II) only to the extent the charge for such service so rendered is substantially comparable to the charge for the similar services rendered to persons referred to in subclause (I).

''(v) EXCEPTION FOR CERTAIN SEPARATELY CHARGED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

''(I) the rents paid to the trust by tenants (leasing at least 25 percent of the net leasable space in the trust's property) who are not receiving such service from such subsidiary are substantially comparable to the rents paid by tenants leasing comparable space who are receiving such service from such subsidiary, and

''(II) the charge for such service from such subsidiary is separately stated.

''(vi) EXCEPTION FOR CERTAIN SERVICES BASED ON SUBSIDIARY'S INCOME FROM THE SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if the gross income of such subsidiary from such service is not less than 150 percent of such subsidiary's direct cost in furnishing or rendering the service.

''(vii) EXCEPTIONS GRANTED BY SECRETARY.—The Secretary may waive the tax otherwise imposed by subparagraph (A) if the trust establishes to the satisfaction of the Secretary that rents charged to tenants were established on an arms' length basis even though a taxable REIT subsidiary of the trust provided services to such tenants.

''(C) REDETERMINED DEDUCTIONS.—The term 'redetermined deductions' means deductions (other than redetermined rents) of a taxable REIT subsidiary of a real estate investment trust if the amount of such deductions would (but for subparagraph (E)) be decreased on distribution, apportionment, or allocation under section 482 to clearly reflect income as between such subsidiary and such trust.

''(D) EXCESS INTEREST.—The term 'excess interest' means any deductions for interest payments by a taxable REIT subsidiary of a real estate investment trust to such trust to the extent that the interest payments are in excess of a rate that is commercially reasonable.

''(E) COORDINATION WITH SECTION 482.—The imposition of tax under subparagraph (A) shall be in lieu of any distribution, apportionment, or allocation under section 482.

''(F) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph. Until the Secretary prescribes such regulations, real estate investment trusts and their taxable REIT subsidiaries may base their allocations on any reasonable method.''.

(b) AMOUNT SUBJECT TO TAX NOT REQUIRED TO BE DISTRIBUTED.—Subparagraph (E) of section 857(b)(2) (relating to real estate investment trust taxable income) is amended by striking ''paragraph (5)'' and inserting ''paragraphs (5) and (7)''.

SEC. ___16. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by sections ___11 through ___15 shall apply to taxable years beginning after December 31, 2000.

(b) TRANSITIONAL RULES RELATED TO SECTION ___11.—

(1) EXISTING ARRANGEMENTS.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendment made by section ___11 shall not apply to a real estate investment trust with respect to—

(i) securities of a corporation held directly or indirectly by such trust on July 12, 1999,

(ii) securities of a corporation held by an entity on July 12, 1999, if such trust acquires control of such entity pursuant to a written binding contract in effect on such date and at all times thereafter before such acquisition,

(iii) securities received by such trust (or a successor) in exchange for, or with respect to, securities described in clause (i) or (ii) in a transaction in which gain or loss is not recognized, and

(iv) securities acquired directly or indirectly by such trust as part of a reorganization (as defined in section 368(a)(1) of the Internal Revenue Code of 1986) with respect to such trust if such securities are described in clause (i), (ii), or (iii) with respect to any other real estate investment trust.

(B) NEW TRADE OR BUSINESS OR SUBSTANTIAL NEW ASSETS.—Subparagraph (A) shall cease to apply to securities of a corporation as of the first day after July 12, 1999, on which such corporation engages in a substantial new line of business, or acquires any substantial asset, other than—

(i) pursuant to a binding contract in effect on such date and at all times thereafter before the acquisition of such asset,

(ii) in a transaction in which gain or loss is not recognized by reason of section 1031 or 1033 of the Internal Revenue Code of 1986, or

(iii) in a reorganization (as so defined) with another corporation the securities of which are described in paragraph (1)(A) of this subsection.

(C) LIMITATION ON TRANSITION RULES.—Subparagraph (A) shall cease to apply to securities of a corporation held, acquired, or received, directly or indirectly, by a real estate investment trust as of the first day after July 12, 1999, on which such trust acquires any additional securities of such corporation other than—

(i) pursuant to a binding contract in effect on July 12, 1999, and at all times thereafter, or

(ii) in a reorganization (as so defined) with another corporation the securities of which are described in paragraph (1)(A) of this subsection.

(2) TAX-FREE CONVERSION.—If—

(A) at the time of an election for a corporation to become a taxable REIT subsidiary, the amendment made by section ___11 does not apply to such corporation by reason of paragraph (1), and

(B) such election first takes effect before January 1, 2004,

such election shall be treated as a reorganization qualifying under section 368(a)(1)(A) of such Code.

SEC. ___17. HEALTH CARE REITS.

(a) SPECIAL FORECLOSURE RULE FOR HEALTH CARE PROPERTIES.—Subsection (e) of section 856 (relating to special rules for foreclosure property) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR QUALIFIED HEALTH CARE PROPERTIES.—For purposes of this subsection—

''(A) ACQUISITION AT EXPIRATION OF LEASE.—The term 'foreclosure property' shall include any qualified health care property acquired by a real estate investment trust as the result of the termination of a lease of such property (other than a termination by reason of a default, or the imminence of a default, on the lease).

''(B) GRACE PERIOD.—In the case of a qualified health care property which is foreclosure property solely by reason of subparagraph (A), in lieu of applying paragraphs (2) and (3)—

''(i) the qualified health care property shall cease to be foreclosure property as of the close of the second taxable year after the taxable year in which such trust acquired such property, and

''(ii) if the real estate investment trust establishes to the satisfaction of the Secretary that an extension of the grace period in clause (i) is necessary to the orderly leasing or liquidation of the trust's interest in such qualified health care property, the Secretary may grant one or more extensions of the grace period for such qualified health care property.

Any such extension shall not extend the grace period beyond the close of the 6th year after the taxable year in which such trust acquired such qualified health care property.

''(C) INCOME FROM INDEPENDENT CONTRACTORS.—For purposes of applying paragraph (4)(C) with respect to qualified health care property which is foreclosure property by reason of subparagraph (A) or paragraph (1), income derived or received by the trust from an independent contractor shall be disregarded to the extent such income is attributable to—

''(i) any lease of property in effect on the date the real estate investment trust acquired the qualified health care property (without regard to its renewal after such date so long as such renewal is pursuant to the terms of such lease as in effect on such date), or

''(ii) any lease of property entered into after such date if—

''(I) on such date, a lease of such property from the trust was in effect, and

''(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

''(D) QUALIFIED HEALTH CARE PROPERTY.—

''(i) IN GENERAL.—The term 'qualified health care property' means any real property (including interests therein), and any personal property incident to such real property, which—

''(I) is a health care facility, or

''(II) is necessary or incidental to the use of a health care facility.

''(ii) HEALTH CARE FACILITY.—For purposes of clause (i), the term 'health care facility' means a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility (as defined in section 7872(g)(4)), or other licensed facility which extends medical or nursing or ancillary services to patients and which, immediately before the termination, expiration, default, or breach of the lease of or mortgage secured by such facility, was operated by a provider of such services which was eligible for participation in the medicare program under title XVIII of the Social Security Act with respect to such facility.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___18. CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES.

(a) DISTRIBUTION REQUIREMENT.—Clauses (i) and (ii) of section 857(a)(1)(A) (relating to requirements applicable to real estate investment trusts) are each amended by striking ''95 percent (90 percent for taxable years beginning before January 1, 1980)'' and inserting ''90 percent''.

(b) IMPOSITION OF TAX.—Clause (i) of section 857(b)(5)(A) (relating to imposition of tax in case of failure to meet certain requirements) is amended by striking ''95 percent (90 percent in the case of taxable years beginning before January 1, 1980)'' and inserting ''90 percent''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___19. CLARIFICATION OF EXCEPTION FOR INDEPENDENT OPERATORS.

(a) IN GENERAL.—Paragraph (3) of section 856(d) (relating to independent contractor defined) is amended by adding at the end the following flush sentence:

''In the event that any class of stock of either the real estate investment trust or such person is regularly traded on an established securities market, only persons who own, directly or indirectly, more than 5 percent of such class of stock shall be taken into account as owning any of the stock of such class for purposes of applying the 35 percent limitation set forth in subparagraph (B) (but all of the outstanding stock of such class shall be considered outstanding in order to compute the denominator for purpose of determining the applicable percentage of ownership).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___20. MODIFICATION OF EARNINGS AND PROFITS RULES.

(a) RULES FOR DETERMINING WHETHER REGULATED INVESTMENT COMPANY HAS EARNINGS AND PROFITS FROM NON-RIC YEAR.—Subsection (c) of section 852 is amended by adding at the end the following new paragraph:

''(3) DISTRIBUTIONS TO MEET REQUIREMENTS OF SUBSECTION (a)(2)(B).—Any distribution which is made in order to comply with the requirements of subsection (a)(2)(B)—

''(A) shall be treated for purposes of this subsection and subsection (a)(2)(B) as made from the earliest earnings and profits accumulated in any taxable year to which the provisions of this part did not apply rather than the most recently accumulated earnings and profits, and

''(B) to the extent treated under subparagraph (A) as made from accumulated earnings and profits, shall not be treated as a distribution for purposes of subsection (b)(2)(D) and section 855.''.

(b) CLARIFICATION OF APPLICATION OF REIT SPILLOVER DIVIDEND RULES TO DISTRIBUTIONS TO MEET QUALIFICATION REQUIREMENT.—Subparagraph (B) of section 857(d)(3) is amended by inserting before the period ''and section 858''.

(c) APPLICATION OF DEFICIENCY DIVIDEND PROCEDURES.—Paragraph (1) of section 852(e) is amended by adding at the end the following new sentence: ''If the determination under subparagraph (A) is solely as a result of the failure to meet the requirements of subsection (a)(2), the preceding sentence shall also apply for purposes of applying subsection (a)(2) to the non-RIC year.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. ___21. MODIFICATION OF ESTIMATED TAX RULES FOR CLOSELY HELD REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Subsection (e) of section 6655 (relating to estimated tax by corporations) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF CERTAIN REIT DIVIDENDS.—

''(A) IN GENERAL.—Any dividend received from a closely held real estate investment trust by any person which owns (after application of subsections (d)(5) and (l)(3)(B) of section 856) 10 percent or more (by vote or value) of the stock or beneficial interests in the trust shall be taken into account in computing annualized income installments under paragraph (2) in a manner similar to the manner under which partnership income inclusions are taken into account.

''(B) CLOSELY HELD REIT.—For purposes of subparagraph (A), the term 'closely held real estate investment trust' means a real estate investment trust with respect to which 5 or fewer persons own (after application of subsections (d)(5) and (l)(3)(B) of section 856) 50 percent or more (by vote or value) of the stock or beneficial interests in the trust.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to estimated tax payments due on or after November 15, 1999.

SEC. ___22. CONTROLLED ENTITIES INELIGIBLE FOR REIT STATUS.

(a) IN GENERAL.—Subsection (a) of section 856 (relating to definition of real estate investment trust) is amended by striking ''and'' at the end of paragraph (6), by redesignating paragraph (7) as paragraph (8), and by inserting after paragraph (6) the following new paragraph:

''(7) which is not a controlled entity (as defined in subsection (l)); and''.

(b) CONTROLLED ENTITY.—Section 856 is amended by adding at the end the following new subsection:

''(l) CONTROLLED ENTITY.—

''(1) IN GENERAL.—For purposes of subsection (a)(7), an entity is a controlled entity if, at any time during the taxable year, one person (other than a qualified entity)—

''(A) in the case of a corporation, owns stock—

''(i) possessing at least 50 percent of the total voting power of the stock of such corporation, or

''(ii) having a value equal to at least 50 percent of the total value of the stock of such corporation, or

''(B) in the case of a trust, owns beneficial interests in the trust which would meet the requirements of subparagraph (A) if such interests were stock.

''(2) QUALIFIED ENTITY.—For purposes of paragraph (1), the term 'qualified entity' means—

''(A) any real estate investment trust, and

''(B) any partnership in which one real estate investment trust owns at least 50 percent of the capital and profits interests in the partnership.

''(3) ATTRIBUTION RULES.—For purposes of this paragraphs (1) and (2)—

''(A) IN GENERAL.—Rules similar to the rules of subsections (d)(5) and (h)(3) shall apply; except that section 318(a)(3)(C) shall not be applied under such rules to treat stock owned by a qualified entity as being owned by a person which is not a qualified entity.

''(B) STAPLED ENTITIES.—A group of entities which are stapled entities (as defined in section 269B(c)(2)) shall be treated as one person.

''(4) EXCEPTION FOR CERTAIN NEW REITS.—

''(A) IN GENERAL.—The term 'controlled entity' shall not include an incubator REIT.

''(B) INCUBATOR REIT.—A corporation shall be treated as an incubator REIT for any taxable year during the eligibility period if it meets all the following requirements for such year:

''(i) The corporation elects to be treated as an incubator REIT.

''(ii) The corporation has only voting common stock outstanding.

''(iii) Not more than 50 percent of the corporation's real estate assets consist of mortgages.

''(iv) From not later than the beginning of the last half of the second taxable year, at least 10 percent of the corporation's capital is provided by lenders or equity investors who are unrelated to the corporation's largest shareholder.

''(v) The corporation annually increases the value of its real estate assets by at least 10 percent.

''(vi) The directors of the corporation adopt a resolution setting forth an intent to engage in a going public transaction.

No election may be made with respect to any REIT if an election under this subsection was in effect for any predecessor of such REIT. The requirement of clause (ii) shall not fail to be met merely because a going public transaction is accomplished through a transaction described in section 368(a)(1) with another corporation which had another class of stock outstanding prior to the transaction.

''(C) ELIGIBILITY PERIOD.—

''(i) IN GENERAL.—The eligibility period (for which an incubator REIT election can be made) begins with the REIT's second taxable year and ends at the close of the REIT's third taxable year, except that the REIT may, subject to clauses (ii), (iii), and (iv), elect to extend such period for an additional 2 taxable years.

''(ii) GOING PUBLIC TRANSACTION.—A REIT may not elect to extend the eligibility period under clause (i) unless it enters into an agreement with the Secretary that if it does not engage in a going public transaction by the end of the extended eligibility period, it shall pay Federal income taxes for the 2 years of the extended eligibility period as if it had not made an incubator REIT election and had ceased to qualify as a REIT for those 2 taxable years.

''(iii) RETURNS, INTEREST, AND NOTICE.—

''(I) RETURNS.—In the event the corporation ceases to be treated as a REIT by operation of clause (ii), the corporation shall file any appropriate amended returns reflecting the change in status within 3 months of the close of the extended eligibility period.

''(II) INTEREST.—Interest shall be payable on any tax imposed by reason of clause (ii) for any taxable year but, unless there was a finding under subparagraph (D), no substantial underpayment penalties shall be imposed.

''(III) NOTICE.—The corporation shall, at the same time it files its returns under subclause (I), notify its shareholders and any other persons whose tax position is, or may reasonably be expected to be, affected by the change in status so they also may file any appropriate amended returns to conform their tax treatment consistent with the corporation's loss of REIT status.

''(IV) REGULATIONS.—The Secretary shall provide appropriate regulations setting forth transferee liability and other provisions to ensure collection of tax and the proper administration of this provision.

''(iv) Clauses (ii) and (iii) shall not apply if the corporation allows its incubator REIT status to lapse at the end of the initial 2-year eligibility period without engaging in a going public transaction if the corporation is not a controlled entity as of the beginning of its fourth taxable year. In such a case, the corporation's directors may still be liable for the penalties described in subparagraph (D) during the eligibility period.

''(D) SPECIAL PENALTIES.—If the Secretary determines that an incubator REIT election was filed for a principal purpose other than as part of a reasonable plan to undertake a going public transaction, an excise tax of $20,000 shall be imposed on each of the corporation's directors for each taxable year for which an election was in effect.

''(E) GOING PUBLIC TRANSACTION.—For purposes of this paragraph, a going public transaction means—

''(i) a public offering of shares of the stock of the incubator REIT;

''(ii) a transaction, or series of transactions, that results in the stock of the incubator REIT being regularly traded on an established securities market and that results in at least 50 percent of such stock being held by shareholders who are unrelated to persons who held such stock before it began to be so regularly traded; or

''(iii) any transaction resulting in ownership of the REIT by 200 or more persons (excluding the largest single shareholder) who in the aggregate own at least 50 percent of the stock of the REIT.

For the purposes of this subparagraph, the rules of paragraph (3) shall apply in determining the ownership of stock.

''(F) DEFINITIONS.—The term 'established securities market' shall have the meaning set forth in the regulations under section 897.''

(c) CONFORMING AMENDMENT.—Paragraph (2) of section 856(h) is amended by striking ''and (6)'' each place it appears and inserting '', (6), and (7)''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after July 14, 1999.

(2) EXCEPTION FOR EXISTING CONTROLLED ENTITIES.—The amendments made by this section shall not apply to any entity which is a controlled entity (as defined in section 856(l) of the Internal Revenue Code of 1986, as added by this section) as of July 14, 1999, which is a real estate investment trust for the taxable year which includes such date, and which has significant business assets or activities as of such date. For purposes of the preceding sentence, an entity shall be treated as such a controlled entity on July 14, 1999, if it becomes such an entity after such date in a transaction—

(A) made pursuant to a written agreement which was binding on such date and at all times thereafter, or

(B) described on or before such date in a filing with the Securities and Exchange Commission required solely by reason of the transaction.

SEC. ___23. MODIFICATION OF INDIVIDUAL ESTIMATED TAX SAFE HARBOR.

(a) IN GENERAL.—The table contained in clause (i) of section 6654(d)(1)(C) (relating to limitation on use of preceding year's tax) is amended by striking all matter beginning with the item relating to 1999 or 2000 and inserting the following new items:

''1999	106.5
2000	106
2001	112
2002 or thereafter	110''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any installment payment for taxable years beginning after December 31, 1999.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 2360, AS MODIFIED

Mr. CONRAD. Mr. President, I call up my amendment No. 2360.

The PRESIDING OFFICER. The amendment has been reported earlier. It is now pending.

Mr. CONRAD. I ask unanimous consent to modify my amendment and send the modification to the desk.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the bill, insert the following new section:

SEC. ___. AGRICULTURE TRADE NEGOTIATING OBJECTIVES AND CONSULTATIONS WITH CONGRESS.

(a) FINDINGS.—Congress finds that—

(1) United States agriculture contributes positively to the United States balance of trade and United States agricultural exports support in excess of 1,000,000 United States jobs;

(2) United States agriculture competes successfully worldwide despite the fact that United States producers are at a competitive disadvantage because of the trade distorting support and subsidy practices of other countries and despite the fact that significant tariff and nontariff barriers exist to United States exports; and

(3) a successful conclusion of the next round of World Trade Organization negotiations is critically important to the United States agricultural sector.

(b) OBJECTIVES.—The agricultural trade negotiating objectives of the United States with respect to the World Trade Organization negotiations include—

(1) immediately eliminating all export subsidies worldwide while maintaining bona fide food aid and preserving United States market development and export credit programs that allow the United States to compete with other foreign export promotion efforts;

(2) leveling the playing field for United States producers of agricultural products by eliminating blue box subsidies and disciplining domestic supports in a way that forces producers to face world prices on all production in excess of domestic food security needs while allowing the preservation of non-trade distorting programs to support family farms and rural communities;

(3) disciplining state trading enterprises by insisting on transparency and banning discriminatory pricing practices that amount to de facto export subsidies so that the enterprises do not (except in cases of bona fide food aid) sell in foreign markets at prices below domestic market prices or prices below the full costs of acquiring and delivering agricultural products to the foreign markets;

(4) insisting that the Sanitary and Phytosanitary Accord agreed to in the Uruguay Round applies to new technologies, including biotechnology, and clarifying that labeling requirements to allow consumers to make choices regarding biotechnology products or other regulatory requirements cannot be used as disguised barriers to trade;

(5) increasing opportunities for United States exports of agricultural products by first reducing tariff and nontariff barriers to trade to the same or lower levels than exist in the United States and then eliminating barriers, such as—

(A) restrictive or trade distorting practices that adversely impact perishable or cyclical products;

(B) restrictive rules in the administration of tariff-rate quotas; and

(C) unjustified sanitary and phytosanitary restrictions or other unjustified technical barriers to agricultural trade;

(6) encouraging government policies that avoid price-depressing surpluses; and

(7) strengthening dispute settlement procedures so that countries cannot maintain unjustified restrictions on United States exports in contravention of their commitments.

(c) CONSULTATION WITH CONGRESSIONAL COMMITTEES.—

(1) CONSULTATION BEFORE OFFER MADE.—Before the United States Trade Representative negotiates a trade agreement that would reduce tariffs on agricultural products or require a change in United States agricultural law, the United States Trade Representative shall consult with the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate and the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives.

(2) CONSULTATION BEFORE AGREEMENT INITIALED.—Not less than 48 hours before initialing an agreement relating to agricultural trade negotiated under the auspices of the World Trade Organization, the United States Trade Representative shall consult closely with the committees referred to in paragraph (1) regarding—

(A) the details of the agreement;

(B) the potential impact of the agreement on United States agricultural producers; and

(C) any changes in United States law necessary to implement the agreement.

(3) NO SECRET SIDE DEALS.—Any agreement or other understanding (whether verbal or in writing) that relates to agricultural trade that is not disclosed to the Congress before legislation implementing a trade agreement is introduced in either house of Congress shall not be considered to be part of the agreement approved by Congress and shall have no force and effect under United States law or in any dispute settlement body.

(d) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) reaching a successful agreement on agriculture should be the top priority of United States negotiators; and

(2) if the primary competitors of the United States do not reduce their trade distorting domestic supports and export subsidies in accordance with the negotiating objectives expressed in this section, the United States should take steps to increase the leverage of United States negotiators and level the playing field for United States producers in order to improve United States farm income and to encourage United States competitors to eliminate export subsidies and domestic supports that are harmful to United States farmers and ranchers.

Mr. CONRAD. Mr. President, for point of clarification, this is a matter

that has now been negotiated so that we could reach agreement on the negotiating objectives for our trade representatives at the WTO Round.

I thank all the Members who have participated in this, certainly my cosponsor, Senator GRASSLEY of Iowa, and a special thanks to the chairman of the committee and the ranking member of the committee for their assistance in working this out.

I thank the Chair and yield the floor.

Mr. ROTH. Mr. President, we are prepared to accept the modification.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, without objection, it is so ordered. The amendment, as modified, is agreed to.

The amendment (No. 2360), as modified, was agreed to.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

AMENDMENT NO. 2427, AS MODIFIED

(Purpose: To provide expanded trade benefits to countries in sub-Saharan Africa)

Mr. FEINGOLD. Mr. President, I call up amendment No. 2427 and ask unanimous consent that it be modified with the language I send to the desk.

The PRESIDING OFFICER. Is there objection to the request?

Mr. ROTH. Mr. President, I reserve the right to object.

Would the Senator tell me what the modification is?

Mr. FEINGOLD. I say to the Senator, we have worked this out with you and your staff. What it does is add a certain number of items, goods, to the Lome Treaty product list of items that could be covered under this agreement. Actually, it makes it consistent with the legislation we have before us.

I believe we worked this out in advance with the Senator.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. HAGEL). Without objection, it is so ordered.

Is there objection to the request of the Senator from Wisconsin? Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 2427.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment, as modified, is as follows:

Strike sections 111 through 114 and insert the following:

SEC. 111. ENCOURAGING MUTUALLY BENEFICIAL TRADE AND INVESTMENT.

(a) FINDINGS.—Congress makes the following findings:

(1) A mutually beneficial United States Sub-Saharan Africa trade policy will grant new access to the United States market for a broad range of goods produced in Africa, by Africans, and include safeguards to ensure that the corporations manufacturing these goods (or the product or manufacture of the oil or mineral extraction industry) respect the rights of their employees and the local environment. Such trade opportunities will promote equitable economic development and thus increase demand in African countries for United States goods and service exports.

(2) Recognizing that the global system of textile and apparel quotas under the MultiFiber Arrangement will be phased out under the Uruguay Round Agreements over the next 5 years with the total termination of the quota system in 2005, the grant of additional access to the United States market in these sectors is a short-lived benefit.

(b) TREATMENT OF QUOTAS.—

(1) KENYA AND MAURITIUS.—Pursuant to the Agreement on Textiles and Clothing, the United States shall eliminate the existing quotas on textile and apparel imports to the United States from Kenya and Mauritius, respectively, not later than 30 days after each country demonstrates the following:

(A) The country is not ineligible for benefits under section 502(b)(2) of the Trade Act of 1974 (19 U.S.C. 2462(b)(2)).

(B) The country does not engage in significant violations of internationally recognized human rights and the Secretary of State agrees with this determination.

(C)(i) The country is providing for effective enforcement of internationally recognized worker rights throughout the country (including in export processing zones) as determined under paragraph (5), including the core labor standards enumerated in the appropriate treaties of the International Labor Organization, and including—

(I) the right of association;

(II) the right to organize and bargain collectively;

(III) a prohibition on the use of any form of coerced or compulsory labor;

(IV) the international minimum age for the employment of children (age 15); and

(V) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

(ii) The government of the country ensures that the Secretary of Labor, the head of the national labor agency of the government of that country, and the head of the International Confederation of Free Trade Unions-Africa Region Office (ICFTU-AFRO) each has access to all appropriate records and other information of all business enterprises in the country.

(D) The country is taking adequate measures to prevent illegal transshipment of goods that is carried out by rerouting, false declaration concerning country of origin or place of origin, falsification of official documents, evasion of United States rules of origin for textile and apparel goods, or any other means, in accordance with the requirements of subsection (d).

(E) The country is taking adequate measures to prevent being used as a transit point for the shipment of goods in violation of the Agreement on Textiles and Clothing or any other applicable textile agreement.

(F) The cost or value of the textile or apparel product produced in the country, or by companies in any 2 or more sub-Saharan African countries, plus the direct costs of processing operations performed in the country or such countries, is not less than 60 percent of the appraised value of the product at the time it is entered into the customs territory of the United States.

(G) Not less than 90 percent of employees in business enterprises producing the textile and apparel goods are citizens of that country, or any 2 or more sub-Saharan African countries.

(H) The country has established, or is making continual progress toward establishing—

(i) a market-based economy, where private property rights are protected and the principles of an open, rules-based trading system are observed;

(ii) a democratic society, where the rule of law, political freedom, participatory democracy, and the right to due process and a fair trial are observed;

(iii) an open trading system through the elimination of barriers to United States trade and investment and the resolution of bilateral trade and investment disputes; and

(iv) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, and promote the establishment of private enterprise.

(2) OTHER SUB-SAHARAN COUNTRIES.—The President shall continue the existing no quota policy for each other country in sub-Saharan Africa if the country is in compliance with the requirements applicable to Kenya and Mauritius under subparagraphs (A) through (H) of paragraph (1).

(3) TECHNICAL ASSISTANCE.—The Customs Service shall provide the necessary technical assistance to sub-Saharan African countries in the development and implementation of adequate measures against the illegal transshipment of goods.

(4) OFFSETTING REDUCTION OF CHINESE QUOTA.—When the quota for textile and apparel products imported from Kenya or Mauritius is eliminated, the quota for textile and apparel products from the People's Republic of China for each calendar year in each product category shall be reduced by the amount equal to the volume of all textile and apparel products in that product category imported from all sub-Saharan African countries into the United States in the preceding calendar year, plus 5 percent of that amount.

(5) DETERMINATION OF COMPLIANCE WITH INTERNATIONALLY RECOGNIZED WORKER RIGHTS.—

(A) DETERMINATION.—

(i) IN GENERAL.—For purposes of carrying out paragraph (1)(C), the Secretary of Labor, in consultation with the individuals described in clause (ii) and pursuant to the procedures described in clause (iii), shall determine whether or not each sub-Saharan African country is providing for effective enforcement of internationally recognized worker rights throughout the country (including in export processing zones).

(ii) INDIVIDUALS DESCRIBED.—The individuals described in this clause are the head of the national labor agency of the government of the sub-Saharan African country in question and the head of the International Confederation of Free Trade Unions-Africa Region Office (ICFTU-AFRO).

(iii) PUBLIC COMMENT.—Not later than 90 days before the Secretary of Labor makes a determination that a country is in compliance with the requirements of paragraph (1)(C), the Secretary shall publish notice in the Federal Register and an opportunity for public comment. The Secretary shall take into consideration the comments received in making a determination under such paragraph (1)(C).

(B) CONTINUING COMPLIANCE.—In the case of a country for which the Secretary of Labor has made an initial determination under subparagraph (A) that the country is in compliance with the requirements of paragraph (1)(C), the Secretary, in consultation with the individuals described in subparagraph (A), shall, not less than once every 3 years

thereafter, conduct a review and make a determination with respect to that country to ensure continuing compliance with the requirements of paragraph (1)(C). The Secretary shall submit the determination to Congress.

(C) REPORT.—Not later than 6 months after the date of enactment of this Act, and on an annual basis thereafter, the Secretary of Labor shall prepare and submit to Congress a report containing—

(i) a description of each determination made under this paragraph during the preceding year;

(ii) a description of the position taken by each of the individuals described in subparagraph (A)(ii) with respect to each such determination; and

(iii) a report on the public comments received pursuant to subparagraph (A)(iii).

(6) REPORT.—Not later than March 31 of each year, the President shall publish in the Federal Register and submit to Congress a report on the growth in textiles and apparel imported into the United States from countries in sub-Saharan Africa in order to inform United States consumers, workers, and textile manufacturers about the effects of the no quota policy.

(c) TREATMENT OF TARIFFS.—The President shall provide an additional benefit of a 50 percent tariff reduction for any textile and apparel product of a sub-Saharan African country that meets the requirements of subparagraphs (A) through (H) of subsection (b)(1) and subsection (d) and that is imported directly into the United States from such sub-Saharan African country if the business enterprise, or a subcontractor of the enterprise, producing the product is in compliance with the following:

(1) Citizens of 1 or more sub-Saharan African countries own not less than 51 percent of the business enterprise.

(2) If the business enterprise involves a joint-venture arrangement with, or related to as a subsidiary, trust, or subcontractor, a business enterprise organized under the laws of the United States, the European Union, Japan, or any other developed country (or group of developed countries), or operating in such countries, the business enterprise complies with the environmental standards that would apply to a similar operation in the United States, the European Union, Japan, or any other developed country (or group of developed countries), as the case may be.

(d) CUSTOMS PROCEDURES AND ENFORCEMENT.—

(1) OBLIGATIONS OF IMPORTERS AND PARTIES ON WHOSE BEHALF APPAREL AND TEXTILES ARE IMPORTED.—

(A) IN GENERAL.—Notwithstanding any other provision of law, all imports to the United States of textile and apparel goods pursuant to this Act shall be accompanied by—

(i)(I) the name and address of the manufacturer or producer of the goods, and any other information with respect to the manufacturer or producer that the Customs Service may require; and

(II) if there is more than one manufacturer or producer, or if there is a contractor or subcontractor of the manufacturer or producer with respect to the manufacture or production of the goods, the information required under subclause (I) with respect to each such manufacturer, producer, contractor, or subcontractor, including a description of the process performed by each such entity;

(ii) a certification by the importer of record that the importer has exercised reasonable care to ascertain the true country of origin of the textile and apparel goods and the accuracy of all other information provided on the documentation accompanying the imported goods, as well as a certification of the specific action taken by the importer to ensure reasonable care for purposes of this paragraph; and

(iii) a certification by the importer that the goods being entered do not violate applicable trademark, copyright, and patent laws.

(B) LIABILITY.—The importer of record and the final retail seller of the merchandise shall be jointly liable for any material false statement, act, or omission made with the intention or effect of—

(i) circumventing any quota that applies to the merchandise; or

(ii) avoiding any duty that would otherwise be applicable to the merchandise.

(2) OBLIGATIONS OF COUNTRIES TO TAKE ACTION AGAINST TRANSSHIPMENT AND CIRCUMVENTION.—The President shall ensure that any country in sub-Saharan Africa that intends to import textile and apparel goods into the United States—

(A) has in place adequate measures to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(B) will cooperate fully with the United States to address and take action necessary to prevent circumvention of any provision of this section or of any agreement regulating trade in apparel and textiles between that country and the United States.

(3) STANDARDS OF PROOF.—

(A) FOR IMPORTERS AND RETAILERS.—

(i) IN GENERAL.—The United States Customs Service (in this Act referred to as the ''Customs Service'') shall seek imposition of a penalty against an importer or retailer for a violation of any provision of this section if the Customs Service determines, after appropriate investigation, that there is a substantial likelihood that the violation occurred.

(ii) USE OF BEST AVAILABLE INFORMATION.—If an importer or retailer fails to cooperate with the Customs Service in an investigation to determine if there has been a violation of any provision of this section, the Customs Service shall base its determination on the best available information.

(B) FOR COUNTRIES.—

(i) IN GENERAL.—The President may determine that a country is not taking adequate measures to prevent illegal transshipment of goods or to prevent being used as a transit point for the shipment of goods in violation of this section if the Customs Service determines, after consultations with the country concerned, that there is a substantial likelihood that a violation of this section occurred.

(ii) USE OF BEST AVAILABLE INFORMATION.—

(I) IN GENERAL.—If a country fails to cooperate with the Customs Service in an investigation to determine if an illegal transshipment has occurred, the Customs Service shall base its determination on the best available information.

(II) EXAMPLES.—Actions indicating failure of a country to cooperate under subclause (I) include—

(aa) denying or unreasonably delaying entry of officials of the Customs Service to investigate violations of, or promote compliance with, this section or any textile agreement;

(bb) providing appropriate United States officials with inaccurate or incomplete information, including information required under the provisions of this section; and

(cc) denying appropriate United States officials access to information or documentation relating to production capacity of, and outward processing done by, manufacturers, producers, contractors, or subcontractors within the country.

(4) PENALTIES.—

(A) FOR IMPORTERS AND RETAILERS.—The penalty for a violation of any provision of this section by an importer or retailer of textile and apparel goods—

(i) for a first offense (except as provided in clause (iii)), shall be a civil penalty in an amount equal to 200 percent of the declared value of the merchandise, plus forfeiture of the merchandise;

(ii) for a second offense (except as provided in clause (iii)), shall be a civil penalty in an amount equal to 400 percent of the declared value of the merchandise, plus forfeiture of the merchandise, and, shall be punishable by a fine of not more than $100,000, imprisonment for not more than 1 year, or both; and

(iii) for a third or subsequent offense, or for a first or second offense if the violation of the provision of this section is committed knowingly and willingly, shall be punishable by a fine of not more than $1,000,000, imprisonment for not more than 5 years, or both, and, in addition, shall result in forfeiture of the merchandise.

(B) FOR COUNTRIES.—If a country fails to undertake the measures or fails to cooperate as required by this section, the President shall impose a quota on textile and apparel goods imported from the country, based on the volume of such goods imported during the first 12 of the preceding 24 months, or shall impose a duty on the apparel or textile goods of the country, at a level designed to secure future cooperation.

(5) APPLICABILITY OF UNITED STATES LAWS AND PROCEDURES.—All provisions of the laws, regulations, and procedures of the United States relating to the denial of entry of articles or penalties against individuals or entities for engaging in illegal transshipment, fraud, or other violations of the customs laws, shall apply to imports of textiles and apparel from sub-Saharan African countries, in addition to the specific provisions of this section.

(6) MONITORING AND REPORTS TO CONGRESS.—Not later than March 31 of each year, the Customs Service shall monitor and the Commissioner of Customs shall submit to Congress a report on the measures taken by each country in sub-Saharan Africa that imports textiles or apparel goods into the United States—

(A) to prevent transshipment; and

(B) to prevent circumvention of this section or of any agreement regulating trade in textiles and apparel between that country and the United States.

(e) DEFINITION.—In this section, the term ''Agreement on Textiles and Clothing'' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

SEC. 112. GENERALIZED SYSTEM OF PREFERENCES.

(a) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—Section 503(a)(1) of the Trade Act of 1974 (19 U.S.C. 2463(a)(1)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following:

''(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—

''(i) IN GENERAL.—

''(I) DUTY-FREE TREATMENT.—Subject to clause (ii), the President may provide duty-free treatment for any article described in subclause (II) that is imported directly into the United States from a sub-Saharan African country.

''(II) ARTICLE DESCRIBED.—

''(aa) IN GENERAL.—An article described in this subclause is any article described in section 503(b)(1) (B) through (G) (except for textile luggage) or an article set forth in the

most current Lome Treaty product list, that is the growth, product, or manufacture of a sub-Saharan African country that is a beneficiary developing country and that is in compliance with the requirements of subsections (b) and (d) of section 111 of the African Growth and Opportunity Act, with respect to such article, if, after receiving the advice of the International Trade Commission in accordance with subsection (e), the President determines that such article is not import-sensitive in the context of all articles imported from United States Trading partners. This subparagraph shall not affect the designation of eligible articles under subparagraph (B).

''(bb) OTHER REQUIREMENTS.—In addition to meeting the requirements of division (aa), in the case of an article that is the product or manufacture of the oil or mineral extraction industry, and the business enterprise that produces or manufactures the article is involved in a joint-venture arrangement with, or related to as a subsidiary, trust, or subcontractor, a business enterprise organized under the laws of the United States, the European Union, Japan, or any other developed country (or group of developed countries), or operating in such countries, the business enterprise complies with the environmental standards that would apply to a similar operation in the United States, the European Union, Japan, or any other developed country (or group of developed countries), as the case may be.

''(ii) RULE OF CONSTRUCTION.—For purposes of clause (i), in applying section 111(b)(1) (A) through (H) and section 111(d) of the African Growth and Opportunity Act, any reference to textile and apparel goods or products shall be deemed to refer to the article provided duty-free treatment under clause (i).''.

(b) TERMINATION.—Title V of the Trade Act of 1974 is amended by inserting after section 505 the following new section:

''SEC. 505A. TERMINATION OF BENEFITS FOR SUB-SAHARAN AFRICAN COUNTRIES.

''No duty-free treatment provided under this title shall remain in effect after September 30, 2006 in the case of a beneficiary developing country that is a sub-Saharan African country.''.

(d) DEFINITIONS.—Section 507 of the Trade Act of 1974 (19 U.S.C. 2467) is amended by adding at the end the following:

''(6) SUB-SAHARAN AFRICAN COUNTRY.—The terms 'sub-Saharan African country' and 'sub-Saharan African countries' mean a country or countries in sub-Saharan Africa, as defined in section 104 of the African Growth and Opportunity Act.

''(7) LOME TREATY PRODUCT LIST.—The term 'Lome Treaty product list' means the list of products that may be granted duty-free access into the European Union according to the provisions of the fourth iteration of the Lome Covention between the European Union and the African-Caribbean and Pacific States (commonly referred to as 'Lome IV') signed on November 4, 1995.''.

(e) CLERICAL AMENDMENT.—The table of contents for title V of the Trade Act of 1974 is amended by inserting after the item relating to section 505 the following new item:

''505A. Termination of benefits for sub-Saharan African countries.''.

(f) EFFECTIVE DATE.—The amendments made by this section take effect on the date that is 30 days after the date enactment of this Act.

SEC. 113. ADDITIONAL ENFORCEMENT.

A citizen of the United States shall have a cause of action in the United States district court in the district in which the citizen resides or in any other appropriate district to seek compliance with the standards set forth under subparagraphs (A) through (H) of section 111(b)(1), section 111(c), and section 111(d) of this Act with respect to any sub-Saharan African country, including a cause of action in an appropriate United States district court for other appropriate equitable relief. In addition to any other relief sought in such an action, a citizen may seek three times the value of any damages caused by the failure of a country or company to comply. The amount of damages described in the preceding sentence shall be paid by the business enterprise (or business enterprises) the operations or conduct of which is responsible for the failure to meet the standards set forth under subparagraphs (A) through (H) of section 111(b)(1), section 111(c), and section 111(d).

SEC. 114. UNITED STATES-SUB-SAHARAN AFRICAN TRADE AND ECONOMIC COOPERATION FORUM.

(a) DECLARATION OF POLICY.—The President shall convene annual meetings between senior officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) ESTABLISHMENT.—Not later than 12 months after the date of enactment of this Act, the President, after consulting with the officials of interested sub-Saharan African governments, shall establish a United States-Sub-Saharan African Trade and Economic Cooperation Forum (in this section referred to as the ''Forum'').

(c) REQUIREMENTS.—In creating the Forum, the President shall meet the following requirements:

(1) FIRST MEETING.—The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to invite their counterparts from interested sub-Saharan African governments and representatives of appropriate regional organizations to participate in the first annual meeting to discuss expanding trade and investment relations between the United States and sub-Saharan Africa.

(2) NONGOVERNMENTAL ORGANIZATIONS.—

(A) IN GENERAL.—The President, in consultation with Congress, shall invite United States nongovernmental organizations to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) PRIVATE SECTOR.—The President, in consultation with Congress, shall invite United States representatives of the private sector to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) ANNUAL MEETINGS.—As soon as practicable after the date of enactment of this Act, the President shall meet with the heads of the governments of interested sub-Saharan African countries for the purpose of discussing the issues described in paragraph (1).

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thank the two floor leaders—the chairman and ranking member of the Finance Committee—for allowing me to make this modification to my amendment.

I understand they will be opposing it, but I very much appreciate their willingness to allow me to offer it in the form I want.

The African Growth and Opportunity Act is all about increasing our level of trade with sub-Saharan Africa. That's a worthy goal, because the current level of trade between the American and the African people is depressingly small. Africa represents only 1 percent of U.S. imports, 1 percent of U.S. exports, and 1 percent of U.S. foreign direct investment. AGOA's supporters want to see those numbers increase, and that is what I want as well. However, the principal trade benefit appearing in AGOA is temporary preferential access to the U.S. market for textiles and apparel. This kind of legislation discourages the economic diversification that Africa needs to build economic strength.

AGOA does renew the GSP program, but does not amend it to provide duty-free benefits for many of Africa's primary exports. This amendment, if accepted, will make the African Growth and Opportunity Act much more meaningful in terms of potential trade, while at the same time ensuring that this legislation does no harm. It expands the list of African products eligible for duty-free access to U.S. markets, while at the same time adding important qualifications to ensure that growth does not come at the expense of human development.

My amendment would make goods listed under the Lome Convention eligible for duty-free access, provided those goods are not determined to be import-sensitive by the President of the United States. Products covered include all of sub-Saharan Africa's industrial products, all primary mineral products, and most of Africa's agricultural products, such as fruits, nuts, cereals, cocoa, and basketware. These provisions mean more trade opportunities for more African people.

That's an important idea—opportunities for African people. In fact, unlike the African Growth and Opportunity Act as it stands now, this amendment would ensure that Africans themselves are employed at the firms receiving benefits. My amendment requires that any textile firm receiving trade benefits must employ a workforce that is 90 percent African. In addition, my amendment requires that 60 percent of the value-added to a product comes from Africa. These provisions hold out an incentive to African governments, businesses, and civil societies to develop their human resources. And that would not only be good for Africa, but it would be good for America as well, as our trade partners in the region gain economic strength. At the same time that this amendment does more for Africans, it also takes important steps to protect American jobs from being lost to transshipment.

Trans-shipment occurs when textiles originating in one country are sent through another before they come to the United States. In this way, the actual country of origin can ignore U.S. quotas. Approximately $2 billion worth of illegally transshipped textiles enter the United States every year. The U.S. Customs Service has determined that for every $1 billion of illegally transshipped products that enter the United

States, 40,000 jobs in the textile and apparel sector are lost.

Those who think that transshipment isn't going to be a problem in Africa had better think again. An official website of China's Ministry of Foreign Trade and Economic Cooperation quoted an analyst as saying that:

Setting up assembly plants with Chinese equipment, technology and personnel could not only greatly increase sales in African countries, but also circumvent the quotas imposed in commodities of Chinese origin imposed by European and American countries.

The Chinese know that standard United States protections against transshipment are weak and easy to defeat.

The African Growth and Opportunity Act, as it currently stands, relies on the same old weak protections that have led to these statistics—the same textile visa system that China and the other countries have manipulated in the past. This inadequate system requires government officials in the country of manufacturing to give textiles visas before those textiles can be exported, in order to certify the goods' country of origin. But often, corrupt officials simply sell visas to the highest bidder.

My amendment would create a new system—one that makes the U.S. importer responsible for certifying where textiles and apparel were produced. This gives U.S. entities a strong financial stake in the legality of their imports. Instead of relying on foreign officials, this standard relies on the American companies who operate right here, under American law. This amendment also requires foreign governments to cooperate with Customs Service investigations into transshipment, or risk losing their trade benefits.

If we pass this amendment, countries that want to skirt U.S. trade regulations will have to re-think their designs on Africa. As the Senate moves to increase the levels of legal trade between the United States and Africa, we must think carefully about the context in which we conduct our trade relations. Labor rights, human rights, and environmental protections are given short shrift by the current version of the African Growth and Opportunity Act. This is a recipe for social unrest and distorted development, and it is clearly in the United States' best interest to address these issues.

We are all affected when logging and mining deplete African rainforests and increase global warming. We are all degraded when the products we buy and use are created by exploitation and abuse. And we all reap the benefits of an Africa where freedom and human dignity reign, creating a stable environment in which business can thrive. American ideals and simple good sense require that we be vigilant in this regard. This amendment contains provisions to address labor rights, human rights, and environmental protection. Mr. President, Africa labor unions have been opposing AGOA for good reasons. This amendment takes their concerns seriously. It clearly spells out the labor rights that our trade partners in Africa must enforce in order to receive benefits. These include the right of association, the right to organize and bargain collectively, a prohibition on forced labor, minimum age of 15, and provisions for acceptable conditions with respect to wages, hours, and safety.

This amendment also provides for a monitoring procedure that involves the Africa Region branch of the International Confederation of Free Trade Unions in compliance reporting. These provisions go far beyond the labor protections in the current bill, which are linked to GSP—and they do so for a reason. GSP labor rights provisions are rarely enforced. Some African countries—such as Equatorial Guinea—receive GSP currently yet do not allow the establishment of independent free trade unions. Clearly, GSP is not enough to ensure the growth and opportunity are not exchanged for abuse and exploitation.

This amendment would also deny benefits to countries engaging in significant human rights abuses. Mr. President, that is stronger language than AGOA currently contains, and it sends a clear signal about the kinds of partners the United States is seeking in Africa. As it stands, AGOA contains no environmental provisions whatsoever. Yet in some African countries like Tanzania, 85 percent of the population lives directly off the land. Clearly, development in Africa is contingent on environmental sustainability. My amendment grants additional trade benefits to U.S. and other foreign investors from developed countries when they use the same environmental technology and practices in Africa that they use at home. This amendment makes AGOA more important and more responsible. If we are serious about engaging in Africa, let's make a genuine effort, rather than a token one. Let's make a responsible effort rather than an indifferent one.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, regretfully, but once again, I rise in opposition to this measure. It would add overly restrictive African content and citizenship requirements, and the transshipment penalties are extraordinary. On the matter of citizenship, sir, I would not doubt that there are 30 garment shops, factories, if you like, floors or lofts, in New York City, in Manhattan, where a majority of the employees are not American citizens. They are legal immigrants, they have rights of American workers, they are paid, and they pay taxes. But in the course of the last three centuries, we have seen enormous movements of labor from one place to another, a lot of recycling.

If I could take one moment, since it is quiet and we have some distinguished Senators here, recently there was a study of illegal immigration from Mexico by some very fine sociologists, American and Mexican. The question is, Under what circumstances would illegal immigration increase? The answer is that immigration would increase if you sealed the borders because it is circular. People come up north to work. They raise money, and they go back and they can buy a car. Then they return. If there was a real wall, they would not go back. The world economy has been such since the 18th century. Exceedingly, these are good intentions of the Senator who offered essentially the same amendment yesterday.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak for 30 seconds.

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

Mr. FEINGOLD. Mr. President, I hope Senators are not confused by the comments of the Senator from New York. Certainly, the 90-percent requirement with regard to workers in Africa is one of many provisions in this. This is not the same amendment as yesterday. This involves labor protections, human rights protections, environmental protections, expanding the list of goods. This is a much broader alternative. In fact, it is essentially the HOPE alternative. So I hope the Senators vote for this. Although we received 44 votes on the transshipment amendment, this is by no means a vote on this particular provision. I want to be clear about that.

Mr. MOYNIHAN. Mr. President, the Senator is right. If I mischaracterized his amendment, I apologize. It is an extension of yesterday's amendment. Would he accept that characterization?

Mr. FEINGOLD. It covers a range of topics that have nothing to do with yesterday's amendment. It expands the number of products and trade and an alternative provision of what should be done. The Senator is correct that a couple of provisions are the same. I think many other provisions are of substantial importance, and I hope people regard this as an alternative approach.

Mr. MOYNIHAN. I accept the Senator's account.

Again, I make a motion to table the amendment.

Mr. ROTH. Mr. President, I ask unanimous consent that we set aside the Feingold amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2410

(Purpose: To provide expedited trade adjustment assistance for certain textile and apparel workers)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND] proposes an amendment numbered 2410.

Mr. THURMOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . TRADE ADJUSTMENT ASSISTANCE FOR TEXTILE AND APPAREL WORKERS.

Notwithstanding any other provision of law, workers in textile and apparel firms who lose their jobs or are threatened with job loss as a result of either (1) a decrease in the firm's sales or production; or (2) a firm's plant or facility closure or relocation, shall be certified by the Secretary of Labor as eligible to receive adjustment assistance at the same level of benefits as workers certified under subchapter D of chapter 2 of title II of the Trade Act of 1974 not later than 30 days after the date a petition for certification is filed under such title II.

Mr. THURMOND. Mr. President, as we consider the African Growth and Opportunity Act, I rise to speak about the status of the United States textile and apparel industry. Last week I made a more complete statement regarding the demise of the industry, done in the name of free trade, under the guise of promoting market-based economies and democratic governments in developing countries.

The result of these trade agreements on the textile and apparel industry in the United States has been a flood of imports and a significant impact on employment. In my own state, the loss of textile and apparel jobs has been particularly devastating. Since 1987, South Carolina has lost nearly one-third of all textile jobs and over 50 percent of all its apparel jobs.

Another concern I have is how our legislation impacts our broader foreign policy and drug control objectives. I am concerned that as we propose to drastically increase container shipping through the Caribbean, we will be exposing our Nation to the potential for a tremendous increase in illicit drug imports.

Mr. President, the key to resolving many of our hemispheric problems is coordinating our criminal justice efforts, defense requirements, foreign policy, and economic and trade strategy toward Latin American countries. We cannot afford to look at these in isolation of one another.

Finally, let me highlight some of the more dangerous elements of legislation which some in Congress are proposing. While the Senate bill alleviates some of the worst of these issues, I want the record to be clear on why these provisions must never become law. If, by some chance, this bill moves to a conference with the House, there may be an effort to incorporate some of these proposals. This would be a terrible mistake.

There are some in Congress who would favor the quota-free entry into the United States for apparel made in the Caribbean Basin countries from fabric produced anywhere in the world. Such a provision would void the Uruguay Round Agreement on Textiles and Clothing.

Another flawed proposal is the scheme to use Tariff Preference Levels, whereby fabric produced anywhere in the world may be used in apparel sewn in the Caribbean Basin countries and imported duty-free and quota-free into the United States. Such preferences are permitted under NAFTA. Canada has used its preferences to export into the United States textile and apparel products made of non-North American yarns and fabrics. This violation of NAFTA has permitted $300 million from textile mills in Europe and Asia to severely damage U.S. manufacturers of wool suits and wool fabrics as well as other U.S. producers. Likewise, Mexico is now sending textiles and apparel made from cheap Asian yarns and fabrics into the United States. Tariff Preference Levels are bad for the American textile and apparel industry and for its workers. They must not be permitted to be extended further.

Perhaps the worst provisions proposed in the House bill are those related to transshipment. Transshipment is the practice of producing textile and apparel goods in one country, and shipping it to the United States using the quota and tariff preferences reserved for a third country. The most egregious part of the House bill is that it fails to include provisions for origin verification identical to those in Article 506 of the North American Free Trade Act. This could lead to Africa and the Caribbean Basin being used as an illegal transshipment point by Asian manufacturers. It would encourage the use of non-U.S. produced fiber and fabric in apparel goods entering the United States duty-free.

Finally, the House bill grants overly generous privileges and preferences to African and the Caribbean Basin countries in a unilateral fashion. There is little incentive for these countries to grant reciprocal access for products made in the United States.

Mr. President, there is no question that unfair trade policies have negatively impacted employment levels in this important sector of our economy. There is no reason to believe the trade bills we are debating will lead to a different result. Furthermore, these bills raise serious national defense and foreign policy questions. Finally, many provisions, which unfortunately might be included in the final legislative product, would cause unnecessary harm to the textile and apparel industry in the United States. The textile and apparel firms may survive as they adapt to our legislative actions and changing economic conditions. American textile workers may not be so fortunate. This is my main concern—for those textile and apparel workers who work hard, pay their taxes and raise their families. This is why I have reservations about this bill.

Mr. President, that is also why I am proposing an amendment to this bill. My amendment would correct an injustice in the current Trade Adjustment Assistance Program. If you accept the premise that it is good policy for the Senate to enact legislation that will result in Americans losing their jobs, then you must agree that Trade Adjustment Assistance is a program which deserves our support. This program provides extended unemployment insurance coverage and retraining benefits to displaced workers. It is the least we can do for the Americans working in the textile and apparel industry who will lose their jobs because of this bill.

My amendment would correct weaknesses in the current program. The Department of Labor would have 30 days to certify that the employees who are going to lose or who have lost their jobs would be eligible for the highest possible level of benefits available under the Trade Adjustment Assistance Program.

Mr. President, I call up amendment number 2410 and ask for its immediate consideration.

Mr. President, this amendment is very simple. It clarifies that textile workers who lose their job as a result of plant closure or relocation or as a result of a decrease in production or sales, shall receive trade adjustment assistance benefits from the Department of Labor. These benefits shall be the same as those available to workers who become employed as a result of NAFTA-related job losses.

I urge support for this amendment. It is the least we can do for the thousands of Americans who are going to lose their jobs as a result of this legislation. I yield the floor.

Mr. ROTH. Mr. President, I ask for a voice vote on amendment No. 2410 at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2410) was agreed to.

Mr. NICKLES. Mr. President, for the information of our colleagues, I think we are getting close to a vote on the Feingold amendment momentarily, or in the next few moments, and a vote on final passage.

First, I want to compliment Senator ROTH and Senator MOYNIHAN for their leadership in managing this bill. This wasn't the easiest bill in the world to manage. They handled it professionally and with great class. I think we are getting ready to pass a good bill. I

think we are going to pass a bill that proves, one, the Senate in 1999 is not isolationist and protectionist. It proves we can help a lot of our fellow people across the world by expanding trade, whether they be in Africa or whether they be in the Caribbean nations. We want to help them through trade, which we believe is mutually beneficial.

So I particularly compliment the two managers of this bill for their outstanding work and bringing to a close a bill that I think will be a real compliment to the first session of this Congress.

AMENDMENT NO. 2480

(Purpose: To provide a waiver of a section 901(j) denial of foreign tax credit in the national interest of the United States, and to expand trade and investment opportunities for U.S. companies and workers)

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes an amendment numbered 2480.

Mr. NICKLES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . APPLICATION OF DENIAL OF FOREIGN TAX CREDIT REGARDING TRADE AND INVESTMENT WITH RESPECT TO CERTAIN FOREIGN COUNTRIES.

(a) IN GENERAL.—Section 901(j) of the Internal Revenue Code of 1986 (relating to denial of foreign tax credit, etc., regarding trade and investment with respect to certain foreign countries) is amended by adding at the end the following new paragraph:

''(5) WAIVER OF DENIAL.—

''(A) IN GENERAL.—Paragraph (1) shall not apply with respect to taxes paid or accrued to a country if the President—

''(i) determines that a waiver of the application of such paragraph is in the national interest of the United States and will expand trade and investment opportunities for U.S. companies in such country, and

''(ii) reports such waivers under paragraph (B).

''(B) REPORT.—Not less than 30 days before the date on which a waiver is granted under this paragraph, the President shall report to Congress—

''(i) the intention to grant such waiver, and

''(ii) the reason for the determination under subparagraph (A)(i).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply on or after February 1, 2001.

Mr. NICKLES. Mr. President, the essence of this amendment is to allow the President of the United States a waiver to section 901, which denies foreign tax credits if he determines it is in the national interest of the United States and also to expand trade and investment opportunities for U.S. companies and workers.

Again, I appreciate the cooperation of both managers of this bill.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. ROTH. I call for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2480) was agreed to.

Mr. NICKLES. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NICKLES. I thank my colleagues.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 2402

Mr. ROTH. Mr. President, I call up the Dorgan amendment No. 2402.

There is no further debate on this amendment. I ask that we proceed with a voice vote.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2402) was agreed to.

AMENDMENT NO. 2427

Mr. ROTH. Mr. President, we are now prepared to return to Senator FEINGOLD's amendment, No. 2427 and proceed with the vote.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 2427. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Wisconsin (Mr. KOHL) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) would vote ''no.''

The result was announced—yeas 66, nays 29, as follows:

[Rollcall Vote No. 352 Leg.]

YEAS—66

Abraham	Feinstein	Mack
Allard	Fitzgerald	McConnell
Ashcroft	Frist	Moynihan
Baucus	Gorton	Murkowski
Bayh	Graham	Murray
Bennett	Gramm	Nickles
Bingaman	Grams	Robb
Bond	Grassley	Roberts
Breaux	Gregg	Rockefeller
Brownback	Hagel	Roth
Bunning	Hatch	Santorum
Burns	Helms	Sessions
Cochran	Hutchinson	Shelby
Conrad	Hutchison	Smith (NH)
Coverdell	Inhofe	Smith (OR)
Craig	Kerrey	Stevens
Crapo	Kyl	Thomas
Daschle	Landrieu	Thompson
DeWine	Lieberman	Thurmond
Dodd	Lincoln	Voinovich
Domenici	Lott	Warner
Enzi	Lugar	Wyden

NAYS—29

Akaka	Bryan	Cleland
Biden	Byrd	Collins
Boxer	Campbell	Dorgan
Durbin	Kerry	Sarbanes
Edwards	Lautenberg	Schumer
Feingold	Leahy	Snowe
Harkin	Levin	Specter
Hollings	Mikulski	Torricelli
Jeffords	Reed	Wellstone
Johnson	Reid	

NOT VOTING—4

Inouye	Kohl
Kennedy	McCain

The motion to table was agreed to.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I make a point of order a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

MODIFICATION TO AMENDMENT NO. 2505

Mr. ROTH. Mr. President, I ask unanimous consent that the previously agreed to managers' amendment be modified with a technical change which is at the desk.

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

The modification is as follows:

SEC. 621. SENSE OF THE SENATE REGARDING TARIFF INVERSIONS.

It is the sense of the Senate that United States trade policy should, while taking into account the conditions of United States producers, especially those currently facing tariff phase-outs negotiated under prior trade agreements, place a priority on the elimination or amelioration of tariff inversions that undermine the competitiveness of United States consuming industries.

AMENDMENT NO. 2325

Mr. ROTH. Mr. President, I ask unanimous consent that the yeas and nays be vitiated on the substitute amendment and the amendment be agreed to.

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

The amendment (No. 2325) was agreed to.

Mr. ROTH. Mr. President, I further ask unanimous consent that the cloture motion on the underlying bill be vitiated and the bill be read a third time.

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

The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, this is a difficult vote for me. This bill contains provisions I support such as the reauthorization of the Trade Adjustment Assistance Act (TAA) and the Africa Growth and Opportunity Act. But the

CBI provision of the bill is troubling because it extends benefits unilaterally without assurances that reciprocal trade benefits will be granted to U.S. products.

However, with the adoption of the Levin-Moynihan amendment some progress is assured because under this amendment, the President would be required to take into consideration the extent to which a country provides internationally recognized worker rights, including child labor, collective bargaining, the use of forced or coerced labor, occupational health and safety and labor standards before the trade benefit can be granted.

The adoption of this amendment is a major reason I have decided to vote for this bill.

I hope this provision can be further strengthened in Conference. However, at a minimum, Senator MOYNIHAN has assured me a strong effort will be made to retain the provision in Conference.

Mr. President, I ask unanimous consent that an analysis of the amendment be printed in the RECORD.

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

COMPARISON OF LEVIN-MOYNIHAN AMENDMENT WITH UNDERLYING BILL

(Criteria for Designating CBTEA Beneficiary Country)

Under the Senate bill prior to adoption of the Levin-Moynihan amendment, to designate a beneficiary CBTEA country, the President must determine that a country has demonstrated a commitment to three things: (I) undertake its obligations under the WTO on or ahead of schedule; (II) participate in negotiations toward the completion of the FTAA or a comparable trade agreement; and (III) undertake other steps necessary for that country to become a party to the FTAA or a comparable trade agreement.

It then allows the President to consider ten criteria for making the determination that a country has demonstrated a commitment to the above three things. Among the ten criteria that can be considered is; the extent to which a country provides protection of intellectual property rights; the extent to which the country provides protections to investors and investment of the U.S. and; the extent to which the country provides internationally recognized worker rights.

The Levin-Moynihan amendment would require that in designating a beneficiary country, the President must consider the extent to which that country has demonstrated a commitment to each of the 13 criteria in the underlying bill. In other words, the Levin-Moynihan amendment elevates the criteria in the underlying bill to a mandatory status for consideration. Under this amendment, the President, in designating a country as a CBTEA country, must take into account, for instance, the extent to which the country provides internationally recognized worker rights, including:

(a) the right of association, (b) the right to organize and bargain collectively, (c) prohibition on the use of any form of coerced or compulsory labor, (d) a minimum age for the employment of children, and (e) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

Some of the other specifically recognized items for mandatory consideration in our amendment are: (a) whether the country has met specific counter-narcotics certification criteria, (b) the extent to which the country becomes a party to and implements the Inter-American Convention Against Corruption, (c) the extent to which the country affords to products of the U.S. tariff treatment that is no less favorable then the most favorable tariff treatment provided by the country to any other country pursuant to any free trade agreement to which such a country is a party, other then the Central American Common Market or the Caribbean Community and Common Market.

Under the Levin-Moynihan amendment consideration of these items is no longer just an option. The President must take these factors into consideration.

Mr. KOHL. Mr. President, this bill was not an easy bill for me to support. While I believe that fostering trade with our neighbors leads to growth both here and abroad, I also know that some companies use trade to take advantage of foreign low wage workers. I had hoped that this bill would take stronger measures to ensure that labor and environmental rights received greater respect.

I opposed cloture initially on this bill because it would unfairly limit the ability to improve the bill. After an agreement was worked out to allow trade related amendments, I decided to support cloture to move the legislation forward. I supported amendments that would have required labor and environmental agreements and stricter oversight of imports to avoid trans-shipment. I was disappointed that these amendments were not agreed to, but I encourage the conferees to continue fighting for these important issues.

Some important changes were made. The Senate included a provision to help our farmers cope with the negative effects of trade agreements. This Trade Adjustment Assistance for farmers parallels the Trade Adjustment Assistance program that has helped so many industrial workers. Senator HARKIN offered an amendment that will go a long way toward eliminating child labor in these developing countries if they hope to take advantage of the benefits in this legislation. This provision makes the bill more humane, and reflects our moral values, not just our economic interests.

While the bill is not perfect, increasing opportunity for some of the poorest countries is an important goal and deserves the support of the Senate. The countries of the Caribbean and sub-Saharan Africa know that trade and investment coupled with aid programs are more effective than foreign aid alone. The countries involved support this bill and look forward to a chance to sell their products in our market.

The struggle for labor standards is a long road, but that journey cannot start if people do not have jobs. There is no way to improve working conditions for the unemployed. Only when trade and investment bring jobs to these countries will workers be able to organize and fight for better conditions. Many of these countries are new democracies that have much to learn about the benefits of protecting their workers. We should remember that the United States is a democracy that is 225 years old, and that the backbone of our labor laws are only 65 years old. Those laws did not come easily. There was a long, bitter, and sometimes bloody fight before the United States saw the wisdom of protecting workers rights. We need to continue our efforts, both at the government and non-governmental level, to convince these countries to follow our example. Unfortunately, our trade negotiators have only recently come to the conclusion that labor rights matter to workers here and abroad.

Making access to the U.S. market difficult is not going to improve the lot of workers in Africa and the Caribbean. The more we do to engage these countries and improve the climate for investment, the closer these countries get to moving out of poverty and toward prosperity.

● Mr. MCCAIN. Mr. President, I am, unfortunately, unable to be present for this vote, but would like to express my support for the final passage of the amended version of H.R. 434, the African Growth and Opportunity Act. This legislation includes a modified version of the African Growth and Opportunity Act, the United States-Caribbean Basin Trade Enhancement Act, and reauthorization of the Generalized System of Preferences (GSP) and Trade Adjustment Assistance (TAA) programs.

This legislation will end up helping more than 1 billion people begin to enjoy the benefits of democracy and the free market system. Unfortunately when most Americans think of recent politics in Sub-Saharan Africa and the Caribbean, they only think of dictatorships, civil wars, and people crushed in the grip of poverty. It is a compelling portrait and shows the necessity of this legislation.

However, there is hope in the nightly news reports. Both in the Caribbean and in Africa, democracy and economic development are emerging from the shambles of the past. According to a 1998 global survey by Freedom House, 30 countries in Africa are now politically free or partially free. In addition, these countries are beginning to pursue policies of economic development that will help their citizens rise above the debilitating poverty of the past. In 1998, while the Asian economic crisis pummelled other countries, Africa's economies actually grew by an average rate of 3.1 percent.

Democracy and market economics also are established in the Caribbean. The civil wars in El Salvador, Nicaragua, and Guatemala have ended. Unfortunately, many of these countries are still suffering from the effects of Hurricanes Mitch and Georges, and need these trade benefits to rebuild their economies.

This year's elections in Nigeria and South Africa, and the upcoming election in Guatemala, exemplify the democratic developments in Africa and the Caribbean. As the bulwark of freedom and liberty, the United States

must do all that it can to ensure that democracy and market economics continue to spread and grow. This legislation is crafted to aid these transformations.

The African Growth and Opportunity Act establishes a special GSP program to give duty and quota-free treatment to selected African textiles and goods, and enhances cooperation between the United States and Sub-Saharan Africa. It is my hope that the President will use the provisions of this legislation to seriously pursue a free trade agreement with the leaders of Sub-Saharan African countries. The United States-Caribbean Basin Trade Enhancement Act grants selected exports from Caribbean nations the duty- and quota-free treatment that has benefitted Mexico in the North American Free Trade Agreement.

Finally, the reauthorization of the GSP program helps many other developing countries benefit from preferential trade treatment. These GSP provisions will help developing countries become members of the global community and prosper in the growing world marketplace. Also, this legislation will reinforce the core American values of freedom and equal opportunity that are a cornerstone of our great country. This legislation is based on the commonsense principle that if you give a nation a handout, you feed it for a day, but if you teach its people to grow and trade, you assist them in becoming independent and self-reliant.

This legislation also helps U.S. workers and companies. U.S. exports to the Caribbean nations exceeded $19 billion last year, and produced a $2 billion trade surplus. This trade has created 400,000 American jobs. In 1998, the United States exported $6.5 billion in goods to Sub-Saharan Africa. This trade supported over 100,000 American jobs. However, the United States only has a 7% share in the African market, while Europe has a 40% share. More U.S. trade and investment in both the Caribbean and Sub-Saharan Africa will increase U.S. market share and create more American jobs.

While I support this legislation, I believe that it can be improved during the conference with our colleagues from the House side. The House-passed version of the African Growth and Opportunity Act includes programs under the auspices of the Export-Import Bank and Overseas Private Investment Corporation that will give American companies incentives to invest in Africa. Also, I am concerned that the Congressional Budget Office estimates that ''almost no apparel imports would qualify for special treatment'' under the textile provisions of the Finance Committee amendment. The House-passed version of the bill removes quotas and duties on all African textile imports, and will be of much greater benefit to the African nations as well as to the U.S. It is my hope that the conferees will adopt these provisions in the House-passed version of the African Growth and Opportunity Act. These measures will ensure true economic development and increased U.S. market access in Africa.

In addition, I have some concerns about the provision of the bill referring to the excise tax collected on rum. This provision increases by $3.00 the amount of the excise tax on rum that is transferred to Puerto Rico and the U.S. Virgin Islands retroactively from June 30, 1999, to October 1, 1999. The bill earmarks $0.50 of this tax for the Puerto Rico Conservation Trust Fund. I am aware of the importance of helping our territories to become economically self-reliant, while also protecting their environments. However, I believe that we should look at more efficient ways to achieve this goal. It makes no sense for the federal government to collect a tax and then turn it all back over to the territories. I hope that this provision will be stricken from this legislation, and that we can more thoroughly examine how to help our territories achieve economic growth without unnecessary federal bureaucracy and taxation.

I am also concerned about certain other provisions that have found their way into this legislation. This legislation includes a provision to extend TAA benefits to farmers and fishermen. I know that the collapse of foreign markets abroad has hurt American farmers and believe that this issue should be given more consideration. I am also concerned by provisions included for Oregon power plant workers to apply for TAA benefits after their eligibility has expired, provisions to allow a company with operations in Connecticut and Missouri to obtain a refund on duties it paid on imports of nuclear fuel assemblies, and $2 million earmark for a two-year study on how American Land Grant Colleges and not-for-profit international organizations can improve the flow of American farming techniques and practices for African farmers. These measures should be examined in the usual authorization process to ensure that it is considered on merit and not special interests. It should not be attached to this legislation when Senators have not had a chance to examine the costs and benefits.

In conclusion, I support this historic legislation to ensure the progress of democracy and economic development in Africa, the Caribbean, and other developing countries. By promoting freedom and interdependence, the United States can help millions of people live in a future without repression where any child's potential is limited only by their dreams.●

Mr. SCHUMER. Mr. President, I rise today to speak on an issue of utmost importance to American suit manufacturers in New York and around the country, an issue that my colleague PAT MOYNIHAN has been fighting on for many years.

I am referring to an anomaly in America's tariff policy that harms American companies like Hickey-Freeman, Pietrafesa, and other producers of fine wool suits.

Our response will determine whether this country will be able to support companies that manufacture suits with a ''Made in America'' label.

My general belief is that free trade is a boon to the overall economy. But our wool tariff policy is a patchwork quilt of part free trade, part high tariff, part no tariff: policies stitched together with no rhyme or reason as to how it will impact U.S. companies and consumers.

Under the current tariff schedule, U.S. suit companies that must import the very high quality wool fabric used to make high-end men's suits pay a tariff of 30 percent on that fabric. These American companies, in turn, compete with companies that import finished wool suits from other countries, which pay a 19 percent tariff on the finished suit. And since the NAFTA agreement, U.S. importers of suits made in Canada and Mexico pay no tariff whatever.

And those Canadian and Mexican suit manufacturers pay no, or very low, duties on their imported wool fabric from Italy and elsewhere. They, in effect, get a perfectly free ride into the U.S. market, while American clothing companies, employing American textile workers, have to pay to play.

Where is the consistency here? All we have today are randomly placed zero, 19 percent, or 30 percent tariffs with no concern over the big picture: American companies and American jobs.

In fact, U.S. companies have been fighting a war of attrition for nearly ten years, a war which they are slowly losing, due solely to American laws.

So we are now at a crossroads.

Some domestic fabric manufacturers support the tariff policies because they argue that Hickey-Freeman and other high-end suit manufacturers ought to buy their fabric here in the U.S. That would be great—if there was ample domestic supply of the fabric these suit companies require: But there is not.

According to leading American fabric manufacturers, U.S.-produced high-end wool fabric supply falls short of demand by more than 2.5 million square meters. That leaves Hickey-Freeman, a Rochester, New York, institution since 1899, Pietrafesa of Syracuse New York, and dozens of other fine suit manufacturers with two options: import more than half of their wool fabric at a 30 percent tariff, or shift their operations to countries where they will not be hindered by the restrictive added costs they face here.

In other words, these American companies are virtually compelled to move their operations out of the U.S. by these irrational U.S. laws.

That is why the textile workers unions are fighting hard to repeal these unfair tariff policies. Indeed, since 1991, fine suit manufacturers in New York and around the country have been forced to close dozens of manufacturing

facilities, and lay off more than 10,000 employees.

Don't get me wrong: I support the idea of free trade. I believe that our nation is the strongest and most prosperous on earth, and in such a strong global leadership position, due to our open trading system, and our principles of free trade which we help instill on other nations around the world.

But what I'm talking about today is not free trade. It is a hodge-podge of non-sensical trade laws. These wool tariffs give the advantage to foreign companies in other countries in their ability to compete in our market.

All I ask for is a level playing field—I believe that under fair trade and competition the U.S. worker and U.S. industries will prevail. But they will not be given a chance if the deck is stacked against them. Under current law, the game is fixed.

Now, I recognize that good faith negotiations are ongoing between American fine wool suit manufacturers, domestic wool producers, Senators MOYNIHAN and ROTH, Members of this body from interested states, and the White House. Senator MOYNIHAN has, for many years, made this unfair wool tariff a cornerstone of his efforts to ensure fair trade. And I am doing what I can to help move these negotiations along.

But I want to make clear that we need to resolve this issue as soon as possible. The American fine suit industry and their employees can wait no longer. Too many jobs have already been lost due to these tariffs, and too many more remain on the line.

The trade package currently under consideration in the Senate provides the best opportunity to finally provide economic justice to American companies struggling to compete in a global trading system which is still struggling to work out its kinks.

I believe that reasonable minds will resolve this issue when the facts are clear to all involved. And the main fact is that loyal, productive, U.S. companies are currently at a serious disadvantage in its own home economy. That should not stand.

AMENDMENTS NO. 2379 AND NO. 2483

Mr. LIEBERMAN. Mr. President, I rise to explain my reasons for voting to table amendments No. 2379 and No. 2483 sponsored by Senator HOLLINGS. The two amendments would have required the United States to negotiate side agreements with the countries named in the African Growth and Opportunity Act and the United States-Caribbean Basin Trade Enhancement Act concerning labor standards and the environment similar to the North American Agreement on Labor Cooperation and the North American Agreement on Environmental Cooperation. Mandating that the United States negotiate agreements before providing the benefits granted to these countries under this act would have had the effect of nullifying the bill.

Labor and environmental issues should be considered when negotiating trade agreements. In today's global economy, the economic actions of one country can have profound implications for the entire world economy. We witnessed this firsthand with the recent global economic crisis. Just as the economic decisions of one person in Indonesia can have significant consequences for someone in Germany, the living standards, working conditions, and the environment standards of workers in Peru or Malaysia can have an impact on our workers here in the United States.

The two amendments offered by Senator HOLLINGS have admirable goals, however they are unworkable in the context of this bill. Because this bill calls for the United States to take the unilateral action of reducing tariffs on a wide range of products in order to provide incentive for these countries to develop their economies, it would be out of place to mandate negotiations that were designed to accompany bilateral trade agreements. If we are serious about protecting workers and the environment, we should include them as part of a bilateral negotiation when our trading partners will have obligations to fulfill.

Our goal with this bill is to improve and grow the economies of sub-Saharan Africa and the Caribbean Basin. We are doing this by opening our markets in the hope that these economies will integrate into the world economy as responsible trading partners and will develop as future markets for our exports.

The two amendments offered by Senator HOLLINGS would have had the effect of neutralizing the underlying bill to support economic development in sub-Saharan Africa and the Caribbean Basin. I could support similar amendments when they are raised in the context of trade agreements when side agreements can be enforced.

TARIFFS ON WOOL FABRICS

Mr. DURBIN. Mr. President, I rise to commend the chairman and ranking member for their efforts on an issue that is important to workers in Illinois, as well as those in New York and other states. Specifically, I refer to their efforts and leadership in addressing the need to modify tariffs on wool fabrics used in the men's suit industry. I am proud to be an original cosponsor of S. 218 introduced by Senator MOYNIHAN at the beginning of this year, and have worked with both Senators from New York and many other colleagues on both sides of the aisle, on this issue.

Because of a loophole in NAFTA, Canadian suitmakers have become our largest source of imported suits at the expense of tens of thousands of American workers who have seen their plants close. I am a supporter of NAFTA—I voted for it and I believe it is good trade policy for our country. However, as part of NAFTA, concessions were made by our U.S. negotiators to allow Canada to bring Canadian manufactured suits in to the United States, duty-free. Canada proceeded by removing its tariffs on imported wool fabrics, setting up a situation where its manufacturers could import the same fine wool fabrics American manufacturers import, manufacture a suit in Canada, and export that suit to the United States, without paying a single tariff. Our U.S. manufacturers are forced to pay over 30 percent in tariffs for this same fine wool fabric. All our manufacturers ask for from us is to provide a level playing field on which they can compete.

This has been a difficult issue to resolve because of the various stakeholders involved. However, unless the final trade bill offers some relief for this industry, more Americans will lose their jobs as a result of our own U.S. trade policies.

The pending amendment will allow this issue to be resolved in conference, and I commend both our majority and minority committee leaders for their efforts.

Mr. MOYNIHAN. Mr. President, I also thank my chairman for his work, and that of his staff, in addressing an issue that I have worked on for many years. I first started this effort with my friend Congresswoman LOUISE SLAUGHTER a number of years ago. Since that time even more Americans have lost their jobs as a result of tariffs on wool fabric—fabric that is not produced in the quantity and quality needed by our domestic industry. I believe that we are close to finalizing an approach to finally resolve this issue, and I commend the chairman for his willingness to work with us on this important matter.

Mr. SCHUMER. Mr. President, on behalf of the thousands of workers in New York, I join my colleagues in thanking both Chairman ROTH and Senator MOYNIHAN for their work on this issue. Earlier this year I was visited by one of these workers, Mr. Fred Cotraccia, a Shop Steward for Hickey-Freeman of Rochester, NY. At that time he explained to me the importance of providing relief to the suit manufacturing industry, and he presented me with a teddy bear dressed in an American-made, hand-made, fine wool fabric suit. In a letter from him accompanying the bear he says, ''Please stand up for American jobs . . . My livelihood and the livelihood of thousands of other hard working American employees, depends on you supporting our jobs—please choose 'made in America.' ''

A number of my Senate colleagues received a similar type letter, and a similar request to help save their jobs. I believe we have made significant strides in finding a way to provide relief to this industry at the expense of no one, but to the benefit of many.

Mr. KERRY. Today we must vote on a package of bills that are intended to promote trade and thereby lift-up the economies of sub-Saharan African and Carribean Basin nations. I believe strongly in that premise. I believe that

free and fair trade can improve the lives of workers in developing nations and is vital to improve our economy at home. On balance, this achieves those goals, and I therefore support it.

Much of the debate surrounding this package of trade bills has centered on the provisions dealing with Africa. This is proper, as it is the AGOA portion of the bill that I am most concerned about. Many argue that AGOA is the last chance for Africa to develop a textile industry. In 2005, current quotas on textiles from Asia and other parts of the world will be lifted. If we lift those quotas on sub-Saharan African countries now, those countries may have some chance to develop their textile industry in the next five years, before Asia—especially China—has a chance to dominate textile manufacturing. If Africa does not develop its textile industry now, there is no way it will be able to compete with China in 2005. This would not only hurt African nations, who will be without a textile industry, but it will hurt US apparel manufacturers, who will have one less resource to produce their products and will be forced to send more of their work to China.

That said, this bill fails to address many of the crucial problems facing Africa, and it would be tragic if this were the final word on Africa. First, this bill fails to address the perhaps the single greatest barrier to economic growth and development in Africa: the spread of AIDS. Unless our efforts to combat this epidemic are bolstered immediately, this public health disaster will result in severe economic distress for African countries. The effect of this disease, which strikes people in their most economically productive years, cannot be ignored if we expect these countries to be effective trading partners. It is imperative and entirely appropriate to include AIDS relief in this legislation. A recent study in Namibia estimated that AIDS cost the country almost 8 percent of its GNP in 1996. Another analysis predicts that Kenya's GDP will be 14.5 percent smaller in 2005 than it would have been without AIDS, and that income per person will be 10 percent lower.

The microeconomic outlook is not much better. Businesses across sub-Saharan Africa are already suffering at the hands of HIV. In Zimbabwe, for instance, life insurance premiums grew four-fold in just two years because of AIDS deaths. Some companies there have reported a doubling of their health bills. In Botswana, companies estimate that AIDS-related costs will soar from under one percent of wages in 1999 to five percent by 2005. In Zambia and Tanzania, some companies have already reported that costs resulting from AIDS-related health costs and lower productivity have exceeded total profits. Without addressing a health crisis of this enormity, we are ignoring one of the most important impediments to development of the African continent.

The second concern I have with the AGOA bill is that it ignores the great albatross of debt that hangs around the neck of the African people and is a tremendous impediment to their economic growth and development. AGOA provides no debt relief to Africa, despite the fact that Africa's crushing $230 billion debt burden is a massive obstacle to economic and social progress. By ending the vicious circle of debt and debt servicing, debt relief for Africa would open the way for private investment in African enterprises, investment that is critical to the long-term development and growth of every economy.

I believe that the United States should play a prominent role in reducing the debt burden of nations that are unable to achieve sustainable economic growth and development under the constraint of servicing their national debts. Our economic relationship with Africa must take the long view and advance policies that will build a solid basis for continued growth, rather than simply extending the short-sighted, debt-centered policies of decades past.

Unfortunately, many amendments that would have begun to address the weaknesses of the AGOA bill failed on the Senate floor. I supported amendments that would have improved labor and environmental standards and that would have better addressed transhipment concerns. Although those amendments failed, I will, nevertheless, support this package, not because I am fully satisfied with its treatment of Africa, but because as a whole, the package includes other important trade measures that will not only bolster the economies of developing nations, but will have a positive economic impact here at home. I have long been a proponent of Trade Adjustment Assistance as a way to help U.S. workers and industries that have been harmed by trade. The Generalized System of Preferences is also a crucial to developing countries by stimulating their exports. I am pleased that this package includes these very important programs.

Finally, the CBI portion of the package will put our neighbors in the Caribbean on more equal footing with Mexico. By providing duty free treatment to apparel assembled in the Caribbean basin only if US fabrics are used, this bill will strengthen the economy and long term stability of Caribbean Basin countries. This will go a long way to help them to recover from the extensive damage they suffered during Hurricanes Mitch and Georges. The U.S. has a trade surplus with Caribbean Basin which has led to more and better jobs in my home state of Massachusetts and throughout the country.

Because the balance of the package of trade bills before us today is favorable, I support the bill with the sincere hope that we revisit the issues of concern to sub-Saharan Africa soon.

Mr. MOYNIHAN. Mr. President, we have stepped back from the brink. A week ago it appeared that we would reject this essential trade legislation. The first in five years. Weeks before the opening of the Third Ministerial Conference of the World Trade Organization, which will launch a new round of trade negotiations. Here in the United States, in Seattle.

As a tribute to the patience of our esteemed chairman, Senator ROTH, and our leaders Senators LOTT and DASCHLE, we somehow agreed to revive the bill. We now move one step closer to providing the President with legislation that will confirm, when he arrives in Seattle, that the United States Senate remains committed to open trade policies.

I join the chairman of the Finance Committee in urging the Senate's support for this package of trade measures which includes the Finance Committee's sub-Saharan African and CBI trade bills, as well as the reauthorization of the Generalized System of Preferences (GSP) and the Trade Adjustment Assistance (TAA) programs. Each of these measures was approved by the Finance Committee with near unanimous support.

Federal Reserve Board Chairman Greenspan noted, in a speech he delivered in Boston on June 2, the ''recent evident weakening of support for free trade in this country.'' We appear to be turning against trade policies that we have pursued for 65 years. It is hard to understand this in a period when, as the New York Times reported last Friday:

> The American economy turned in its best quarterly performance of the year this summer, virtually guaranteeing enough momentum to carry the nation to its longest economic expansion in history early next year.

Let me repeat that last phrase—''its longest economic expansion in history. . . .'' Not just peacetime, or just wartime, but ''in history.''

And what are the benefits of this unprecedented economic expansion—an expansion that started in April 1991, is now in its eighth year, will break the record of 107 months in February 2000, and shows no sign of ending? The answer is clear: an unemployment rate of 4.2 percent—a level not seen in almost 30 years; and near zero inflation.

To what can we attribute this remarkable performance of the American economy?

I dare say that if the Hawley-Smoot Tariff Act of 1930 was one of the causes of World War II, then trade liberalization is one of the reasons for the unprecedented expansion.

Other factors I would cite are just-in-time inventories—made possible by the information age, the 1993 deficit reduction act, Alan Greenspan, and perhaps some ''good luck.''

Given the tremendous transformation of the American economy—between 1960 and 1998 manufacturing employment dropped from 30 to 15 percent of total employment—there inevitably were and will be dislocations. Since 1962 we have eased the cost of

dislocation to workers by providing Trade Adjustment Assistance—assistance which will expire at the end of this week. More than 200,000 workers are eligible for trade adjustment assistance. The bill before us would continue Trade Adjustment Assistance, something we ought to do as we enact trade liberalization policies.

I would also note that this legislation reflects our commitment to honor the ILO's core labor standards, a commitment made by all 174 members of the ILO. The Declaration on Fundamental Principles and Rights at Work, adopted at the 86th International Labor Conference, declares that ''all members, even if they have not ratified the Convention in question, have an obligation, arising from the very fact of membership in the Organization, to respect, to promote, and to realize, in good faith'' these core labor standards; (1) freedom of association and the effective recognition of the right to collective bargaining; (2) the elimination of all forms of forced or compulsory labor; (3) the effective abolition of child labor; and (4) the elimination of discrimination in respect of employment and occupation.

Under the managers' substitute the President must assess the compliance of the CBI and sub-Saharan African countries with these core labor standards—these ''internationally recognized worker rights.''

The Generalized System of Preferences—which we put in place a quarter century ago—was the United States' response to the plea of developing countries that the industrial world ought to give them an opportunity—and a bit of an incentive—to compete in world markets. The theme then—as today—was that ''trade, not aid'' would ultimately wean countries from their dependence on foreign aid and help diversify their economies. This legislation will continue this important program.

The bill puts in place—at long last—a trade policy with respect to sub-Saharan Africa, a policy that is long overdue. The economic challenges facing sub-Saharan Africa today may be even greater than they were at the height of the cold war. Consider the differing paths of South Korea and Ghana: in 1958, the year after Ghana achieved independence, its per capita GDP, at $203, exceeded that of South Korea ($171 at the time). Forty years later, in 1998, South Korea's per capita income had soared to $10,550, even after the Asian financial crisis, while Ghana's stood at a modest $390.

The Africa trade legislation in this package will not reverse years of neglect and decline, but it may provide a decent start.

And we endorse with this legislation President Reagan's Caribbean Basin Initiative—begun in 1983—updating the program to enable the CBI countries to remain competitive even as the NAFTA has eroded their market positions. The chairman and I met 6 weeks ago with the Presidents and Vice Presidents and Foreign Ministers of a number of the CBI states—the Dominican Republic, Honduras, Trinidad and Tobago, Costa Rica. They made a simple request—that we allow our trade to grow. And so this legislation will do.

This is legislation which deserves strong support here in the Senate, so that we can quickly move to a conference with the House and send the President to Seattle negotiations with the bipartisan backing of trade liberalization.

The PRESIDING OFFICER. The question is, Shall the bill, as amended, pass? The yea and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Pennsylvania (Mr. SANTORUM) are necessarily absent.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) would vote ''no.''

The result was announced—yeas 76, nays 19, as follows:

[Rollcall Vote No. 353 Leg.]

YEAS—76

Abraham	Fitzgerald	Lugar
Allard	Frist	Mack
Ashcroft	Gorton	McConnell
Baucus	Graham	Mikulski
Bayh	Gramm	Moynihan
Bennett	Grams	Murkowski
Biden	Grassley	Murray
Bingaman	Gregg	Nickles
Bond	Hagel	Robb
Breaux	Harkin	Roberts
Brownback	Hatch	Rockefeller
Bryan	Hutchinson	Roth
Burns	Hutchison	Schumer
Campbell	Inhofe	Sessions
Cochran	Jeffords	Shelby
Conrad	Johnson	Smith (OR)
Coverdell	Kerrey	Specter
Craig	Kerry	Stevens
Crapo	Kohl	Thomas
Daschle	Kyl	Thompson
DeWine	Landrieu	Torricelli
Dodd	Lautenberg	Voinovich
Domenici	Levin	Warner
Durbin	Lieberman	Wyden
Enzi	Lincoln	
Feinstein	Lott	

NAYS—19

Akaka	Edwards	Sarbanes
Boxer	Feingold	Smith (NH)
Bunning	Helms	Snowe
Byrd	Hollings	Thurmond
Cleland	Leahy	Wellstone
Collins	Reed	
Dorgan	Reid	

NOT VOTING—4

Inouye	McCain
Kennedy	Santorum

The bill (H.R. 434), as amended, was passed.

Mr. ROTH. I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I want to take a few seconds to thank my colleagues on both sides of the aisle for a very strong bipartisan support for the bill. I also want to extend my thanks to the majority and minority leaders who worked so hard to find the compromise that enabled the legislation to move forward.

Let me underscore and emphasize that we would not be where we are if it had not been for my good friend, Senator MOYNIHAN. His patience, his historical perspective on trade, and the key role he has played through the years were instrumental in getting this legislation through. I want to say I think it gives a clear statement to our neighbors in the Caribbean, Central America, and Africa that we are willing to invest in a long-term economic relationship—a relationship of partners and a common endeavor of expanding trade, enhancing economic growth, and improving living standards.

I also think, most importantly, it will send a very clear signal to our partners around the world that isolationism is dead, that liberal trade policies are still supported overwhelmingly. It signals, I believe, that the United States is prepared to engage constructively in the wider world around us and to provide the kind of leadership necessary to reach our common goals.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I stand here to assert that we would not be here at this moment without the revered chairman of the Committee on Finance. He has kept to a party tradition that goes back generations. He has enabled us, sir, to pass the first trade bill in this Senate in 5 years. We were beginning to send a signal that was ominous and could have been, in the end, ruinous. But we have stepped back from that brink, and we have WILLIAM ROTH of Delaware to thank.

I thank all of our wornout and excellent associates, David Podoff, Debbie Lamb, Linda Menghetti, and Tim Hogan on our side, and all of the majority staff. I see Frank Polk over there, and Grant Aldonas, Faryar Shirzad and Tim Keeler. It is a fine moment. Let us hope we make the most of it, sir.

With great thanks to all, I yield the floor.

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate insist on its amendments, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

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

The Presiding Officer appointed Mr. ROTH, Mr. GRASSLEY, Mr. LOTT, Mr. HELMS, Mr. MOYNIHAN, Mr. BAUCUS, and Mr. BIDEN conferees on the part of the Senate.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent to speak as in morning business.

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

VIOLENCE IN SEATTLE

Mr. DURBIN. Mr. President, during the course of our debate on the floor of the Senate today, we have considered a myriad of important amendments to a very important trade bill. The attention of Senators on both sides of the aisle was focused on the floor, of course, but it was also focused on our Cloakrooms, the rooms that are a few feet away from me. Again, on television, every time we walked in the Cloakroom, we looked up to see another all-news channel with pictures that were incredible. Of course, the footage today comes from the city of Seattle, WA. Seattle, WA, has become another battlefront in America's endless gun war. Seattle, WA, erupted in violence today.

As I stand here now, I don't know if they have been able to apprehend the terrorist who was involved in this. They were searching for him. The latest news suggests that two people are dead and two are critically wounded. I know some eight or nine schools have been locked down with children inside in the surrounding neighborhood, for fear they might become victims of senseless gun violence as well.

One of my colleagues in the Senate, PATTY MURRAY, lives in Seattle, WA, just a few blocks away from the scene. She has been on the phone all day calling her son, a grown man who is working at a business nearby, to make certain he was safe. Her plea to her son to take care, I am sure, has been repeated over and over thousands of times by the residents in Seattle who are worried about their loved ones who might be in the path of another gun terrorist.

This surreal scene that seems to be unfolding in Seattle as we watch the television screen shows SWAT teams going through the neighborhoods of that lovely city with bulletproof shields, trying to find this gun terrorist, schools locked down, people staying behind closed doors for fear if they walk out in the street, they will literally be killed, as two already have been.

This is what happened today in the State of Washington. But America's families should also know what did not happen today in the city of Washington—Washington, DC. What did not happen today was a meeting between House and Senate conferees to finish work on a commonsense gun control bill to try to keep guns out of the hands of those who would misuse them—kids, criminals, people with a history of violent mental illness.

The Nation was shocked and the Senate was shocked a few months ago with the Columbine killings—shocked into finally doing something. We passed a bill by one vote, the tie-breaking vote being that of Vice President Al Gore, who came to this floor and voted for the bill which provided, very modestly, that before a person can buy a gun at a gun show, we have the right to know whether they have ever been convicted of a violent crime or whether they have a history of violent mental illness.

Is it a radical idea to try to keep guns out of the hands of kids, criminals, and those who are unstable? Most American families don't find that radical. I am glad we passed that bill. We sent it over a few hundred feet away to the House of Representatives so that, in our bicameral Government, they could do their part of the job.

Well, in the ensuing time between it leaving the Senate and arriving in the House, the people with the gun lobbies in Washington got very busy. They lined up enough votes to literally stall and kill that bill. So we have the only attempt in this congressional session for sensible gun control being stopped in its tracks by the gun lobby on Capitol Hill. Yet day after frightening day, another city across the United States of America is subjected to senseless gun violence.

Today, it was Seattle. Yesterday, it was Honolulu, HI, where a man walked into the company where he once worked and killed seven people with a handgun, a man who had a history of psychological problems. When they finally apprehended him and searched his home, they found some 18 different weapons, semiautomatic weapons, shotguns, and handguns—a small arsenal in the hands of a person who was turned down when he attempted to get a firearm owner's permit in 1994.

That was Honolulu yesterday; Seattle today, two more victims.

I need not tell you that nothing happened on Capitol Hill yesterday to deal with gun violence, and nothing happened today as this senseless violence unfolds in Seattle. You have to ask yourself whether the men and women elected to the Senate and to the House of Representatives can walk blindly by the television screens and ignore this endless war of gun violence in America that unfolds every day.

Have we become so oblivious to the pain that is being visited upon America by the proliferation of guns in the hands of those who shouldn't have them? You would have to draw the conclusion that the gun lobby has blinded this Congress to the reality of gun violence in America.

Sadly, what happened in Honolulu yesterday and is happening in Seattle even as we speak is repeated day in and day out across America. We lose 13 children every single day in America, as many children as were killed in Columbine we lose every day in gun violence.

Have we become so callous we can't even feel this any longer, that we don't understand what is happening to our country, this great and noble Nation which has allowed itself to disintegrate into areas of violence that, frankly, people around the world can't even understand? How can this Nation that has so much to say for itself stand by and do literally nothing when it comes to this gun violence?

This Congress has been at its worst when it comes to responding to this national crisis—at its worst. This Congress has been a captive of the gun lobby, unable and unwilling to promote even the most basic and modest provision in the law to protect families across America. We stand idly by.

Some even argue, well, the answer is to give everyone in America a gun. What a solution that would be, the so-called ''concealed carry law.'' So that no matter what restaurant you walk into, what high school basketball game you attend, what mall you stroll through, never knowing if that little argument in the corner is going to erupt into gunfire because people are packing guns right and left. What an answer. That is no answer whatsoever. America's families know it.

Let me tell you something else that recently happened. Senator BOXER of California put a provision in an appropriations bill which said as follows: No licensed gun dealer in the United States can sell a gun to a person they know to be intoxicated. They accepted the amendment on the floor. As soon as it got to conference, the gun lobby took it out. Think about that. They would even want us to allow gun dealers to sell guns to intoxicated people. How irresponsible can you be?

When I tried to put in an amendment that held gun owners who are licensed legally responsible for the safe storage of their own guns away from children—beaten back by the gun lobby, unacceptable. Many States have put that standard in the law. But in Washington we wouldn't even consider it as we see day after weary day children finding the gun cabinet, reaching in, getting a handgun, killing themselves, or some innocent playmate whose family may not have even known there was a gun in the residence.

When we tried to put a provision in the law to say you can't buy more than one gun a month in the United States, unacceptable; one gun a month, unacceptable.

This fellow in Honolulu and others build up a personal arsenal and build up their own psychological problems to the point where they break and turn on innocent people.

I hope those who serve in Congress understand that we will be held accountable and should be held accountable. But I hope even more that families across America who are afraid of gun violence in their communities and who are fed up with what the gun lobby has done to this Congress will speak out. That is the only way this will change. You have to ask your candidate for Congress, the House Member or Senate: Where do you stand? Where are you going to be when it comes to sensible gun control? Will you stand up for the families of America or will you stand up for the gun lobby and the National Rifle Association? It is a very basic question. If it is not asked and