

Repay." That is the next generation of Americans—"Sentence to Repay" the debt we didn't have the guts to pay for during our lifetime.

Any day this week Mary Faith is going to have a new brother or sister. And, Mr. President, we are actually expecting her brother or sister on Friday of this week, and I want to let you know that for sure I will not be here if we have any rollcall votes on Friday.

While nothing can surpass the joy our family will feel on this special day, I can't help but think that like my granddaughter, Mary Faith, he or she is going to receive a bill from this Government for the interest on the debt that he or she had nothing to do with. And that bill is going to be even larger than the one we gave to Mary Faith 2 years ago.

We have been reaping all the benefits and putting the future of all our children and grandchildren in jeopardy through a "we buy now, you pay later" philosophy. I cannot convey how wrong I think it is to saddle them with such an excessive financial burden that we now, this Congress, have the ability to correct.

That is why I feel debt repayment is the wisest use of any on-budget surplus. It is plain common sense, and it would be the greatest gift we could ever give to our future generations.

Mr. President, each year, on the anniversary of President George Washington's birthday, a U.S. Senator is given the privilege of reading Washington's Farewell Address on the floor of this Senate. It is a tradition that dates back nearly 100 years. This year, I had the distinct honor to read this wonderful document, the first Ohioan who has had the privilege of reading that farewell address since Bob Taft gave it back in 1939, 60 years ago.

As I prepared for the speech and I read through his words, Washington's words, I was particularly taken by the relevance today of one of President Washington's admonitions to a young United States of America. Here is what he said 200 years ago.

[avoid] the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions in time of peace to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear.

Those were very, very wise words of President Washington, and they ring true today as well as they rang true during his day. I believe it is our duty to heed them. We owe that to all our Nation's children and our grandchildren.

Thank you, Mr. President.

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

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

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. 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. GRASSLEY. I ask unanimous consent to speak for about 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

THE INTERNATIONAL CHILD WELFARE PROTECTION ACT

Mr. GRASSLEY. Mr. President, last Friday, on behalf of Senator BOB KERREY and myself, I introduced legislation that will chart a new United States approach to the terrible problem of child exploitation in overseas labor markets.

This legislation, S. 553, the International Child Welfare Protection Act, will target new, additional trade benefits to countries that comply with the provisions of the International Labor Organization's Convention No. 138 concerning the minimum age for admission to employment, also known as the Minimum Age Convention.

The aim of the Minimum Age Convention is to abolish child labor throughout the world by establishing a minimum age at which children may be employed.

Our legislation will do two things:

It will give the President the authority to grant a country that complies with the Minimum Age Convention up to a 50-percent tariff rate cut on items produced in that country that would not otherwise be eligible for preferential tariff rates.

It will also permit the President to waive current limitations on the amounts of additional goods that countries complying with the Minimum Age Convention may export to the United States.

In the unlikely event the President finds that domestic industries are hurt because of these special, targeted trade benefits, the President also has the authority to suspend, limit, or withdraw the benefits.

This legislation is important for three reasons.

First, it is a tragic fact that child labor is rampant in many places in the world, despite more laws aimed at stopping this inhumane practice. International Labor Organization statistics show that between 100 and 200 million children worldwide are engaged in providing goods and services. Ninety-five percent of these children, according to the ILO, work in developing countries. Why are children pressed into service as low-paid or unpaid workers? Because, according to the ILO, children are "generally less demanding, more obedient, and less likely to object to their treatment or conditions of work." It is very obvious that we must all do what we can to stop this unconscionable practice.

The second reason we need this legislation is because it is clear that regulation and enforcement alone will not work. Incentives are needed as well. The reason that it is so tough to enforce child labor standards is that it is

often very difficult to trace specific products to specific plants in specific countries. The Department of Labor's Bureau of International Labor Affairs says that quantifying the extent of child labor in a particular country's export industry "can seldom be done with specificity." If you can't even trace the goods or services with certainty, you can't expect enforcement alone to be the answer. Hence the incentives that are in our legislation.

Finally, we need this legislation because even though the ILO Minimum Age Convention was adopted in 1973, only 21 developing country member states out of 173 ILO member states have ratified the Convention to stop child labor. Out of the 21 developing country member states that have ratified the Convention, none is from Asia, where over half of all working children are to be found. If even one additional ILO member state ratifies the Convention because of the trade incentives this legislation offers, we will have achieved a great deal.

I am on the floor today stating again what is obvious but also to remind my colleagues, with the introduction of this bill by Senator KERREY of Nebraska and myself on Friday, you have an opportunity to cosponsor this bill, and I hope you will do so. I hope then that we have results from legislation which we have already on the books to enforce regulation, but we also have results from these efforts that are presented in our legislation for a more market-oriented approach to helping solve this bad economic situation of very young child labor.

I ask unanimous consent that S. 553 be printed in the RECORD.

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

S. 553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Child Welfare Protection Act".

SEC. 2. ADDITIONAL BENEFITS FOR CERTAIN BENEFICIARY COUNTRIES.

(a) IN GENERAL.—Section 503(a)(1) of the Trade Act of 1974 (19 U.S.C. 2463(a)(1)) is amended by adding at the end the following new subparagraph:

"(D) ADDITIONAL BENEFITS FOR ILO ELIGIBLE BENEFICIARY COUNTRIES.—Notwithstanding any other provision of this title, the President may proclaim a rate of duty that is equal to 50 percent of the rate of duty that would otherwise apply under this title with respect to any article referred to in subsection (b)(1) (A), (C), (E), (F), or (G), if the article is an article originating in an ILO eligible beneficiary country.

(b) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of such Act (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

"(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRY; ILO ELIGIBLE BENEFICIARY COUNTRY.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary developing country that is an ILO eligible beneficiary country."

(c) WITHDRAWAL, SUSPENSION, OR LIMITATION OF ADDITIONAL BENEFITS.—Section 503 of such Act (19 U.S.C. 2463) is amended by adding at the end the following new subsection:

“(g) WITHDRAWAL, SUSPENSION, OR LIMITATION OF ADDITIONAL BENEFITS.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, the President may withdraw, suspend, or limit the designation of any country as an ILO eligible beneficiary country for purposes of the benefits described in subsection (a)(1)(D) if the President determines that—

“(A) the country no longer meets the criteria set forth in section 507(6); or

“(B) imports of the article to which such additional benefits have been granted have increased in such amounts as to cause, or threaten to cause, injury to a domestic industry producing an article like or directly competitive with the article.

“(2) EFFECTIVE DATE OF WITHDRAWAL, ETC.; ADVICE TO CONGRESS.—

“(A) EFFECTIVE DATE.—A country shall cease to be an ILO eligible beneficiary country on the day on which the President issues an Executive order or Presidential proclamation revoking the designation of such country under this title.

“(B) ADVICE TO CONGRESS.—The President shall, as necessary, advise Congress on the application of subsection (a)(1)(D) and the actions the President has taken to withdraw, to suspend, or to limit the application of preferential treatment with respect to any country which has failed to adequately meet the criteria described in section 507(6).”

(d) DEFINITIONS.—Section 507 of such Act (19 U.S.C. 2467) is amended by adding at the end the following:

“(6) ILO ELIGIBLE BENEFICIARY COUNTRY.—The term ‘ILO eligible beneficiary country’ means a least-developed beneficiary developing country or a beneficiary developing country that—

“(A) the President determines, after consultation with the Secretary of Labor, is implementing and enforcing the provisions of Convention No. 138 of the General Conference of the International Labor Organization; and

“(B) has requested the additional benefits described in section 503(a)(1)(D).

“(7) ARTICLE ORIGINATING IN AN ILO ELIGIBLE BENEFICIARY COUNTRY.—An article is an article originating in an ILO eligible beneficiary country if the article meets the rules of origin for an article set forth in section 503(a)(2), except that in applying section 503(a)(2), any reference to a beneficiary developing country shall be deemed to refer to an ILO eligible beneficiary country.”

Mr. GRASSLEY. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

EDUCATION FLEXIBILITY PARTNERSHIP ACT

Mrs. MURRAY. Mr. President, in a short while we will begin the debate again on the Ed-Flex bill that has been on the floor for the last several weeks. It is a bipartisan bill. Democrats and Republicans alike are supporting this

bill. It is a simple bill, essentially, that will allow some of our school districts to be more flexible with their education dollars; for the liability for some of the waivers to be transferred from the Department of Education directly to the Governors, so the Governors in our States can provide some of the waivers based on some specific clauses that are in the bill. Essentially, it is a matter of paperwork being moved from the Nation's Capital to the Governors' desks. It is a bill, again, that is supported broadly.

I have come to the floor numerous times over the last week to talk about an amendment which I hope to offer today regarding class size reduction. A year ago, the President talked about the most important goal in education, one of the most important goals we have—that of reducing class size in grades 1 through 3. Studies have shown us consistently that reducing class size in those grades makes a tremendous difference in the learning of young children—in their math, reading, language scores, and in their ability to go on to college. It improves discipline problems, as shown by numerous studies that I, again, hope to be able to talk about once my amendment comes to the floor.

We talked about this amendment all last year during the session. Then, in a bipartisan bill last October, in the budget process we passed the beginning phase of reducing class size and began a commitment to this country that we would help our schools across this country begin to reduce class sizes in grades 1 through 3, where it makes a difference. It was a bipartisan effort last year. It should be a bipartisan effort this year.

This is a critical issue right now in this country, today, where school boards across our country are looking for whether or not we just made some kind of political offering last October, right before the elections, or whether we really meant it when we said we were going to join with our schools across this country in this commitment to reduce class size.

It is extremely timely that this Senate go on record right now with a commitment to our school districts, to let them know that we are there for them, that this wasn't just a fly-by-night political operation in October, it was a commitment from us at the Federal level to work hand in hand with schools across this country to begin to reduce class size. My amendment will authorize this program for the next 6 years. It is extremely important, because our school boards right now are putting their budgets together. They are determining what kind of money they will have.

They want to know, is this real or is this not, because they begin right now the process of hiring teachers to begin next fall. They do not want to hire a teacher, find out we did not really mean it last October, and make that commitment. They want to know

whether we stand there ready, confirmed, and committed to this process. That is why it is so critical that we go on the record now with the class size authorization bill.

I hope to offer that today. I am looking forward to working with my Republican colleagues, again, in a bipartisan effort to let our school boards know we are with them in this critical process. We will obviously have other times to talk about this, certainly in the appropriations committees, as we did last year. I know we will have a big discussion on it in the budget. It is extremely important that we make this kind of commitment now.

I have heard my colleagues from the Republican side say that Ed-Flex needs to go cleanly right now, because it is bipartisan and because it is timely. The same goes for class size reduction. It is timely, so school boards can make those commitments, and it is bipartisan, if we all believed what we said and how we voted last October.

I really hope I can work with my Republican colleagues to, again, put this amendment up this afternoon or whenever the majority leader agrees, have a time commitment to it. I am willing to negotiate that. If it can be done quickly, that is fine by me. We need to have an up-or-down vote on this amendment, and we need to do it as quickly as possible.

I, too, want the Ed-Flex bill to pass. This is an amendment I think is critical and important and timely, and I hope to work with my Republican colleagues to make sure it happens today. I am looking forward to our discussion, which will begin in about a half hour. I hope to offer my amendment and to work with all of our colleagues on the floor to send a message that we do believe in this U.S. Senate that reducing class size in 1 through 3 is a commitment we can and should make.

KNOW-YOUR-CUSTOMER AMENDMENT

Mr. LEVIN. Mr. President, on Friday, an amendment was offered to the Ed-Flex bill to block implementation of certain regulations which the banking regulators had proposed for financial institutions to establish Know-Your-Customer programs. That amendment is still pending before the Senate. On Friday, my colleague from the Banking Committee, Senator SARBANES, made a number of thoughtful comments about the pending amendment. Today, I would like I to express some concerns about it as well.

First, like Senator SARBANES, I am struck by the irony of dealing with an amendment that addresses banking issues wholly unrelated to education, at the same time Democrats are being denied an opportunity to offer amendments on educational issues much more relevant to the Ed-Flex bill before us.

Be that as it may, this banking issue has been put before us. And like all of