

plugged as soon as possible. I hope you will join me in ending this deplorable situation in which men and women are being used virtually as slaves on an American commonwealth.

Their report makes many important recommendations. Let me call your attention to four key issues which the Congress could and should act upon this year:

Extend the Immigration and Nationality Act to the CNMI;

Extend the Fair Labor Standards Act of 1938 to the CNMI;

Revoke the CNMI's ability to use the "Made in the USA label" unless more than 75 percent of the labor that goes into the manufacture of the garment comes from U.S. citizens and/or aliens lawfully admitted to the U.S. for permanent residence, and other appropriately legal individuals; and

Revoke the CNMI's ability to transport textile goods to the United States free of duties and quotas unless the garments meet the above criteria.

This week's report prepared by the Global Survival Network is not the first analysis raising concerns about conditions in the CNMI. In recent years, a chorus of criticism has surfaced about the Commonwealth.

For example, the Immigration and Naturalization Service reports that the CNMI has no reliable records of aliens who have entered the Commonwealth, how long they remain, and when, if ever, they depart. A CNMI official testified that they have "no effective control" over immigration in their island.

The bipartisan Commission on Immigration studied immigration and indentured labor in the CNMI. The Commission called it "antithetical to American values," and announced that no democratic society has an immigration policy like the CNMI. "The closest equivalent is Kuwait," the Commission found.

The Department of Commerce found that the territory has become "a Chinese province" for garment production.

The CNMI garment industry employs 15,000 Chinese workers, some of whom sign contracts that forbid participation in religious or political activities while on U.S. soil. China is exporting its workers, and its human rights policies, to the CNMI. Charges of espionage by China and security lapses in U.S. nuclear weapons labs have justifiably raised serious concerns in Congress. Every Member of Congress should be equally concerned with the imposition of Chinese human rights standards on American soil.

The CNMI is becoming an international embarrassment to the United States. We have received complaints from the Philippines, Nepal, Sri Lanka, and Bangladesh about immigration abuses and the treatment of workers.

Despite efforts by the Reagan, Bush and Clinton administrations to persuade the CNMI to correct these problems, the situation has only deteriorated.

After years of waiting for the CNMI to achieve reform, the time for pa-

tience has ended. Conditions in the CNMI are a looming political embarrassment to our country.

I urge the Senate to respond by enacting S. 1052, bipartisan reform legislation introduced by my colleagues on the Senate Energy and Natural Resources Committee, Chairman MURKOWSKI and Senator BINGAMAN.

I urge the Senate to move on this measure as quickly as we can.

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

(The remarks of Ms. COLLINS pertaining to the introduction of S. 1124 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, are we in morning business, and are there time limits?

The PRESIDING OFFICER. The Senate is in morning business until 10:15. The Senator is authorized to speak for up to 10 minutes.

Mr. GORTON. I thank the Chair.

MICROSOFT VERSUS DOJ

Mr. GORTON. Mr. President, what a difference a year makes. One year ago last week, the United States Government filed a Sherman Antitrust lawsuit against the Microsoft Corporation. This anniversary is a good time to review that lawsuit and to see how radically the universe of competition has changed in just twelve months.

I am not at all unbiased. I believe that the Government was dead wrong in bringing this lawsuit. I believe that the lawsuit is bad for consumers, bad for technological innovation, and bad for a marvelous company that is headquartered in my State.

But even an independent analysis would conclude that the case that the Clinton administration brought twelve months ago bears little resemblance to the case it now argues. Since then the Government's case hasn't been tried in the courthouse as much as on the courthouse steps, bypassing the law and aimed directly at public opinion through a national media that delights in highlighting any Microsoft misstep even though it has no relation to any harm to consumers.

The administration pursues this case for ideological reasons. This administration is filled with people who are offended by anyone or any company that is too successful. They believe that it is fundamentally unfair that Microsoft does so well. Much of the national media seems to share this view.

The administration has, however, miscalculated the views of a majority of Americans. Despite the Government's attempts to turn the public against Microsoft, it continues to be one of the most respected companies in America, and a majority of Americans believe Microsoft is right and the Gov-

ernment is wrong in this current lawsuit.

In a recent poll conducted by Citizens for a Sound Economy, 82% of those polled responded that Microsoft is good for American consumers. This survey also found that seven-out-of-ten American consumers feel that technology companies, not the Federal Government, should determine what features and applications are included in the software that consumers use with their computers.

Most Americans understand the value that Microsoft has brought. Microsoft products make nearly every business in America more competitive. The technology revolution fueled by Microsoft has made Americans secure in their jobs and made more families secure in their future.

Microsoft has also helped usher in the most important change occurring on earth: today the power of information has been taken from a few large centralized institutions and put directly into the hands of people in every town and village across our globe via the Internet.

The explosive growth of the Internet will eventually have a fundamental impact on every aspect of American life. A recent Newsweek article describes what it calls the "New Digital Galaxy" which allows consumers to operate devices from coffee-makers to dishwashers via Internet access. This will introduce a vastly different landscape in high-technology than exists today. Users will not necessarily use stationary Personal Computers to access information, but instead rely on Web phones, palmtop computers and similar technology that is advancing at an exponential rate.

The Internet has had the fastest adoption rate of any new medium in history. Over 50 million users were connected in the first five years. To reach the 50 million user milestone, it took 38 years for radio, 13 years for television, and 10 years for cable. On top of this initial growth, the number of users continues to increase by an astounding 37% per year. It is projected that 200 million people worldwide will be connected to the web in 1999, and half a billion by 2003. To handle the volume, the backbone of the Internet now doubles in capacity every 100 days.

Not only is the number of users increasing exponentially, but the amount of information available to them is also growing at an unprecedented level. The International Data Corporation estimates the number of web pages on the World Wide Web at 829 million at the end of 1998, and projects that the number grow by 75 percent to 1.45 billion by the end of 1999. By 2002, according to IDC, there will be 7.7 billion web pages.

What does this mean to the future of global commerce? Considering that 18 million consumers made purchases on the Internet in 1997, and that number is projected to increase to 128 million by 2002, the possibilities are limitless. In

real dollars, this translates into \$200 billion in Net-based commerce by 2000, and \$1 trillion by 2003.

We can't begin today fully to understand the scope of freedom for people that this information revolution will bring. And all the while Microsoft and its competitors continue to bring better products at lower prices to all consumers.

While this case has been in the court, we have heard almost no discussion about whether the dramatic changes of the last year have rendered this case moot. I believe they do, and here's why.

In the presence of a company exerting real monopoly power, competitors would be stifled, prices would rise, choices would be curtailed, consumers would be harmed. In fact, in the last twelve months the real world for consumers has improved by all of these measures. Competition in the technology industry is alive and well and nipping at the heels of Microsoft—all great news for consumers. Prices are down, choices are up, innovation is rampant.

The U.S. software industry is growing at a rate more than double that of the rest of the economy. The number of U.S. software companies has grown from 24,000 in 1990 to an estimated 57,000 in 1999. The number of U.S. software industry employees has grown from 290,000 in 1990 to an estimated 860,000 in 1999, with an average rate of growth of 80,000 per year from 1996 to 1999. Do these growth figures sound like they come from an industry that is dominated by a Monopoly player?

Mr. President, the bottom line is that the industry is thriving. It shows that we do not need the government picking winners and losers. While the nature of the government's case has been forced to change in the last year, the administration seems determined to punish this successful company and to use the power of the government to reward Microsoft's competitors. These are the very competitors whose alliances have radically changed the competitive landscape of the Information Technology industry in just the last few months.

When the case began, AOL and Netscape were two large successful companies. Today they're gigantic, teamed with Sun and ready to compete in the next frontier of the Information Technology industry—the Internet.

When the case began, MCI Communications and WorldCom were two separate companies, as were Excite and @Home. Yahoo hadn't yet bought GeoCities and Broadcast.com.

When the case began AT&T was a long distance company. Today, AT&T could influence more than 60% of cable systems in the United States.

Microsoft has continued to excel, in spite of simultaneously fighting off the government and its competitors. But, far from being stifled, Microsoft's competitors and potential competitors also have increased their market value by dizzying percentages over the last year:

AOL—up 555 percent;
Amazon—up 838 percent;
Sun Microsystems—up 209 percent;
IBM—up 91 percent; and
Yahoo—up 455 percent.
Microsoft is up 83 percent.

To me that's good news, and I hope it happens again this year. But that success leads me to wonder: if these competitors are so injured by Microsoft, why is the Dow Jones Industrial Average up 20% and the more technologically driven NASDAQ up a more startling 40% since the trial began?

A May 7 article in the Washington Post outlines the previously undisclosed lobbying activity on the part of a multi-billion dollar coalition of Microsoft competitors, consisting of Netscape and AOL, as well as ProComp, Sun and Oracle, who collectively have outspent the Redmond-based software firm by almost \$4 million. The Post story made clear that Microsoft has been scrambling just to catch-up.

Economist Milton Friedman recently warned about the possible impacts of the suit on the high-technology industry as a whole. He pointed out the obvious flaw in the competitors' strategy, which is involving government regulators. Mr. Friedman states, "Silicon Valley is suicidal in calling government in to mediate in disputes among some of the big companies in the area and Microsoft . . . once you get the government involved, it's difficult to get it out." I couldn't agree more.

Mr. President, with the Sherman antitrust action by the government against Microsoft entering its second year, the only question that remains is why this lawsuit continues. I urge my colleagues to join me in seeking an answer to that question.

CONCLUSION OF MORNING BUSINESS

Mr. LOTT. Mr. President, I believe the morning hour has expired. I move for the regular order.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000

The PRESIDING OFFICER (Mr. BROWNBACK). Under the previous order, the Senate will resume consideration of S. 1059, which the clerk will report.

The legislative assistant read as follows:

A bill (S. 1059) to authorize appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:
McCain/Levin amendment No. 393, to provide authority to carry out base closure round commencing in 2001.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I see no other Senator here at this moment. I believe there is another Senator who will be here at about 10:30 to offer another amendment, but I would like to submit an amendment for consideration at this point.

AMENDMENT NO. 394

(Purpose: To improve the monitoring of the export of advanced satellite technology, to require annual reports with respect to Taiwan, and to improve the provisions relating to safeguards, security, and counterintelligence at Department of Energy facilities)

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

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 394.

Mr. LOTT. 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. LOTT. Mr. President, I am pleased to offer this amendment on behalf of myself, and Senators WARNER, SHELBY, MURKOWSKI, DOMENICI, SPECITER, KYL, and HUTCHINSON.

This package is the product of the serious investigative and oversight work performed by the relevant committees and other Senators who have devoted considerable attention to the issues of satellite exports, Chinese espionage, lax security at DOE facilities, foreign counterintelligence wiretaps, and more. I commend my cosponsors and others for their helpful efforts in this regard.

I have stated that the damage to U.S. national security as a result of China's nuclear espionage is probably the greatest I have seen in my entire career. And, unfortunately, the administration's inattention to—or even hostility towards—counterintelligence and security has magnified this breach.

It is simply incredible that China has acquired sensitive, classified information about every nuclear warhead in the U.S. arsenal. But this apparently is precisely what happened.

It is simply incredible that American companies illegally provided information to the Chinese that will allow them to improve their long-range missiles aimed at American cities. But this apparently is exactly what happened.

It is simply incredible that American exports were delivered to certain Chinese facilities that will assist their weapons of mass destruction program. But this apparently is exactly what happened.

It is simply incredible that it took this administration 2 years from the date the National Security Adviser was