

Mr. ROTH. Mr. President, I am extremely disappointed by the WTO appellate body's decision on the FSC. The panelists completely ignored economic reality. The FSC is not an export subsidy. It is a remedy for the competitive disadvantage our firms face in the marketplace due to the tax practices of other WTO members, particularly the members of the European Union.

That said, the real problem here is not the appellate body's decision, but the underlying WTO rules. That, and the perverse decision by the European Commission, over the objection of many of its own firms and member countries, to reopen this trade dispute 20 years after we had reached a satisfactory settlement of these issues.

Other WTO members, particularly in the European Union, employ a territorial-based tax system that does not tax foreign source income, including income from exports. That system affords a competitive advantage to firms operating in those jurisdictions that the U.S. tax system, based on worldwide reporting of income, does not. The WTO rules currently permit the use of territorial based tax systems, despite the competitive benefits they confer on products exported from those countries. That is what the FSC and the DISC before it were designed to offset.

I want to be absolutely clear about my view on this. While I fully expect we will live up to our obligations, no resolution of this issue can leave our firms, our farmers, and the American worker at a permanent competitive disadvantage in the marketplace.

Indeed, I thought we had put this issue to rest with our European counterparts 20 years ago. But, they saw fit to abrogate the agreement we had reached to resolve our prior dispute over the trade effects of their tax system and our attempts to redress those effects. That agreement included the understanding that, in the future, we would take our differences over tax policy to fora that were specifically designed for that purpose, and not the GATT or the WTO.

The reason for that understanding was simple. The GATT and the WTO are essentially agreements to reduce trade barriers and avoid other discriminatory trade practices. Nothing in those rules was intended to force a member country to choose between competing tax systems. Yet, that is the net effect of the current ruling.

The Europeans' action raises a far broader point about the conduct of their trade policy. The decision to abrogate our 20-year-old agreement and bring the FSC case, by all accounts, was not made at the behest of the EU member countries. Nor was it made at the insistence of EU firms complaining that the FSC somehow put them at a commercial disadvantage. That is because European firms understand that they already benefit from the territorial-based tax systems and the FSC was simply a way of providing equivalent treatment under our system of

taxation. In fact, a number of those European-based firms have U.S. subsidiaries that take advantage of the FSC as well.

The decision to bring the FSC case was made at the European Commission without consideration either for its political impact here or for its impact on the trading system. In that sense, the decision to bring the FSC case fits with the Commission's attitude on our disputes on bananas and beef and on other WTO disputes. The Commission seems to have forgotten that the European Union member countries are, along with the United States, among the principal beneficiaries of the WTO system and that the Commission bears the responsibility to shore the system up, rather than engaging in tactics designed to weaken it.

Both the Commission's decision to flout the WTO rules in the beef and bananas disputes and the reckless decision to bring the FSC case are deeply inconsistent with that responsibility. This case was brought, not for any European constituency, but for the Commission's own petty political interest in balancing its losses before the WTO with a few wins, regardless of the larger consequences for the trading system.

This issue must be made a top priority in discussions at the upcoming G-8 summit. President Clinton must make the political point to his European counterparts that they, not the Commission, are responsible for setting the course of the European Union's trade policy and that this issue needs to be resolved in terms that ensure a level-playing field for American workers, farmers, and firms. As chairman of the Finance Committee, I am committed to making that happen.

STABILIZING CRUDE OIL PRICES

Mr. GRASSLEY. Mr. President, I rise to speak about the gouging of the American consumer, particularly high energy users and, probably most importantly, working Americans who are paying such high gasoline prices because of OPEC. I do this in the context of supporting a resolution Senator ASHCROFT is offering the Senate. I do this not only because he is my good friend but because he knows the impact on working Americans and on agriculture.

This is a sense-of-the-Senate resolution to communicate to the leaders of the OPEC nations and even non-OPEC cartel producers, prior to the next meeting of the OPEC nations in March, the importance of stabilizing crude oil prices.

I appreciate the importance of the message by my good friend from Missouri. He realizes the significance of this issue because he is from a State with vital interests in the health and well-being of the agricultural economy and the transportation industry. The soaring prices of diesel fuel and of gasoline have had an especially detrimental effect upon farmers and truck-

ers whose livelihood is tied closely to the input costs.

We in the Senate should not stand idly by while a foreign monopoly dictates our States' economic stability.

Remember, if oil company CEOs were doing this sort of OPEC price fixing, they would be in prison for violating the antitrust laws. We obviously can't apply our law to foreign countries in the sense that their leaders are violating them. But it is antithetical to the principles of free trade and markets, even to the WTO. Saudi Arabia wants to get into the WTO. We should not be supporting their entry into the WTO if they are using their economic power in a way that is antithetical to the very organization they want to join.

Just in the past month, gasoline prices in my State have taken their biggest jump in 10 years. We now pay an average of \$1.38 a gallon for gas, an average of 17 cents higher than last month and 48 cents higher than in February a year ago. Diesel prices in my State are averaging \$1.45, which is 12 cents more than last month and 43 cents higher than a year ago.

When considering the family farmers' plight, OPEC's action creates a harsh duty that is applied to every bushel of corn, soybeans, and any other agricultural product produced in the United States. Anyone who is farming can tell you that fuel expenditures are always one of the most costly inputs on the farm.

The agricultural industry has not fared as well in recent years. Just last year, prices for all kinds of livestock and grain commodities were at their lowest since the 1970s. The outlook for the next year is, at best, mixed. At a time when margins on farm products are already tight, OPEC has consciously increased the price of petroleum products and expenditures within our agricultural community. It is not the free forces of the marketplace that are doing this. These are political decisions that we ought to stand firmly against.

But this isn't just about family farmers and truckers. Sometimes we forget that trucking impacts almost every industry. While farmers and truckers might feel the most immediate impact from this action in my home State of Iowa, it is really true that all consumers will eventually feel the far-reaching effects of OPEC's marketplace shenanigans. In Iowa alone, trucks transport freight for 4,438 manufacturing companies, supply goods to 19,500 retail stores, and stock almost 9,000 wholesale trade companies.

Trucks supply goods to 2,359 agricultural businesses and deliver the produce and products to market. Annually, trucks transport approximately 160 million tons in and out of Iowa. Eighty-three percent of all manufactured freight transported in Iowa is carried by trucks, and over 75 percent of all communities in Iowa depend entirely on trucks for the delivery of the

products my constituents use every day.

OPEC's action has and will continue to drive up costs for transportation, and the bottom line is that the consumer will eventually be forced to bear the burden of the cost. As anyone can see, this situation has the ability to have a substantial detrimental impact on the economies of Iowa and the entire Nation.

For this reason, I have tried to address this problem from every angle available to me. I recently wrote to Energy Secretary Bill Richardson and asked him to encourage the President to use the Strategic Petroleum Reserve to stabilize the price of petroleum products. As he is well aware, the President has the power to use the reserve when a very sharp increase in petroleum prices threatens the Nation's economic stability. In my opinion, the current situation meets this test. At the very least, the option should be heavily weighed.

I also sent a letter to Mr. Stanley Fisher, First Deputy Managing Director of the International Monetary Fund, to ask that the market-distorting behavior of the 11 members of OPEC be weighed when these nations apply for loans. Twenty percent of the IMF money comes from the American taxpayers. We should not be using U.S. taxpayers' money to further the causes of an economy that is anticompetitive and is strangling the economy of the very taxpayers who support the IMF.

IMF is an international organization of 182 member nations. Each member of the Organization of Petroleum Exporting Countries also belongs to the International Monetary Fund.

Due to the fact that the IMF's purpose is to promote monetary cooperation and economic growth, I find it disheartening that the member nations of OPEC have chosen a course of action which adversely affects economic growth and stability in the United States. It is for this reason I ask the IMF to consider developing criteria to judge market-distorting behavior which would be weighed when nations exhibiting monopolistic behavior apply for loans through the IMF.

I also spoke out against Saudi Arabia previously in my remarks and about their joining the World Trade Organization. I have made this a formal request of U.S. Trade Representative Charlene Barshefsky.

As we all know, we have become far too dependent upon foreign oil. For a very long time, I have been a leading advocate for the development and expanded use of renewable sources of energy, especially corn-based ethanol as well as wind energy and biomass. I have been successful in getting tax credits applied to these alternative forms of energy. I thank my colleagues for their support of that.

You have all heard me say that not only is clean-burning ethanol good for the rural economy and the environment, it helps to reduce America's dan-

gerous and expensive dependence on foreign sources of energy. I am disappointed it took a crisis to make some people aware of this unhealthy addiction, but now we should all see how our dependence on foreign crude can impact our economy and why we should seek to develop domestically-based renewable fuel sources.

This is a very important issue, and I applaud the resolution offered by the Senator from Missouri. I thank him for bringing the resolution to the floor and for helping to bring this issue to the attention of the Clinton-Gore administration, which needs to finally get on top of this growing problem.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. GRASSLEY. I will reserve that for use at a later time.

Mr. REID. Mr. President, I ask unanimous consent to proceed under the leader's time.

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

SENATE PROCEDURE

Mr. REID. Mr. President, I want to carry on a little bit regarding the colloquy we have had on the floor during the day about the need for us to proceed as the Senate has always worked in the 200-plus years of this Republic. I asked staff during this intermission time to pull for me at random a bill we worked on when we were in the majority. They chose a bill that doesn't have a really sexy title but which is very important; it is called the Enterprise Zone Tax Incentives Act. On that piece of legislation, there were 109 amendments filed. This bill was taken up on September 25, 1992.

We completed this bill 3 or 4 days later and it was passed. The Enterprise Zone Tax Incentive Act dealt with scholarship tax, dental schools, tractors—many things that really weren't relevant or germane to this particular piece of legislation. But we dealt with it. We allowed the minority to offer whatever amendments they wanted, and we proceeded with the legislation. That is what we need to do. That is what the Senate is all about. I hope everybody will understand we are not asking to break some new territory, new ground, or do something that was never done before. We simply want to say that once in a while we need a piece of legislation to which we can offer amendments.

Now, we are very happy to be discussing education. I believe it is the most important issue facing the country today, and my pet project on which I have worked for a number of years with the Senator from New Mexico, Mr. BINGAMAN, is high school dropouts. Three-thousand kids a day—500,000 children each year—drop out of school in America.

That is something we need to work on. That is only one aspect of edu-

cation that is important. We know about school construction. We know about smaller class sizes. There are lots of things we need to do in education. There are other important things we need to work on. I think we should have a debate about Social Security. I think we have to do something right away about Medicare and the attachment of prescription drug benefits. Which is very important to our seniors.

In the 35 years since Medicare came into being, we now have people's lives being saved as a result of people being able to get prescription drugs. Senior citizens have an average of 18 different prescriptions filled during a period of a year. That is the average. Some have more than that. We need to do something about prescription drug benefits.

Certainly we need to do something to have reasonable gun control. All we are asking is that you are not able to buy weapons at gun shows without a background check. With pawnshops, the same should apply, as it applies every place else where you buy a gun in stores.

We think we should do something updating the minimum wage. We think there are so many issues that deserve our attention, notwithstanding the terrible health care delivery system we have in this country. Over 40 million people have no health insurance. Every year it is going up 1.5 million.

We need to pass a comprehensive Patients' Bill of Rights. The lucky people are those with insurance, but even they aren't being treated fairly.

Referring again to the Enterprise Zone Tax Incentive Act, H.R. 11, in September of 1992, we spent less than 4 days on this piece of legislation. We dealt with 109 amendments and passed a bill.

If we had gone to work on this education bill on Monday, the bill would have been completed today. But the way things are happening, we are not working the will of the Senate, and we are not working the will of the people of this country. I think we need to do that as quickly as possible.

Mr. WELLSTONE. Mr. President, will the Senator from Nevada yield for a quick question?

Mr. REID. Yes.

Mr. WELLSTONE. He can answer them in a relatively brief fashion, I think.

First of all, is it not true that when his party was the majority party in the Senate the minority party would come out with many amendments to a piece of legislation and sometimes we would have 100 amendments?

I want to get to the definition of what "relevant" means so people following this will know what that definition is.

Is it not true that we would have many amendments and we would basically debate these amendments and then after several days of hard work, even if we had to work 14 hours a day, we would go forward and pass that legislation? That is one of the ways you