

these areas. The department of Agriculture estimates that Iraq alone represents a \$1 billion market for American farm goods. Given our status as one of the world's largest agricultural producers, why would we ever choose to restrict our exports? The only beneficiaries of our sanctions policies are our foreign competitors.

Still, support for sanctions continues in Congress. The House International Relations committee last week considered legislation that will extend existing economic sanctions against Iran and Libya for another 5 years. While I certainly oppose this legislation, I did agree with the President that we should at least limit the time period to 2 years, so that Congress could reassess the policy sooner. I introduced an amendment to this effect, but the majority of committee members voted to continue "punishing" Iran and Libya for 5 years; presumably some members would agree to maintain sanctions indefinitely. Interestingly, the bill focuses on preventing oil exploration and development in the region, even when new sources of oil are sorely needed to reduce prices at the pump for American consumers.

I certainly understand the emotional feelings many Americans have toward nations such as Iran, Iraq, Libya, and Cuba. Yet we must not let our emotions overwhelm our judgment in foreign policy matters, because ultimately human lives are at stake. For example, 10 years of trade sanctions against Iraq, not to mention aggressive air patrols and even bombings, have not ended Saddam Hussein's rule. If anything, the political situation has worsened, while the threat to Kuwait remains. The sanctions have, however, created suffering due to critical shortages of food and medicine among the mostly poor inhabitants of Iraq. So while the economic benefits of trade are an important argument against sanctions, we must also consider the humanitarian argument. Our sanctions policies undermine America's position as a humane nation, bolstering the common criticism that we are a bully with no respect for people outside our borders. Economic common sense, self-interested foreign policy goals, and humanitarian ideals all point to the same conclusion: Congress should work to end economic sanctions against all nations immediately.

The legislation I introduce today is representative of true free trade in that while it opens trade, it prohibits the U.S. Taxpayer from being compelled to subsidize the United States government, the Cuban government or individuals or entities that choose to trade with Cuban citizens.

I submit for inclusion in the record, a copy of the Sense of Congress Resolution passed in Austin in late June.

SENATE CONCURRENT RESOLUTION NO. 54

Whereas, The relationship between the United States and Cuba has long been marked by tension and confrontation; further heightening this hostility is the 40-year-old United States trade embargo against the island nation that remains the longest-standing embargo in modern history; and

Whereas, Cuba imports nearly a billion dollars' worth of food every year, including approximately 1,100,000 tons of wheat, 420,000 tons of rice, 37,000 tons of poultry, and 60,000 tons of dairy products; these amounts are expected to grow significantly in coming years as Cuba slowly recovers from the severe economic recession it has endured following the withdrawal of subsidies from the former Soviet Union in the last decade; and

Whereas, Agriculture is the second-largest industry in Texas, and this state ranks among the top five states in overall value of agricultural exports at more than \$3 billion annually; thus, Texas is ideally positioned to benefit from the market opportunities that free trade with Cuba would provide; rather than depriving Cuba of agricultural products, the United States embargo succeeds only in driving sales to competitors in other countries that have no such restrictions; and

Whereas, In recent years, Cuba has developed important pharmaceutical products, namely, a new meningitis B vaccine that has virtually eliminated the disease in Cuba; such products have the potential to protect Americans against diseases that continue to threaten large populations around the world; and

Whereas, Cuba's potential oil reserves have attracted the interest of numerous other countries who have been helping Cuba develop its existing wells and search for new reserves; Cuba's oil output has increased more than 400 percent over the last decade; and

Whereas, The United States' trade, financial, and travel restrictions against Cuba hinder Texas' export of agricultural and food products, its ability to import critical energy products, the treatment of illnesses experienced by Texans, and the right of Texans to travel freely; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to consider the removal of trade, financial, and travel restrictions relating to Cuba; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the congress of the United States of America.

45TH ANTIOCHIAN ARCHDIOCESE CONVENTION

HON. DARRELL E. ISSA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 2001

Mr. ISSA. Mr. Speaker, I rise today to recognize and send my personal greetings to all those gathered for the forty-fifth Archdiocese Convention of the Antiochian Orthodox Christian Archdiocese of North America. In welcoming the diverse spiritual leaders of the Church that are gathering together, I want to especially welcome His Excellency, Issam Fares, Deputy Prime Minister of Lebanon.

I would like to commend the Antiochian Archdiocese for using this convention to search for ways to help young people and families struggling with the challenges of our society. This biennial convention is an opportunity to share the history, cultural heritage and religious dedication of the members throughout North America. The work of Antiochian Orthodox Church through such programs as the International Orthodox Christian Charities, the bone marrow testing drive, health fairs and the Jerusalem Project, are the finest examples of the religious freedom that only we share in the United States.

I wish to congratulate the members of the Antiochian Orthodox community on their ef-

forts and wish them many years of success in their work throughout the United States.

RENEWAL OF THE IRAN LIBYA SANCTIONS ACT

HON. MICHAEL FERGUSON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 2001

Mr. FERGUSON. Mr. Speaker, it was not too long ago that Pan Am flight 103 left London's Heathrow airport for New York City on December 21, 1988. The plane was transporting 259 passengers, including students returning for the holidays, families eager to reunite with loved ones, tourists attempting to experience this great nation and business people on a routine trip.

Within an hour of takeoff, an explosion ripped through the plane and swiftly broke the aircraft into three pieces. The plane landed on the small Scottish town of Lockerbie, Scotland, killing 11 residents. If the delayed flight had taken off on time, the bomb would have most likely exploded over the Atlantic Ocean and we might not have ever known the cause of the accident.

Consequently, our government enacted the Iran and Libya Sanctions Act (ILSA) on August 5, 1996, to address the acts of terrorism condoned by these countries. The law rightfully mandates sanctions against foreign investment in the petroleum sectors of Iran and Libya, as well as exports of weapons, oil equipment and aviation equipment to Libya in violation of United Nations Resolutions 748 and 883. ILSA has served to bring justice to the culprits of these acts of terrorism.

Since then, a Libyan terrorist intelligence officer was found guilty of murder for his involvement in the Pan Am 103 explosion. Despite the conviction of this culprit affiliated with the Libyan government and further evidence indicating that regime's involvement, Libya still refuses to acknowledge any connection to the bombing or pay compensation to the families of the victims.

Today, the behavior that led the United States to take such measures against Iran in the first place has not improved, but grown even more severe in the past year. Iran continues to condone terrorism and recklessly fund groups, such as the Hezbollah, HAMAS, and the Palestine Islamic Jihad, who partake in acts of violence against civilians. Most disturbing, Iran continues efforts to acquire weapons of mass destruction—including nuclear, chemical, biological—and the missiles to deliver them.

The recent State Department Report on Patterns of Global Terrorism reiterates, "Iran remained the most active state sponsor of terrorism in 2000." The report also notes Iran has provided increasing support to numerous groups responsible for intentional attacks on civilians, while Iranian agencies "continue to be involved in the planning and the execution of terrorist acts." Moreover, Iran continues to provide funding, training and logistical assistance to a variety of radical groups in the Persian Gulf, Africa, Turkey and Central Asia.

For many years, Iran has been able to finance programs to acquire weapons of mass destruction and support terrorist activity through its energy exports, which are where

most of the countries revenues derive. ILSA is an effective measure to deter foreign corporations from investing in Iran and reduce the amount of funds available to Tehran to support terrorism and weapons activities. In fact, ILSA has succeeded in specifically deterring Japanese investment, as well as European allies from investing in the energy sector.

Accordingly, I believe it is imperative the United States send a clear message to nations that resort to terrorism by promoting non-negotiable policies that directly reinforce the premise that these actions will not be taken lightly and have serious long-term consequences. By not renewing these sanctions or limiting their conditions in any capacity, the United States would illustrate that we are not concerned with offensive Iranian behavior. I strongly urge this Congress not to falter in our resolve to combat terrorism in the world.

We owe the renewal of these sanctions to the 270 victims of this particular act of terrorism, their families, and all the civilians who have been affected by these horrible acts of intimidation.

I pray for the families who paid the ultimate price, who's loved ones died. But they are not forgotten and these sanctions serve as a reminder of the terrorism that took their lives and the unwavering stance we must take. It is our responsibility to ensure that they have not died in vain.

A NEWSPAPER ARTICLE ON THE
LIFE OF FREDERIC BASTIAT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 2001

Mr. PAUL. Mr. Speaker, I commend to the attention of members an editorial appearing in the Wall Street Journal which is headlined "In Praise of an Economic Revolutionary." The column is authored by Mr. Bob McTeer, president and CEO of the Federal Reserve Bank of Dallas.

In his article, Mr. McTeer highlights the life of Frederic Bastiat, a member of the French Chamber of Deputies during the 19th century who made great contributions to both individual liberty and free markets with clear, simple and humorous observations and arguments. Bastiat was a pioneer in the field of economics who fought against the protectionist fallacies and absurdities that persisted in his day and indeed continue to haunt us today.

Bastiat understood well what few in Congress have come to grasp—that it is absurd to favor producers over consumers and sellers over buyers. This is because producers and sellers benefit from scarcity and high prices while consumers benefit from abundance and low prices. As a consequence, when government policies favor producers, the citizens of the United States are faced with scarcity and unnecessarily high prices. In essence, the economic pie is made smaller for all.

As members of Congress we should note, as Bastiat did, that because we have limited resources and unlimited wants, it is unwise to create inefficiencies for the purpose of creating or protecting jobs. As Mr. McTeer writes, "Progress comes from reducing the work needed to produce, not increasing it."

By supporting protectionist policies that tend to create stagnation and hurt consumers, some members stand in the way of economic progress that would benefit all. Yet we should reject these policies and in the tradition of Bastiat do away with the absurd notion that inefficiencies are good for this country and its people.

Mr. Speaker, again I commend Mr. McTeer's column and encourage the recognition of the economic revolutionary, Frederic Bastiat.

IN PRAISE OF AN ECONOMIC REVOLUTIONARY
(By Bob McTeer)

"The state is the great fictitious entity by which everyone seeks to live at the expense of everyone else."—Frédéric Bastiat (1801-1850)

Claude Frédéric Bastiat was born in Bayonne, in the southwest of France, 200 years ago last Friday. This week, I kicked off a conference in nearby Dax, France, celebrating Bastiat's contributions to individual liberty and free markets.

The whole world should be celebrating the birthday of this pioneer of free-market capitalism.

Bastiat's output was prodigious, especially in the last five years of his life. Through his writing and speeches, and as a member of the French Chamber of Deputies, Bastiat fought valiantly against the protectionism and socialism of his time. He proselytized for free trade, free markets and individual liberty. His weapons were wit and satire; his method was the *reductio ad absurdum*. More than any other person before or since, he exposed economic fallacies with a clarity, simplicity and humor that left opponents with no place to hide.

The most famous example of Bastiat's satire was his petition to the French parliament on behalf of candlemakers and related industries. He was seeking relief from "ruinous competition of a foreign rival who works under conditions so far superior to our own for the production of light that he is flooding the domestic market with it at an incredibly low price." The foreign rival was the sun. The relief sought was a law requiring the closing of all blinds to shut out the sunlight and stimulate the domestic candle industry.

Despite the publication of Adam Smith's "The Wealth of Nations" decades earlier, Bastiat was still fighting the mercantilist view of exports as good and imports as bad. He pointed out that under this view, the ideal situation would be for a ship loaded with exports to sink at sea. One nation gets the benefit of exporting and no nation has to bear the burden of importing.

Bastiat once saw an editorial proposing a Bordeaux stop on the railroad from Paris to Spain to stimulate local business. He wondered, why only Bordeaux? Why not have a stop in every single town along the way—a never-ending series of breaks—so the prosperity could be enjoyed by all? They could call it a "negative railroad."

This point is true even today. Trade with Mexico has boomed since the passage of the North American Free Trade Agreement and so has truck traffic across the Rio Grande. Luckily we have bridges to facilitate the crossing. But while the bridges were made for crossing, the hundreds of warehouses near the border were not. They're for storing and waiting—where Mexican truckers are required to hand over their cargo to domestic carriers. Bastiat had his "negative railroads." We have "negative bridges."

Then there's Bastiat's broken-window fallacy. It seems someone broke a window. It's unfortunate, but there's a silver lining. Money spent to repair the window will bring new business to the repairman. He, in turn, will spend his higher income and generate more business for others. The broken window could ultimately create a boom.

Wait a minute, Bastiat cautioned. That's based only on what is seen. You must also consider what is not seen—what does not happen. What is not seen is how the money would have been spent if the window had not been broken. The broken window didn't increase spending; it diverted spending.

Obvious? Sure, but we fall for a version of the broken-window fallacy every time we evaluate the impact of a government program without considering what taxpayers would have done with the money instead. Some people even judge monetary policy by what happens, without considering what might have happened.

Most economic myths give way to Bastiat's distinction between the seen and the unseen. Related concepts include half truths and whole truths, intended and unintended consequences, the short run and long run and partial effects and total effects. Henry Hazlitt expanded on these themes in his wonderful book, "Economics in One Lesson." If you don't have time to read Bastiat's collected works, try Hazlitt's book.

Bastiat called attention to the absurdities that come from favoring producers over consumers and sellers over buyers. Producers benefit from scarcity and high prices while consumers benefit from abundance and low prices. Government policies favoring producers, therefore, tend to favor scarcity over abundance. They shrink the pie.

Bastiat stressed that because we have limited resources and unlimited wants, it's foolish to contrive inefficiencies just to create jobs. Progress comes from reducing the work needed to produce, not increasing it. Yet, a day doesn't pass that we don't hear of some proposal to "create jobs," as if there's no work to be done otherwise. If it's jobs we want, let's just replace all the bulldozers with shovels. If we want even more work, replace shovels with spoons. Bastiat suggested working with only our left hands.

I was cautioned that most of the participants in the Bastiat conference would probably be from other countries, since Bastiat's free-market views aren't highly regarded in France. That reminded me of my visit to Adam Smith's grave in Scotland a couple of years ago. I went into a souvenir shop about a block away and asked what kind of Adam Smith souvenirs they had. They not only didn't have any, they'd never even had a request for one before. What a shame!