why I am so strongly in support of this bill.

I thank the Finance Committee for working out a compromise that will mean more trade, that will mean more products. I have to say I do not understand how, with a straight face, the textile industry was so adamantly opposed to this bill. If we unleashed all of the energies of sub-Saharan Africa and all of their productive capacity and had them produce textiles to sell in America, they would still have no substantial impact on our market.

I do not understand why we continue to let special interests in America direct our Government to limit our ability to buy goods that would raise the living standards of working Americans. It is outrageous and unfair, and it is important that we stand up against these protectionist forces. Who gives the American textile industry the right to say that, as a free person, I cannot buy a better shirt or a cheaper shirt produced somewhere else in the world? How is America diminished by it? I say it is not. My freedom is diminished by such forces.

We have a mixture of protectionism and trade in this bill. But, overall, it is a movement in the right direction, and I am in favor of it. When the Multifiber Agreement is implemented, we will open up trade in textiles. As late as 5 years ago, the average American family paid $700 more a year for clothing because of textile protection in America than they would with free trade. This is a small step in the right direction. I rejoice in it, and I support it.

I thank the Senator from California for yielding.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I notice that the distinguished Senator from Alabama is on the floor. So I ask unanimous consent to yield to him, and then to have the floor returned to me when he concludes.

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

VISIT TO THE SENATE BY A MEMBER OF THE HOUSE OF DEPUTIES OF THE FEDERAL REPUBLIC OF MEXICO

Mr. SESSIONS. Mr. President, it is my pleasure to present to the Senate today Alfredo Phillips, who is a member of the Congress of the Nation of Mexico. I have gotten to know him in 3 years now at the interparliamentary conference between the United States and Mexico. We have had 39 years of interparliamentary conferences between our two nations. He has an extraordinary history in banking.

He was Director of the North American Development Bank, which is part of the NAFTA agreement. He has been Executive Director of the International Money Fund for 4 years. He is General Coordinator of International Affairs of the PRI. That is his title now. He was Mexico's Ambassador to Canada, Ambassador to Japan, and chairs the Foreign Relations Commission for the Congress of Mexico.

He got his degree in humanities from the University of Mexico and his degree in economics from the University of London. He studied at George Washington University. His wife Maureen is a wonderful lady who my wife Mary and I have had the pleasure to meet. His son Alfredo is in an economics section of the Mexican Embassy here in the United States.

Mr. President, it is my pleasure to introduce Mr. Alfredo Phillips to this body. He is known to many of our Senators and Congressmen.

RECESS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Senate stand in recess for 3 minutes, before Senator FEINSTEIN takes the floor again, in order for the Senate to greet our guest.

There being no objection, at 11:57 a.m., the Senate recessed until 12:03 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BURNS).

TRADE AND DEVELOPMENT ACT OF 2000—CONFERENCE REPORT—Continued

Mr. GRASSLEY. Mr. President, I ask unanimous consent that when Senator FEINSTEIN has finished speaking, Senator FEINGOLD be able to consume his time for debate on this bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from California.

Mrs. FEINSTEIN. Mr. President, I rise today to address the conference report on the African Growth and Opportunity Act and to express my deep disappointment that the conference decided to strip out of the report the amendment which has been spoken about on this floor which addresses HIV/AIDS in sub-Saharan Africa. This is an amendment I offered with the Senator from Wisconsin, Mr. FEINGOLD.

This amendment was accepted by the Senate, and it was intended to provide African countries experiencing an HIV/AIDS crisis with the ability to institute measures consistent with the World Trade Organization intellectual property rules that are designed to ensure the distribution of pharmaceuticals and medical technology to afflicted populations.

We offered this amendment because we believed the act inadvertently threatened to undermine the fight against HIV/AIDS in Africa. Our amendment was a simple, commonsense approach consistent with international law to fix this oversight. I believe the action of the conference in stripping this amendment was unconscionable. I found it especially disappointing because my office and staff had been working with the chairman of the Finance Committee, Mr. ROTH, to develop compromise language that met our concerns and would be acceptable to the conference.

Chairman ROTH negotiated in good faith, and he and the other Senate conferees—Mr. MOYNIHAN, Mr. BIDEN, and Mr. BAUCUS—wanted to do the right thing. Unfortunately, as I understand it, because of the way in which the House and Senate Republican leadership dealt with this conference, the majority leader and the Speaker, as I have been told, decided my amendment was to be eliminated and presented a take-it-or-leave-it offer to the conferees. The conference was never really even given a chance to address this issue.

Perhaps they did not understand the full impact of what is happening in Africa, and in these remarks I hope to make both the extent and the nature of the AIDS crisis better known. I say this as someone who supports the legislation. I voted in favor of it. I believe the underlying principles of this legislation—opening up new possibilities for economic engagement and trade between the United States and the countries of sub-Saharan Africa—are good ones. I know the countries of this region want to receive the benefits of the bill which will assist their economic development and promote democracy in the region.

I said in earlier remarks the problem is that the way things are going, there will not be an Africa left for this bill to help. I think people underestimate the impact of that statement. What I hope to do in these remarks is talk about the scope of the problem, give specific country reports, talk about the economic, social, and political impact of HIV/AIDS in sub-Saharan Africa, the need for affordable access to pharmaceuticals, what compulsory licensing and parallel importing is, and why the Feinstein-Feingold amendment is necessary.

I want to talk about drug companies' revenues from these drugs and what else is to be done.

But before I do so, I acknowledge the fact that this morning the White House has signed an Executive order to carry out the provisions of the Feinstein-Feingold amendment.

At this point, I will read into the RECORD the following letter, dated May 10:

> I am pleased to inform you that today I will sign an Executive Order that is intended to help make HIV/AIDS-related drugs and medical technologies more accessible and affordable in beneficiary sub-Saharan African countries. The Executive Order, which is based in large part on your work in connection with the proposed Trade and Development Act of 2000, formalizes U.S. government policy in this area. It also directs other steps to be taken to address the spread of HIV and AIDS in Africa, one of the worse health crises the world faces.
>
> As you know, the worldwide HIV/AIDS epidemic has taken a terrible toll in terms of human suffering. Nowhere has the suffering been as great as in Africa, where over 5,500

people per day are dying from AIDS. Approximately 34 million people in sub-Saharan Africa have been infected, and, of those infected, approximately 11.5 million have died. These deaths represent more than 80 percent of the total HIV/AIDS-related deaths worldwide.

To help those countries most affected by HIV/AIDS fight this terrible disease, the Executive Order directs the U.S. Government to refrain from seeking, through negotiation or otherwise, the revocation or revision of any law or policy imposed by a beneficiary sub-Saharan government that promotes access to HIV/AIDS pharmaceuticals and medical technologies. This order will give sub-Saharan governments the flexibility to bring life saving drugs and medical technologies to affected populations. At the same time, the order ensures that fundamental intellectual property rights of U.S. businesses and inventors are protected by requiring sub-Saharan governments to provide adequate and effective intellectual property protection consistent with World Trade Organization rules. In this way, the order strikes a proper balance between the need to enable sub-Saharan governments to increase access to HIV/AIDS pharmaceuticals and medical technologies and the need to ensure that intellectual property is protected.

I know that you preferred that this policy be included in the Conference Report on the Trade and Development Act of 2000, as did I. However, through this Executive Order, the policy this Administration has pursued with your support will be implemented by the U.S. Government. The Executive Order will encourage beneficiary sub-Saharan African countries to build a better infrastructure to fight diseases like HIV/AIDS as they build better lives for their people. At the same time, the Trade and Development Act of 2000 will strengthen African economies, enhance African democracy, and expand U.S.-African trade. Together, these steps will enable the United States to forge closer ties with our African allies, broaden export opportunities for our workers and businesses, and promote our values around the world.

Thank you for your leadership on this critically important issue.

Sincerely,

BILL CLINTON.

Mr. President, I ask unanimous consent that following my remarks, the Executive order itself be printed in the RECORD.

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

(See exhibit 1.)

Mrs. FEINSTEIN. Mr. President, I thank the President for this Executive order. It is the right thing to do and it is a major help. I very much hope that the African countries will make use of this Executive order and acquire the necessary pharmaceuticals that we here in this country know can extend the lives and well-being of people.

Almost 1 year ago, on May 11, the World Health Organization declared that HIV/AIDS is now the world's most deadly infectious disease. As of December of last year, the AIDS Epidemic Update, published by the Joint United Nations Program on HIV/AIDS, U.N. AIDS, and the World Health Organization, notes the following:

As the 20th century draws to a close, some 33.6 million men and women worldwide face a future dominated by a fatal disease, unknown just a few decades ago. According to new estimates from the Joint U.N. Program on HIV/AIDS and the World Health Organization, 32.4 million adults and 1.2 million children will be living with HIV by the end of 1999.

Sub-Saharan Africa bears the brunt of the HIV/AIDS with close to 70 percent of the global total of HIV positive people. Most will die in the next 10 years, joining the 13.7 million Africans who have already died, and leaving behind shattered families and crippled prospects for development.

Indeed, the hardest hit African companies face infection rates in excess of 22 percent—that is 22 million people—an overall rate of infection among adults in sub-Saharan Africa eight times the rate of infection worldwide. In some countries of southern Africa, 20 to 30 percent of the population of the country itself are infected.

You can see from this chart the spread of AIDS in sub-Saharan Africa. You see the major countries affected that I am speaking about—Namibia, Botswana, Zimbabwe, Zambia—leading with 16 to 32 percent of adults infected with HIV. The next tranche of 8 percent to 16 percent is in the orange and it drops down from there. In South Africa, you have almost 13 percent of the population infected; that is, 2.8 million people. In Zimbabwe, it is 25.8 percent; that is, 1.4 million people. In Uganda, it is 9.5 percent; that is, 870,000. In the Central African Republic, it is almost 11 percent; that is 170,000. In Zambia, it is 19 percent; that is 730,000. In Kenya, it is 11.6 percent or 1.6 million people.

The destruction caused by HIV/AIDS in sub-Saharan Africa, by far, surpasses the devastation caused by famine, war, and even genocide in Rwanda. According to the United Nations, over 10 times as many people were killed by AIDS in sub-Saharan Africa last year as by war. This chart shows the estimated adult and child deaths from HIV/AIDS during 1998—2 million people in sub-Saharan Africa, out of a global total of 2.5 million. You see why this is pandemic today, actually exceeding the bubonic plague in Europe centuries ago.

The devastation caused by AIDS has dramatically reduced life expectancy in sub-Saharan Africa from the highs witnessed in the early to mideighties, before the devastating effect of AIDS began to be felt. This chart shows that in Botswana, which is this line, life expectancy has fallen from the age of 61 to age 50. In Zimbabwe, it fell from 59 to 47. In Zambia, it fell from age 50 to 38 years. In Malawi, it fell from age 45 to 40 years. In Uganda, it fell from 48 to 38 years.

If the present trends continue, life expectancy—already shortened by a decade or more in many sub-Saharan African countries—is projected to fall more dramatically still. In Zimbabwe, for example, life expectancy is expected to decline by 26 years by 2010, from the age of 59 to the age of 33. That is more than half the life expectancy in little more than two decades. I never thought I would ever see that kind of devastation in one country.

AIDS is also affecting infant and child mortality rates, reversing the declines that have been occurring in many countries during the 1970s and 1980s. According to the U.N., AIDS, by 2010, the child mortality rates of children under 5 will increase by 200 percent in Botswana, by 100 percent in Kenya, Malawi and Tanzania, and Zambia by 100 percent, and by 300 percent in Zimbabwe.

This becomes critical, if you understand that four pills can prevent the transmission of HIV/AIDS from a mother to a child—four pills.

Look at these expected child mortality rates.

Over 30 percent of all children born to HIV-infected mothers in sub-Saharan Africa will themselves be HIV infected. More than 500,000—half a million—babies were infected this past year by their mothers, most of them in sub-Saharan Africa.

As these statistics in the U.N. AIDS Report that I cited attest, sub-Saharan Africa has been far more severely affected by AIDS than any other part of the world.

Mr. President, it is not just adults who are being killed by AIDS in sub-Saharan Africa. Out of 510,000 children killed by AIDS throughout the entire world, 470,000 were African children. That is 92 percent of the world's total.

What does that say for the future? Almost a half million children are killed in one continent alone. For anyone who has ever been a mother or a father, a grandmother or a grandfather, this number is mind numbing.

Beyond the carnage of the deaths, this disease has the potential to destabilize already fragile political and economic systems in sub-Saharan Africa.

The United Nations reports that 23.3 million adults and children are infected with the virus, up from 22 million a couple of years ago. Africa has only 10 percent of the world's population, but it has 70 percent of the worldwide total of infected people.

That is what this chart shows. And it is shocking.

Worldwide, there were 5.6 million new AIDS infections in 1999—3.8 million of them in Africa. That is two-thirds of the new infections of AIDS taking place in Africa. Every day, 11,000 more people are infected with HIV—1 in every 8 seconds—and 10,000 of the 11,000 new HIV infections that take place around the world occur in this area.

Teachers, doctors, and nurses are today dying faster than they can be replaced. What does that say about the human development and the economic upward mobility of that country if the teachers, the doctors, and the nurses die faster than they can be replaced? In addition to the death toll striking down adults and children alike, as the ''Report on the Presidential Mission on Children Orphaned by AIDS in Sub-Saharan Africa'' notes:

Tragically, the worst is yet to come. During the next decade more than 40 million children will be orphaned by AIDS—40 million children orphaned by AIDS, and this ''slow-burn disaster'' is not expected to peak until 2030. According to UNICEF, the HIV-AIDS pandemic in sub-Saharan Africa is having and will continue to have more impact on child survival and maternal mortality than all other emergencies combined. Without a doubt, AIDS has placed an entire generation of Africa's children in jeopardy.

Of the 13 million children orphaned by AIDS so far, 10 million of them are in sub-Saharan Africa.

In Zimbabwe, there are currently 600,000 AIDS orphans, and the projection is that there will be more than 1 million by 2005. That is a 40-percent increase in orphans in one country alone in the next 5 years. Think about it for a minute. It is staggering.

There are rumors that some of the leaders of these countries don't want to deal with the drugs that can prevent passage from the mother to the child because they don't want to deal with the number of orphans that are going to be present in that country. I find this also shocking. You have more than 1 million orphans in 5 years growing up in poverty, without parents and with little or no social structure.

What does this say about the success of an African Trade Act, if you think about it? No teachers, no doctors, no nurses, and millions of orphans without parents, what does that say about economic and human development of a country?

In South Africa, there are already close to 250,000 AIDS orphans. The number is expected to skyrocket to 2½ million by 2010. This is South Africa. This is from 1990 to 2010. Here we are at 2000, and this is what is anticipated to be the number of orphans by 2010. The number is 2.5 million in one country alone. How can this bill provide them with the resources to lead better lives in the future? What good will this bill do if this happens?

All told, over 34 million people in Africa have been infected by HIV since the pandemic began. That is the population of the State of California. And an estimated 13.7 million Africans have lost their lives to AIDS—more than the entire population of Los Angeles and New York City combined. By 2005, if policies do not change, the daily death toll will reach 13,000—double what it is today—with nearly 4 million AIDS deaths in sub-Saharan Africa alone.

A recent CNN Interactive story, ''AIDS in Africa: Dying by the Numbers,'' put the extent of the crisis in this way:

. . . The bubonic plague is reckoned to have killed about 30 million people in medieval Europe. The U.S. Census Bureau projects that AIDS deaths and the loss of future populations from the deaths of women of child-bearing age means that by 2010, sub-Saharan Africa will have 71 million fewer people than it would otherwise.

In all of these countries in sub-Saharan Africa, there will be 71 million fewer people because of AIDS in the next 10 years. Just think about that for a minute.

I would also like to spend some time addressing the situation in several different countries in the region—some hard hit, some less so—so that my colleagues have a better sense of the chaos and disruption this disease is causing in individual countries and society.

The statistics that I cite below are drawn from UNA's World Health Organization epidemiological fact sheets on AIDS and includes data up to 1997. By all accounts, in almost every country in the region, the situation has grown much worse in the past 3 years. There could be little doubt about the pandemic.

Let's begin with Botswana. In Botswana, over 25 percent of the population between 15 and 49 is infected with HIV. That is 25 percent of the population. In Botswana's major urban areas, 40 percent of pregnant women are infected with HIV. From 1994 to 1997, the rate at which children have been orphaned in Botswana quadrupled. Almost 50 percent of Botswana's children under 15 are AIDS orphans. AIDS is responsible for over half of the deaths of all children under the age of five.

Let's look at Ethiopia. Ethiopia has a relatively low infection rate for sub-Saharan Africa, just 9.3 percent, with 5.6 million out of a population of 60 million infected. Over 35 percent of women in Ethiopia age 20 to 24 have HIV. That is a rate 3 times higher than men. In 1985, less than 1 percent of prostitutes in Addis Ababa were HIV positive. By 1990, that proportion had reached 54 percent. This is the point of spreading of the disease. Very little is being done about it.

Kenya currently has a relatively low rate of HIV infection. It is 11 percent. HIV prevalence is much higher in the major urban areas and is over 25 percent in Nairobi, where almost 90 percent of prostitutes are HIV positive. This is the wonderful city of Nairobi, where 90 percent of the prostitutes are spreading this disease heterosexually through the countryside. There are currently at least 350,000 AIDS orphans in Kenya, with the number expected to reach 1 million by 2005. By 2005, Kenya will have one million orphans, thanks to AIDS. That is a 200 percent increase. The cumulative number of deaths due to AIDS has risen from 16,000 in 1989 to 200,000 in 1995 and is expected to pass the one million mark this year. One million dead and one million orphans.

Kenya is a beautiful country. It is shocking what is happening. I hope some of the pharmaceutical companies that lobbied against this amendment are listening. Mr. President, 75 percent of AIDS cases in Kenya occur among adults age 20 to 45, the economically most productive time of the population. The prevalence of HIV in pregnant women in urban areas has risen from 2 percent in 1985 to 16 percent in 1997.

Let's go to Malawi. It is estimated around 1 in 7 of the population, age 15 to 49, is HIV positive. That is 15 percent of the population, or 670,000 people. More than 80,000 people died of AIDS in 1 year alone, 1997, and Malawi has an accumulative death toll of over 450,000 people. I hope the pharmaceutical companies are listening.

Over 25 percent of women attending prenatal clinics in the urban centers test positive for HIV. Girls 15 to 24 years in age are six times more likely to be positive than boys the same age. Other infectious diseases are also on the upswing. Tuberculosis has tripled since the late 1980s, largely due to AIDS. By the end of 1997, over 6 percent of Malawi's children under 15 were orphans.

Let's look at Nigeria, Africa's most populace country, with 118 million people. More than 2.2 million people, around 5 percent, are HIV positive. Although Nigeria appears to have a relatively low incidence at present, trend lines are not comforting. The prevalence in pregnant women in urban areas went from below 1 percent in 1991 to almost 7 percent in 1994. Likewise, the prevalence of HIV in prostitutes has more than doubled during this same period in urban areas, and increases from 3.9 percent to 23 percent in rural areas. Nearly 50 percent of the prostitutes in Lagos, the largest city, are HIV positive, spreading the disease. There were 350,000 AIDS orphans in Nigeria as of 1997.

Let's look at South Africa. About 3 million people in South Africa are infected with HIV, 13 percent of a population of 43 million. Estimates are by 2010, 25 percent of South Africa's population will be HIV positive. By 1997, 180,000 children were orphaned. That figure will skyrocket to 2 million by 2010. There will be two million orphans in South Africa because of AIDS by 2010. Mr. President, 20 percent of pregnant women are infected. There are close to 400,000 deaths due to AIDS in South Africa since the beginning of the epidemic.

Let's go to Zambia, with an infection rate close to 20 percent. It is one of the hardest hit countries in sub-Saharan Africa. As of 1997, over 770,000 adults and children in Zambia were AIDS affected. There are more than 630,000 estimated AIDS cases. There have been 600,000 cumulative deaths since the beginning of the epidemic. After Uganda, Zambia has the highest proportion of children orphaned by AIDS in the world. By the end of 1997, 360,000 children, almost 10 percent of the children under 15, were orphaned because of AIDS. Four simple pills could prevent the transmission of AIDS from a pregnant woman to a child. Mr. President, 28 percent of adults in the urban area and 15 percent in rural areas are infected with HIV.

To give a sense of how the crisis is eroding social stability in Zambia, last year alone, 1,300 teachers in Zambia died from AIDS. Only 700 new teachers were available to take their place. How do you teach children to be able to get a job in the new marketplace that this bill hopes to bring about if the teachers are dying of AIDS, if the children are orphaned? Zimbabwe has one of the worst AIDS epidemics in the world. Currently, 26 percent of all adults age 15 to 49 are infected with HIV, more than 1.5 million out of a total population of 5.5 million.

The United Nations Population Division has projected that over the next five years half of all child deaths in the country will be due to AIDS.

As in Zambia, by the end of 1997 there were over 360,000 AIDS orphans in Zimbabwe and, as I mentioned earlier, projections are for Zimbabwe to be faced with over 1 million AIDS orphans in the next five years.

The HIV/AIDS crisis is driving families in sub-Saharan Africa worn-down by widespread poverty to the brink of disaster, and eroding the ability of the regions governments to provide services while at the same time increasing the demand for them. This is especially true in health care, where AIDS-related illnesses sometimes account for almost half the hospital beds and in-patient days.

The transition to democracy in the region may also be imperiled, and economic growth may grind to a halt as a result of the AIDS crisis destabilizing social structures.

These numbers, and the impact this disease is having on individual counties in sub-Saharan Africa, is staggering, but it is difficult to capture the depth of the devastation and suffering in the region with statistics and charts. To try to give a better sense of the impact of HIV/AIDS, let me read the first few paragraphs from a story published in the Village Voice last year, part of a Pulitzer Prize winning series of articles by journalist Mark Schoofs.

Let me warn you: the following is not for the faint of heart or faint of stomach.

> They didn't call Arthur Chinaka out of the classroom. The principal and Arthur's uncle Simon waited until the day's exams were done before breaking the news: Arthur's father, his body wracked with pneumonia, had finally died of AIDS. They were worried that Arthur would panic, but at 17 years old, he didn't. He still had two days of tests, so while his father lay in the morgue, Arthur finished his exams. That happened in 1990. Then in 1992, Arthur's uncle Edward died of AIDS. In 1994, his uncle Richard died of AIDS. In 1996, his uncle Alex died of AIDS. All of them are buried on the homestead where they grew up and where their parents and Arthur still live, a collection of thatch-roofed huts in the mountains near Mutare, by Zimbabwe's border with Mozambique. But HIV hasn't finished with this family. In April, a fourth uncle lay coughing in his hut, and the virus had blinded Arthur's aunt Eunice, leaving her so thin and weak she couldn't walk without help. By September both were dead.
>
> The most horrifying part of this story is that it is not unique. In Uganda, a business executive named Tonny, who asked that his last name not be used, lost two brothers and a sister to AIDS, while his wife lost her brother to the virus. In the rural hills of South Africa's KwaZulu Natal province, Bonisile Ngema lost her son and daughter-in-law, so she tries to support her granddaughter and her own aged mother by selling potatoes. Her dead son was the breadwinner for the whole extended family, and now she feels like an orphan.
>
> In the morgue of Zimbabwe's Parirenyatwa Hospital, head mortician Paul Tabvemhiri opens the door to the large cold room that holds cadavers. But it's impossible to walk in because so many bodies lie on the floor, wrapped in blankets from their deathbeds or dressed in the clothes they died in. Along the walls, corpses are packed two to a shelf. In a second cold-storage area, the shelves are narrower, so Tabvemhiri faces a grisly choice: He can stack the bodies on top of one another, which squishes the face and makes it hard for relatives to identify the body, or he can leave the cadavers out in the hall, unrefrigerated. He refuses to deform bodies, and so a pair of corpses lie outside on gurneys behind a curtain. The odor of decomposition is faint but clear.
>
> Have they always had to leave bodies in the hall? ''No, no, no,'' says Tabvemhiri, who has worked in the morgue since 1976. ''Only in the last five or six years,'' which is when AIDS deaths here took off. Morgue records show that the number of cadavers has almost tripled since the start of Zimbabwe's epidemic, and there's been a change in who is dying: ''The young ones,'' says Tabvemhiri, ''are coming in bulk.''
>
> The wide crescent of East and Southern Africa that sweeps down from Mount Kenya and around the Cape of Good Hope is the hardest-hit AIDS region in the world. Here, the virus is cutting down more and more of Africa's most energetic and productive people, adults aged 15 to 49. The slave trade also targeted people in their prime, killing or sending into bondage perhaps 25 million people. But that happened over four centuries. Only 17 years have passed since AIDS was first found in Africa, on the shores of Lake Victoria, yet according to the Joint United Nations Programme on HIV/AIDS (UNAIDS), the virus has already killed more than 11 million sub-Saharan Africans. More than 22 million others are infected [and nobody cares].
>
> Only 10 percent of the world's population lives south of the Sahara, but the region is home to two-thirds of the world's HIV-positive people, and it has suffered more than 80 percent of all AIDS deaths.
>
> Last year, the combined wars in Africa killed 200,000 people. AIDS killed 10 times that number. Indeed, more people succumbed to HIV last year than to any other cause of death on this continent, including malaria. And the carnage has only begun.

In addition to the devastating health impact, HIV/AIDS in Sub-Saharan Africa is also threatening to undermine economic, social, and political stability in the region—the very issues which the African Growth and Opportunity Act is intended to address.

In Zimbabwe and Botswana, for example, where roughly one of every four people have AIDS, the disease has cut sharply into population growth with profound consequences. According to Karen Stanecki, chief of health studies for the U.S. Census Bureau:

> The zero growth is coming because people are dying in their young adult years, not after leading full lives and then dying.

People are dying in the years when they're supposed to be most productive.

As World Bank President James Wolfensohn said at the United Nations this past January:

> Many of us used to think of AIDS as a health issue. We were wrong. AIDS can no longer be confined to the health or social sector portfolios. AIDS is turning back the clock on development.

As the HIV epidemic deepens in Africa, it is leaving an economically devastated continent in its wake.

At the most simple level, already impoverished families that must care for a member who is ill with HIV/AIDS find that what little they had to pay for a child's education or invest for the future is now gone.

The United Nations Joint Program on HIV/AIDS found that urban families in the Cote d'Ivoire, known as the Ivory Coast in this country, with a member sick from AIDS cut spending on their children's education in half and reduced food consumption by about 40 percent as they struggled to cover health care costs.

Moreover, as the epidemic has worsened, so have estimates of its effect on African economies, even without taking into account broader human welfare issues.

Indeed, because of the impact of HIV/AIDS, David Bloom, a professor of economics and demography at the Harvard School of Public Health, warns that ''The whole economy [in Africa] could unravel.''

In ''Confronting AIDS,'' the World Bank factored in labor supply issues and the amount to which health care would be financed out of savings to come up with a ''rough estimate'' of a 0.5 percent annual reduction in per capita GDP growth. I believe this estimate to be on the low side.

One-half of 1 percent may not seem like much. Indeed, for countries with relatively high growth rates such as Uganda, that kind of reduction will not seem to be immediately crippling, but a lower growth rate has a cumulative effect.

A country whose growth rate is 2 percent a year will increase its GNP per capita by 81 percent in one generation, or about 30 years. Each generation will live much better than the last.

However, if AIDS reduces growth to just 1.5 percent per year, the same country will increase its GNP per capita by only about 50 percent in the same period.

This chart shows the change in per capita GDP caused by AIDS in Kenya. The yellow is a no AIDS scenario, and one can see the enormous rise in GDP. The red is the AIDS scenario, even with the African Growth and Opportunity Act, and one can see how it is consequentially lower.

Thus, in Kenya, for example, UNAIDS estimates that while per capita GDP was estimated to increase from 5,600 Kenyan shillings in 1990 to over 6,000 Kenyan shillings by 2005 without AIDS, with the impact of AIDS per capita GDP will remain stagnant over the same period of time.

Likewise, in South Africa UNAIDS estimates that because of the impact of HIV/AIDS the Human Development

Index—which measures the level of human development through a formula based on life expectancy at birth, adult literacy, school enrollment, and real per capita GDP has dropped by over 15 percent from 1995 to the present. That is a 15-percent drop due to AIDS in 5 years. Without HIV/AIDS South Africa's HDI was projected to remain more or less the same.

Finally, the combined effects of HIV/AIDS on health, economic life, the social fabric, and political institutions, has created a genuine threat to future stability and security in sub-Saharan Africa.

That is why, at the initiative of Ambassador Holbrooke and Vice President GORE, the 15-member United Nations Security Council decided to address AIDS earlier this year.

As Secretary General Kofi Annan told the Security Council:

In already unstable societies, this cocktail of disasters is a sure recipe for more conflict. And conflict, in turn, provides fertile ground for further infections.

And, as Dr. Peter Piot, Executive Director of the Joint United Nations Programme on HIV/AIDS, said:

Visibly, the epidemic is eroding the social fabric of many communities. In its demographic, social and economic impact, the epidemic has become more devastating than war, in a continent where war and conflict appear to be endemic.

As U.S. Ambassador to the United Nations Richard Holbrooke said, if we do not work with Africa now to address the problems associated with the HIV/AIDS crisis, ''we will have to deal with them later when they will get more dangerous and more expensive.''

It is in recognition of the destabilizing effects of HIV/AIDS in Africa that the Clinton-Gore administration has taken the step of designating AIDS a threat to U.S. national security interests, as reported the other week in the Washington Post. I believe the administration is to be congratulated for its recognition of the profound effects that this disease is having, and for this effort.

There are many explanations for why this pandemic is sweeping across sub-Saharan Africa: Certainly the region's poverty, which has deprived Africans of access to health information, health education, and health care. Conflict, which has led to increases in refugee flows, and increases in prostitution have also played a role. Cultural and behavior patterns, which has led to sub-Saharan Africa being the only region in which women are infected with HIV at a higher rate than men, may also play a role.

Clearly, in addressing the challenges presented by this disease there needs to be considerable emphasis addressing the health care infrastructure of sub-Saharan Africa and on additional resources for education. I intend to address both these points later.

I also believe that if the international community is to be successful in meeting this challenge, we must make every effort to get appropriate medicine into the hands of those in need.

In the United States and much of the industrialized world, even as sub-Saharan Africa has been ravaged by the impact of HIV/AIDS, we have succeeded, in large part, in turning HIV/AIDS into a chronic disease; not curing it—that must still remain a top priority—but managing it. We have done so, in large parts, by developing effective pharmaceuticals and getting them to those in need.

Indeed, for too many years there were no effective drugs.

I remember, as Mayor of San Francisco, I was the first mayor to implement a program to deal with AIDS in the United States, and remember trying to manage this disease in its early days, when cause, let alone treatment, was unclear; when drugs were simply not available; when HIV/AIDS was devastating our community, and many, many promising young people—many of them my friends—were struck down in the prime of their lives; and when we simply did not know how big the crisis would get, or if our health care system could handle it.

So in some small way, I think I understand what policymakers in many sub-Saharan African countries are now going through.

Now, thanks to recent medical research, we do have effective medicine. For example, some recent pilot projects have had success in reducing mother-to-child transmission by administering the anti-HIV drug AZT, or a less expensive medicine, Nevirapine, NVP, during birth and early childhood.

In fact, new studies indicate NVP can reduce the risk of mother-to-child transmission by as much as 80 percent. Just think of the statistics on orphans and HIV-infected children that could be stopped with four of these pills. NVP is given just once to the mother during labor and once to the child within three days of birth. Three or four pills can mean that a child is prevented from being born with AIDS.

For just $4 a tablet—a little more than the cost of a large latte at Starbuck's, not a lot here but a great deal in Africa—this inexpensive drug regime has created an unprecedented opportunity for international cooperation in the fight against AIDS. Currently, however, less than 1 percent of HIV infected pregnant women have access to interventions to reduce mother-to-child transmission.

In addition to such drugs as NVP, drug ''cocktails'' administered in a treatment regimen known as HAART—highly active antiretroviral therapy—antiretroviral drugs can allow people living with AIDS to lead a normal life. And use of the drugs can lead to long-term survival rather than early death. Such treatment has proven highly effective in developed countries, including our own.

Although some pharmaceutical companies may try to tell you otherwise, most antiretrovirals drugs are relatively inexpensive to produce. AIDS Treatment News recently reported that:

AZT in bulk can be purchased for 42 cents for 300 mg from the worldwide suppliers; this price reflects profits not only to the manufacturer but also to the middleman bulk buyer. The same drug retails at my local pharmacy for $5.82 per pill. This ridiculous price bears no real relation to the cost of production.

Unfortunately—and inexplicably in my view—access for Africans to AIDS medications or ''antiretrovirals'' is perhaps the most contentious issue surrounding the response to the African epidemic.

According to an article, ''Poor Nations Ravaged by AIDS Need the Right Resources'' that appeared in the December 1, 1999 issue of the Journal of the American Medical Association:

For as many years as antiretroviral therapies have been available, AIDS activists have accused pharmaceutical companies of price gouging and challenged them to reduce prices and cut their profit margins on drugs for people with HIV infection and AIDS. In a pilot drug access initiative launched in 1997 in Uganda, Cote d'Ivoire, Chile, and Vietnam, UNAIDS succeeded in negotiating discounts on drugs manufactured by Abbott Laboratories, Bristol-Myers Squibb Co, Glaxo Wellcome Inc, Merck & Co Inc, and Roche Laboratories.

In Uganda, the cost of dual antiretroviral drug therapy has been cut from $600 to $250 per month; triple combination therapy that used to cost $1000 per month is now between $500 and $600 (J Int Assoc Physicians AIDS Care. 1999;5:48–60). Dorothy Ochola, MD, coordinator of the drug access initiative in Uganda, said the US Centers for Disease Control and Prevention has offered free laboratory monitoring of patients for 2 years.

While the program has helped hundreds of HIV-infected people in Uganda gain access to therapy, it is far from a cure-all. Along with government subsidies for drugs, the initiative offers less expensive drugs for palliative care and opportunistic infections, but patients must pay out of pocket for antiretroviral drugs. With a population of 21 million and the number of HIV-positive persons estimated at 930,000, Uganda's approximately 825 patients receiving antiretroviral drugs through the program are a drop in the bucket.

Unfortunately, it is true that even at reduced rates in all too many cases the cost of combination therapy is beyond the means of most people living with AIDS and governments in sub-Saharan Africa.

Combination therapy in South Africa was estimated at $334 per month or $4,000 per year, and UNAIDS reports that Brazil treated 75,000 people with antiretrovirals in 1999 at a cost of $300 million—or, again, $4,000 per person.

I strongly believe that we have a strong moral obligation to try to save lives when the medications for doing so exist, and it is critical that the United States play a leadership role in the international community to increase access to life-saving drugs.

For example, the United States should not oppose African governments and donor agencies from achieving reductions in the cost of antiretrovirals through negotiated agreements with drug manufacturers.

The British pharmaceutical firm Glaxo Wellcome, a major producer of antiretrovirals, has already stated that it is committed to ''differential pricing,'' which would lower the cost of AIDS drugs in Africa. And I say, hooray; one company. These efforts are to be commended, and it is my sincere hope that companies willing to adopt ''differential pricing'' will help African countries get the drugs they need at prices they can afford.

Now I will speak about compulsory licensing and parallel importing for a moment.

This is the issue raised by my amendment and now the President's Executive order. The United States must not oppose ''parallel importing'' and ''compulsory licensing'' by African governments to lower the price of patented medications so that HIV/AIDS drugs are more affordable, and more people in Africa will have access to them.

Through parallel importing, patented pharmaceuticals can be purchased from the cheapest source, rather than from the manufacturer. Under compulsory licensing an African government could order a local firm to produce a drug and pay a negotiated royalty to the patent holder.

Both parallel imports and compulsory licensing are permitted under the World Trade Organization agreement for countries facing health emergencies—and there can be little doubt that Africa is facing a health emergency of monumental proportions.

My amendment, cosponsored by my colleague from Wisconsin, would have simply codified current administration policy—as the administration has now opted to do itself via Executive order—which states that the U.S. Government will not oppose efforts by governments of the countries of sub-Saharan Africa to supply HIV/AIDS drugs to their citizens through compulsory licensing or parallel importing.

This amendment did not create new policy or a new approach on intellectual property rights under the World Trade Organization agreement on Trade Related Aspects of Intellectual Property Rights, know as TRIPS, nor does it require IP rights to be rolled back or weakened.

There are few in this body as committed to the notion of strict protection of U.S. intellectual property rights as I am.

Just a few years ago, for example, when the United States and China were involved in a dispute over IPR protection for movies, music, and computer software, I worked with the administration to convince China that it was important to respect the rights of the patent holder and live up to its commitments to respect intellectual property rights. And, I am pleased to note, China's record since that time on IP issues has improved.

The compulsory licensing process under my amendment was fully consistent with the WTO's approach to balancing the protection of intellectual property with a moral obligation to meet public health emergencies such as the HIV/AIDS pandemic in Africa.

According to an opinion I solicited from the Congressional Research Service on this question, the amendment I offered:

> . . . would appear to be consistent with the TRIPS agreement since on its face it only prohibits U.S. government authorities, such as the U.S. Trade Representative (U.S.T.R.) From seeking a revocation of law or policy which offers adequate intellectual property rights protection consistent with the TRIPS agreement. . . . The TRIPS agreement permits compulsory licensing under certain conditions. . . .

In other words, despite what some pharmaceutical companies have been saying behind closed doors about this amendment over the past few weeks, this amendment did not weaken intellectual property rights protection one iota. It left the bar exactly where it is right now.

Let me be clear about this: My amendment—and now the President's Executive Order—does not create new policy or a new approach on IP rights under TRIPS, nor does it require IP rights to be rolled back or weakened. All it asked is that in approaching HIV/AIDS in Africa, U.S. policy on ''compulsory licensing'' and ''parallel importing'' remain consistent with what is accepted under international trade law.

By doing so, this approach will allow the countries of sub-Saharan Africa to determine the availability of HIV/AIDS pharmaceuticals in their countries, and provide their people with affordable HIV/AIDS drugs.

It was, or so I thought, a simple, common-sense approach to dealing with one facet of one of the most pressing and important national security and international health issues that we face in the coming decades: The HIV/AIDS pandemic currently sweeping across sub-Saharan Africa.

Let me provide one example of why the approach adopted by my amendment, and now the President's Executive Order, is necessary.

On March 14 of this year, Doctor's Without Borders—the medical relief group that won the Nobel Prize last year—sent a letter to Pfizer calling on Pfizer to lower the price of fluconazole, a drug needed to treat cryptococcal meningitus, the most common systemic fungal infection in HIV-positive people, in developing countries.

As the Doctors Without Borders letter notes, in Thailand fluconazole is available for just $1.20 for a daily dose. Yet in Kenya and South Africa, the daily dose costs $17.84, almost 15 times higher. That is unconscionable and is greed in the ultimate.

What accounts for the difference in price?

In Thailand a generic version is available. In Kenya and South Africa the only supplier is Pfizer.

As Bernard Pecoul, director of the Doctors Without Borders Access to Essential Medicines Campaign has noted, ''People are dying because the price of the drug that can save them is too high.''

As the March 14 Doctors Without Borders letter notes, ''While we appreciate that patents can be an important motor of research and development funding, there must be a balance to ensure that people in developing countries have access to life-saving medicines.'' I could not agree more.

Under pressure from Doctors Without Borders, Pfizer has since agreed to provide free fluconazole to South Africa. This situation never should have existed to begin with.

Without ''compulsory licencing'' and ''parallel importing,'' which would allow access to cheaper generic drugs, more people in sub-Saharan Africa will suffer and die.

So why, given that it represented a common sense approach to a devastating problem fully consistent with international trade law did my amendment meet such stiff opposition in conference?

After long and hard consideration, I have concluded that there can be only one possible answer to that question: Profits and corporate greed.

Simply put, the pharmaceutical companies which manufacture HIV/AIDS drugs would prefer to be able to sell drugs for $18 a dose rather than $1 per dose, with the additional $17 going straight to fattening the bottom line.

If there was a legitimate policy debate to be had, why did the opponents of including this provision in the bill not wage their fight out in the open?

The answer is because they had no arguments which would stand up to the light of day—so they restricted their activities to attacking this amendment behind closed doors, out of the public view. And they succeeded, in conference, with literally no one in the room except for a few members, in getting this amendment killed.

The pharmaceutical companies who were opposed to this amendment—opposed because they want to squeeze every last drop of profit from the suffering of the millions of HIV/AIDS victims in sub-Saharan Africa—were successful, behind closed doors, in killing my amendment.

The revenue created from the sale of HIV/AIDS-related drugs is staggering.

Crixivan, used to treat HIV infections, produced $675 million in revenue for Merck, in 1998; Zithromax, used to prevent Mycobacterium avium complex in people with advanced HIV infections, produced over $1.04 billion in revenue for Pfizer, in 1998; Fluconazole, used to treat cryptococcal meningitis, produced $916 million in revenue for Pfizer, in 1998; Epivir, used in combination with AZT as a treatment option for HIV infection in adults and pediatric patients that are at least three months old, produced $595 million in revenue for Glaxo Wellcome, in 1998; Combivir, used as a treatment option for HIV infection in adults and adolescent patients that are at least twelve years old, produced $442 million in revenue for Glaxo Wellcome, in 1998; AZT, used for the treatment of adults with AIDS, produced $248 million in revenue for Glaxo Wellcome, in 1998; Taxol, used to treat AIDS-related Kaposi's sarcoma, produced over $1.2 billion in revenue for Bristol-Meyers Squibb, in 1998; Zerit, used for the treatment of adults with advanced HIV infections, produced $551 million in revenue for Bristol-Meyers Squibb, in 1998; Videx, used for the treatment of adult and pediatric patients with advanced HIV that are intolerant to or deteriorating on AZT, produced $162 million in revenue for Bristol-Meyers Squibb, in 1998; Invirase, used for advanced HIV infections, produced $397 million in revenue for Hoffman-La Roche, in 1998; Hivid, used in combination with AZT for patients with advanced HIV, produced $65 million in revenue for Hoffman-La Roche, in 1998; Famvir, used for the treatment of recurrent mucocutaneous herpes simplex infections in HIV-infected patients, produced $172 million in revenue for SmithKline Beecham, in 1998; Gamimune N, used to prevent bacterial infections in HIV-infected pediatric patients, produced $235 million for Bayer, in 1998; Biaxin, used to treat disseminated mycobacterial infections due to Mycobacterium avium-intracellular complex (MAC), produced $1.25 billion in revenue for Abbott Laboratories, in 1998; Novir, used in combination with nucleoside analogues for the treatment of HIV-infections, produced $250 million for Abbott Laboratories, in 1998; Epogen, used to treat anemia related to AZT therapy, produced $1.38 billion in revenue for Amgen, in 1998; Sustiva, used to treat HIV–1 infections in combination with other antiretrovirals, produced $75 million in revenue for DuPont Pharmaceuticals in 1998.

Viramune, used to treat HIV-infected adults experiencing clinical or immunologic deterioration, produced $154 million in revenue for Boehringer Ingelheim, in 1998; Serostim, used for the treatment of AIDS-wasting and cachexia, produced $88 million in revenue for the Ares-Serono Group in 1998; Viracept, used to treat HIV infection when antiretroviral therapy is needed in adults and pediatric patients that are at least two years old, produced $530 million for Agouron Pharmaceuticals, in 1998; and Abelcet, used to treat aspergillosis, a fungal infection, produced $73 million for The Liposome Company, in 1998.

All of the above-mentioned drugs were among the 500 best selling drugs in the world, in 1998.

Driven in no small part by the profits on HIV/AIDS drugs, the pharmaceutical sector has proven to be one of the most profitable corporate sectors in the world. In 1999 pharmaceutical companies had a 18.6 percent return on revenues, which is 17 percent higher than the number two sector on the list, and a 16.5 percent return on assets, which is 7 percent higher than the number two sector on the list.

For shame, for opposing this amendment.

Merck, the producer of Crixivan, had an 18 percent return on revenues and a 17 percent return on assets.

Bristol-Meyers Squibb, the producer of Taxol, Zerit, and Videx, had a 21 percent return on revenues and a 24 percent return on assets.

Pfizer, the producer of Zithromax and Fluconazole, had a 20 percent return on revenues and a 15 percent return on assets.

Abbott Laboratories, the producer of Biaxin and Norvir, had a 19 percent return on revenues and a 17 percent return on assets.

Amgen, the producer of Epogen, had a 33 percent return on revenues and a 27 percent return on assets.

Ironically, the pharmaceutical companies would profit more from the approach embodied in my amendment than they do right now. Presently, most sub-Saharan African countries are not buying these drugs since they can not afford the price tag, so the pharmaceutical companies are not earning any money at all on these HIV/AIDS drugs in these countries. But if sub-Saharan African countries produced HIV/AIDS drugs through "compulsory licensing," or purchased them by "parallel importing," the pharmaceutical companies holding the patents on these drugs would receive royalties.

I have a very hard time understanding how lobbyists behind closed doors prevail on this body, in the middle of a world health crisis, to prevent the use of cheaper drugs when the figures I have documented are decimating these countries in a major public health emergency. I don't know how they sleep at night. I really do not. I don't know how they can look at a country with 1 million or 2 million AIDS-produced orphans and sleep at night. I really do not understand it.

Let me touch for a moment on what else is to be done.

By itself, the approach of the Feinstein-Feingold Amendment, and the President's Executive order, will not solve the problem of HIV/AIDS in Africa. It only addresses one area—an important area, but only one—of a large and complex problem.

As Dr. David Satcher, the Surgeon General of the United States, wrote in "The Global HIV/AIDS Epidemic" in JAMA, the Journal of the American Medical Association, in April 1998:

> More than a decade of experience has taught us how to control HIV/AIDS—we know what works. Many developed countries have successfully checked the spread of the epidemic. While development of therapy and a vaccine continue, prevention must be emphasized. The basic elements of prevention include education, behavior change, voluntary testing and counseling prevention of perinatal transmission, and political commitment. Each country must find the mix of methods appropriate to its particular conditions.
>
> Education about HIV/AIDS is necessary but alone does not change the behavior of populations. Promotion of voluntary testing and counseling must complement education. Testing and counseling break the deadly silence around HIV/AIDS and empower individuals to make informed decisions and change behaviors. Breaking the silence also will begin to diffuse the stigma surrounding the disease. We have seen success with behavioral change in Uganda and Thailand, the only two less-developed countries with extensive capacity for voluntary testing and counseling.
>
> It is known that perinatal transmission of HIV can be reduced by more than 50% by using antiretroviral therapy; however problems with access to these drugs limit their use in some countries. Transmission of HIV through breast-feeding and poor survival of orphans make the avoidance of disease via treatment for perinatal transmission more complex. We continue to work with international organizations, other governments, and pharmaceutical companies to lower costs and expand access to antiretroviral drugs. Current treatment for perinatal transmission, as well as use of antiretrovirals in general, in less-developed countries is also limited by the fact that very few people have been tested for HIV infection.
>
> Treatment of other sexually transmitted diseases (STDs) is important to control the spread of HIV. One of the reasons HIV has spread so rapidly in Africa is that so many STDs go untreated. Untreated STDs break down natural barriers that prevent transmission. Access to even basic treatment for STDs remains a problem for many less-developed countries.
>
> Perhaps most important in the global battle against HIV/AIDS is political commitment. Leaders at the national, provincial, and local levels of government must speak out about HIV/AIDS and encourage businesses and nongovernmental organizations to commit to work against the disease. I was encouraged by U.S. Vice President Al Gore and Deputy President Thabo Mbeki of South Africa, who put the HIV/AIDS threat at the top of the international agenda at the recent meeting of the United States-South Africa Joint Commission. They set an important example for leaders in developed and less-developed countries.
>
> American medicine and public health have an important role to play in the global battle against HIV/AIDS by supporting international organizations such as the Joint United Nations Program on HIV/AIDS, the World Health Organization, and the World Bank.
>
> HIV/AIDS can be likened to the plague that decimated the population of Europe in the 14th century. While the modern epidemic affects people of all age groups, those of working age are at highest risk, posing potentially dire economic, social, and political consequences for the global community. Unfortunately, the world continues to devote greater attention and resources to traditional national security issues such as wars, postponing notice of an epidemic that, if left to spread unchecked, will kill more people than any of the terrible conflagrations that have so marked this century.

Because of the complexity of dealing with this issue, the Clinton-Gore Administration has asked Congress to commit $150 million toward vaccine research and AIDS treatment and prevention programs in Africa.

The Administration's initiative dedicates $100 million for the prevention and treatment of HIV and AIDS in Africa, Asia and other regions, doubling current U.S. funding of AIDS prevention efforts. An additional $50 million will go to the Vaccine Fund of the

Global Alliance for Vaccines and Immunizations for research, and the purchase and distribution of vaccines for other infectious diseases in developing nations.

The Administration's initiative, announced by the Vice President this past January, also includes plans for a public-private partnership with U.S. business leaders active in Africa, with a goal of developing workplace education programs designed to end the stigma and "break down the barriers against discussing AIDS."

The Vice President has also proposed specific funding for the U.S. military to work with armed forces in Africa to combat AIDS, an especially important initiative given the high rates of infection among soldiers.

I believe that it is crucial that we provide support for these efforts at least at the level the Administration has called for.

In fact, I am a cosponsor of a bill introduced by my colleague from California, Senator BOXER, which calls for USAID to make HIV/AIDS a priority in foreign assistance funding and authorizes $2 billion over five years, with at least 50 percent targeted at sub-Saharan Africa, for a comprehensive coordinated effort to combat HIV/AIDS, including testing, education, treatment, and the provision of medicines to prevent mother-to-child transmissions.

I should note here that I was also disappointed that the Conference choose not to include an Administration initiative to provide a tax credit for the President's Millennium Vaccine Initiative tax credit proposal. This proposal would create a tax credit to encourage the development of vaccines for malaria, tuberculosis, HIV/AIDS, or any infectious disease that causes over 1 million deaths annually worldwide.

Such a tax credit would encourage the development of a vaccine for HIV/AIDS. As Dr. Seth Berkley, president of the International AIDS Vaccine Initiative has put it: "We need new prevention technologies, and the most critical one is a vaccine. . . . Ultimately, only a vaccine can stop the epidemic."

These actions and policies must be part of a larger development effort if we are to help these sub-Saharan African countries control the HIV/AIDS pandemic.

Debt relief must also be part of a this larger development effort. It is unconscionable that many of these countries are spending more than a quarter of their precious export earnings on debt service payments to bilateral and multilateral creditors. The World Bank is correct when it declares that debt burdens at these levels are unsustainable.

The citizens of most of these countries are extremely poor, and they are burdened with unsustainable debts built up during the Cold War. These debts were accrued during the 1970s and 1980s by unaccountable governments.

Debt service diverts scarce resources away from spending on health care, health education, and poverty reduction initiatives in these countries. Debt servicing absorbs up to 40 percent of national revenue among a majority of countries in sub-Saharan Africa.

We must lead the international community in efforts to write-off unsustainable debts so these countries can spend more money health education, infrastructure and services, as well as other development needs.

Let me conclude and thank the Senate for its forbearance. I am sorry for my display of emotion. I have watched people die of AIDS. I know what it is like. I can't imagine what it must be like in Africa where citizens maybe don't have a home, where they have an enormous cultural taboo attached to it, where there is no food, there is no medicine, and to know that a few pills can prevent the transmission of AIDS to a child for a nominal sum of money, and to know, literally, that in the coming years this could save 5 to 10 million people.

Just to think of what went on behind closed doors by lobbyists for pharmaceutical companies is unconscionable. The TRIPS agreement, the World Trade Organization, at a time of national health emergency, permits compulsory licensing and parallel importing. For these pharmaceutical companies that have made the kind of money they have made—and I know they will say they spent millions and millions on research and development; I have a member of my family who was director of research for one of the companies that worked on an antiretroviral—the bottom line is every one of these annual reports shows a substantial increase in profit.

Yet in little-known countries in sub-Saharan Africa, people are literally dying by the millions. Today we are considering a trade initiative bill which aims at giving them a better way of life. What is the better way of life if you can't live? What is the better way of life if you are dying of AIDS? What is a better way of life if you were 1 of 5 million orphans born in sub-Saharan Africa? What is a better life if you were born one of these HIV-infected orphans?

I find the act of pharmaceutical companies in opposing this amendment unconscionable.

I thank the Chair for its forbearance, and I thank the Senate. I also thank the administration for doing a major act of conscience in the production of an Executive order which will allow the purchase of these drugs at the lowest possible rates.

EXHIBIT 1

EXECUTIVE ORDER

ACCESS TO HIV/AIDS PHARMACEUTICALS AND MEDICAL TECHNOLOGIES

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 141 and chapter 1 of title III of the Trade Act of 1974, as amended (19 U.S.C. 2171, 2411–2420), section 307 of the Public Health Service Act (42 U.S.C. 2421), and section 104 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2151b), and in accordance with executive branch policy on health-related intellectual property matters to promote access to essential medicines, it is hereby ordered as follows:

Section 1. Policy. (a) In administering sections 301–310 of the Trade Act of 1974, the United States shall not seek, through negotiation or otherwise, the revocation or revision of any intellectual property law or policy of a beneficiary sub-Saharan African country, as determined by the President, that regulates HIV/AIDS pharmaceuticals or medical technologies if the law or policy of the country:

(1) promotes access to HIV/AIDS pharmaceuticals or medical technologies for affected populations in that country; and

(2) provides adequate and effective intellectual property protection consistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)).

(b) The United States shall encourage all beneficiary sub-Saharan African countries to implement policies designed to address the underlying causes of the HIV/AIDS crisis by, among other things, making efforts to encourage practices that will prevent further transmission and infection and to stimulate development of the infrastructure necessary to deliver adequate health services, and by encouraging policies that provide an incentive for public and private research on, and development of, vaccines and other medical innovations that will combat the HIV/AIDS epidemic in Africa.

Sec. 2. Rationale: (a) This order finds that:

(1) since the onset of the worldwide HIV/AIDS epidemic, approximately 34 million people living in sub-Saharan Africa have been infected with the disease;

(2) of those infected, approximately 11.5 million have died;

(3) the deaths represent 83 percent of the total HIV/AIDS related deaths worldwide; and

(4) access to effective therapeutics for HIV/AIDS is determined by issues of price, health system infrastructure for delivery, and sustainable financing.

(b) In light of these findings, this order recognizes that:

(1) it is in the interest of the United States to take all reasonable steps to prevent further spread of infectious disease, particularly HIV/AIDS;

(2) there is critical need for effective incentives to develop new pharmaceuticals, vaccines, and therapies to combat the HIV/AIDS crisis, including effective global intellectual property standards designed to foster pharmaceutical and medical innovation;

(3) the overriding priority for responding to the crisis of HIV/AIDS in sub-Saharan Africa should be to improve public education and to encourage practices that will prevent further transmission and infection, and to stimulate development of the infrastructure necessary to deliver adequate health care services;

(4) the United States should work with individual countries in sub-Saharan Africa to assist them in development of effective public education campaigns aimed at the prevention of HIV/AIDS transmission and infection, and to improve their health care infrastructure to promote improved access to quality health care for their citizens in general, and particularly with respect to the HIV/AIDS epidemic;

(5) an effective United States response to the crisis in sub-Saharan Africa must focus in the short term on preventive programs designed to reduce the frequency of new infections and remove the stigma of the disease,

and should place a priority on basic health services that can be used to treat opportunistic infections, sexually transmitted infections, and complications associated with HIV/AIDS so as to prolong the duration and improve the quality of life of those with the disease;

(6) an effective United States response to the crisis must also focus on the development of HIV/AIDS vaccines to prevent the spread of the disease;

(7) the innovative capacity of the United States in the commercial and public pharmaceutical research sectors is unmatched in the world, and the participation of both these sectors will be a critical element in any successful program to respond to the HIV/AIDS crisis in sub-Saharan Africa;

(8) the TRIPS Agreement recognizes the importance of promoting effective and adequate protection of the intellectual property rights and the right of countries to adopt measures necessary to protect public health;

(9) individual countries should have the ability to take measures to address the HIV/AIDS epidemic, provided that such measures are consistent with their international obligations; and

(10) successful initiatives will require effective partnerships and cooperation among governments, international organizations, nongovernmental organizations, and the private sector, and greater consideration should be given to financial, legal, and other incentives that will promote improved prevention and treatment actions.

Sec. 3. Scope. (a) This order prohibits the United States Government from taking action pursuant to section 301(b) of the Trade Act of 1974 with respect to any law or policy in beneficiary sub-Saharan African countries that promotes access to HIV/AIDS pharmaceuticals or medical technologies and that provides adequate and effective intellectual property protection consistent with the TRIPS Agreement. However, this order does not prohibit United States Government officials from evaluating, determining, or expressing concern about whether such a law or policy promotes access to HIV/AIDS pharmaceuticals or medical technologies or provides adequate and effective intellectual property protection consistent with the TRIPS Agreement. In addition, this order does not prohibit United States Government officials from consulting with or otherwise discussing with sub-Saharan African governments whether such law or policy meets the conditions set forth in section 1(a) of this order. Moreover, this order does not prohibit the United States Government from invoking the dispute settlement procedures of the World Trade Organization to examine whether any such law or policy is consistent with the Uruguay Round Agreements, referred to in section 101(d) of the Uruguay Round Agreements Act.

(b) This order is intended only to improve the internal management of the executive branch and is not intended to, and does not create, any right or benefit, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

WILLIAM J. CLINTON.

The PRESIDING OFFICER (Mr. THOMAS). Under the previous order, the Senator from Wisconsin is recognized.

Mr. FEINGOLD. I ask unanimous consent, at the conclusion of my remarks, a Republican Senator be recognized to speak, if one seeks recognition, and that Senator HOLLINGS be the next speaker recognized to speak thereafter.

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

Mr. FEINGOLD. Mr. President, let me first say the senior Senator from California certainly should not apologize for her emotion. If there ever was an issue that deserves such a powerful display of passion and emotion, it is this issue of the AIDS crisis in Africa and the outrageous nerve of these pharmaceutical companies of removing this modest provision that the Senate unanimously placed in the bill in the conference report. It is an abysmal moment.

I thank the Senator for her leadership, her passion, and for her willingness to continue this fight that we all will continue as long as it takes.

Before we go any further with this conference report, I come to the floor to follow on the comments of the Senator from California to make something clear to my colleagues. I think we can do better than this. We have lost our way with this new Africa policy. We have to chart a new course if we are to seek a better world for Africa and for America.

I say this as a Senator, an American, and as a human being who has been to Africa, seen its promise, and been appalled by its suffering. I come here to express my disappointment about the African Growth and Opportunity Act and my deep dismay about how and why the Feinstein-Feingold amendment on the HIV/AIDS crisis was kept out of the conference report.

Very simply, I am talking today about the future of U.S.-Africa policy. We have a role to play in Africa's future and we have to decide what that role is going to be. Some in this body think AGOA is the right example of what our role in Africa's future should be. The African Growth and Opportunities Act supporters believe this legislation is somehow a landmark, that it represents a real opportunity for growth on the continent, a new way of thinking about Africa. They want us to believe, as they believe, that to reject it would be to reject all engagement with the continent and, indeed, to reject all of the enterprise and energy of the people of Africa.

But they are wrong. This bill is deeply flawed. For 7 years I have served on the Foreign Relations Subcommittee on Africa and I have committed myself to supporting democratization, peace, and development in the many countries of that continent. I support engagement with Africa as strongly as any Member of this body. I am deeply concerned about the dearth of economic ties between the people of the United States and those of the African Continent. The current level of trade between us is depressingly small. Africa represents only 1 percent of our imports, 1 percent of our exports, and only 1 percent of our foreign direct investment.

So if the question is, Should something be done to stimulate our trade with Africa, the answer is ''absolutely.'' But I urge this body, let's not pretend we are now somehow debating a comprehensive trade package for Africa, for this bill is not in any sense comprehensive. Let's not fail to address the need to build an environment, an actual environment that will foster and sustain mutually beneficial economic relationships. If we fail to assemble the components of that environment in this trade package, it cannot be called comprehensive, and I would certainly say it should not even be passed.

There really are only two defensible views of this bill. It either does virtually nothing at all, or it does actual harm. This legislation does very little for Africa. The trade benefits we are talking about are not terribly significant, primarily making African states eligible for temporary preferential access to the U.S. markets for textiles and apparel. Many of Africa's primary exports are not addressed at all by this legislation. This legislation does little to address the African context for economic growth and that context is a challenging one. It is a context of boundless potential amid a web of obstacles.

Economic growth in sub-Sarahan Africa faces the obstacle of a staggering $230 billion in bilateral and multilateral debt. Africa's debt service requirements now take over 20 percent of the region's export earnings. How can Africa, to which the Presiding Officer has certainly devoted a lot of his attention, become a strong economic partner when its states must divert funds away from schools, away from health care, and away from infrastructure in order to service this crushing debt burden? How can we talk about economic engagement and simply pay lip service to these painfully obvious realities?

I am sorry to say in several ways I think this legislation actually would do harm. By addressing seriously only one industry, the textile industry, it fails to support the kind of diversification that any economy, including African economies, need to regain strength and stability. I fear AGOA also fails to adequately tackle the serious problem of transshipment.

Transshiment is a practice whereby, for example, producers in China and other third party countries establish sham production facilities in countries which may export to the United States under more favorable conditions. Then these producers ship goods, made in their factories at home and meant for the U.S. market, to the third country. In this case it would be an African country. They pack it or assemble it in some minor way and send it off to the United States of America with a new label ''Made In Africa,'' thereby enjoying all the trade benefits that label would bring.

As I told my colleagues on a number of occasions, and as I think they know, transshipment is really a very serious problem. 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.

In this regard, just to give you a sense of the thinking that goes on behind this kind of scam, I would like to share some of the words from the People's Republic of China. This is a quote taken directly from the official web site of the Chinese Ministry of Trade and Economic Cooperation. This is the quote:

> There are many opportunities for Chinese business people in Africa. . . . 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 on commodities of Chinese origin imposed by European and American countries.

There it is, right on their web page. It is not hard to see that those who would engage in transshipment are not too worried about the protections we currently have in place to guard against it. This same visa system that has failed us in the past is the basis, again, for the allegedly effective AGOA protections. In fact, the African Growth and Opportunity Act does not require that Africans themselves be employed at firms that are receiving the trade benefits. This is progress? If nothing else, I think it raises a red flag for my colleagues, when they consider the African Growth and Opportunity Act. This should be a crystal clear signal: Nothing in this Act ensures that whatever opportunities this legislation may create—there is no guarantee these will be opportunities for Africans, for citizens of African countries.

AGOA does not mention environmental standards at all, but any plan for sustainable economic development must include some notion of environmental protection. I think this is especially true of a continent like Africa where, in some countries, 85 percent of the people live directly off the land. We are all affected when logging and mining deplete African rain forests and increase global warming.

We all lose when species unique to Africa are lost to hasty profit-making schemes, hatched without regard to sustainability or long-term environmental effects. Environmental quality also has serious implications for peace and stability in the region. As we have seen in the Niger Delta, environmental degradation can lead to civil unrest. Responsible trade policies must adequately address human rights and environmental issues, not just because it is the right thing to do but because also in the long run it will create a better business climate for Africans and Americans alike.

In addition, the African Growth and Opportunity Act fails to address the critical role that development assistance ought to play in promoting African growth and opportunity. That failure has raised an alarm here at home and internationally. The perception is that the United States has deluded itself into believing that a small package of trade benefits, benefits which may not actually benefit Africans themselves, can replace a responsible and well-monitored program of development assistance. I am afraid that this inevitably will cast doubt on the U.S. commitment to development in Africa.

I care about each of the objections I just raised to this bill. But let me tell you, just as the senior Senator from California indicated, more than anything else what makes me doubt the U.S. commitment to development in Africa is that this conference report turns a blind eye to the AIDS crisis by excluding the modest Feinstein-Feingold amendment. As the ranking member of the subcommittee on Africa, I have always felt very strongly about the issue of AIDS in Africa. I tried to raise it last year and this year in the context of the Africa trade debate. I raised it on many occasions in meetings with African heads of state.

I applaud the U.N. Security Council's decision to address the crisis earlier this year, and I do support the administration's call to increase the resources directed at this AIDS crisis. But what I cannot support, what I cannot applaud, and what I cannot even understand is how this body can pass up an opportunity to take just one small step toward addressing the AIDS crisis in Africa. I am referring to the Feinstein-Feingold amendment. It was very modest. It simply prohibited Federal money from being used to lobby a government to change TRIPS-compliant laws, allowing access to HIV drugs. Our amendment was taken out in the conference committee. So now this bill, which makes a weak attempt to address Africa trade as it is, does nothing—an African Growth and Opportunity Act does nothing to actually address the HIV/AIDS crisis that affects every aspect of the African economy, not to mention every African life.

We have before us a conference report which does nothing to fight the AIDS crisis that is ravaging Africa, threatening to destroy its economies and decimate its communities. Why? How can it be that we will debate a bill of this nature and ignore the single most important issue facing sub-Sarahan Africa today? Why is it that one modest provision included by this Senate, the Feinstein-Feingold amendment regarding HIV/AIDS drug in Africa, was removed from this bill?

When the Senate was debating that legislation last year, Senator FEINSTEIN and I offered our amendment, which was readily accepted by the bill's managers, Senators ROTH and MOYNIHAN, to address a critically important issue—an issue relating to Africa's devastating AIDS crisis; an issue that has cast a dark shadow on United States-African relations in the past.

Our amendment was simple. It prohibited the U.S. Government or any agent of the U.S. Government from pressuring African countries to revoke or change laws aimed at increasing access to HIV/AIDS drugs, so long as the laws in question adhere to existing international regulations governing trade. Quite simply, our amendment told the executive branch to stop twisting the arms of African countries that are using legal means to improve access to HIV/AIDS pharmaceuticals for their people.

The Agreement on Trade Related Aspects of Intellectual Property Rights, or TRIPS, allows for compulsory licensing in cases of national emergency. Approximately 13 million African lives have been lost since the onset of the crisis. According to the Rockefeller Foundation's recent report, "on statistics alone, young people from the most affected countries in Africa are more likely than not to perish of AIDS." Consider that I say to my colleagues: more likely to perish than not. If these do not constitute emergency conditions, then I do not know what does.

This was a very modest amendment, but the final version of the amendment discussed by the conferees was even more modest. It was a true compromise. It was not as strong as I would have liked it to be, and I worked hard to keep it strong, but even the compromise pushed our policy closer to the right thing. I again thank the Senator from California, Mrs. FEINSTEIN, the Senator from New York, Mr. MOYNIHAN, and the Senator from Delaware, Mr. ROTH, and their staffs for working so hard to keep this amendment in at the conference level.

But despite these efforts, despite the concessions that Senator FEINSTEIN and I made, despite the fact that this is the right thing to do, the Feinstein-Feingold amendment was stripped in conference. The opposition to our amendment is baffling. How do the conferees who killed this provision justify pressuring these countries, where in some cases AIDS has reduced life expectancies by more than 15 years, not to use all legal means at their disposal to provide effective medicines for their citizens? Without broader access to these drugs in Africa, more people will suffer, more people will die—that is a simple fact.

I cannot imagine that ordinary Americans are urging their representatives to oppose the Feinstein-Feingold amendment. I cannot imagine that anyone would try to prevail upon my colleagues to oppose this measure—except perhaps for pharmaceutical companies. The pharmaceutical industry does not fear losing customers in Africa, because they know that Africans simply cannot afford their prices. But they do fear that taking this modest step in this time of crisis could somehow, in some ill-defined scenario in the future, cut into their most important consideration: their bottom line.

That brings me to the calling of the bankroll.

From time to time on this floor when we debate the issues, I review some facts and figures that most of my colleagues are unwilling to discuss.

I have dubbed it the ''calling of the bankroll''—a chance for my colleagues and the public to consider not just the issues, but the money that drives the issues in our democracy today.

I can tell you, the pharmaceutical industry is certainly no exception when it comes to playing the political money game—in fact, huge donations to the parties are the rule in the pharmaceutical industry.

I would like to discuss a few of the companies that fought against the Feinstein-Feingold amendment, not in terms of policy, although I have certainly done that and will continue to, but in terms of political donations.

All the figures I am about to cite are for the first 15 months of the current election cycle—all of 1999 and the first 3 months of this year.

I will start with Pfizer, which is one of several pharmaceutical giants that rank among the top soft money donors in 1999, and with good reason. Pfizer and its executives gave more than $511,000 in soft money during the period, including a $100,000 contribution earlier this year. Pfizer was also a top PAC money donor in its industry during the period, with more than $242,000 to Federal candidates during the period.

Then there's Bristol Myers Squibb, another top soft money donor, which, with its executives, gave nearly $529,000 in soft money to the parties, including two $100,000 contributions during the period. Bristol Myers Squibb also gave more than $146,000 in PAC money during the period.

Merck and Company gave more than $51,000 in soft money and nearly $168,000 in PAC money during the period.

And finally, Glaxo Wellcome and its executives gave more than $272,000 in soft money to the parties and gave more PAC money than any other pharmaceutical company during the period—more than $291,000.

Those are the donations of some of the pharmaceutical companies that fought so hard against the Feinstein-Feingold amendment. They are donations that signal influence, power, and political clout—political clout that most Americans could never hope for, and no African living with HIV could ever dream of. In the fight over the Feinstein-Feingold amendment, the pharmaceutical companies clearly got their way, while millions of Africans suffering from HIV and AIDS were left without even one glimmer of hope from this body or this bill.

The people of Africa desperately need hope in the midst of the AIDS crisis. I am going to share some numbers, along the lines of other speakers, that put the staggering AIDS crisis in Africa in stark relief.

The disease is already the fourth biggest cause of death in the world. In at least five African countries, more than one adult in five has HIV.

Economic growth in Africa faces the obstacle of a devastating HIV/AIDS epidemic. In the course of 1998, AIDS was responsible for an estimated 2 million African deaths. That is 5,500 deaths a day. At least 12 million Africans have been killed by AIDS since the onset of the crisis. Africa accounts for over half of the world's cases of HIV. The realities of a continent gripped by this disease are truly horrifying—lines outside cemeteries as families wait to bury the dead, and morgues that operate around the clock, 7 days a week. I am told in Harare, Zimbabwe there are 24-hour morgues.

For Africa's children, it may be most horrifying of all. Eighty-seven percent of the world's HIV-positive children live in Africa. According to World Bank President James Wolfensohn, the disease has left 10 million African orphans in its wake. Their lives are that continent's future. Their chronic illness and their deaths each day erode a little more of Africa's promise. It is difficult to see how the United States can enjoy mutually beneficial trade relations with Africa unless we commit ourselves to addressing the HIV/AIDS crisis on a scale beyond anything we have done before.

In Botswana, Namibia, Zambia and Zimbabwe, 25 percent of the people between the ages of 15 and 19 are HIV positive.

One report by ING Barings, an investment bank, said that almost 19 percent of all skilled workers in South Africa will have HIV by 2015. To make matters worse, food production in southern Africa has been impacted by the crisis. For example, maize production in Zimbabwe declined 61 percent last year due to illness and death from AIDS.

By 2010, sub-Saharan Africa will have 71 million fewer people than it would have had if there had been no AIDS epidemic.

My recent trip to ten African countries only renewed my resolve to address this matter with the urgency and seriousness it deserves.

When we were in Namibia, I saw a group of HIV-positive citizens pull up to a meeting in a van with curtained windows, and they hurried to the safety of the meeting room as soon as they arrived. They were fearful. They were afraid that their identity would be revealed, and that the stigma still attached to the disease would cause them to lose their jobs and maybe even to be disowned by their own families. It was shocking—in a country gripped by the epidemic, people are still afraid to acknowledge the crisis.

In Zambia I visited an orphanage of sorts, where 500 children, many of them orphaned when AIDS killed their parents, gathered by day.

This isn't even an orphanage where you get to stay at night. It is just a place where a bunch of kids who don't have any parents hang out during the day before they go out to the streets at night to sleep. At night, there is only room for 50 of them—the rest must make their own arrangements, and many end up sleeping on the streets, sometimes prostituting themselves—thereby risking exposure to HIV in their own struggle to survive. By the end of this year, an astonishing 10.4 million African children under 15 will have lost their mothers or both parents to AIDS—90 percent of the global total of AIDS orphans.

In Zimbabwe, some estimates indicate that life expectancy has precipitously dropped from 65 to 39 years. Let me repeat that: life expectancy in Zimbabwe dropped from 65 to 39. Walking past the Parliament building one day, I asked how old one had to be to become a legislator there in Zimbabwe. What was the answer? The answer was 40. Life expectancy is 39, but you have to be 40 to be elected to the legislature. That exchange helped me to grasp how far-reaching the consequences of this disease really are—no society is structured in a way that prepares it to deal with an unchecked epidemic like AIDS. In southern Africa, life expectancy at birth is dropping at a frightening rate. According to one recent U.N. report, expected life spans in the region will drop from 59 years in the early 1990s to just 45 by the year 2010.

In July 1999, the National Institutes of Health released a report on the effectiveness of a drug called nevirapine—NVP—in preventing mother-to-child transmission of HIV. Studies indicate that this drug can reduce the risk of mother-to-child transmission by more than 50 percent.

NVP is given just once to the mother during labor and once to the baby within 3 days after birth. It cost $4 per tablet. This relatively simple and inexpensive drug regimen has created an unprecedented opportunity for international cooperation in the fight against the vertical transmission of HIV.

And Uganda is making real headway with regard to prevention. There was a time in Uganda when, of the women coming to the reproductive health clinics, 35 to 40 percent of them tested positive for HIV. But since 1992, the Ugandan Government's very frank and high-profile public education efforts have helped to reduce the incidence of HIV infection by more than 15 percent. Uganda has shown that something can be done. Uganda has demonstrated that prevention can work.

But despite these positive signs, there are many fronts on which there has been very little progress. Virtually no one has access to drugs to treat the disease. Prevention is unquestionably the most important element of the equation, but treatment cannot be ignored. Poverty should not be a death sentence—not when the infectious disease that is destroying African society can be treated.

The AIDS crisis in Africa is exactly what the TRIPS agreement was meant to address. This is a crisis, an emergency on an incomprehensibly vast scale. This is the rare and urgent situation that calls for something beyond a dogmatic approach to intellectual property rights.

If allowing for a TRIPS-compliant response seems expensive, just think how expensive it will be, in the long run, not to do so. Even beyond the human tragedy, there are vast economic costs to this epidemic. AIDS affects the most productive segment of society. It is turning the future leaders of the region into a generation of orphans.

It is simply unconscionable for the U.S. Government to fight the legal efforts of African states to save their people from this plague. I cannot imagine why any of my colleagues would support such action. Those dissatisfied with the TRIPS agreement should focus their efforts on changing it—not on twisting the arms of countries in crisis who seek only to protect their people from sickness and death in a manner that complies fully with international law.

Again, how could the irresponsible and callous decision to strip the Feinstein-Feingold amendment from the conference have been made? I have some idea, as I said before. Some may have bowed to the pressure of the pharmaceutical industry. And some members just don't get it.

But this body has to ''get it.'' We don't have time to posture while HIV infects more than 15,000 young people each day, and the most productive segment of a society is wiped out by disease. We cannot waste precious legislative opportunities as millions of orphans grow up on Africa's streets, without any guidance or education. After witnessing the shocking violence that resulted, in large part, from the masterful manipulation of disenfranchised youth in West Africa over the last decade, I think we all have to take this threat seriously, and acknowledge that the threat is fueled each day by the withering scourge of AIDS that today is galloping through so much of Africa and other parts of the developing world.

Mr. President, until recently this Senate has been moving in the right direction on these issues. I have been pleased to work with many of my colleagues in a bipartisan effort—I do want to mention in particular the Presiding Officer, the Senator from Tennessee for his efforts in this regard—we have worked together to raise the profile of the epidemic and to work toward a comprehensive package aimed at addressing this crisis. It disturbs me a great deal to think that Members of this body have somehow failed to hear us, or perhaps refused to listen.

As long as we fail to grasp the magnitude of the epidemic and its consequences, AIDS will continue to take its terrible toll on families and communities, on economies, and on stability around the world. And as long as we pass legislation like AGOA, we fail to seriously address virtually every crucial aspect of our trade relationship with sub-Saharan Africa.

Everytime we make this kind of weak attempt to improve our trade relationship with Africa, we admit that we are willing to dismiss African countries' problems, and that we are comfortable ignoring the continent's boundless promise.

I care deeply about Africa and about U.S. policy towards Africa, and my colleagues know that. But I am here today not just because of my own concerns, but because of others—because I know how deeply they care about Africa, and I have heard them voice their very serious concerns about AGOA.

African-American leaders ranging from Cornel West to Randall Robinson have opposed the African Growth and Opportunity Act.

Last year, a group of African-American Ministers representing communities from Massachusetts and Mississippi, California and New Jersey, Virginia and Illinois came to Capitol Hill to express their opposition to the African Growth and Opportunity Act. I would like to submit the statement of Reverend Alexander Hurt of the Hurt Inner-City Ministries for the RECORD.

Here is what he said.

> I have never fully felt like an American until the day that I watched my President land in the land of my fathers. It was like introducing two old friends to each other. That the AGOA is in any way associated with that trip is saddest part of this debate. There are millions of African-Americans who, like me, connect the President's trip of Africa with a start of a new kind of relationship between not only Africa and America, but Africa and the West. AGOA closes that possibility. For it represents not a new future, but a return to the past.
>
> America in a period of abundance that is unknown in human history, can not be moved to reach out to Africa to help starving nations. In the end we must decide if we will have a foreign policy that reaches out with a hand toward nations as equals, or with a hammer and pound them into subjection. Few things have changed with America's position toward Africa. What was once done with the canon and the gun is now being done with medicine and debt.

I have heard African voices raise the alarm about AGOA as well as American ones. The Congress of South African Trade Unions, COSATU, has issued a statement opposing the African Growth and Opportunity Act.

A statement issued by 35 African NGOs—including Angola's Journalists for the Environment and Development, Kenya's African Academy of Sciences, South Africa's International People's Health Council and Zambia's Foundation for Economic Progress—strongly opposed AGOA.

Women's groups have spoken out as well. WiLDAF—Women in Law Development in Africa, a coalition of African women and women's advocacy groups, opposes the African Growth and Opportunity Act, as does Women's EDGE, a coalition of international development organizations and domestic women's groups.

The Africa-America Institute organized focus group discussions in eight African countries and the U.S. to foster discussion of proposed U.S.-Africa trade legislation. They found that AGOA will not contribute to African development unless the U.S. and other donor countries also increase investments in African human resource development and take measures to relieve Africa's debt burden.

I know that others have voiced support for AGOA, and I don't question their motives. Some of those supporters believe that this is the only game in town, and that a deeply flawed Africa trade bill is better than no bill at all. They are wrong. This bill should not become law.

Originally, I tried to make this bill better. I proposed alternative legislation, the HOPE for Africa Act. It was based largely on the efforts of my colleague from the House, Congressman JESSE JACKSON, Jr., who has been an important leader on this issue.

The provisions of the HOPE bill pointed the way toward a more comprehensive and a more responsible U.S.-Africa trade policy.

Mr. President, I wanted to amend AGOA to make goods listed under the Lome Convention eligible for duty-free access to the U.S., provided those goods are not determined to be import-sensitive by the President. These provisions would mean more trade opportunities for more African people.

My proposals clearly spelled out the labor rights that our trade partners must enforce in order to receive benefits. They also contained a monitoring procedure that involves the International Federation of Trade Unions, so that violations would not be glossed over at the expense of African workers.

I proposed stronger human rights language, and incentives for foreign companies operating in Africa to bring their environmental practices there up to the standards that they adhere to at home.

I proposed tough transshipment protections that give American entities a stake in the legality of the products they import. I wanted to be sure that Africans and Americans really would benefit from our U.S.-Africa trade policy.

In that same vein, I proposed that trade benefits be contingent upon the level of African content in products and the employment of African workers.

I proposed that the U.S. re-assert its commitment to responsible, well-monitored development assistance for Africa.

Mr. President, I would have been irresponsible not to propose changes to AGOA to address the factors crippling Africa's economic potential today—debt, HIV/AIDS, and corruption.

I urged this Senate to include anti-corruption provisions, to address debt relief, to prioritize HIV/AIDS prevention and treatment, and to address the issue of Africa's intellectual property laws, to ensure that U.S. taxpayer dollars are not spent to undermine the legal efforts of some African countries to gain and retain access to low-cost pharmaceuticals.

Mr. President, if all of this sounds ambitious, it was. Any plan to seriously engage economically with Africa must be ambitious. We must be willing to do what is necessary to knock down the obstacles to a healthy, thriving and just commercial relationship between the countries of Africa and the U.S. The bill before us falls far short of the minimum meaningful effort. The rhetoric that surrounds the African Growth and Opportunity Act is certainly ambitious. It is the content that is insufficient.

We must demand more of a U.S.-Africa trade bill than AGOA has to offer. Ambitious plans can lead to rich rewards for both America and Africa. Every time we turn our backs on a strong economic partnership with African nations, we pass up an opportunity to bring stability, democracy, and prosperity to the continent.

We can do better than this, Mr. President. We must do better. We have veered dangerously off course with this legislation and with this conference report. It is time to reconsider this bill and the direction of U.S.-Africa policy because, very simply, our current course promises failure of U.S. policy toward Africa and decades more of despair and lost opportunity for Africa's people.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. GREGG). The Senator from Kentucky is recognized.

Mr. BUNNING. Mr. President, I rise in opposition to the conference report to H.R. 434, the Africa/CBI bill.

This is a bad proposal, and it should not become law. In fact, the only good thing that I can say about it is that it's not as bad as it could have been. Still, it should not pass.

In recent years, we have lost over 5,000 textile jobs in southern Kentucky. Nationwide, we have lost over 100,000 textile jobs since NAFTA. They're gone. They're not coming back.

Now there aren't many left, and I am not going to support any legislation that I believe is going to ship the rest of these jobs overseas.

But, that's just what this bill would do. It would suspend quotas and duties on clothing made from many African-made fabrics. It calls for duty-free imports of T-shirts and fabric from the Caribbean.

In short, it's going to make it cheaper and more enticing for the textile companies to locate overseas, where labor costs are lower, and to take jobs with them.

The bill also extends duty-free treatment to other ''import sensitive'' items like certain types of watches, electronic articles, steel products, footwear, handbags, luggage, and glass products.

I respect the good intentions of those who support this bill in wanting to help poor countries in Africa and the Caribbean. But I don't think we should do that at the expense of American workers and their jobs.

Furthermore, this bill simply looks like a one-way street to me. It makes it easier for African and Caribbean nations to import products to the United States, but as far as I can tell it doesn't do much for the United States.

Of course, our economy is a lot bigger and stronger than all of their's put together, but that doesn't mean we just give away part of the store for free.

Mr. President, I believe strongly in free trade. I have long supported fast-track legislation to give the President broad authority to negotiate trade agreements. And I voted for the GATT legislation the last time it came before Congress.

But I also believe in fair trade, and this bill isn't fair.

As I said earlier, this bill is bad but it is not as bad as it could have been. When Congress first started working on this bill over 5 years ago, it was intended to provide NAFTA-like treatment to imports from Caribbean nations. Fortunately, this bill doesn't go that far.

But, it still follows the same flawed concepts that are behind NAFTA and have driven at least 7,000 Kentucky jobs south to Mexico.

Supporters of this bill say that economic growth and investment in African and Caribbean nations will benefit us in terms of increased exports and increased domestic employment because of those exports.

Of course we want healthy economies in this area to help strengthen the growth and stability of democracy. But it doesn't make sense to sacrifice a United States industry to do it.

As I pointed out on the Senate floor last year, the Caribbean Basin apparel and textile business is already booming. Last year, apparel and textile exports from the Caribbean and Central America to the United States grew 9 percent, double that of the United States economy.

Passing this bill simply rewards the U.S. companies that have already moved offshore, and entices others to do the same. In the process, we stand to lose another 1.2 million jobs in the apparel and textile industry.

We keep talking about creating a level playing field when it comes to fair trade. But this bill pulls the field right out from under U.S. industries which have already had an uphill fight just to stay alive.

This is a flawed bill and I'm going to vote against it. I just don't see where it's in our interest to make it easier for other countries to compete with American industries, and to entice U.S. companies to relocate abroad.

This bill is not fair to the American worker.

I urge my colleagues to oppose it and any amendments that even try to make it better.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, as one would say on the bill affecting textiles, in the famous words of President Reagan, ''Here we go again.''

This is about more than textiles and textile jobs. It involves the economic strength of the Nation. It involves its political strength. The middle class is disappearing fast. We talk about the digital divide. I want to comment on the disappearance of the middle class itself.

Let me go right to textiles.

I was a witness some 40 years ago relative to the textile industry. In that particular time period, 10 percent of America's consumption in textiles was going to be represented in imports. That was a threat not only to industry itself but to the Nation.

Specifically, I testified before the International Trade Commission. At the time, President Eisenhower was in office. We went by to see General Persons, his Chief of Staff. He said: Don't worry, you will win the case. But in June we got an adverse decision.

At that time, with that adverse decision, I went to our friend, Senator John F. Kennedy, a candidate for the Presidency of the United States, and discussed at length the particular problem. We agreed on an exchange of letters, so to speak, with me outlining the problem, and in turn Senator Kennedy outlining what he thought would be a solution.

We all know then, that Kennedy was elected President. Early in 1961, we had a conference at the White House. He said: In line with what I outlined to you in the campaign, I want it to come under the national security provisions of our trade laws.

So, hark, ye, all who talk and lament that we haven't passed a trade bill in 6 years. It is a good thing we did not pass one, because what we really need to do is get competitive and stop treating foreign trade as foreign aid. This is not a Finance Committee. This is a Foreign Relations Committee. It is a giving away the manufacturing backbone of the United States of America.

Under that national security provision to protect the textile and apparel industry, you had to have a hearing and a determination that the particular commodity, or article, or product was important to our national security.

I will never forget it. We set up the hearing with Secretary Ball—he was the undersecretary for Dean Rusk at State—Secretary Goldberg of Labor, Secretary Freeman of Agriculture, Secretary Hodges of Commerce. A few people remember that Senator Kennedy had a bipartisan Cabinet with a Republican Secretary of the Treasury, Mr. Dillon, and a Republican Secretary of Defense, Mr. McNamara.

We had those five. We brought the witnesses. They made the finding that, next to steel, textiles were second most important to our national security. I remember the particular ''wag'' at that time, that, look, you couldn't send them to war in a Japanese uniform. So we had to be able to make the clothing and the uniforms.

As a result, President Kennedy on May 13, 1961, promulgated his Seven-Point Program relative to the importation of textiles.

Mind you me: We feared at the time that 10 percent of America's consumption in textile products was being imported or just about to be imported.

As I look at the Chamber now, two-thirds of the clothing I am looking at is imported—not 10 percent. With this particular conference report, there isn't any question that certain parts of the textile industry will immediately disappear, and the rest of it in a 4- or 5-year period will be on the ropes.

You say: Why, oh, why, Senator from South Carolina, are you objecting? Because the American Textile Manufacturers Institute is in favor of the conference report

That selfish crowd. I call them selfish in a studied way. I authored five textile bills that have gotten through this Senate. I had four of those textile bills go through the House and the Senate, and four of them were vetoed. I know from whence this particular Senator got the votes for these bills. Yes. It was the apparel group in America, the ones who make the clothing.

The little ditty is: We produce for America. We have the fine middle-class jobs, and we are working around the clock. And, yes, we are the most productive textile workers in the world.

The industry itself has invested some $2 million a year over the past 15 years, keeping up with modernization, with the best of machinery, the best of approaches in employment.

I have made many a sneak through and they don't want to let a Democrat in the plant. But I would sneak in on one floor and duck down into the plant on the bottom floor. It is totally automated in the weave room with the looms, spinning away. They used to have 115 employees, and now have only 15. They have cut back on the employees and put in the most modern machinery. The worker, the machinery, and the industry is the most productive. It is not a question of productivity. We don't have to get globalization and competition so we can make them productive. The politicians run around on the floor of the Senate and some of them have never worked for a living. They don't know what productivity is.

We have quite an opposition. Let me say a word about that. When we first started out, we only had, say, the Japanese Government, with their representatives coming in to talk. But soon after, Chase Manhattan and Citicorp made a majority of their money outside of the United States.

So, in addition to Koreans and Japanese, now we have the international banks. Along with the international banks came the international groups funding campus studies with contributions and they began to get the expert studies off the campuses with the consultants. So we had the banks, the universities, the consultants, and the foreign operation. Then, of course, we had the retailers. They wanted to sell a cheap product. So we had the National Retail Federation. They are the biggest supporters of the print media in America, the newspapers. They make their money off of retail advertising. So we have these editorialists, who never bit into customs or the trade practices, writing about free trade, free trade, free trade.

So we have the retailers. Then go to the book ''Agents of Affluence,'' published about 10 years ago. At that time, Japan was paying $113 million for over 100 representatives in Washington, DC, to look out for their industry, their game of market share.

This bill is all backed up. The white tent is out. We saw it in NAFTA. Only they are afraid to bring the tent down. They are meeting in the White House itself. They are all getting together and running around with the former Presidents, the former Secretaries of State. The former chairman of the Finance Committee, the distinguished ranking member, Senator MOYNIHAN of New York said: When a freshman at City College of New York, I heard that corporations ran America. He was telling corporate America to get out and get the vote.

We had that crowd and we have my ATMI, which is my point. They don't know from ''sic 'em'' about competition. They know extremely well how we got the votes from Evelyn Dubrow and the apparel workers of America. That's how we passed those bills. The cloth manufacturers have divorced themselves from the apparel manufacturers and said: Fend for yourself. We've got a better offer and we are going to start free trade. It doesn't make any difference so long as we can get fabric forward. If we can get the cloth, we can sell it to them in Africa, in the Caribbean or in Mexico. We will let any trade bill go so long as we can sell. But fend for yourself. You are out of business.

Let me tell you how many jobs we have now that are bound to be gone because the States will be inundated. Alabama has presently 26,500 apparel jobs. Goodbye, Alabama. I want to see those Senators come here now.

California, 146,900 textile, middle-class American jobs, earning $8 and sometimes $10 or more an hour. Middle class—I want to emphasize that. Henry Ford said he wanted to make sure the person manufacturing his product was capable of buying it. So he put in the wage scale which allowed that and he started developing a strong middle class.

Florida, let's see the Florida Senators come here and say: Free trade, free trade. Forget about the 19,700 apparel jobs. They are gone. Why?

Because of us, because of us as Senators and Members of Congress, setting the standard of living for industrial America. We say before you can open up that ABC Manufacturing Company, that what you need do, first, is have a minimum wage, then Social Security, then Medicare, then Medicaid, then plant closing notice, then parental leave, then clean air, then clean water, then safe working machinery, then a safe working place—or we sent OSHA after you. Republicans and Democrats all agree, before you open the front door, you better have all of that in the plant or you are in violation of Federal law. You are out of step with the standard of American living.

But if you can take off and get your T-shirts made in Bangladesh, you have none of those requirements, and pay one cent an hour. In Burma, it is 4 cents an hour. In China, it is 23 cents an hour. In the country of Colombia, it is 70 to 80 cents an hour. In the Dominican Republic, it is 60 cents an hour. In El Salvador, it is 59 cents an hour. In Guatemala, it is 37 to 50 cents an hour. In Haiti, it is 30 cents an hour. In Honduras, 43 cents an hour. In India, 20 to 30 cents an hour. In Indonesia, 10 cents an hour. Malaysia, $1 an hour. Mexico, 50 to 54 cents an hour. Nicaragua, 23 cents an hour. Pakistan, 20 to 26 cents an hour. Peru, 90 cents an hour. The Philippines, 58 to 76 cents an hour. Romania, 24 cents an hour. Sri Lanka, 40 cents an hour. Thailand, 78 cents an hour.

As you well know, 30 percent in manufacturing is your labor cost, and you can save as much as 20 percent by transferring your production offshore to a low-wage country. That is, maintain your executive office, maintain your sales force, but with a company of $500 million in sales, transfer the production to Mexico or a low-wage country offshore and you can make $100 million before taxes. Or you can continue to work your own people and go broke. That is the trade policy of this wonderful Finance Committee that runs all over the floor, bleating and wailing and wondering: Oh, what are we doing for Africa? Isn't this a grand thing we have for the Caribbean and everything else, with no regard to the reality.

They taught us early on, at the beginning of the war in artillery, no matter how well the gun is aimed, if the recoil is going to kill the guncrew, you do not fire. The aim is good.

I would like to put in a Marshall Plan for Mexico. It is a fine business. Let's help the Caribbean, let's help Africa, let's help anybody. There is hunger in the world so let's find it and help with it. But this crowd, wow, they are not going to pay for anything—nothing. They are not going to have any regard from whence they came and the strength of America itself.

Two-thirds of the garments already coming in are imported. In Georgia, there are 26,100 apparel workers; Kentucky, 18,900; Maine, 2,600; Massachusetts, 10,400; Mississippi—the distinguished majority leader said it is a wonderful thing. I want him to go back and tell these 16,600 apparel workers it is the last call for breakfast.

In my beginning days, they used to have that early morning program, the

''Breakfast Club,'' in Chicago, the Stevens Hotel, with Don McNeil. They would get to the very end and they would say: ''It is the last call for breakfast.'' I can hear the music now. This is the last call for Texas, certainly the last call for the apparel workers, because they are gone. Goodbye Mississippi, 16,600 will be applying for unemployment compensation or going—where? I will tell you where they are going. I think we had a list from the Department of Commerce of these great jobs. I will tell you where they are.

You say: Wait a minute, Senator. How about that employment rate? We have such low unemployment.

Here is where they are going: cashiers, janitors, cleaners, retail salespeople, waiters and waitresses, registered nurses, systems analysts, home health aides, security guards, nursing aides, anything they can get that they can possibly do—for less pay, obviously. In fact, the retail workers, they found out you can hire them as independent contractors and you don't even have to pay for their health care. They have every gimmick in the book to squeeze that middle class here in the United States and bring them down to nothing.

So it goes, for New York, the Senators from New York, I want to inform them, advisedly, there are 74,700. There is no one I respect more, of course, than the senior Senator from New York and the senior House Member, my friend, CHARLIE RANGEL. But if I had CHARLIE here I would say: CHARLIE, 74,700: Going, going—gone. This vote is fixed. That is why we have this exercise here.

They talk about the most deliberative body. They do not call a thing until it is greased; the jury is fixed. Then, after you have gotten the vote of the jury, then you let them talk because it is all over.

North Carolina, 38,300; Pennsylvania, 34,900; South Carolina, 18,500; Tennessee, 23,500; Virginia, 12,900—those are the apparel jobs that are going, going, gone once we get this conference report voted on by tomorrow, I take it. It will go to the President. They will all stand around with big smiles in the Oval Office: Look what we have done. We understand humankind. We want to help sub-Sahara. We want to help the Caribbean.

Let me get right to the point with respect to the apparel versus the cloth manufacturers. As you well know, the manufacture of the fabric itself is capital intensive, so that is why they have not caught up with them yet. But now they are beginning to build those facilities down in Mexico. So, as I said a minute ago, it will be about 5 years and then they will have their own fabric manufacturers down there shipping into the American market. Otherwise, all that fine Japanese machinery that we have in American plants, all of a sudden the price is going to go up. They know how to compete. Our trade policy is anything but reciprocal.

Cordell Hull said ''reciprocal free trade.'' My friend, the distinguished Senator from New York, gets with Smoot-Hawley and Cordell Hull and how we started the reciprocal trade agreements in the 1930s, and we have been for freedom.

Not so at all. No. The very Congress that passed the reciprocal free trade, historically they put in subsidies for agriculture in Montana—yes. Subsidies for agriculture in Montana, and protective quotas. Do not give me free trade for agriculture, you will not get my vote. No, sir, I am not for free trade for agriculture because our protections, our subsidies have made America's agriculture the showcase of the world. We feed ourselves and 15 other countries.

But wait until the China bill. I can't wait for that one to come. They are trying to sell the farmers a bill of goods. There are 3,338,000—go look at the record at the Department of Agriculture. There are 3,338,000 farmers in America. In China, they have 700 to 800 million farmers. They talk about the percentage of arable land. Do not be getting along with that percentage of arable land and everything else. We already have a deficit in the balance of trade in cotton with China. In wheat and cereals and corn and other feedgrains, we had a plus balance 4 years ago, with the country of China, of 440 million. It is down last year to 39 million. You watch them, in 2 years they will have a plus balance. They will be shipping us wheat. But you are going to hear these farmers out on the floor bleating—whoa, we have China free trade for America's agriculture.

So with the wrong facts they have to go to the Department of Agriculture and go to the People's Republic of China and see exactly what they are doing. Actually, they have a glut in the People's Republic of China in agriculture. They do not have the transportation. They do not have the distribution. They do have hunger. But mind you me, when they solve that transportation and distribution problem, then they will be feeding the world like we have been bragging. And the farmers will be coming up here again.

Like that Freedom to Farm, we gave them that sort of freedom to farm. They came up and got, I think it was, $7 or $8 billion last year. They are looking for another $6 billion here. You know that is the crowd that looks to me, the textile Senator, saying: Free trade, free trade, free trade, the whole time they are drooling at those subsidies, those protective quotas, you know; looking at me like something is wrong, that I do not understand how to be nice in this world globalization.

So here we go. Since NAFTA alone, we have lost, in the United States, 440,000 textile and apparel jobs—440,000.

I know in South Carolina we have lost 37,000 textile and apparel jobs since NAFTA. This is from the Bureau of Labor Statistics. Remember, we were going to create 200,000 jobs with NAFTA. Oh, we were going to do everything. We were going to solve the drug problem. We were going to solve the immigration problem. We were going to create jobs. And we have gone from a $5 billion-plus balance of trade with Mexico to $23 billion minus, a deficit in the balance of trade. The average Mexican worker has less take-home pay today than prior to NAFTA. It has not helped anybody, but they are talking now about NAFTA for Africa and NAFTA for the Caribbean.

I could get into that at length with respect to the disparity in tariffs, with respect to our own quotas. They are being phased out by 2004.

Let me go to the main thrust of my point this afternoon, and that is the importance of these middle-class jobs to the economy. I will never forget a seminar in Chicago in the early eighties with Akio Morita, the chairman of the board of Sony. He was lecturing about Third World countries, emerging countries. He said the Third World countries had to develop a strong manufacturing sector in order to become a nation state. Then, pointing to me, he said: And, by the way, Senator, the world power that loses its manufacturing capacity will cease to be a world power.

Was Morita making some original observation? Not at all. Alexander Hamilton made the same observation to the British in the early days of 1789. The British corresponded with the fledgling Colonies and said: Now that you won your freedom, you trade with us what you produce best, and we will trade back what we produce best—David Ricardo, the Doctrine of Comparative Advantage.

Mr. Alexander Hamilton wrote a booklet. It is at the Library of Congress, if someone on the Finance Committee wants to read it. In a word, Hamilton told the British: Bug off; we are not going to remain your colony; we are not going to export to you our agriculture, our foodstuffs, our cotton, grain, indigo, our timber and iron ore and import from the mother country the finished product; we are going to develop our own manufacture.

The second bill that ever passed with respect to the National Congress, in which I am privileged to serve, the second bill—the first bill was the Seal of the United States—the second bill, on July 4, 1789, was a tariff bill of 50 percent on 60 different articles. We started this economic giant, the United States of America, with protectionism.

Abraham Lincoln followed it in the building of the transcontinental railroad. They said: Mr. President, we can get the steel from England. He said: Not at all. We will build our own steel plants, and when we are through, we will not only have the railroad, we will have the steel capacity.

Roosevelt, in the darkest days of the Depression, passed import quotas on the subsidies for America's agriculture.

Dwight Eisenhower in 1955 put quotas on oil.

We have practiced, more or less, a protected trade policy—we have many tariffs on many things still—while we have bleated: Free trade, free trade, free trade, and joined the chorus: I like fair trade; I like a level playing field.

Do not give me a level playing field. I want to trade to my advantage and my interests. Business is business, and the game is market share. The Japanese have set the tone, the practice, and the policy in the Pacific rim, and the Europeans are following.

Let's talk China. There is not a deficit in the balance of European countries. The European countries have a plus balance of trade with China. What do we have with this ''free trade, free trade''? We have $68 billion deficit and growing. That is not the most recent figure, but $68 billion is the most authoritative figure I can give right now, and it is getting worse every day. They know how to trade and how to administer. We actually export about the same to Belgium and Singapore than we do to the 1,300,000,000 Chinese in the People's Republic of China.

Talk about exports, exports, exports, and the wonderful agreements—we will have plenty of time to get into those agreements. They want to continue that so we will not have even a touch of sobriety. Give us one chance at bat to sober America up because America is becoming very anxious and very concerned.

The Nation's strength of security is like a three-legged stool: We have the one leg, the values of the Nation, and that is unquestioned. The people the world around admire the United States of America. We have stood for years on end for individual rights, human rights, and democracy. I can talk on that because I am so proud of this country.

The second leg is the military, which is also unquestioned.

The third leg is the economic leg that has been fractured in the last 50 years and needs refurbishing, strengthening, and rebuilding. I say fractured, I emphasize intentionally fractured.

I heard the distinguished Senator from Iowa say, since 1945, look at the commerce, the commerce, the commerce. We were just like England in 1789. We had the only industry, the only production. In 1945, Europe was devastated and the Pacific rim was devastated. We were looking for customers. We were looking for buyers. We had production. Yes, we said free trade, free trade. Concurrent with that, we instituted the Marshall Plan and sent the money. We instituted along with that plan the machinery and the expertise. We sent it overseas in the contest between capitalism and communism, and it has worked. After 50 years, we can stand proudly and say it has worked. Capitalism has defeated communism. We are all proud of that and the sacrifice that went along with it, because in those days of 1945 we were willing to sacrifice. Today, we are not willing to sacrifice to save America itself—the middle class and the economic strength of our society.

What happens is we have been engaged in this for some time and, as a result, we have treated foreign trade as foreign aid. I think of Akio Morita and losing manufacturing capacity. In 1945, we had 41 percent of the workers in the United States engaged in manufacturing. In the year 2000, we are down to 14 percent.

In the nineties, in the United States, we have lost some 779,000 manufacturing jobs and in South Carolina, my State alone, some 40,500. The industrial strength is fast diminishing.

I look at the different things about textiles, but I look also at the ratios of imports to consumption and what we are going to manufacture for ourselves. Let's see.

As a young Governor, they looked at me at that hearing I told you about, at the very beginning, and said: Governor, what do you expect them to make? Let them make the shoes. Let them make the clothing. And we will make the airplanes and the computers.

My problem today is, they are making the shoes, they are making the clothing, and they are making the airplanes and the computers. And so it is.

Certain industrial thermal-processing equipment, 48.9 percent—almost half of what we consume is imported—67 percent of textile machinery and parts used in the United States we have to get from abroad; 55.3 percent of the machine tools for metal forming and parts; 51.9 percent of semiconductor manufacturing equipment and robotics—we import it.

I remember one good thing President Reagan did was to put in SEMATECH. He saved Intel microprocessing. Everybody is running around here falling over each other after that Silicon Valley money: high tech, high tech. We have somebody here from high tech. Bill Gates walks around convicted of violating the Sherman antitrust law but you would think he is a visiting potentate. All the little staffers and Senators streaming behind him as he goes through the Halls. And then I go to another policy meeting, and they announce we have another microprocessing, high tech, Silicon Valley.

Let's get right to the point. Microsoft has 20,000 employees in Seattle and Boeing of Seattle has approximately 75,000. They are in the manufacturing. General Motors has 250,000. Mind you me, they are not satisfied in high tech. They want to do away with the income tax, the capital gains tax, the estate tax. They want to do away with 200 years of State tort law—Y2K. They want to do away with the immigration laws because—why?—they can import the Indians and the Filipinos in here next to nothing.

Generally speaking, America Online has a service center now in the Philippines. Call them and ask them. My light bill in South Carolina is run through India. But high tech, high tech—they are all in a heat to see. Who is fooling whom. They are after the money. High tech is after the exemptions. They do not want to pay their wage. So there you go.

Right to the point, why do you think that the march in Seattle—I am not talking about the crazies who came up there from Eugene, OR, and broke up the town; I am talking about the march in Seattle in December; the AFL-CIO, the responsible individuals—that march was led by Boeing machinists. Why? Read Bill Greider's book ''One World, Ready or Not'' and you will see that much of that Boeing 777, before it can be sold in downtown Shanghai, has to be made in downtown Shanghai. So they are taking the airplane jobs there.

Or pick up the morning paper and you will see the automobile jobs in China that are being taken from us. All the time I have to hear that nauseating chant: free trade, free trade. Yes, I am for free trade. All the interviewers. GE owns NBC. The president of GE, Jack Welch, told everybody to go down to Mexico: All you suppliers, you aren't going to be a GE supplier because I can get it cheaper. I will show you that article in ''Business Week.''

Let's go right down to boilers and turbines; 44.4 percent of what we consume has to be imported; electrical transformers, 43.2 percent; aircraft engines and gas turbines, 70.3 percent; motorcycles, 48.5 percent; aircraft, 45.7 percent—we used to have 100 percent of that business—office machines, 47.2 percent; microphones, loud speakers, audio amplifiers, and combinations thereof, 77.9 percent; tape recorders, tape players, video cassette recorders, turntables, compact disc players, 100 percent; radio transmission and reception, 57.9 percent of what we consume—used to be made by middle-class America; no longer—television apparatus, including cameras, camcorders, and cable apparatus, 68.5 percent.

I remember when Zenith had their case, and their competitors had been found in violation for dumping. And the International Trade Commission in a unique decision held for Zenith—because they usually cancel out the trade administration—but the trade commission exacted the penalty. And the last stop, of course, was in the White House, in the Oval Office, where the President had the authority to cancel it out.

The Cabinet all around the table, they all voted to enforce the decision of the International Trade Commission. And in walked President Reagan. He said: I just talked to Nakosone and we are not going to do that.

You see, yes, it has been wonderful. It has been fine. It has worked. We have peace in the world—whatever—and we have a booming economy. But in a booming economy, you have to look at the consummate, the concurrent effect here.

Electrical capacitors and resistors, 69.5 percent; automatic data processing machines, 51.6 percent.

I read this because colleagues in the Senate say: There he goes again on textiles. I have given up on textiles. I resign. I quit. When the ATMI tackles me from behind, and they leave out the people who have been getting the votes—the polls all taken—poor old Jay Mazur, poor Evy Dubrow, and the rest of them—and unit, and the others who have been working together—Seth Bodner, the knitwear folks, the apparel folks—I just have to say it is gone. This bill is passed.

But while it passes, we have to have a stop, look, and listen at the crossing and realize that 62.2 percent of clocks and timing devices that we use in America are now imported; watches, 100 percent—apparently we do not manufacture them anymore—drawing and mathematical calculating and measuring instruments, 71.4 percent; luggage, handbags, and flat goods, 79.7 percent; musical instruments and accessories, 57.2 percent; umbrellas, whips, riding crops, and canes, 81.1 percent; silverware, 59.9 percent. We can go to precious jewelry, which is 55.8 percent imported.

They have different clothing and all—sweaters, 76.4 percent; robes, nightwear, and underwear, 68.8 percent—right on down the list.

I ask unanimous consent to have printed in the RECORD this compilation of the import penetration of these articles.

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

Ratios of imports to consumption

[In percent]

Certain industrial thermal-processing equipment and certain furnaces	48.9
Textile machinery and parts	67.0
Metal rolling mills and parts thereof	46.6
Machine tools for cutting metal and parts	48.1
Machine tools for metal forming and parts thereof	55.3
Semiconductor manufacturing equipment, robotics	51.9
Boilers, turbines, and related machinery	44.4
Electrical transformers, static converters, inductors	43.2
Molds and molding machinery	44.8
Aircraft engines and gas turbines	70.3
Automobiles, trucks, buses, and bodies and chassis of the foregoing	40.6
Motorcycles, mopeds, and parts	48.5
Aircraft, spacecraft, and related equipment	45.7
Office machines	47.2
Microphones, loudspeakers, audio amplifiers, and combinations thereof	77.9
Tape recorders, tape players, video cassette recorders, turntables, and compact disc players	100
Radio transmission and reception apparatus, and combinations thereof	57.9
Television apparatus, including cameras, camcorders, and cable apparatus	68.5
Electric sound and visual signaling apparatus	49.9
Electrical capacitors and resistors	69.5
Diodes, transistors, integrated circuits, and similar semiconductor solid-state devices	45.2
Electrical and electronic articles, apparatus, and parts not elsewhere provided for	49.1
Automatic data processing machines	51.6
Optical goods, including ophthalmic goods	51.5
Photographic cameras and equipment	63.8
Watches	100
Clocks and timing devices	62.2
Drawing and mathematical calculating and measuring instruments	71.4
Luggage, handbags, and flat goods	79.7
Musical instruments and accessories	57.2
Umbrellas, whips, riding crops, and canes	81.1
Silverware and certain other articles of precious metal	59.9
Precious jewelry and related articles	55.8
Men's and boys' suits and sportcoats	47.5
Men's and boys' coats and jackets	62.5
Men's and boys' trousers	50.4
Women's and girls' trousers	56.4
Shirts and blouses	62.9
Sweaters	76.4
Women's and girls' suits, skirts, and coats	59.0
Robes, nightwear, and underwear	68.8
Body-supporting garments	42.8
Neckwear, handkerchiefs, and scarves	46.7
Gloves, including gloves for sports	76.1
Headwear	54.1
Leather apparel and accessories	67.2
Fur apparel and other fur articles	81.7
Footwear and footwear parts	84.2

Mr. HOLLINGS. It has 84.2 percent on footwear. So 85 percent of the shoes on the floor here in the Senate Chamber are imported.

I ask unanimous consent to have printed in this particular list from the International Trades Commission.

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

1998 Ratios of Imports to Consumption

[In percent]

Certain industrial thermal-processing equipment and certain furnaces	48.9
Textile machinery and parts	67.0
Metal rolling mills and parts thereof	46.6
Machine tools for cutting metal and parts	48.1
Machine tools for metal forming and parts thereof	55.3
Semiconductor manufacturing equipment and robotics	51.9
Boilers, turbines, and related machinery	44.4
Electrical transformers, static converters, and inductors	43.2
Molds and molding machinery	44.8
Aircraft engines and gas turbines	70.3
Automobiles, trucks, buses, and bodies and chassis of the foregoing	40.6
Motorcycles, mopeds, and parts	48.5
Aircraft, spacecraft, and related equipment	45.7
Office machines	47.2
Microphones, loudspeakers, audio amplifiers, and combinations thereof	77.9
Tape recorders, tape players, video cassette recorders, turntables, and compact disc players	100
Radio transmission and reception apparatus, and combinations thereof	57.9
Television apparatus, including cameras, camcorders, and cable apparatus	68.5
Electric sound and visual signaling apparatus	49.9
Electrical capacitors and resistors	69.5
Diodes, transistors, integrated circuits, and similar semiconductor solid-state devices	45.2
Electrical and electronic articles, apparatus, and parts not elsewhere provided for	49.1
Automatic data processing machines	51.6
Optical goods, including ophthalmic goods	51.5
Photographic cameras and equipment	63.8
Watches	100
Clocks and timing devices	62.2
Drawing and mathematical calculating and measuring instruments	71.4
Luggage, handbags, and flat goods	79.7
Musical instruments and accessories	57.2
Umbrellas, whips, riding crops, and canes	81.1
Silverware and certain other articles of precious metal	59.9
Precious jewelry and related articles	55.8
Men's and boys' suits and sportcoats	47.5
Men's and boys' coats and jackets	62.5
Men's and boys' trousers	50.4
Women's and girls' trousers	56.4
Shirts and blouses	62.9
Sweaters	76.4
Women's and girls' suits, skirts, and coats	59.0
Robes, nightwear, and underwear	68.8
Body-supporting garments	42.8
Neckwear, handkerchiefs, and scarves	46.7
Gloves, including gloves for sports	76.1
Headwear	54.1
Leather apparel and accessories	67.2
Fur apparel and other fur articles	81.7
Footwear and footwear parts	84.2

Mr. HOLLINGS. Mr. President, this is one little reading of the U.S. deficits in advanced technology because you know we have gone, they say, from manufacturing to high tech.

They told England at the end of World War II: Don't worry. Instead, of a nation of brawn, you are going to be a nation of brains. Instead of producing products, you will provide services. Service economy, service economy is the chant. And then, instead of creating wealth, you are going to handle it and be a financial center.

England has gone into an economic hand basket. They have a bunch of just scandal sheets—the newspapers and Parliamentarians—debating and shouting at each other. Downtown London is an amusement park.

Are we going that way, too? They have gone out of business there.

Here are some deficits in advanced technology products. Parts of the advanced machinery incorporated, $18.23 billion; hard disc drive units, $9.72 billion; parts of turbojet or turbo propeller engines, $4.28 billion, Turbojet aircraft engines, $3.74 billion deficit, balance of trade; parts for printers, $3.52 billion; new turbo fan planes, nonmilitary, $3.23 billion; cellular radio telephones, $3 billion; video cassette and cartridge recorders, $3.32 billion, deficit; display units, $1.64 billion; optical disc players, $1.64 billion; camcorders, $1.09 billion; digital still-image video cameras, $1.07 billion.

Mr. President, rather than taking further time, I ask unanimous consent to have printed in the RECORD at this point the U.S. Trade in Advanced Technology Products showing the exports and imports and the balance thereof.

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

U.S. TRADE IN ADVANCED TECHNOLOGY PRODUCTS: 1999

Commodity code and description: Advanced technology product	Exports	Imports	Balance
8473301000 PRTS OF ADP MCH, NOT INCRPRTNG CRT, PRT CRCT ASSEM	0	18,227,808,970	(18,227,808,970)
8471704065 HARD DISK DRIVE UNT, NESOI, W/OUT EXTNL POWR SUPLY	2,048,470,249	11,769,756,784	(9,721,286,535)
8473305000 PTS & ACCESSORIES OF MACH OF HEADING OF 8471, NESOI	0	7,743,829,608	(7,743,829,608)
8542138034 MONO IC, DIGITAL, MOS TRANS, DRAM, >15000000 BITS	0	4,980,391,722	(4,980,391,722)
8542138072 MONOLITHIC IC, DIGITAL, SILICON, (MOS), (ASIC), (PLA)	4,047,156,775	8,377,018,602	(4,329,861,827)
8411919080 PARTS OF TURBOJET OR TURBOPROPELLER A/C ENGINES	0	4,277,502,862	(4,277,502,862)
8471300000 PORT DGTL ADP MACH, <10KG, AT LEAST CPU, KYBRD, DSPLY	1,143,297,273	5,321,724,547	(4,178,427,274)
8803300030 OTH PRTS OF ARPLNS/HLCPTRS, NESOI, NT FR DOT OR USCG	0	4,013,300,583	(4,013,300,583)
8411124000 TURBOJET AIRCRAFT ENGINES, THRUST EXCEEDING 25 KN	0	3,736,640,634	(3,736,640,634)
8473303000 OTHER PARTS FOR PRINTERS, NO CATHODE RAY TUBE	0	3,523,211,984	(3,523,211,984)
8802300040 NEW TURBOFAN PLANES, NON-MILITARY, >4536 & ≤15000 KG	646,938,093	3,879,125,608	(3,232,187,515)
2934903000 OTHER HETEROCYCLIC COMPOUNDS USED AS DRUGS	0	3,029,957,678	(3,029,957,678)
8525209070 CELLULAR RADIOTELEPHONES FOR PCRS, 1 KG AND UNDER	0	3,020,465,433	(3,020,465,433)
3004909090 MEDICAMENTS NOT ELSEWHERE SPECIFIED OR INCLUDED	0	2,726,075,442	(2,726,075,442)
8471706000 STORAGE UNITS, NESOI, NOT ASSEMBLED IN CABINETS	511,587,342	3,211,010,776	(2,699,423,434)
8521106000 VIDEO CASSETTE & CARTRIDGE RECORDER/PLAYERS, COLOR	0	2,321,010,825	(2,321,010,825)
8517903800 PC ASSEMBLIES FOR TELEPHONIC APPARATUS, NESOI	0	1,728,565,731	(1,728,565,731)
8471604580 DISPLAY UNITS, NESOI, WITHOUT CRT	0	1,637,784,048	(1,637,784,048)
8519990045 OPTICAL DISC (INCLUDING COMPACT DISC) PLAYERS	0	1,637,445,266	(1,637,445,266)
8542138057 MONO IC, DIG, SIL, MOS, EXC VOL, (EEPROM) >900,000 BITS	0	1,591,589,716	(1,591,589,716)
8542138066 MONO IC, DIG, SIL, MOS (ASIC) & (PLA) MICROPROCES 8 BITS & <	266,700,462	1,505,423,883	(1,238,723,421)
9018908000 INST & APPLIANCES FOR MEDICAL, SURGICAL, ETC, NESOI	0	1,215,184,803	(1,215,184,803)
8525408050 CAMCORDERS (OTHER THAN 8 MM), NESOI	11,389,219	1,098,783,272	(1,087,394,053)
8525404000 DIGITAL STILL IMAGE VIDEO CAMERAS	21,952,736	1,089,597,336	(1,067,644,600)
8521900000 VIDEO RECORDING OR REPRODUCING APPARATUS EXC TAPE	135,001,223	1,087,156,818	(952,155,595)
8542138049 MONO, DIG, SIL, MOS, VOL, (SRAM) >3,000,000 BITS	0	933,400,512	(933,400,512)
8542300065 MONOLITHIC IC, OPERATING FREQUENCY <100 MHZ, ANALOG	1,284,391,376	2,181,812,559	(897,421,183)
8471603000 DISPLAY UNITS, W/O CRT, & DISPLAY DIAGNL ≤30.5 CM	191,417,160	1,012,102,430	(820,685,270)
8525408020 CAMCORDERS, 8MM	1,892,960	819,236,164	(817,343,204)
8803300060 OTHER PARTS, NESOI, OF MILITARY AIRPLANES/HELICOPTRS	0	774,171,267	(774,171,267)
8517903600 PC ASSEMB FOR TELEHONE SWIT, TERM APPA O/T TEL SETS	0	751,187,201	(751,187,201)
8541290095 TRANSISTORS EXC PHOTOSENSITIVE 1W & >, FREQ. <30MHG	0	744,022,549	(744,022,549)
2844200020 URANIUM FLUORIDE ENRICHED IN U235	355,923,713	1,098,482,108	(742,558,395)
8471704035 FLOPPY DISK DRIVE UNT, NESOI, W/OUT EXTRNL POW SPY	58,034,583	772,594,136	(714,559,553)
2933394100 DRUGS CONT AN UNFUSED PYRIDINE RING ETC, NESOI	0	680,296,294	(680,296,294)
8517210000 FACSIMILE MACHINES	0	667,588,870	(667,588,870)
3818000090 OTHER CHEM ELEM DOPED, ELECTRON, DISCS WAFERS ETC	0	619,290,862	(619,290,862)
3002100090 OTHER BLOOD FRACTIONS NESOI	0	616,949,658	(616,949,658)
8542138067 MONO IC, DIG, SIL, MOS (ASIC) & (PLA) MICROPROCES 16 BITS	181,422,015	798,242,504	(616,820,489)
8517903200 PTS OF ART OF 8517.20, 8517.30, 8517.40.50, 8517.81	0	602,626,375	(602,626,375)
8471608000 OPTICAL SCANNERS & MAGNETIC INK RECOGNITION DEVICE	375,128,897	965,817,115	(590,688,218)
8528124000 TV REC, COLOR, NON-HI DEF, PROJ TYP W/CATH-RAY TUBE	0	567,427,021	(567,427,021)
8542300090 MONOLITHIC IC, FREQ., <100 MHG (ANALOG/DIGITAL) NESOI	1,584,815,325	2,141,256,559	(556,441,234)
9010420000 STEP & REPEAT ALIGNER, PROJECTION OF CIRCUIT PATRN	49,534,168	594,935,912	(545,401,744)
8517505000 CARRIER-CURRENT LINE SYSTEM APPARATUS, TELEPHONIC	950,547,882	1,492,682,623	(542,134,741)
8517902400 PTS FR TELPHONE SWITCH, TERMINAL APP INC PC ASSEMB	0	499,197,786	(499,197,786)
8471605100 LSR PRNTR UNITS W/CNTRL & PRT MCHNIMS, >20PGS/MIN	0	482,262,408	(482,262,408)
8525203025 RADIO TRANSCIEVERS, HAND-HELD, FREQ >400 MHZ	0	466,870,671	(466,870,671)
8534000020 PRINTED CIRCUITS OF PLASTIC/GLASS = ≥3 LAYERS, CNDT	586,324,029	980,378,544	(394,054,515)
8542138041 MONO IC, DIG, SIL, MOS, VOL (SRAM) 300,000 <3,000,000 BITS	0	369,673,484	(369,673,484)
8537109050 PANEL BOARDS & DISTRIBUTION BOARDS; ≤1,000 VOLTS	0	367,840,258	(367,840,258)
2933595300 OTHER AROM OR MOD-AROM DRUGS CONT A PYRIMID ETC	0	365,464,433	(365,464,433)
9001100085 OPT FIBER BUNDLE & CABLE EXC OF 8544 NOT PLASTIC	0	349,337,906	(349,337,906)
8471605200 OTH LASER PRINTER UNITS W/CNTRL & PRT MECHANISMS	0	337,358,804	(337,358,804)
8525203080 RADIO TRANSCIEVERS, EXC HANDHELD, 400 MHZ	0	334,664,064	(334,664,064)
8542138051 MONO, IC, DIG, SIL, MOS, EXC VOL (EEPROM) <80,000 BITS	0	331,577,991	(331,577,991)
8473309000 OTH PRTS OF ADP MACH AND UNITS INCORPORATING A CRT	0	331,471,302	(331,471,302)
8411114000 TURBOJET AIRCRAFT ENGINES, THRUST NOT EXCEED 25 KN	0	310,678,629	(310,678,629)
2922191800 OTHER AROMATIC AMINO-ALCOHOLS, ETC USED AS DRUGS, NE	0	309,072,789	(309,072,789)
8525309005 TELEVISION CAMERAS, NESOI, COLOR	0	302,374,597	(302,374,597)
2922502500 OTHER AROMATIC AMINO-ALCOHOL-PHENOL DRUGS	0	295,753,627	(295,753,627)
8517906400 PARTS OF TELEPHONIC APPARATUS, NESOI	0	294,249,762	(294,249,762)
8528121201 TV REC, NON-HI DEF, COL, SNGL PICT TUB N/O 34.29 CM	0	286,928,704	(286,928,704)
8542138060 MONO, IC, DIG, SIL, MOS, EX VOL, (EPROM) >900,000 BITS	0	274,086,910	(274,086,910)

Mr. HOLLINGS. Mr. President, we are worried. We have anxiety. There is fear in the land, Mr. President. The foreign holdings as a percent of the total publicly held debt—as we pay down the public debt, the foreign holdings are still at 40.3 percent, according to the Treasury Department. When you get these deficits, billions and billions—$347 billion in the balance of trade—so many dollars out in foreign holdings, the dollar falls, the interest rates go up, the stock market goes down, and recession sets in. Who is talking about it? Everybody but us in public service. We are running around, ''I've got class size,'' ''I've got a better class size.'' ''No, I've got charter schools.'' ''No, I got a better plan here on health care.'' ''No, your plan is no good.''

They are not talking about paying the bill so that we can keep the country and the economy booming. They are talking about little peripheral things over here—campaign finance and otherwise—not paying the bill and reestablishing confidence in America.

The number of workers, as I have said at the very beginning, quoting Morita, is down to 14 percent in manufacturing. I will read an excerpt from Mr. Eamon Fingleton, Mr. President, entitled ''The Unmaking of Americans.'' I want everyone to listen because we have books by professors at Harvard and out at Berkeley in California and Stephen Cohen and John Zysman who have written ''Manufacturing Matters.'' They are trying to wake up a dormant Finance Committee that seems not to understand anything about trade, who really think this is a good bill. I am embarrassed for them because this is not going to just put out some 74,700 apparel workers up in New York, but at least 18,500 that I have in South Carolina and, ultimately the textile industry—as soon as they can afford the machinery and get it in down in Mexico and these other places. I will never forget 10 years ago when we debated textiles. Macao had millions and millions of dozens of shirts and didn't have a shirt factory. China was transhipping them through Macao. So now China takes this sub-Sahara bill that will make a few people rich, but not the African countries or the African people, just as those shirts didn't make Macao any richer. China will transship right on through sub-Sahara Africa and, in the process, get rid of the American apparel workers and, before long, the textile workers.

Let's quote Mr. Fingleton here as to the importance of manufacturing and you will get a better grasp of this:

In recent decades, it has become increasingly fashionable for American opinion leaders to belittle the economic importance of manufacturing. If we are to believe such prophets of the New Economy as commentator Michael Rothschild and Megatrends author, John Naisbitt, manufacturing is now a distinctly second-rate activity that should take a backseat to post-industrial businesses like software writing and moviemaking. Their opinions are increasingly endorsed by pundits in everything from the Wall Street Journal to Wired.

It is time this view was challenged. The truth is, it is a highly dangerous myth that is rapidly weakening the United States' ability to lead the world economy. Not only do those who advocate post-industrialism—let's call them post-industrialists—overestimate the prospects for information-based products and services, they greatly underestimate the prospects for manufacturing.

When the post-industrialists talk about manufacturing, it is clear they are referring mainly to such unsophisticated activities as the snap-together assembly work carried out in the television-set factories of the developing world. By implicitly defining manufacturing in such disparaging terms, they set up a straw man—for there is no question that, in an increasingly integrated world economy, most types of assembly work are so labor intensive that they can no longer be conducted profitably in high-wage nations like the United States. Overlooked by the post-industrialists, however, is the fact that assembly is only the final stage in the production of modern consumer goods. Earlier stages are typically much more sophisticated—the making of advanced components such as laser diodes, liquid crystal displays, lithium-ion batteries and flash memories, for example. Then there is the production of the high-tech materials that go into such components. Semiconductor-grade silicon manufacturing, for instance, is concentrated mainly in such high-wage nations as Japan and Germany.

We have a $74 billion deficit in the balance of trade with Japan, Mr. President. I think it is $28 billion deficit with Germany.

And still more sophisticated than the fabrication of such components and materials is the manufacture of the production machinery used in the process. Perhaps the iconic example of such machinery is the stepper—the highly precise lithographic device that prints circuit lines on silicon chips.

Manufacturing components, materials and production machinery is generally both know-how-intensive and capital intensive. As such it can be conducted effectively only in the world's richest and most advanced economies—and workers engaged in such work are thereby shielded from low-wage competition from developing nations. The United States once dominated this type of production, but these days, as is abundantly clear from the nation's mounting trade deficits with Japan and Germany, it is at best an also ran. In steppers, for instance, GCA, the once world-beating American player, closed its doors in 1993, leaving the field almost entirely to Japan's Nikon and Canon and Europe's ASM. In high-tech materials, the United States is now similarly dependent on imports. And in crucial new components such as laser diodes and liquid crystal displays, the country was never a contender in the first place.

I remember the gulf war and the flat-panel displays we got from Japan for our defense work.

It is really discouraging to this particular Senator when we mark up the defense appropriations bill. We have in there a Buy-America provision trying to maintain steel ball bearings for Ohio and South Carolina because Timken and others produce them. They do an outstanding job. But we have those who put in an amendment to strike that out—that it is un-American and all.

I don't know where they got this idea about what America is—that we are supposed to meet a referee in bankruptcy, dissolve the assets, and send it around to the Caribbean, to sub-Sahara, and everything else on the premise that it is good policy for us to sometime come to the help of these particular countries. It would be good if it were not destroying us in the making.

Manufacturing's most obvious advantage is that it creates an excellent range of jobs. Whereas post-industrial businesses like software and financial services tend to recruit mainly from the cream of the intellectual crop, manufacturing harnesses the skills of everyone from ordinary factory hands to the most brilliant scientists and the most capable managers. In fact, as the late Bennett Harrison of New York's New School (a long-time TR columnist) pointed out in his book Lean and Mean in 1997, unskilled workers ''barely off the farm'' can readily be trained to operate computer-controlled presses and similarly sophisticated production machinery. In Harrison's terms, today's high-tech production machinery is not ''skill-demanding'' but ''skill-enabling.''

Let's emphasize that. It is ''skill-enabling,'' because the Senator from South Carolina is a witness. We brought in BMW, the automobile manufacturer, from Munich, Germany. It is in Spartanburg. It has 2,000 employees, and it will have this time next year hopefully 1,000 more. They were supposed to get another facility down in Mexico. They learned. They said: Wait a minute. The productivity of these people just off the farm, and otherwise skilled workers, can produce, and they have been producing.

Mr. President, I ask unanimous consent that the article in its entirety be printed in the RECORD.

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

THE UNMAKING OF AMERICANS

(By Eamon Fingleton)

In recent decades it has become increasingly fashionable for American opinion leaders to belittle the economic importance of manufacturing. If we are to believe such prophets of the New Economy as commentator Michael Rothschild and Megatrends author John Naisbitt, manufacturing is now a distinctly second-rate activity that should take a backseat to post-industrial businesses like software writing and moviemaking. Their opinions are increasingly endorsed by pundits in everything from the Wall Street journal to Wired.

It is time this view was challenged, The truth is, it is a highly dangerous myth that is rapidly weakening the United States' ability to lead the world economy. Not only do those who advocate postindustrialism—let's call them postindustrialists—overestimate the prospects for information-based products and services, they greatly underestimated the prospect for manufacturing.

When the post-industrialists talk about manufacturing, it is clear they are referring mainly to such unsophisticated activities as the snap-together assembly work carried out in the television-set factories of the developing world. By implicitly defining manufacturing in such disparaging terms, they set up a straw man-for there is no question that, in an increasingly integrated world economy, most types of assembly work are so laborintensive that they can no longer be conducted profitably in high-wage nations like the United States. Overlook by the post-industrialists, however, is the fact that assembly is only the final stage in the production of modern consumer goods. Earlier stages are typically much more sophisticated—the making of advanced components such as laser diodes, liquid crystal displays, lithium-ion batteries and flash memories, for example. Then there is the production of the high-tech materials that go into such components. Semiconductor-grade silicon manufacturing, for instance, is concentrated mainly in such high-wage nations as Japan and Germany. And still more sophisticated than the fabrication of such components and materials is the manufacture of the production machinery used in the process. Perhaps the iconic example of such machinery is the stepper—the highly precise lithographic device that prints circuit lines on silicon chips.

Manufacturing components, materials and production machinery is generally both know-how-intensive and capital-intensive. As such it can be conducted effectively only in the world's richest and most advanced economies—and workers engaged in such work are thereby shielded from low-wage competition from developing nations. The United States once dominated this type of production, but these days, as is abundantly clear from the nation's mounting trade deficits with Japan and Germany, it is at best an also ran. In steppers, for instance, GCA, the once world-beating American player, closed its doors in 1993, leaving the field almost entirely to Japan's Nikon and Canon and Europe's ASM. In high-tech materials, the United States is now similarly dependent on imports. And in crucial new components such as laser diodes and liquid crystal displays, the country was never a contender in the first place.

Why does all this matter? Because, conventional wisdom to the contrary, advanced manufacturing offers fundamental advantages over post-industrial services in building a rich and powerful economy.

Manufacturing's most obvious advantage is that it creates an excellent range of jobs. Whereas post-industrial businesses like software and financial services tend to recruit mainly from the cream of the intellectual crop, manufacturing harnesses the skills of everyone from ordinary factory hands to the most brilliant scientists and the most capable managers. In fact, as the late Bennett Harrison of New York's New School (a long-time TR columnist) pointed out in his book Lean and Mean in 1997, unskilled workers ''barely off the farm'' can readily be trained to operate computercontrolled presses and similarly sophisticated production machinery. In Harrison's terms, today's high-tech production machinery is not ''skill-demanding'' but ''skill-enabling.''

Manufacturers also score over information businesses in their export prowess. That's because, for one thing, manufacturers usually avoid the piracy problems that so drastically reduce American information businesses' receipts from abroad. Moreover, manufactured goods are generally universal in application and, as such, contrast sharply with information-based products, which are in most cases quite culture-specific. Whereas a typical information product may have to be adapted for different languages and customs in different markets around the world, a typical manufactured product requires little if any adaptation. In many cases, information businesses don't find it worthwhile to adapt their products for foreign markets, and even where they do, they tend to have the adaption done abroad, thus generating costs that cut deeply into the net revenues remitted to the United States.

A third key advantage of advanced manufacturing—the most important of all—is that it delivers higher incomes. Not only does the large amount of capital required for the enterprise offer workers protection against competition from cheap labor, it can also powerfully boost worker productivity. A good example is the contribution that expensive robots make in enabling Japanese auto workers to achieve the world's highest productivity levels. Higher productivity in turn is, of course, the royal road to higher wages.

Indeed, nearly two decades after the United States began its fateful drift into full-scale post-industrialism, international economic comparisons consistently show that Americans have lagged in income growth in the interim. The result is that, as measured at recent market exchange rates, the United States has now been overtaken in absolute wage levels by at least four manufacturing-oriented nations—Denmark, Sweden, Germany and, perhaps most surprisingly of all, Japan, the supposed ''basket case'' economy of the 1990s.

And if capital intensity is not enough to boost and protect wages, advanced manufacturing's requirement for proprietary production know-how given many industry incumbents a critical advantage. Take a product like a notebook computer's flat-screen liquid crystal display. LCDs are basically an adaptation of semiconductor technology, and are manufactured using similar equipment. Thus in theory many computer companies around the world could enter this fast-growing business. But in practice few have done so, with the result that the world market is utterly dominated by a handful of Japanese manufacturers—Tokyo-based Sharp alone enjoys a world market share of close to 50 percent. Why such market concentration? The key is yield, the percentage of flaw-free products in each production batch. Given that even a microscopic speck of dust can render the tiny transistors that control each dot on a screen dysfunctional, the quality-control challenge is enormous. A new entrant to the industry would probably be lucky to get a 10 percent yield of good Screens, whereas established Japanese firms are believed to achieve yields of 90 percent or more.

All in all, America's failure in the past two decades to take full advantage of manufacturing's numerous rewards is alarmingly apparent in the nation's deteriorating trade figures. The U.S. trade deficit in 1999 is likely to exceed $250 billion—an all-time record and an increase of about 50 percent on the startling $168.6 billion incurred in 1998. It would be an exaggeration to say that the nation's manufacturing decline is the sole cause of the worsening trade trend, but it is clearly one of the most important contributing factors.

And what is really worrying about these deficits is that they are to a large extent incurred with nations like Japan and Germany, where wages run 20 percent to 40 percent higher than American levels. Other things being equal, when a lower-wage country imports a product from a higher-wage one, we can reasonably assume that the manufacturing technology concerned is one in which the importing country is lacking. Much of what American corporations import from higher-wage nations consists of components ''outsourced'' from foreign rivals. The U.S. firms got used to the practice in the 1970s and early 1980s when Japanese and German wages were still low by U.S. standards, and outsourcing components could be justified on the theory that it freed American workers to specialize in higher-level work. These days, however, American corporations that outsource to Japan or Germany are effectively admitting they lag in the technology race.

So what should the United States do to regain dominance in manufacturing? First, consider one of the key reasons for the country's loss of its leadership position: other nations' industrial policies, which almost always contain a strong element of explicit or implicit protection for home industries. The classic example is United States-Japan competition in electronics. While U.S. electronics manufacturers such as RCA and Zenith were largely barred from selling in the Japanese market, their Japanese competitors were welcomed with open arms in the American market—the inevitable result was that the Americans found it increasingly unprofitable to invest for the long term.

Though the party line these days is that such protectionism has largely been eliminated in key foreign markets, the reality is that other nations maintain industrial policies that put U.S. manufacturers at a disadvantage. For American decisionmakers this creates an acute dilemma and a particularly distressing one for today's 50-something power holders, who in their youth espoused the soaring hope that the world could be taught to sing in perfect harmony. If they cling to the idealistic One-Worldism of the Flower Power era, they will continue to advocate free trade—and in the process will condemn the American manufacturing sector to, at best, permanent underdog status. The alternative is to slam the brakes on globalism and go back to the sort of modest but sufficient tariff levels that prevailed in the Eisenhower years. Such a move would certainly raise screams from devotees of that ultimate pseudo-science laissez-faire economics. But in the absence of convincing alternatives (and in particular of a real commitment to free trade on the part of America's competitors), it must have a place on the agenda.

Mr. HOLLINGS. Mr. President, we need to remember we are not only going to lose 74,700 apparel jobs in New York but in apparel manufacturing throughout the United States.

I want to go to the morning paper because they had a big conclave over at the White House. It says, ''Political Heavyweights Pull for Agreement with China.'' They have Vice President GORE and former President Carter. But they also have the former Secretary of State, Henry Kissinger.

Quoting from this morning's Los Angeles Times:

> Clinton asked rhetorically, ''Why are we having this debate?'' His answer: Because people are anxiety ridden about the forces of globalization, or they are frustrated over the human rights record of China, or they don't like all the procedures of the WTO. President Clinton's answer to ''Why are we having this debate?''—''Because people are anxiety ridden about the forces of globalization.''

The legacy of President Franklin Delano Roosevelt—I will have to talk about a proud Democrat. I hope the distinguished Ranking Member doesn't mind me doing that. I think in time I might get him to join. I watched his votes, and he is very sensitive to the needs of little people. The great legacy of Franklin Delano Roosevelt is: ''All we have to fear is fear itself.''

I can hear him now. We had a little headset in 1933. That is before daddy went broke. He had a flourishing business. Amongst other things, he printed and delivered paper bags. But he printed the names of the German grocery stores all around Charleston: Hoffmeyer, Meyers, Hochwanger, Heiselmeier, Fahler, Reumeyers—I can see them all now. They called my father and said: Bubba, no use sending those bags to people who are not paying the grocery bill, and we can't pay you for the bags. He said: Well, got your name on them. I can't use them otherwise. Just do what you can. I am sending them around.

But we had at that time in 1933 a headset. I can hear President Roosevelt.

I had the pleasure of seeing him as a youngster in 1936 when he came through Charleston and boarded the ship. He came by train from Washington to Charleston, boarded the cruiser, and went on down to Buenos Aires, Argentina. I was looking up at President Roosevelt.

Later, of course, when I was a senior cadet at the Citadel, ready to go off into the invasion of North Africa, I could hear him in 1941 about the ''four freedoms.'' He said the four freedoms are the freedom of religion, the freedom of speech, the freedom from want, and the freedom, Mr. President, from fear. That was the legacy. That was the legacy of the greatest President of our time.

Now what is our legacy? I can tell you. You do not have to get politician HOLLINGS or get the business leadership.

What is the business leadership?

''Backlash: Behind the Anxiety Over Globalization.''

The legacy of President Clinton is a legacy of fear. This crowd had better wake up and understand it because we are going out of business.

The President just last week was down in Charlotte talking about the digital divide, the digital divide, middle America.

How in the world can they buy a computer? Not the poor; middle America can't afford that. They are trying to hold onto a job. They are trying to pay for the house upkeep. They are trying to buy the clothes. And they are doing pretty good. But they look at those 37,000 from South Carolina who are gone, gone.

Washington is telling all of middle America that they never had it so good. We got a boom. Let's get the boom going. They see these jobs going, and they see all of our good friends, the immigrants, with fine business earnings coming in and taking a lot of the jobs. They see plant closings in Columbia. That is the way it is factored in.

I always loved to go to Ireland. But in Ireland, they have a booming business taking care of all the banking and insurance accounts and everything else.

What do we do? We got rid of what Henry Ford created, and that is the middle class. Ford said, in the early days, I want to make sure that the individual producing this automobile is making enough money to buy it. That, along with the labor movement in America, got health care, retirement benefits, and everything elsewhere which they could pay for—not only pay for their home but send their kid to college, maybe get a little home at the beach or in the mountains, buy a boat to put out in the lake and go fishing, something for retirement.

They talk about Social Security. I see that fellow, Morris, is telling Bush: Don't try to talk about. Don't touch Social Security. Why? Because it is supersensitive because of fear—the legacy of the Clinton administration. He has no idea about the digital divide and no idea about trade. That boy from Arkansas has gone up there and seen the bright lights in New York. He has left us. I can tell you right now, he is not looking out for middle America.

''The best political community is formed by citizens of the middle class,'' said Aristotle in 315 B.C.

It is to the middle class we must look for the safety of England, says Thackeray.

In England, what we call the middle class is in America virtually the Nation.

In the 1880s, Matthew Arnold: ''The upper class is our nation's past, the middle class is its future.''

I don't know about a future. That is what is worrying the Senator from South Carolina—not the textile jobs. They are gone. They are leaving them fast, including one closed just last week. The best of operators are closing.

I can see it, and I know what is going to happen to the textile manufacturer. It will be totally gone. As soon as they can afford the machinery in Mexico and the Caribbean, they will print the cloth and these fellows will take their money and run. That is what you have in ATMI. That is why I warn everyone, we are not just getting rid of the textile jobs.

I said at the beginning we learned in the artillery, no matter how well the aim, if the recoil is going to kill the gun crew, don't fire.

You got a good aim, no question. Let's do something for the Caribbean. Let's do something for Africa. But on this score, where two-thirds of the clothing is already imported, let's not kill off the apparel industry. There are 74,700 jobs in New York, 18,500 in South Carolina, 146,900 in California. We will have a candidate saying: Boom, boom, boom, wonderful economy.

This is what he ought to be talking about. We have to rebuild the economic strength of this Nation. That is not going to happen at the present rate. This conference report ought to be sent back to the conferees and we ought to put in a competitive trade policy.

I had a bill with the Finance Committee 15 years ago. I have talked to the distinguished chairman not only about a value-added tax to pay the bill but I have talked about a correlation and coordination. There are 28 Departments and Agencies in trade. When we think that Commerce has it, they say no; in Agriculture, that is a farm product, and they say, no, the final say is over at Treasury Department. Why? Because 40.3 percent is foreign owned, foreign holdings, a percent of total of the privately-held public debt. Talk about paying down the public debt; foreign holdings as a percent is already up to 40.3 percent. When we are ready to enforce a dumping provision against Japan, they say: We are not going to buy your T-bills. And Treasury calls up and says that hearing was good. The tail is wagging the dog and corporations.

Senator MOYNIHAN, as a freshman at City College of New York, said that they taught him corporations run America. They have preempted trade policy. We representatives, Senators and Congressmen, don't have any say. It is fixed with the White House. The corporations come around and fix the vote. By the time they call, nobody is on the floor and they couldn't care less. Let them puff and blow, the middle class be gone, the textile industry be gone, they are all Republican anyway. Now the apparel workers, the owners—the apparel workers are Democrat, anyway, so they would just as soon get rid of them. We will lose 26,000 apparel workers in Alabama, 19,700 in Florida, 26,100 in Georgia, 18,900 in Kentucky, 2,600 in Maine, 10,400 in Massachusetts, Mississippi loses 16,600, New York loses 74,700, North Carolina loses 38,300.

Imagine the President in Charlotte, NC, last week talking about the digital divide, and middle America is about to lose another 38,000 jobs in and about Charlotte—can't even buy a computer, and he doesn't understand it. He doesn't understand his legacy of fear. Roosevelt has freedom from fear as his legacy. What we have is a legacy of fear. It not that we are not sophisticated and understand globalization. We understand making a living and paying our bills and working hard to do it. Even though you work hard, they tell you: Globalization. Be gone. You, the most productive textile worker in the world, be gone, because you don't understand globalization, competition, competition, productivity.

The most productive industrial worker in the world is in the United States. Right now, the record shows Japan to be No. 8; Netherlands is No. 2; Germany is No. 3.

The Japanese pay way more in wages. It isn't low wages. They have a specific policy. That Lexus automobile you buy for $30,000 in Washington, DC, is sold for $40,000 in downtown Tokyo. They make up the $10,000 on their own domestic economy and got it through the financing, and the people accept that. They are taking over more and more and more. The distinguished Senator is a foreign policy and an expert, and he knows better than any that money talks. Forget about the Sixth Fleet, forget about the hydrogen bomb. Money talks now.

We have been on a binge in the 1990s, but financially we are going out of business. The market is showing it right this afternoon while I am talking. You can talk to anybody in the trucking business. It is closing in, and people are beginning to hunker down.

When I started my remarks, I related when the distinguished Senator was in the Kennedy administration, we put in a 7-point textile program because 10 percent of America's consumption of textiles and clothing was going to be represented in imports. Now we have two-thirds. We are ready to get rid of the other third overnight, and we think we are proud of it; we are doing a good job.

It is a well considered thing with respect to Africa, the Caribbean, to help them find business. We believe in it. However, we have given at the store. Now is the time to save the home. Now is the time to save middle America. Now is the time to eliminate the fear by instituting a competitive trade policy.

I yield the floor.

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

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

The legislative clerk proceeded to call the roll.

Mr. DODD. 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. DODD. Mr. President, at the outset of these remarks let me commend the distinguished Senator from New York, my good friend and colleague, along with the chairman of the trade subcommittee and others who make up the membership of the Finance Committee, for their leadership on this issue. It has been a long time since this body has dealt with a trade issue as significant, in my view, as the matter before us. That is not because of the volume of trade or the size or magnitude of the financial transactions which will ensue as a result of our adoption of this agreement, but because, in my view, it sends a far more important signal to some of the very poor, if not the poorest, areas of this globe, that the wealthiest nation of the world at the beginning of the 21st century recognizes that we bear some responsibility for trying to alleviate some of the devastating hardship that afflicts too many millions of people around this Earth.

This agreement that deals with the sub-Saharan African nations and the Caribbean Basin is an important first step in this century to take meaningful steps to alleviate some of the devastating human hardships that affect too many innocent people.

I am proud to associate myself with this proposal. I urge the adoption of it by what I hope will be an overwhelming vote of this body so, as we begin this new century, we say to future generations who will sit in the chairs we now hold in this body that the 21st century is a century where the free flow of goods and services across the Earth is something that ought to be a central ingredient for economic success in improving the human condition.

Passage of this legislation, in my view, comes at a very critical time for the future economic success of the regions that are covered by this legislation, the sub-Saharan African region and the Caribbean nations.

One has only to pick up the paper to read of the crippling effects of poverty, famine, and illness that have taken hold in Africa and the devastating impact natural disasters, such as Hurricanes Georges and Mitch, have had on the economies of Caribbean nations. This legislation will give these nations the opportunity—just the opportunity—to begin recovering and to help them establish a foothold in our increasingly interconnected global marketplace.

At the same time, this bill equally recognizes the importance of protecting American interests and American jobs by including a number of very specific safeguards aimed at ensuring the viability and success of our domestic producers. Overall, I believe the committee has presented the Senate with a very balanced trade package.

The central focus of this legislation is the provisions relating to the 48 desperately poor countries of the sub-Sarahan African region. This region of the world has continuously been disregarded as a serious trading partner. While we have granted trade benefits to other areas of the world, including Mexico and Canada, Africa has never been afforded a similar opportunity—never. I believe the African Growth and Opportunity Act will significantly alter our trade relationship with Africa, while also providing these countries with the beginnings of the means for positive and substantial economic reform.

I will take this opportunity to address some of the highlights of this legislation.

First, the legislation provides duty and quota-free access to U.S. markets for certain textiles and apparel. This provision should not adversely affect the domestic apparel industry since African exports of these products—and listen to this carefully —account for less than 1 percent of our total imports.

We are opening our door to 48 nations in the poorest region of the world for something that amounts to less than 1 percent coming into our Nation. That is why I said at the outset of these remarks that it is not the magnitude of the trading relationship that will happen or the dollar amount that will exchange hands, but for the first time we will recognize this part of the world as an important part of the world, and one that needs our help.

There is not enough money in the appropriations bucket to draw upon to provide the kind of relief these people need in these 48 nations. We cannot do that, but we can begin to give them the opportunity of access to a tiny percentage of our market, and offer some hope and relief to millions of people.

We should not do it without regard to the interests of our own people. I listened carefully to the remarks of my good friend and colleague from South Carolina. He speaks with great passion about the people he represents in his State. There are thousands of others across this country who earn a living every day in the apparel and textile industry. None of us ought to disregard their interests. Our responsibility, first and foremost, must be to our own people.

In this piece of legislation, we protect American workers. In a few short years, if we fail to adopt the measure before us, the quotas that are presently allowed in trade bills with the Pacific Rim countries will come to an end. Once that has come to an end, the markets will open up and a domestic content requirement will not be necessary. Literally thousands of jobs that today find a home in the textile and apparel industry in this country could be lost forever.

One of the things I admire about the authors of this bill is—and they truly deserve our commendation—the fact that not only have they found a way to provide some meaningful economic opportunity for millions of people in some of the poorest parts of the world, if not the poorest, but they have also done so in a way that takes into consideration the needs of our own people. It is a well-balanced piece of legislation. I strongly support their efforts.

To address the serious problem of transshipment of apparel products, this legislation also establishes strict provisions to curb the practice of transshipment of products from one place to another. Beneficiary countries must adopt a visa system to guard against illegal transshipment and the use of counterfeit documents.

In addition, countries are also required to enact regulations that would allow the U.S. Customs Service to investigate alleged cases of transshipment. To that end, almost $6 million has been authorized to assist the Customs Service in these efforts and to provide technical assistance to African nations which will help them combat transshipment. Furthermore, if a country is found to be engaging in illegal transshipping activities, it may be denied benefits for up to 5 years, a significant penalty. I again commend the authors for the inclusion of that provision.

In the event the U.S. apparel industry suffers economic injury or a threat of economic injury due to a surge in imports, a so-called ''snap-back'' provision has been included in this bill that would set duties back to their non-preferential levels. The President of the United States has been granted authority to monitor African imports, and he has the right to initiate investigations to determine whether imports are harmful to domestic producers.

Second, the bill enhances the 1984 Caribbean Basin Initiative by promoting economic growth in this region. Like the benefits accorded the sub-Saharan African nations, the enhanced Caribbean Basin Initiative will grant duty and quota-free treatment to apparel and textiles made from U.S. yarn and fabric. Benefits have also been extended to products not currently included under the Caribbean Basin Initiative, including footwear, tuna, and watches.

Strict transshipment provisions also apply to these CBI nations. The legislation similarly calls on these nations to institute effective Customs programs to prevent illegal transshipment. Moreover, it establishes a ''one strike and you're out'' provision. Should an exporter be found to have illegally transshipped apparel or textiles from a Caribbean Basin Initiative nation into the United States, the President has the authority to deny benefits to that exporter for up to 2 years and who may be required to remit payment totaling three times the existing textile and apparel quotas.

I cite the details of this because it is important our colleagues understand that the authors have been very careful to write into this legislation provisions that will guard against the very things of which the bill is being accused.

Is it perfect? Will there be those who may try to take advantage of this? I am certain there will be, but the overall benefits of this legislation with the provisions to guard against illegal activities certainly warrant support of this bill, given the good and beneficial provisions included in it that should provide the relief I mentioned earlier.

I am pleased the conference report includes language that links trade benefits to countries' commitment to eliminating one of the worst forms of child labor. We can thank our colleague from Iowa, Senator HARKIN, who cares deeply about this issue and helped write, I gather, some of the provisions dealing with it. The bill also bans imports of products made with forced or indentured child labor.

This morning, President Clinton issued an Executive order that adds a provision that was dropped in conference making AIDS and HIV drugs more readily available to African nations whose people have been so ravaged by this deadly disease.

I note the presence of our colleague from the State of Wisconsin who has spoken eloquently about the issue of AIDS and the importance of trying to do more to alleviate the overwhelming problems that have crippled literally millions of people in many of these nations.

This is not to say this is a perfect conference report, as I said earlier, and I am disappointed the conferees did not include funding for similar trade preferences to the nation of Colombia. My good friend and colleague from New York heard me talk about this. I believe I overextended my friendship with him by calling on numerous occasions to see whether or not we could include Colombia as part of this package.

I note my colleague from Florida, as well, who spent countless hours to find ways to provide some meaningful alternative economic opportunities for the people of Colombia who today are presently engaged, in far too many cases, in the growth and production of narcotics products. Unfortunately, they end up, too often, in the cities of our Nation, where drugs and narcotic trafficking is a huge problem. My hope was, by including Colombia, in addition to the other provisions that will soon be debated in the Senate, we would have been able to provide a meaningful economic alternative for these people who today engage in the drug production and trafficking in that country. My hope is, in the near future, we will move to the Andean agreements which are up for reauthorization and that Colombia can be included, along with her neighboring countries.

This legislation is about helping countries help themselves by strengthening their economies. It is increasingly difficult to find funds even for the most worthy of aid initiatives. Trade, not aid, has been the answer to a country's well-being.

While industrialized nations of the world have benefited from U.S. trading policies, it is time we offer less fortunate nations of the Caribbean and sub-Saharan Africa comparable opportunities.

In the year 2005, pursuant to the GATT rule, all WTO member countries will gain quota-free access to our markets—quota-free access in 5 years. CBI enhancement and the African Growth and Opportunity Act, if enacted, will allow countries in those regions to better prepare for that day and to equip them to become full trading partners in the global economy during the next decade.

If we do not do it and we have the quota-free access to our markets, then I do not think anything we can do 5 years from now will provide any relief economically whatsoever for the 48 nations of the sub-Saharan region and the more than two dozen nations in the Caribbean Basin that will benefit as a result of this legislation.

So, again, I commend Senator ROTH, who is not here with us today—but we certainly think of him and recognize his leadership on this issue—and, as I said, Senator MOYNIHAN, who will more than likely be dealing with one or two of the last trade bills of his tenure in the Senate. But it is worthy of him, in the waning days of his career here, that he would fight as hard as he has to see to it this legislation would have a full hearing, debate, and an opportunity for passage in the Senate.

Lastly, may I say, again, we are a great and wonderful nation. We like to think of ourselves as a generous and good people. While I said a moment ago that it is far more important that we consider the impact of anything we do on our own people, it is, I think, in the hearts and spirits of all Americans that we try to reach out and help others.

I had the wonderful privilege of serving as a Peace Corps volunteer back in the 1960s when I graduated from college. It was a seminal event in my life—a life-changing experience, to learn from a distance, in a way, how our country was thought of. Despite the difficulties of the day that raged in Southeast Asia, and our own difficulties here at home, we were thought of, in the nation that I served in, as a good people, a giving people.

As we begin this century, as I mentioned earlier—the 21st century—we have an opportunity, with this bill, to say to millions of people, the most desperately poor people in the world, that this, the greatest nation of all, is willing to extend a hand, a helping hand. We must help them to get on their feet, to provide the kinds of tools that will make it possible for them to achieve economic opportunity, to enhance the cause of democracy in these nations, which can never survive in the absence of some economic growth and opportunity. With this legislation we are doing ourselves and future generations, in this Nation and around the world, a great favor, indeed.

I commend the authors of the bill. I strongly support its adoption and hope this small but meaningful effort will begin to make a difference in the lives of millions of people in Africa and in the Caribbean Basin.

I yield the floor.

● Mr. ROTH. Mr. President, I want to express my strong support for the conference agreement on H.R. 434, the Trade and Development Act of 2000. Senate passage of the conference agreement would mark the first significant trade legislation to pass both Houses of Congress in close to a decade, other than the implementation of trade agreements under special fast track procedures. As such, the bill represents a powerful statement regarding America's leadership on trade.

The conference agreement—and the House's 309–110 vote—vindicates the approach that we took in the Finance Committee and here in the Senate this past November. Our goal was to create a ''win-win'' approach to the Africa and Caribbean trade preference programs that would ensure benefits to American firms and workers as well as to our trading partners in those two regions. The conference report does just that.

The conference report retains those provisions of the bill that the textile industry's own analysis suggested would produce an additional $8 billion in sales of American fiber and fabric and create an additional 120,000 jobs. Those provisions—commonly known as ''807A'' and ''809''—were adopted without revision by the conferees. Those provisions require that all textile components assembled into apparel articles benefiting from those provisions must be made from U.S. fabric, unless subject to certain de minimis exceptions specified in the conference agreement.

Where the conference agreement broadens the benefits available to our trading partners beyond those included in the Senate-passed legislation, the provisions create discrete categories of apparel that may benefit from the use of regionally-produced fabric, and in certain limited instances, fabric from third countries used by the least developed countries in Africa. That said, where the conference agreement does expand those benefits for Africa and the Caribbean, it also creates new opportunities for U.S. interests as well. For example, the conference agreement's rules of origin expressly provide for the use of American yarn, which relies on American cotton, for regionally-made knit fabric that can be used in apparel articles destined for the U.S. markets under the benefits provided by the conference agreement.

The conference agreement deserves the Senate's support. The conference agreement represents an attempt to reach out and provide not just a helping hand, but an opportunity—an opportunity for millions around the world to seize their own economic destiny.

Africa has for too long suffered from our neglect. The continent faces daunting political, economic and social challenges. Yet, African leaders are seizing the opportunity to press for political and economic change. The same holds true in the Caribbean and Central America. The changes in the region since the original CBI legislation passed in 1983 have been dramatic. Our goal must be to support those changes.

The goal of the Trade and Development Act of 2000 is to meet Africa's leaders and those in the Caribbean and Central America half way. It is not a panacea for problems they face; rather, it is a small downpayment—an investment—in a partnership that I hope we can foster through our actions here.

This is a measure that is supported by every African and Caribbean government. It represents a commitment by leaders in both regions to a stronger economic relationship with the United States, and that street runs both ways. Our exports to the Sub-Saharan region of Africa, for example, already exceed by 20 percent our exports to all the states of the former Soviet Union combined. We furthermore run a regular surplus in our trade with the Caribbean and Central America. In other words, in helping Africa and the Caribbean, we are also helping ourselves.

The conference agreement will also serve as an agent of positive change.. The eligibility criteria in both the Africa and CBI provisions are expressly designed to foster economic opportunity and political freedom. That includes the criterion added here in the Senate by a vote of 96–0 obliging beneficiaries of these two programs, as well as the Generalized System of Preferences, to implement their international obligations with respect to the elimination of the worst forms of child labor, such as slavery, indentured servitude, and prostitution.

For those who would argue that the bill creates incentives to transship third country fabric through either Africa or the Caribbean, the conference agreement has a response that was worked out in close consultation with the Customs Service and all other interested parties. To protect against customs fraud designed to gain access to the program illegally (commonly referred to as ''transshipment''), the conference agreement contains unprecedented protections. They include requirements that the beneficiary countries, with U.S. technical assistance, develop their own effective enforcement infrastructure to combat transshipment and cooperate fully with the U.S. Customs Service in its investigation of alleged customs fraud. In addition, with respect to any individual exporter found fraudulently to have claimed the trade benefits extended under the conference agreement, the conference agreement would expel the exporter from eligibility for the program's benefits. The conference agreement would also authorize the appropriation of funds necessary to improve the U.S. Customs Service's investigation of transshipment generally, in order to contribute to the success of the program's benefits.

For those who have expressed their concern that the new programs will lead to a flood of new imports at a time when the U.S. industry is already under economic pressure to adjust due to agreements reached in the Uruguay Round, the conference agreement has a response as well. First, the rules of origin under the conference agreement largely reflect the approach we adopted in the Senate, one that favors the use of American fabric. That means that any increase in imports will necessarily imply an increase in sales of American textiles. Second, the conference agreement also provides a mechanism by which domestic producers of apparel articles competing with those imported under these program can obtain temporary relief from unexpected surges in particular categories that threaten serious injury to the competing domestic industry.

The conference agreement would add certain other provisions that I believe will strengthen the prospects for success. For example, with respect to Africa, the conference agreement encourages the negotiation of new trade-liberalizing agreements with interested Sub-Saharan Africa trading partners that would build on the foundation that the conference agreement establishes, and toward that end the conference agreement makes permanent the position of Assistant United States Trade Representative for African Affairs.

The conference agreement also includes a variety of other measures that address other aspects of the challenges facing Africa and other aspects of our economic relationship with the continent. Those include a sense of the Congress resolution regarding the need for comprehensive debt relief for the world's poorest countries (most of which are in Sub-Saharan Africa); the targeting of U.S. technical assistance to foster the goals of the conference agreement with respect to Sub-Saharan Africa; encouraging the development of a special equity fund for fostering investment in Africa at the U.S. Overseas Private Investment Corporation; directing the expansion of U.S. Commerce Department initiatives designed to foster the development of African markets for U.S. exports; the donation of air traffic control equipment no longer in use in the United States to eligible Sub-Saharan Africa countries; a sense of the Congress relating to efforts to combat desertification; and authorization of a study regarding potential improvements in Sub-Saharan agricultural practices.

With respect to the Caribbean and Central America, the conference agreement adds provisions designed to foster the success of the initiative as well. Those include encouragement to enter into negotiations with interested trading partners on trade agreements that would liberalize two-way trade further and directions to the President to organize regular meetings of the U.S. Trade Representative with trade ministers from the region to eliminate obstacles to a stronger economic relationship between the United States and our trading partners in the region.

The conference agreement contains a number of other trade-related provisions that are worth noting. Those includes the permanent establishment of a special representative on agricultural trade at USTR and a statement of agricultural trade negotiating objectives that we hope will shape the agenda for the ongoing trade talks in the World Trade Organization on agriculture.

The conference agreement also provides a boost to our review of trade adjustment assistance programs to ensure that they are operating effectively. While the conference agreement does not include the Senate amendment expanding our farmers' access to TAA programs, it does highlight the need to review our current TAA programs with a view toward to ensuring that those programs do provide benefits to farmers as those programs were originally intended to do when established in 1962. That review is already under way within the Finance Committee.

The conference agreement would also extend permanent normal trade relations to Kyrgyzstan and Albania. Kyrgyzstan deserves special mention because it is the first of the former Soviet republics, apart from two Baltic countries, to join the World Trade Organization. It has also made considerable progress toward a market economy and political pluralism. Establishing stronger trade links with the Kyrgyz republic is designed to foster a stronger relationship on a broader front, both economically and politically.

I would also like to express my support for those provisions of the conference report designed to address the tariff inversion affecting the suit-making and fabric industries in this country. I have worked with a number of Senators for the past six months to forge this compromise that would address the concerns of both the domestic suit-makers, fabric-makers, and wool growers. I am particularly proud that the compromise was reached on the basis of tariff cuts that benefit all of the parties. The conference agreement resolves a difficult problem that has undermined the competitiveness of all sides of the U.S. industry and I am pleased that we have been able to reach an agreement that should foster both stronger suit-makers and stronger fabric-makers, as well as assist our sheep industry in developing new markets for its wool fiber.

I would also like to note my disappointment that we were unable to agree on a way to make further progress in addressing the scourge of AIDS affecting so many African countries. I worked for several months to reach a compromise with both sides of the debate regarding the supply of patented drugs to combat AIDS-related disease, but that effort went unrewarded. I would have hoped that the conference report would have gone further, particularly where we had worked on what I thought were constructive potential compromises, but I am certain that there will be other opportunities in this Congress to rejoin those discussions.

Any conference agreement is, by its nature a compromise. In this instance, I am convinced that the conference agreement is the stronger for it. While we did not accomplish all that I hoped, this conference agreement represents an incredible accomplishment.

For that, I particularly want to thank the majority leader for his commitment to this process. I want to convey my special thanks to my esteemed colleague, the ranking member of the Finance Committee, Senator MOYNIHAN, for his leadership throughout this process, to Senator GRASSLEY, chairman of the Subcommittee on International Trade, for his sustained contribution, and to the other Senate conferees.

I also want to applaud the efforts of our counterparts on the House side, from the chairman and ranking member of the Ways and Means Committee, Congressmen ARCHER and RANGEL, to the chair and ranking member of the Ways and Means Trade Subcommittee, Congressmen CRANE and LEVIN, and to the Speaker of the House, Congressman HASTERT. They made this conference agreement a reality.●

Mr. MOYNIHAN. Mr. President, I see my friend from Florida is here, so I am happy to yield to him.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I need only a few minutes to respond to a couple previous remarks. I will not take very long, I say to the Senator from Florida.

Mr. President, I want to, first of all, follow up on a comment that Senator DODD and Senator MOYNIHAN made about Colombia and including it in the Caribbean Basin Initiative. I was hopeful we could do that. I sent several communiques to the leaders about doing that. I am sorry it could not be done in this conference agreement. I hope we get an opportunity this year to include Colombia as a beneficiary country in the Caribbean Basin Initiative program because I think it will help the economy of Colombia, help them overcome the civil distress they have there, even more than the aid that we currently give to Colombia, although that aid is very necessary.

I also want to make a short comment on the effort put forth by the Senator from California, Senator FEINSTEIN, to explain the situation with AIDS in Africa, and her attempt to help relieve that terrible situation through the AIDS provision she included in the Africa trade bill. I applaud my distinguished colleague, the senior Senator from California, for her great concern for the victims of the AIDS disaster in Africa. We all could not help but be deeply moved by her presentation and the compassion that she expressed this morning.

I supported Senator ROTH's efforts to seek a compromise on her provisions that would have been acceptable to the House. The Senator from California, as well as Senator ROTH, have performed a great service in bringing this issue to our attention and in trying to do something about it.

Then lastly, I will say a few words on the comments made by Senator HOLLINGS, in his long and very thorough presentation of his point of view—which I disagree with, or at least his conclusions.

He is a distinguished Senator with great knowledge on this particular issue. I think he is wrong in opposing the bill because he says that this conference report will devastate the U.S. apparel industry.

Sub-Saharan Africa currently supplies less than 1 percent of the total value of apparel imports to the United States. Under the most optimistic circumstances, the recent analysis by the nonpartisan International Trade Commission shows that passage of this legislation would increase apparel imports to this country from sub-Saharan Africa by about 3 percent. Most, if not all, of this increase would come at the expense of Far Eastern suppliers, not the U.S. manufacturers.

Again, let me emphasize, that is from the nonpartisan—at least bipartisan—International Trade Commission. The legislation in the conference report establishes a mechanism under which domestic producers can petition for relief from import surges that threaten serious injury.

Under these provisions, tariffs could be reimposed in limited instances in which a domestic producer could establish a meritorious case. So we have that option just in case the analysis made by the International Trade Commission might be wrong. I do not think it is going to be wrong. In fact, I have great confidence their predictions will not be wrong. But just in case there are some unexpected import surges, our legislation provides for a petition for relief in those instances.

Furthermore, we have the industry's own analysis. It suggests that this legislation will create an additional 120,000 jobs, largely due to provisions requiring that all apparel items benefiting from provisions contained in the Caribbean Basin Initiative portion of this legislation must be assembled by textile components using U.S. fabrics.

More generally, I want to say a word about the idea that free trade has not provided economic benefits to the average American. I want to quote from the economic report of the President, who is, of course, a member of the same party as the Senator from South Carolina.

The President's own economic report for fiscal year 2000 shows that, because of trade agreements that have liberalized trade and opened new markets, the average American has realized an annual economic benefit of $1,000 every year since 1963. Since we traditionally measure economic benefits by how they affect families, with a family of four, that is an annual benefit of $4,000 per family.

Think in terms of what we have tried to do for families through proposals for tax cuts. That amount of $4,000 is far more than any tax cut that we have debated in the Congress. The idea that the average American does not benefit from free trade is simply not true. My source of that information—I tell the Senator from South Carolina—is the leader of his party, President Clinton, making those statements in his own budget document.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, since the early 1980s, the United States has implemented a logical series of policy initiatives with respect to the nations of the Caribbean Basin.

First, in 1983, we enacted the Caribbean Basin Initiative, CBI, to stabilize the region by building stronger, more diverse economies. This initiative had the added goals of enhancing national security, and reducing the flow of illegal drugs and illegal immigrants into the United States.

Second, after the enactment of NAFTA in 1993, we moved to ''level the playing field,'' for the CBI region by further enhancing our trade relationship with the CBI nations. Today, after 7 years of debate, we will vote on the final passage of this measure.

Third, we have responded quickly and compassionately to a number of humanitarian crises in the CBI region; most recently to Hurricanes Mitch and Georges, which caused unprecedented damage and misery in many Latin American nations.

And finally, we now look towards 2005, a year that will bring the expiration of the Agreement on Textiles and Clothing and the implementation of the Free Trade Area of the Americas, both of which will significantly affect trade relations throughout the Western Hemisphere. Today, I will discuss the importance of the legislation before us, as well as the future of our relationship with some of our most important neighbors.

I am very pleased that the full Senate is now considering the conference report on H.R. 434, which includes a number of trade enhancement measures, including the Africa Growth and Opportunity Act and Caribbean Basin Trade Enhancement. Although I fully support all the measures in this package, I have a particular interest in the United States-Caribbean Basin Trade Enhancement Act. Since the passage of NAFTA put our Caribbean neighbors at a competitive disadvantage, I have worked to enhance the Caribbean Basin Initiative that was originally passed in 1983. I thank Senators ROTH, MOYNIHAN, and LOTT for their support in bringing this important piece of legislation to the floor, in addition to their tireless work with the Senate and House conferees to reach agreement on a number of provisions included in this bill.

Over the past 7 years, I have worked to enhance and build upon our existing trade relationship with our neighbors in the Caribbean Basin region. Three times, in 1993, 1995, and 1997, I introduced CBI enhancement legislation to achieve this important goal. On February 3, 1999, in response to the overwhelming devastation and destruction caused by Hurricane Georges and Hurricane Mitch, I introduced the Central American and Caribbean Relief Act. This bill represented a broad and comprehensive strategy to provide immediate disaster relief, economic and infrastructure recovery and development, and long-term trade enhancements that would benefit both the United States and the countries in the region well into the new millennium.

Although we passed legislation in March 1999 that provided immediate disaster relief to the countries in the region that were impacted by Hurricanes Georges and Mitch, I am pleased that we are now considering final passage of a bill that includes many of the long term trade enhancement provisions I introduced in the Central American and Caribbean Relief Act. Trade is the best form of aid. Enacting this legislation is critical to the continued economic health of our nation and the economic health of our closest neighbors in the Caribbean and Latin America. It is also in our national security interests.

There are many compelling reasons to pass this legislation. The first is humanitarian. I have made three trips to the region in the year following the devastation of Hurricane Georges and Hurricane Mitch. I know that many of my colleagues have also seen the destruction caused by these hurricanes. These two destructive storms caused a level of death and devastation not seen in this hemisphere in over 200 years.

We have all heard of the tremendous loss of life, economic disruption, and human suffering caused by these hurricanes. As a neighbor, a friend, and a great nation, we have an obligation to respond with assistance that will help the region recover as rapidly as possible.

A second reason to pass this legislation is economic: CBI enhancements are in the best economic interest of the United States. Experience shows us that providing trade benefits to the Caribbean basin in good for the United States. Following enactment of the Caribbean Basin Initiative in 1983, our trade position with the region improved from a deficit of $3 billion in 1983 to a surplus of nearly $3.5 billion in 1998. Between 1983 and 1998, U.S. exports to the region increased fourfold, while total imports into the U.S. from the region grew by less than 20 per cent. On a per capita basis, our trade surplus with the CBI region has consistently out-paced our trade surplus with any other region of the world. In fact, since 1995, U.S. exports to the CBI countries have increased by approximately 32 percent. Over 58 million consumers in the 24 countries in the CBI region purchase 70 percent of their non-oil imports from the United States.

Yet another reason to strengthen the Caribbean economy is the stability of our closest neighbors. In 1983 the Caribbean Basin, which includes Central America, was a region inflamed with violent conflicts and rampant drug trafficking. The primary goal of the initial CBI legislation was to stabilize the region by building stronger, more diverse economies, and to enhance our national security by reducing the flow of illegal drugs and illegal immigrants into the United States.

While everyone can agree that the region's worst days are behind it, we have a continued national security interest in the Caribbean Basin—such as stemming the flow of illegal drugs into the United States. Without assistance to restart the regional economy and make it possible for people to provide for their families, the nations in the region will be even more susceptible to the scourge of drug trafficking. The people of the region must have opportunities in the legal economy so that they may feed their families and resist the financial temptations associated with drug trafficking.

In addition, failing to enact CBI enhancements will increase the pressure for migration to the United States. The people of the region must have real opportunity at home so that they are not forced to flee in order to find employment and feed their families.

Passage of this legislation is not only critical to ensure that the Caribbean Basin is no longer negatively affected by NAFTA, but it will also boost the region's long-term competitiveness with Asian nations, particularly in the textile industry.

Although current CBI textile production costs are somewhat higher than costs in Asia, the textile products of most Asian nations are currently subject to quotas imposed by the Multi-Fiber Agreement, now known as the Agreement on Textiles and Clothing. This restriction on Asian textiles has enabled the CBI region to remain competitive, and further, the CBI region has become a significant market for fabric woven in U.S. mills from yarn spun in the U.S. originating from U.S. cotton growers.

However, in 2005, the Asian import quotas will be phased out. At that time, textile production in the Caribbean basin will be placed at a distinct and growing disadvantage. Disinvestment in the region will occur, reducing the incentive to use any material from U.S. textile mills or cotton grown in the United States.

That is why passing CBI enhancement legislation now is critical to the U.S. textile and yarn industries, as well as to the U.S. cotton growers. Sixty-four thousand U.S. textile workers depend on our partnership with the Caribbean. Overall, four hundred thousand U.S. jobs are dependent upon textile exports to the CBI region. Only by providing incentives for the development of strong relationships with apparel manufacturers in our hemisphere will we have any chance to maintain a market for U.S. cotton and textiles after the Asian quotas are eliminated in 2005.

Inherent in our CBI enhancement efforts are public and private investment incentives that will increase productivity and the quality of life within the region. We anticipate the textile industry will provide investment capital targeted for the construction and maintenance of schools, health and child care facilities, and technology enhancements to increase the productivity of both workers and existing manufacturing facilities. A well trained and healthy workforce will be more productive and efficient as Caribbean basin producers compete for shares of the international textile market.

Mr. President, we are about to make a fundamental decision that will impact twenty-seven of our closest neighbors. The choice is clear, stark and beyond reasonable debate. Will we engage or will we retreat? I urge my colleagues to extend this assistance to our neighbors in order to expand commerce and promote economic and political stability in the region.

With the final passage of this legislation, we have an unprecedented opportunity to strengthen our economic and national security through the enhancement of our trade relationship with our neighbors in the region. We must act prior to 2005 to build a dynamic, formidable Western Hempishere trade alliance that encourages U.S. industry to invest in the region and to make commitments to rebuilding the industrial infrastructure in the region.

There are a number of additional initiatives, both at home and abroad, that we should aggressively pursue in order to build a true ''partnership for success'' with both the Caribbean and the other nations of the Western Hemisphere. Mr. President, as we take the first step in this process today in passing CBI enhancement legislation, let me outline and advocate a comprehensive strategy for economic growth and development throughout our hemisphere.

First, here in the U.S., we should move quickly to modernize and improve both the facilities and organizations that manage our international trade.

For example, in recent years, the variety of trade and commerce that are carried out at seaports has greatly expanded. This continuing growth of activity at seaports has increased the opportunities for a variety of illegal activities, including drug trafficking, cargo theft, auto theft, illegal immigration, and the diversion of cargo, such as food products, to avoid safety inspections.

In 1998, I asked the President to establish a federal commission to evaluate the nature and extent of crime and the overall state of security in seaports, and to develop recommendations for improving the response of federal, state and local agencies to all types of seaport crime. In response to my request, President Clinton established the Interagency Commission on Crime and Security in U.S. Seaports on April 27, 1999.

Although the Commission will soon release its final report, it has already identified at least four preliminary recommendations for improving seaport security:

First, we should establish minimum security guidelines for all U.S. seaports. These would include uniform practices for physical security, certification for private security officers at seaports, guidelines for restricting vehicle access to seaports, and other, similar measures.

Second, local ports should establish and maintain local port security committees, made up of federal, state, and local agencies with trade and law enforcement responsibilities at seaports. These committees would discuss and develop solutions for issues related to port security. For example, a joint initiative among state and local police departments in South Florida, the FBI, and the Customs Service, known as the Miami-Dade County Auto Theft Task Force, has been very successful. In the last 3 years, this task force has recovered 851 stolen vehicles valued at $19 million.

Third, federal, state, and local law enforcement agencies should conduct cooperative, interagency threat assessments for seaports within their jurisdictions, with an eye towards coordinating their efforts to combat criminal activity.

And finally, we should encourage the development and deployment of new technologies that would further assist law enforcement and trade officials in carrying out their missions at the ports. Currently, few ports employ measures such as security cameras, carbon dioxide detectors, vessel tracking devices, or enhanced x-ray equipment, all of which could assist law enforcement personnel in accomplishing their mission. Enhanced technology will not only facilitate the movement of legitimate trade, but will also assist in the rapid detection of criminal and terrorist activities.

The second critical domestic initiative is the modernization of the U.S. Customs Service. On a typical day, dedicated Customs officers in over 900 U.S. field locations and 34 foreign offices perform multiple tasks associated with the successful performance of the agency's mission. This includes the examination of 550 vessels, 45,000 trucks, 344,000 vehicles, and 1.3 million passengers.

Perhaps even more important, Customs officers seize over 4000 pounds of narcotics and $1.2 million in drug money in a day, and they make 67 criminal arrests of those involved in a various illegal activities, including drug running and money laundering. And finally, in their role as facilitator of U.S. trade, Customs processes over 58,600 import shipments worth $2.6 billion, monitors 27,000 export shipments, and collects over $60 million of revenue per day.

It is vital that the automation systems upon which Customs relies to perform its mission-critical functions be up-to-date and capable of handling the ever-increasing pressure on the Service. And this is the problem.

Currently, the Customs Service relies on severely aging automation systems. In particular, Customs Automated Commercial System (known as ACS), which is at the core of their trade enforcement and compliance functions, and is over sixteen (16) years old, is increasingly susceptible to short-term ''brown-outs'' and long-term failure. With an ACS system failure, even for a few hours, the Customs Service's responsibility for protecting American borders becomes significantly more difficult.

Commissioner Kelly and the Customs Service are ready to move forward with the modernization of their information technology systems. They have determined the funding requirements to accomplish their modernization goals in the most cost-effective fashion. Customs will require $12 million for the remainder of fiscal year 2000, and they have requested $338.4 million for fiscal year 2001 in order to complete this project.

The importance of Customs modernization cannot be overstated; it is a fundamental component of moving U.S. trade policy into the 21st century. I urge my colleagues to support Commissioner Kelly in his effort to streamline and modernize the Customs Service, and to fully fund this critically important initiative.

Third, we must pass legislation that recognizes the comprehensive role of the Customs service in both trade facilitation and law enforcement. Both the Senate and the House have passed bills to reauthorize the U.S. Customs Service. Both bills would provide Customs with the necessary funding it requires to perform its multi-faceted functions of drug interdiction, passenger and cargo inspection, and trade facilitation.

Both bills enhance drug interdiction and investigative efforts, the facilitation of international trade, the targeted use of sophisticated technology, the efficient allocation of assets and resources, and the enhancement of Customs internal affairs functions. In addition, the Senate bill directs the Customs Service to establish performance goals and indicators, as well as priorities and objectives by which we may evaluate the effectiveness of Customs operations.

I urge both chambers of Congress to resolve quickly the differences between the two bills, and to pass a comprehensive Customs Reauthorization Act as a demonstration of our commitment to support the first line of defense against the flow of drugs and drug money across our borders, and boost the first line of offense in promoting trade.

In the interest of expanding trade and economic development throughout the Western Hemisphere, there are a number of legislative initiatives already under consideration by the Senate that should be finalized and passed before we complete our business this year.

As I have already stated, the primary goal of the Caribbean Basin Initiative (CBI) was to stabilize the region by building stronger and more diverse economies, encouraging growth in international trade, developing a strong economic relationship between the U.S. and the region, and creating employment opportunities in the legitimate economy as an alternative to drug trafficking.

In 1991, after 8 years of resounding success in the CBI region, Congress passed the Andean Trade Preferences Act (ATPA), providing CBI-like trade benefits to the countries of Bolivia, Colombia, Ecuador, and Peru. In the nine years following enactment of ATPA, U.S. exports to the Andean region have more than doubled, from $3.9 billion in 1991 to nearly $9 billion in 1998. U.S. exports to Colombia account for over half of this increase, growing from $2 billion in 1991 to $4.8 billion in 1998. During the same time period, Andean exports to the U.S. increased by almost 80 percent.

In the wake of the Asian financial crisis, Colombia and its Andean neighbors are struggling with issues similar to the challenges of the CBI region—only much worse. After more than 60 years of sustained growth, Colombia is experiencing its worst economic recession since the 1930s. Unemployment in Colombia is at an historic high of 21 percent; the Colombian economy is suffering from three consecutive quarters of negative growth. The economic downturn in Colombia has harmed both foreign and domestic investor confidence in the Andean region.

Drug trafficking is undermining the democratic foundations of the Andean region. The Office of National Drug Control Policy (ONDCP) recently released information indicating Colombian coca cultivation has increased 140 percent over the past five years. More than 300,000 acres of coca are currently under cultivation in the jungles and mountains of Colombia. Actual cocaine production in Colombia has risen from 230 metric tons to 520 metric tons, a 126 percent increase in the same five year period. ONDCP estimates that 80 percent of the cocaine available on our nation's streets was cultivated on Colombian farm land, processed in Colombian drug labs, or smuggled into the U.S. through Colombia's roads, rivers, and air space.

The people of the Andean region are also suffering from the rampant guerrilla violence that plagues Colombia and threatens the stability of the entire Andean region. In 1998, there were over 21,000 murders and 1,100 kidnapings in Colombia. Ninety percent of these murders and kidnapings were related to the armed conflict between the Government of Colombia and the anti-government insurgent groups who control almost 40 percent of the country, are heavily involved in cocaine and heroin trafficking, and who regularly violate the national sovereignty of their Andean neighbors.

Colombia's best and brightest citizens are leaving their homes in record numbers. Since 1995, over 1 million Colombians have fled their country to escape the drug and guerilla related violence that threatens the entire region. In the last year alone, more than 100,000 Colombians have moved to South Florida. Seventy percent of the Colombians displaced by the violence and terror in their country will never return to Colombia.

In response to this crisis, the government of Colombia has formulated Plan Colombia. The administration, in turn, has responded generously to Colombia's needs by considering a supplemental appropriations package of more than $1.6 billion to help the country in this time of crisis. This will supplement over $4.0 billion being spent by Colombia itself.

Fundamental to Plan Colombia, and to the government's ability to succeed in its efforts to safeguard the country, will be efforts to encourage economic growth and provide jobs to the Colombian people. Without new economic opportunities, more and more Colombians will turn to illicit activities to support their families or seek to join the growing numbers of people who are leaving the country to find a better, safer future for their families.

As part of its Colombian assistance package, the administration has proposed $145 million over the next 2 years for alternative economic development targeted toward Colombian coca and poppy growers. Although agricultural reform is an important component of the administration's plan, agricultural programs alone are insufficient in addressing the alternative development needs in the Andean region. Again Mr. President, trade is the best form of aid.

The United States is at a critical juncture with its neighbors in the CBI and Andean regions. As we enhance our trading relationship with our partners in the Caribbean by passing the legislation under consideration today, we must also work to expand and enhance our trading relationships with the countries of the Andean region. Currently, under ATPA, Bolivia, Colombia, Ecuador, and Peru enjoy the same trade benefits that we currently extend to the CBI region. However, upon final passage and enactment of CBI enhancements, our Andean trading partners will be at a competitive disadvantage.

To promote economic growth and regional stability, the Congress must consider additional trade measures that benefit the Andean region. First, the Congress should grant early renewal of ATPA. Early renewal of this important trade agreement will signal the United States' support of Colombia's economic reform efforts, and will boost the confidence of both domestic and international investors in pursuing business opportunities that create jobs and enhance international trade in Colombia and the Andean region.

Second, the Congress should consider granting CBI parity to the ATPA beneficiaries. During 1999, Colombia and its Andean neighbors exported approximately $562 million in textiles and apparel to the United States. While insignificant in comparison to the $8.4 billion in textile and apparel exports originating in the CBI region, Andean textile and apparel production sustains more than 200,000 jobs in Colombia alone—valuable jobs in the legitimate economy. Absent CBI parity, the Andean region will find itself at a significant competitive disadvantage with the 27 countries of the CBI region.

Third, the Senate should approve passage of the administration's supplemental assistance package for Colombia. The proposal responds to an emergency situation, expresses a strong U.S. commitment to Colombia, and complements other key elements of Plan Colombia. I believe that it will help mobilize higher levels of commitment from the Colombian government and the private sector, and will catalyze and sustain multilateral efforts of support for Colombia.

As we consider the final passage of CBI enhancements, as well as the President's Colombian aid package, the United States has an unprecedented opportunity to make significant accomplishments in regions ravaged by natural disasters, economic contraction, and the scourge of drug trafficking. However, as we make the fateful decisions, we must recognize that the dollars we spend on eradication and interdiction will be wasted unless the expansion and enhancement of international trade is included as a critical component of an effective economic assistance and counter drug strategy.

We must also aggressively pursue the Fee Trade Area of the Americas, which will put in place the future framework for trade in our hemisphere. We cannot afford to fail in this task, and I am encouraged by the progress that has been made up to this point.

Last year, Congress passed my resolution stating that Miami should host the permanent Secretariat of the Free Trade Area of the Americas. Coupled with the passage of the trade legislation under consideration today, these actions indicate that the United States Congress still believes that opening markets and expanding economic links abroad are in our national interests. We must continue to demonstrate our leadership in this movement.

There is also much that can and should be accomplished by our Caribbean partners to ensure that their end of the international trading system is as efficient as it can be. They must work to ensure the efficiency of their seaports, airports, and transportation systems. We can help with technical assistance. International institutions such as the World Bank and the Inter-American Development Bank can use their assistance programs to promote efficiency and increase investment in the textile and apparel sector of the Caribbean economy. We can also work with these institutions and industries to ensure that internationally recognized labor rights are respected. Such initiatives will continue to build a consensus in the U.S. and aboard on the benefits of expanded trade.

Upon final passage of CBI enhancement legislation, we will begin the important process of establishing a true ''partnership for success'' with some of our important neighbors. Mr. President, the action of the Senate today is a good start, but is only the beginning. I urge my colleagues to look towards the future, and to take advantage of the real economic benefits that can be achieved by further enhancing our relationship with the nations of the Western Hemisphere.

TRIBUTE TO NAVY CAPTAIN GEORGE STREET

Mr. KENNEDY. Mr. President, I welcome this opportunity to pay tribute to an outstanding officer of the U.S. Navy.

Captain George Street, a World War II submarine war hero and Medal of Honor winner, proudly served our country in the United States Navy for over 39 years. Sadly, he passed away on February 28, in Andover, Massachusetts, his home for many years after his retirement from the Navy in 1966.

Captain Street was a native of Richmond, Virginia, and a 1937 graduate of the United States Naval Academy. He served on two naval surface combat ships, the USS *Concord* and the USS *Arkansas,* before reporting to submarine school. His first submarine assignment was in the USS *Gar* where he made nine wartime patrols in the Pacific. On his very first patrol, as the submarine's Torpedo Data Computer Operator, his leadership and courage earned him the Silver Star for actions in which the *Gar* sank over 10,000 tons of enemy shipping.

On a subsequent patrol, he earned a second Silver Star as the *Gar*'s Assistant Approach Officer. Operating in Japanese-controlled waters, he played a vital role in sinking three enemy ships, and was also instrumental in enabling the *Gar* to evade a barrage of enemy countermeasures and return safely to port. Captain Street continued to build upon his brilliant service as the war went on.

In November 1944, he took command of the USS *Tirante* and on March 3, 1945, he led the submarine out of Pearl Harbor on her first war patrol. Within a month, Captain Street and the crew of the *Tirante* sank three enemy ships off the shores of Japan and survived a seven-hour counterattack by Japanese ships. Captain Street continued his patrol in the East China Sea, near Japan's southern coast, wreaking havoc on Japanese shipping.

On April 14, 1945, the *Tirante* began a major battle that would earn the crew a Presidential Unit Citation and result in President Harry S. Truman awarding Captain Street the Congressional Medal of Honor. Receiving intelligence that a major Japanese transport ship and escort vessels had anchored in a harbor on Quelpart Island off the coast of Korea, Captain Street took the fight to the enemy. He surfaced the *Tirante* and manned his gun crews since the *Tirante* would have to fight her way out on the surface if attacked. He maneuvered to penetrate the mined, shoal-obstructed, and radar-protected harbor. He evaded enemy patrols and, once in the inner harbor, fired two torpedoes into a large Japanese ammunition ship, completely destroying it. The resultant explosion revealed the *Tirante*'s position to the enemy. In the light of the burning ammunition ship, two Japanese Mikura class frigates spotted the *Tirante* and attacked. Quickly bringing his submarine to bear on the leading frigate, Captain Street counterattacked with a torpedo, and then swung his boat around and fired his last torpedo at the other frigate. Clearing the harbor at emergency full-speed-ahead, he slipped undetected along the shoreline and safely evaded a depth charge attack by a pursuing patrol. The ammunition ship and both frigates had been sunk.

Captain Street was awarded the Navy Cross for another bold action two months later. On June 11, 1945, the *Tirante* sank several hostile freighters and other vessels, then moved through treacherous shallow waters into the heart of Nagasaki Harbor, where he sank another Japanese ship and destroyed docking facilities vital to the