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Fast Track

1. Sheet on - What is Fast-Track Authority
2. Sheet - Trade is Good For America: general sheet on how we've benefited from trade (high wage jobs) as well as a lot of references to the new economy.
3. Sheets on Previous Trade Agreements that have been negotiated under fast-track procedures and how they have all benefited the United States (if this is true).
4. Fast Track Myths & Realities - Try to deal with the large-scale misconceptions with what fast-track is.
5. ~~Republicans and Democrats~~ ^{Opponents} views on fast track. Pundits as well.
6. Sheet on how this is not about NAFTA, but about free trade in general. We should also have a sheet on NAFTA's positive effects, in case this becomes a pro- or anti- NAFTA debate.
7. Anecdotes: real small businesses from a diverse cross-section of America that have benefitted from freer trade.

8) Opponents hypocrisy -- have they supported fast track in the past
what were their arguments then

9) Experts praising fast track

10) General points on why fast is good

Fast Track Time Line

- 1974** Fast-track authority was created by the Trade Act of 1974. As a result of the fast track provision:
- no amendments could be offered to bills implementing a foreign trade treaty
 - both the House and Senate were required to cast an up or down vote on these bills within 90 legislative days of its introduction.
 - these bills required only a simple majority to pass [VanGrasstek]
- 1979** The Trade Agreements Act of 1970, the first fast track bill, is passed. [VanGrasstek]
- 1988** Congress grants fast-track authority for Uruguay Round negotiations [VanGrasstek]
- 1991** Congress renews fast track authority. [VanGrasstek]
- 1993** President asks for, and receives, a ten and a half month extension of fast-track authority to conclude the Uruguay Round negotiations. [VanGrasstek]
- 4/15/94** The last grant of fast track authority expired. [VanGrasstek]
- Mid 94** President Clinton calls for a seven year extension of fast-track authority. Congress refuses to act on request. [VanGrasstek]

fast track has been used to approve 5 Agreements

first three passed easily -- wide margins and well with 90 days
NAFTA -- close in the House
Uruguay Round Agreements -- forced Senate into post-election special session
[VanGrasstek]

[495]

presented arguments from dealing w/
the use of entire ~~primary~~ points

House -- ~~proposed~~

Passed out of committee dropped before floor

For passage, the alternative rejected

6216

Points on Fast Track

- 1) Fast track is important for the U.S. to stay competitive in global economy
- 2) History shows fast track gets good results
- 3) Experts agree fast track is good policy
- 4) Fast track is nothing new -- it's been around 20 years
- 5) Opponents of fast track are just trying to score political points

Experts Praise Fast Track

According to trade specialists:

- Fast track has “helped remove Congress as an object of constituency pressure” [Winham, 1980 p. 387]
- Fast track is proving to be “a remarkably effective innovation...in reconciling the needs of diplomacy with the needs of politics...” [Destler and Graham, 1980 p. 69]
- Fast track gave “negotiators more credibility with their foreign counterparts because it lessened the likelihood that Congress would unravel a deal.” [Low, 1993 p. 58]
- Fast track provided “extremely smooth sailing” for implementing legislation. [Cohen, 1994 p. 106]
- Fast track prevented the conversion of “a trade liberalization statute into a ‘Christmas tree’ festooned with gifts of protectionist legislation.”

Political scientists say:

Fast track “should serve as a model for future legislation.” [Arnold, 1990, p. 101-102]

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Journal of World Trade

Law • Economics • Public Policy

Vol.31 No.2 April 1997

ISSN 1011-6702



Is the Fast Track Really Necessary?

Craig VANGRASSTEK*

I. INTRODUCTION

Over the past three years the United States has pledged to negotiate for the accession of Chile to the North American Free Trade Agreement (NAFTA), the creation of a Free Trade Area of the Americas by 2005, and the establishment of free trade in the Pacific Basin by 2010. At the very time that the Executive Branch of the U.S. government wrote these cheques, however, serious doubts arose regarding the willingness of Congress to cash them. At issue here is the extension of the negotiating authority from the Legislative Branch to the Executive, setting the rules by which trade agreements will be approved and implemented. For over twenty years this authority has taken the form of the "fast track", under which the implementing legislation for trade agreements is granted special treatment in Congress. The last grant of fast-track authority expired in 1994.

The fast track is one of the most important but least understood tools of U.S. trade policy. It is usually characterized as a mechanism that gives Congress a simple choice between approving or disapproving the results of the negotiations, without any possibility of amendment. This statement is false. Congress retains much more authority under the fast track than is commonly appreciated, and exercises considerable influence over the conduct of negotiations and the fulfilment of commitments. The power of Congress extends even to the point of adding or altering provisions that affect the balance of concessions in an agreement. Moreover, it is commonly said that the fast track is absolutely necessary in order for the United States to engage in trade negotiations, because this is the only way that negotiating partners can be confident that Congress will honour the commitments made by American statesmen. This is true only to the extent that negotiators perceive it to be true; the power of the fast track to restrain Congress is often exaggerated. While it is highly advisable for the Executive Branch to co-ordinate and consult with the Legislative Branch, and grants of negotiating authority are an important aspect of inter-branch comity, the fast track is neither a unique nor an indispensable tool. It is only the latest in a series of special arrangements that have been made between the two branches of government.

Those who ask whether Congress will reauthorize the fast track pose the question

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The author wishes to acknowledge the helpful comments of Miguel Rodriguez Mendoza on an earlier draft.

too narrowly. Co-ordination between the two branches of government is a perennial problem in the U.S. policy-making system, and the precise terms of this co-ordination have evolved over the past three generations. It is more appropriate to ask what the next step in this evolution will be. Will the fast track be rejected, renewed, or renovated? And if Congress does not extend some form of negotiating authority to the President, what alternatives might he employ?

II. THE EVOLUTION OF NEGOTIATING AUTHORITY

The fast track is one form of "negotiating authority" granted by the Legislative Branch to the Executive Branch. This is a somewhat deceptive term, in so far as it suggests that the Executive cannot negotiate without the Legislature's permission. What is really in question is not the authority to initiate talks or reach agreements—those are among the President's inherent powers—but instead the terms by which agreements are approved and implemented. Those terms have evolved over three periods, these being 1789–1933 (when few trade agreements were approved), 1934–1967 (when trade liberalization was achieved through dozens of executive agreements), and 1974–1994 (when Congress approved five trade agreements on the fast track).

A. *The Shortcomings of Formal Treaty Ratification*

The Founding Fathers were a cautious group who bore deep suspicions of executive authority and viewed foreign entanglements with alarm. They therefore devised, in the Constitution of 1787, a system of government that is replete with checks and balances upon the competing institutions of government, and one that provides numerous opportunities for the opponents of new initiatives. These opportunities are particularly notable in the field of foreign affairs.

The two key sections of the Constitution that deal with trade policy put the two branches in direct competition with one another. On the one hand, the Treaty Power (Article II, Section 2, Clause 2) gives the President the power to make treaties, subject to "the Advice and Consent of the Senate... provided two-thirds of the Senators present concur." Other provisions in Article II create an expectation that the Executive will be dominant in foreign affairs, subject to review by Congress. On the other hand, among the specific powers of Congress enumerated in Article I, Section 8, are the authority to "regulate commerce with foreign Nations and among the several States" (the Commerce Clause) and the "Power to lay and collect Taxes, Duties, Imports and Excises". The history of U.S. trade policy can be portrayed as a struggle between the Commerce Clause (i.e. policy-making as legislative revisions of the tariff) and the Treaty Power (i.e. policy-making through diplomacy).

Presidents submitted few tariff-reduction treaties to the Senate from 1789 through 1933, and the Senate approved even fewer. Although the Senate had consented to the

ratification of one hundred and thirty-one treaties that, *inter alia*, extended most-favoured-nation treatment,¹ it rejected all but five of the twenty-eight² treaties that included commitments to reduce U.S. trade barriers. This experience underlined four shortcomings with formal treaty ratification³ as a means of approving agreements. One is the requirement that a treaty obtain the support of two-thirds of the Senate. "This gives great power to a vexatious minority," according to Lord Bryce, "and increases the danger... that the Senate or a faction in it may deal with foreign policy in a narrow, sectional, and electioneering spirit."⁴ The requirement for a super-majority meant the downfall of many accords, whether through outright defeat, the withdrawal of treaties that appeared certain to be defeated, or simply by deterring presidents from initiating negotiations for agreements that were unlikely to be approved. This rule may have posed less of a problem for trade agreements than for other treaties. One scholar calculated that of the twenty-five trade treaties voted down by the Senate between 1789 and 1929, only four (two with tariff concessions and two without) received enough votes to have been approved by a simple majority.⁵

The second problem is the Senate's penchant for amending treaties. This uniquely American practice⁶ has been a source of discord between the United States and its partners for over two centuries. The 1794 Jay Treaty with Great Britain was the first significant trade-related pact that the Senate altered, stripping it of an offending Article that would have prohibited American traders from shipping West Indian goods to Europe. London set an irrevocable precedent when it accepted the treaty as amended, albeit under protest,⁷ and since then the Senate has freely exercised its self-asserted right to add, delete, or modify Articles in a Treaty, or to attach reservations, declarations, provisos, and understandings. Of the nine hundred and sixty-nine treaties that Presidents submitted between 1789 and 1934, the Senate amended one hundred and seventy-three.⁸ About one-third of the treaties that the Senate amended were ultimately rejected either by the President or by the U.S. negotiating partner,⁹ but that did not deter the Senate from the practice. Eight of the eleven non-tariff trade treaties that failed

¹ Data in this paragraph were calculated by the author from Bevans' (1968) compilation of treaties that entered into force, and Wiktor's (1976) compilation of unperfected treaties. Note that because the United States adhered to the conditional MFN principle until 1923, and employed a single-column tariff system up until 1934, the extension of MFN treatment to a trading partner was more symbolic than substantive.

² Note that four of the five approved tariff treaties were with countries that either bordered on the United States (Canada in 1854, Mexico in 1884) or were viewed as suitable candidates for actual or virtual annexation (Hawaii in 1875, Cuba in 1903).

³ Note that contrary to the common misuse of the term, the Senate does not "ratify" treaties. That is the sole prerogative of the President, who can do so only with the advice and consent of the Senate. Note also that I use the term "treaty" here in the sense employed in the United States, where only those agreements that are deemed to require the approval of two-thirds of the Senate are called treaties. This differs from the general usage in international law, where other legally-binding agreements between States—including those that in the United States are called "executive agreements"—are deemed to be treaties.

⁴ Bryce, 1911, p. 109.

⁵ Fleming, 1930, p. 304.

⁶ Note that a distinction should be drawn here between the Senate's practice of amending treaties, and the generally accepted international practice of lodging reservations to treaties. See for example Gamble, 1980.

⁷ Fleming, 1930, p. 34.

⁸ Laski, 1940, p. 189.

⁹ Fleming, 1930, p. 36.

during 1789–1933 did so on account of the foreign country's understandable reluctance to accept the Senate's unilateral changes. The Senate also amended and approved four of the twenty-eight tariff treaties that were submitted for its advice and consent.¹⁰

The slowness of the Senate posed the third problem. It is difficult to overestimate the importance of the Senate's rules and traditions, which extend considerable authority to minority factions and even individual senators. Whether through dilatory tactics, disinterest, or a pace of work that can charitably be described as majestic, the Senate sometimes took years to approve even non-controversial treaties. Many of the international agreements negotiated in the nineteenth century did nothing more than extend the time permitted for ratification of treaties that were languishing in the Senate years after submission.

The fourth problem with trade-liberalizing treaties is that these generally are not self-executing instruments.¹¹ Trade treaties ordinarily require the enactment of additional legislation providing for the necessary alterations to American laws (e.g. the tariff schedule). The approval of implementing legislation or the appropriation of funds has often given the House of Representatives an opportunity to pass on the merits of an international agreement. This has led at least once to the rejection of an agreement that had been acceptable to the Senate,¹² and in another instance gave the Senate a convenient excuse for not approving an agreement.¹³

With the exception of the two-thirds rule, these four shortcomings are not unique to the Senate's consideration of treaties. Amendments, delays, and bicameral conflict are, instead, endemic problems in the legislative process, and would need to be dealt with in any alternative means of ratifying international agreements. As we shall see, the fast track and other forms of negotiating authority have ameliorated but not eliminated these difficulties.

B. Antecedents to the Fast Track

The shortcomings of formal treaty ratification led Presidents to find some alternative means of approving trade agreements. There are several such options, as summarized in Annex 1 and discussed below in chronological order.

One option is to implement an agreement through the enactment of ordinary

¹⁰ Cuba, Hawaii, and Mexico all accepted the treaties as amended, but the short-lived Republic of Texas balked in 1842 when the Senate struck out an Article that would extend reciprocal duty-free access to cotton: see Holt, 1933, p. 63.

¹¹ See Jackson, 1992, on the tangled legal issues involved in the doctrine of self-execution.

¹² Mexico and the United States negotiated a trade treaty in 1883 that the Senate approved, but the Agreement never went into effect because the House failed to enact the needed implementing legislation: see Culbertson, 1925, p. 125.

¹³ The Tyler Administration negotiated a reciprocal tariff agreement with the German Zollverein, partly in response to explicit encouragement from the House of Representatives, but the Senate rejected it in 1844 on the disingenuous grounds that all revenue measures (including tariff reductions) must originate in the lower chamber: see Holt, 1993, pp. 77–81.

legislation (i.e. bills or resolutions).¹⁴ Many assume that this approach is too fraught with hazards to be attempted, but it has in fact been used many times with varying degrees of success. Curiously, the three most notable efforts all involved Canada. The United States and Canada subscribed to a tariff agreement during 1855 to 1866, which both houses of Congress approved as a bill.¹⁵ The two countries negotiated another tariff agreement in 1910, and once again both houses of Congress approved the implementing legislation, and rejected amendments that were proposed.¹⁶ The agreement was never ratified, however, because the Canadian Parliament failed to approve its own implementing bill in 1911.¹⁷ The most positive experience came in 1965, when Canada and the United States negotiated an agreement eliminating tariffs on automotive products. President Johnson convinced Congress to enact the implementing legislation as an ordinary bill. Legislators did insist upon making minor adjustments in the implementing legislation, but did not significantly alter the substance of the agreement.¹⁸ In more recent years, Congress has enacted ordinary bills that implemented at least four other trade-related agreements,¹⁹ and also passed a bill to make West Bank and Gaza products eligible for treatment under the U.S.–Israel Free Trade Agreement (FTA).²⁰

These exceptional cases are outweighed by other, more consequential episodes that underline the difficulties of relying upon this means of approving agreements. The most important counter-example came in the immediate post-war period, when Congress blocked membership in the proposed International Trade Organization (ITO). The Truman Administration did not submit the Havana Charter of the ITO as a treaty, but instead in early 1949 asked that Congress approve it by enacting a joint resolution. Neither chamber of Congress ever voted on the matter, allowing it to wither through inaction.²¹

Two non-tariff agreements reached in the Kennedy Round of GATT negotiations suffered a similar fate a generation later, as is discussed in the next Section. Most

¹⁴ The chief distinction between bills and resolutions concerns the responsibilities of the President. A bill requires approval by both Congress and the President (although Congress can override a veto), and the same is true for joint resolutions. Concurrent resolutions or simple resolutions do not require the President's approval. For our present purposes, this is a distinction without a difference. In either case, the same degree of approval by Congress is necessary (i.e. a majority vote in each chamber of Congress), and the question of Presidential approval is moot because these are Agreements that the President has initiated himself.

¹⁵ See Robinson, 1911.

¹⁶ These events are recounted in Ellis, 1939, pp. 77–78. It is interesting to note that the Senate voted to approve the implementing legislation by 53–27. If it were proposed as a treaty, this Agreement would have required 54 votes.

¹⁷ See Stairs and Winham, 1985; and Young, 1957.

¹⁸ The principal amendment provided for the President to propose legislative changes if he found that Canada increased the required Canadian content for automobiles above the level agreed to in the 1965–1968 model years.

¹⁹ Section IV, B(ii), *infra*.

²⁰ This unique example arose in 1996, and was facilitated by the fact that the low level of trade between the United States and these territories is far outweighed by U.S. political interest in promoting peace. The products of the West Bank and Gaza had been granted FTA treatment under the U.S.–Israel Agreement, and the new arrangement merely maintained the *status quo*. This was accomplished by having Congress enact a bill amending the implementing legislation for the U.S.–Israel FTA, rather than by negotiating an entirely new FTA with the Palestinian authorities.

²¹ Diebold, 1952.

recently, in 1996, the Clinton administration proposed that Congress approve the Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry (more commonly known as the Organisation for Economic Co-operation and Development (OECD) Shipbuilding Agreement). The congressional trade committees²² approved the implementing legislation for this agreement, but opponents ensured that the 104th Congress did not take final action on legislation before it adjourned. This inaction frustrated plans to implement the Agreement in July 1996.

Perhaps the most unusual option is for Congress to enact the implementing legislation for an agreement prior to the initiation of negotiations, providing for the law to go into effect when a matching trade agreement is negotiated. In actual practice, it has sometimes been difficult to distinguish this approach from the reciprocity strategy (i.e. negotiations that are conducted under the threat of retaliation) or even the antidumping laws (i.e. the Executive is given authority to impose duties in response to unfair pricing practices). There were, for example, a few experiments in the late nineteenth and early twentieth centuries with a "negotiating tariff", in which the Tariff Acts of 1890, 1897, 1909 and 1922 gave the President the authority to adjust tariffs within specified ranges.²³ Other provisions dealt with specific cases, such as a lumber dispute with Canada in 1909.²⁴ None of these authorities were particularly successful or long-lasting, and they did not constitute true extensions of negotiating authority to the President. There appears to be only one recent experience with the pre-approval of implementing legislation. Section 1428 of the Omnibus Trade and Competitiveness Act of 1988 provided for the imposition of a 0.15 percent *ad valorem* fee on imports to fund worker adjustment-assistance programmes, but only if the President negotiated an agreement providing for such a fee. No such agreement was negotiated in the GATT, and hence the pre-approved implementing legislation for the pact never took effect.

The most favourable approach, from the President's perspective, is to treat international accords as Executive Agreements that require no further action by Congress. Executive Agreements have become the principal means by which the United States negotiates on such diverse matters as military bases, foreign assistance, and the exchange of information on tax matters. There have been two distinct periods in which Congress allowed commercial diplomacy to be conducted on the basis of Executive Agreements. The first came a century ago, when a provision in the Dingley Tariff Act of 1897 allowed the President to reduce tariffs on argol (crude tartar) and other enumerated commodities with any country that offered reciprocal concessions.²⁵ The McKinley Administration reached nine of these "argol agreements" with European

²² All references in this article to the "trade committees" refer to the Committee on Ways and Means in the House of Representatives, and the Finance Committee in the Senate.

²³ Rhodes, 1990, pp. 21-52.

²⁴ See Ellis, 1939, pp. 36, and 47-49.

²⁵ Another provision in the 1897 statute called for the negotiation of reciprocal treaties providing for up to 20 percent reductions in U.S. tariffs, but required that any such agreements be approved both as treaties by the Senate (under the two-thirds rule) and as implementing legislation by the House. The Senate never approved any of the fourteen agreements negotiated under this authority: see Larkin, 1936, pp. 49-51.

countries, each of which went into effect without further action by Congress. Both the authority and the agreements expired in 1909, and another generation would pass before Congress made a comparable grant of authority.

The Reciprocal Trade Agreements Act (RTAA) of 1934 marked a turning point in the history of U.S. trade policy. This Law, which was originally enacted as an emergency measure in the depths of the Great Depression, gave the President the authority to negotiate bilateral tariff-reduction agreements and to implement them by proclamation. The RTAA provided that no existing rate could be reduced by more than half, and restricted the duration of the authority to three years. This "temporary" expedient lasted for more than thirty years, with Congress renewing and amending the RTAA authority eleven times between 1937 and 1962. The Roosevelt and Truman Administrations employed the authority to negotiate and implement thirty-two bilateral agreements with twenty-eight countries,²⁶ and to approve provisional U.S. adherence to the General Agreement on Tariffs and Trade (GATT). Presidents Truman through Johnson used the renewed authority to participate in six Rounds of GATT tariff negotiations.

The Trade Expansion Act of 1962 made the last major grant of negotiating authority that dealt solely with tariffs. It provided the authority for the implementation of cuts that were to be negotiated in the Kennedy Round of GATT negotiations (1962-1967). There have been subsequent grants of tariff-cutting authority in more recent trade bills, including those incorporated in fast-track authorities, as well as limited extensions of tariff-cutting authority for very specific purposes.²⁷ The most recent of these was granted under the Uruguay Round Agreements Act of 1994, which gave the President a permanent authority to implement tariff agreements dealing with the "unfinished business" of the Uruguay Round.²⁸ Like tariffs themselves, however, these authorities are something of an anachronism. They have been supplanted in importance by non-tariff barriers and the fast-track procedures.

C. Origins of the Fast Track

The RTAA approach could not be easily applied to issues more complicated than tariffs and other border measures. While it is hypothetically possible to devise a truly comprehensive authority allowing the President to negotiate on non-tariff matters and then proclaim any necessary changes in U.S. laws, Congress would never permit such a wholesale delegation of its legislative powers. The Kennedy Round taught policy-makers a hard lesson both in the limitations of the RTAA approach and in the dangers of inadequate internal consultations. In addition to negotiating the tariff reductions that Congress had explicitly mandated, the participants also discussed a new code on antidumping measures and changes in the American Selling Price (ASP) system of

²⁶ For a roster of the agreements, see United States Tariff Commission, 1949, p. 38.

²⁷ For example, Section 234 of the Trade and Tariff Act of 1984 gave the President the authority to proclaim tariff changes for certain enumerated products in order to implement the Agreement on Trade in Civil Aircraft. See also footnote 31, *infra*, regarding residual tariff-cutting authority.

²⁸ This authority is subject to consultation and layover requirements, as discussed in footnote 32, *infra*.

customs valuation. Despite warnings in 1966, when the Senate passed a Resolution urging the Administration not to exceed its authority, the American negotiators in Geneva pledged that they would ask Congress to eliminate the ASP and approve the new Antidumping Code. Congress forced the Johnson Administration to shelve the ASP proposal, and when the legislature approved the Antidumping Code in 1968 it specified that any conflicts between the Code and U.S. law would be resolved in favour of the latter. The proviso effectively nullified the meaning of the Code.

It took seven years to reach a new understanding over trade policy, during which time the legislature grew far more assertive. When Congress debated the impeachment of the President and enacted the War Powers Resolution, the reassertion of congressional authority in trade was a relatively mild rebuke to the White House. In addition to requiring greater co-ordination between the branches, the designation of official congressional advisors to negotiations, and consultation with private-sector advisory committees, the Trade Act of 1974 created the fast track.

The fast track is sometimes described as if it were a legislative veto. Under such an approach, any agreements negotiated by the Executive would go into effect unless Congress (or alternatively the trade committees in Congress) voted within a certain period of time to block adoption of the proposed implementing legislation. There were, in fact, several proposals in the 1960s²⁹ and 1970s³⁰ that would have created such a means of approving trade agreements, but members of Congress (especially senators) were concerned that this approach could impinge too severely on their responsibilities. Apart from a few special authorities that are, in practice, similar to a legislative veto, including residual negotiating authority for free-trade agreements³¹ and the Uruguay Round,³² Congress has not given Presidents such an authority. Moreover, legislative

²⁹ During debate over the aforementioned U.S.-Canadian Automotive Agreement in 1965, for example, the House of Representatives approved a provision in the implementing legislation that would have allowed for the negotiation of similar agreements with other trading partners. These agreements would go into effect within sixty days unless Congress disapproved. There was, however, no such item in the Senate version of the bill, and the House provision was removed in the House-Senate conference.

³⁰ The Nixon Administration's 1973 proposal for new negotiating authority was based on a legislative veto. While the House of Representatives accepted this provision in its version of what became the Trade Act of 1974, the Senate did not. As in 1965, the Senate prevailed.

³¹ Provisions in the implementing legislation for the FTAs with Israel, Canada, and Mexico operate similar to a legislative veto, even though they do not explicitly provide for a vote on the agreements negotiated by the President. Each of these FTAs allowed for the acceleration of the tariff-cutting schedules in the original agreement. Congress extended such negotiating authority to the President in the implementing legislation, subject to the requirements that the Executive receive the views of private-sector advisory panels and the U.S. International Trade Commission, and that the acceleration schedule be provided to Congress sixty days before it takes effect. The laws did not provide for a congressional veto, but it was understood that the consultation and layover procedures would give legislators ample opportunity to express any objections that they had to propose accelerations.

³² Section 111 of the Uruguay Round Agreements Act provides the authority for the President to proclaim changes in tariffs if, *inter alia*, "the United States agrees to such modification or staged rate reduction in a multilateral negotiation under the auspices of the WTO." This authority is subject to the consultation and layover requirements established under Section 115 of the same Law, which require that the President obtain advice from private sector advisory committees and the U.S. International Trade Commission, and submits a report to the congressional trade committees on the proposed modifications. These committees have sixty days to review the report. While this is not an explicit legislative veto, it can—like the authorities mentioned in the preceding paragraph—be functionally similar to one. It is anticipated that the Clinton Administration will use this authority in 1997 to implement the Information Technology Agreement.

veto has fallen out of favour since the Supreme Court found in *Immigration and Naturalization Service v. Chadha* (1983) that such a mechanism can be unconstitutional.³³

The fast track is, instead, a species of Congressional-Executive Agreement, meaning that it is a hybrid of treaties and Executive Agreements. The pacts negotiated under this authority are translated into bills that specify changes needed to bring U.S. law into conformity with the agreement. The drafters of the rules recognized the inherent dangers of treating an international agreement as a legislative initiative, the chief difficulties being the prospect for crippling amendments or dilatory manoeuvres in the Senate. The fast-track rules, therefore, provided that no amendments would be permitted to the implementing bills, and both chambers were required to cast an up-or-down vote on the bill within ninety legislative days³⁴ of its introduction. Unlike the Senate super-majority needed for a formal treaty, the bill would need only simple majorities in both the House and Senate.

The fast track has been used to approve five Agreements, as summarized in Annex 2. The first three Agreements all passed by wide margins and well within the ninety-day deadline, but the vote to approve NAFTA was quite close in the House, and opponents of the Uruguay Round Agreements forced the Senate into a post-election special session. These experiences may have foreshadowed a new period of inter-branch and partisan conflict. The last grant of fast-track authority expired on 15 April 1994. President Clinton sought a renewal of this authority during his first term, asking in mid-1994 that he be given a fast-track grant that would last for seven years.³⁵ This request languished in Congress due to disagreements over the inclusion of labour and environmental issues on the negotiating agenda, but President Clinton is expected to renew it during his second term.

III. CONGRESSIONAL POWER UNDER THE FAST TRACK

The fast track has been widely praised as an innovative and useful means for balancing practical needs with constitutional prerogatives. According to trade specialists, the fast track has "helped to remove Congress as an object of constituency pressure",³⁶ proving to be "a remarkably effective innovation...in reconciling the needs of diplomacy with the needs of politics"³⁷ that gave "negotiators more credibility with their foreign counterparts because it lessened the likelihood that Congress would unravel a deal",³⁸ and provided "extremely smooth sailing"³⁹ for implementing legislation while preventing the conversion of "a trade liberalization statute into a

³³ See for example Korn, 1992.

³⁴ Legislative days are days in which Congress is actually in session. Ninety legislative days can last several months. Note also that the law does not specifically provide for a ninety-day clock, but instead establishes a series of deadlines for action in committees and on the floor that total ninety days.

³⁵ Executive Office of the President, 1994.

³⁶ Winham, 1980, p. 387.

³⁷ Destler and Graham, 1980, p. 69.

³⁸ Low, 1993, p. 58.

³⁹ Cohen, 1994, p. 106.

'Christmas tree' festooned with gifts of protectionist legislation".⁴⁰ Political scientists have identified it as a useful means for maintaining policy coalitions⁴¹ that "should serve as a model for future legislation".⁴² Policy-makers in the United States and abroad commonly declare that the fast track is indispensable to any serious negotiations. Under closer examination, however, it is clear that while the fast track has a record of five wins and no losses, this success cannot be attributed to any neutralization of Congress. On the contrary, savvy legislators have proven to be quite adept at using the fast track to pry concessions from the Executive Branch.

The fast track gives Congress at least three different means by which to exert authority. First, the Legislature can threaten to withhold negotiating authority unless the President agrees to one or more conditions. Second, Congress can attempt to influence the negotiations while they are underway by threatening to reject any agreement that either does or does not contain certain items. Third, and most significant, Congress has substantial authority in the translation of trade agreements into implementing legislation. Taken together, the various manoeuvres described below give Congress considerable power to influence the content and meaning of trade agreements.

A. *Manoeuvres before a Negotiation*

The most obvious option for Congress is to set a price for the approval of negotiating authority. This tactic is not unique to the fast track, having had its origins in the RTAA period. The bills renewing the President's tariff-cutting authority became the principal means by which members of Congress exercised influence in trade policy, either directly (by writing conditions into the bill itself) or indirectly (by cutting some related deal with the White House).

Throughout the post-war era, every one⁴³ of the requests made by Presidents for new negotiating authority—whether of the RTAA or the fast-track variety—has been followed by bargaining between the two Branches. Presidents have invariably made at least some concession to congressional demands. For example, the U.S. lumber industry took advantage of the Reagan Administration's request for the authority to enter into FTA negotiations with Canada. Over half of the Senate Finance Committee threatened to scuttle this initiative in 1986, and the Administration won by the narrowest of margins.⁴⁴ The Committee allowed the negotiations to go forward only after the Reagan Administration agreed to employ the emerging doctrine of "natural resource

⁴⁰ Ibid., p. 112.

⁴¹ Arnold, 1990, pp. 101–102.

⁴² Jerome, 1990, p. 147.

⁴³ There is one small exception to the rule. President Clinton requested a brief, ten and one-half month extension of fast-track negotiating authority in 1993, solely for the purpose of concluding the Uruguay Round negotiations. Congress approved a "clean" reauthorization without any conditions attached. This was a special case in which the President was merely seeking the authority to complete negotiations that Congress had already approved on three previous occasions (i.e. by setting the negotiating objectives in 1984, granting fast-track authority in 1988, and approving a renewal of fast-track authority in 1991).

⁴⁴ On 23 April 1986, the Finance Committee rejected by a vote to 10–10 a resolution that would have denied the Administration the right to submit a U.S.–Canada FTA implementing bill for fast-track ratification.

subsidies" in a countervailing duty case against Canadian lumber,⁴⁵ consult with legislators during the U.S.–Canada negotiations, and deal with Congress on a new trade bill.⁴⁶ The Bush Administration made an even more momentous concession in order to secure negotiating authority for NAFTA. Under pressure from the Democratic majority in Congress, the White House pledged that it would put labour rights and the environment on the table.⁴⁷ This promise helped to win the negotiating authority needed,⁴⁸ and the Clinton Administration made similar concessions when it negotiated NAFTA "side agreements" on labour and the environment in 1993, but it also established a precedent for what is now the most contentious topic in U.S. trade policy.

B. *Manoeuvres during a Negotiation*

Members of Congress can seek to affect the outcome of a negotiation by signalling that they are prepared to reject an agreement that does not meet their expectations. They have several means at their disposal, including letters to the President, statements made at hearings or on the floor, and—when they want the message to be unmistakable—the introduction, or even passage, of legislation that threatens the agreement itself.

Adjustments can sometimes be made through quiet consultations. In response to objections stated by members of Congress, U.S. negotiators in the Tokyo Round convinced their counterparts to make alterations in the GATT Government Procurement Code. Legislators were concerned that these modifications were necessary to ensure the GATT-legality of "set-asides" for minority-owned businesses.⁴⁹ The Reagan Administration consulted very closely with the congressional trade committees during the FTA negotiations with Israel, and made adjustments to a Draft Agreement in response to suggestions from these legislators (e.g. a longer phase-out of tariffs on gold jewellery).⁵⁰

Congress sometimes resorts to much more confrontational tactics. In the final months of the Tokyo Round negotiations, for example, the Senate attached to an unrelated bill, language that would impose quotas on imports of textiles and apparel. President Carter vetoed the measure, but—with an eye on the upcoming vote to approve the GATT Agreements—he felt compelled to mollify Southern legislators by developing an aid package for the industry.⁵¹ Similarly, the U.S. shipping industry strongly objected to a provision in the draft U.S.–Canada FTA that would partially relax the application of the cabotage and cargo-preference laws to Canadian shippers. The lobby's congressional allies responded by threatening the integrity of the fast track itself.

⁴⁵ Koh, 1987, pp. 211–214.

⁴⁶ Reagan, 1986.

⁴⁷ See Government of the United States, 1991.

⁴⁸ See Holmer and Bello, 1992, pp. 189–197; and Taylor, 1994, pp. 36–53.

⁴⁹ Jackson, 1984, p. 166.

⁵⁰ See Congressional Quarterly, 1986, p. 260. See also United States Senate, 1985.

⁵¹ Jerome, 1990, pp. 27–30.

The Senate Rules Committee approved a resolution that would permit consideration of an amendment to remove maritime issues from the implementing legislation for a free trade agreement (the fast track notwithstanding), and twelve of the thirteen members of the House Rules Committee signed a letter protesting the inclusion of maritime issues.⁵² If carried out, these threats would have demonstrated that the fast track was merely a paper tiger. The signals were not lost on the American negotiators, who (with the acquiescence of their Canadian counterparts) removed all references to maritime transportation from the draft. The aviation industry employed similar tactics during the Uruguay Round negotiations.⁵³

C. *Manoeuvres after a Negotiation*

Contrary to its popular image, the fast track permits Congress to influence the translation of a trade agreement into its implementing legislation. It is true that the President writes this legislation, and it is also true that this bill cannot be amended after it has been introduced on the President's behalf by the congressional leadership.⁵⁴ There has been only one overt effort to amend a fast-track bill during floor debate, and this was defeated by a fairly comfortable margin.⁵⁵ In actual practice, however, this bill is handled much like any other legislative proposal. The two key exceptions are that the trade committees in Congress process this bill *before* the President introduces it, and the language that these committees approve is sent directly to the President rather than the floors of the two chambers. The principal consequence of these rules is not to eliminate the power of Congress, but instead to concentrate it in the hands of the trade committees and (to a lesser extent) the rules committees.

The House Ways Means Committee and the Senate Finance Committee each hold sessions in which they prepare draft bills, and the differences between them are then reconciled in a Conference Committee.⁵⁶ These mark-up sessions⁵⁷ open the door to trade-offs and compromises. Lawmakers may propose interpretations of their own to the agreement, and can seek to have additional items appended to the draft bill or the

⁵² Sim, 1990, p. 490.

⁵³ *Ibid.*, p. 491.

⁵⁴ Even this point requires some qualification. The fast-track statute explicitly notes that each house of Congress has "the constitutional right...to change the rules (as far as relating to the procedures of that house) at any time, in the same manner, and to the same extent as any other rule of that house." In other words, Congress has the authority, if it wishes, to override the special rules of the fast track: see for example in Section III.B, *supra*, the incident involving maritime services in the U.S.-Canada FTA negotiations.

⁵⁵ During debate over the implementing legislation for NAFTA, Senator Ted Stevens (Republican-Alaska) proposed, on 19 November 1993, an amendment that would strike from the Bill those provisions related to the labour and environmental side agreements. The presiding officer of the Senate ruled that this amendment was out of order and—after Senator Stevens appealed the ruling—this determination was upheld by a vote of 73–26. It is notable that this measure of support for the fast-track rules exceeded the margin by which the Senate approved the NAFTA implementing bill itself (i.e. 61–38).

⁵⁶ In the case of the Tokyo Round and U.S.-Israel FTA negotiations, this was done in the concluding weeks of the negotiations, allowing the President to submit the implementing legislation shortly after the formal conclusion of the international negotiations. In the three most recent experiences with the fast track, the mark-up process did not begin until well after the international negotiations concluded.

⁵⁷ The sessions are sometimes called "non-markups" or (more recently) "mock mark-ups", in recognition of the fact that they deal with proposals for the President rather than with formally introduced legislation.

"statement of administrative action" (a list of steps that the Executive will take in the implementation of the trade agreement). The President is under no obligation to base his implementing bill on the language that emerges from this process, but it would be highly impolitic for him to submit a proposal that differed significantly from that which the Committees approved.

The Trade Agreements Act of 1979 hinted at the possibilities, as this first fast-track bill included provisions that were not a part of the Tokyo Round Agreements. The most notable departure concerned U.S. policy on injury tests in countervailing duty cases. The bill codified the "commitments" policy, under which most developing countries were required to make specific commitments in order to qualify for the right to an injury test in countervailing duty cases that involve dutiable goods.⁵⁸ Legislators also ensured that other trade-remedy provisions in the bill met with their approval, and won a commitment from the Administration to propose reorganization of the trade agencies (including transfer of trade-remedy jurisdiction from the Treasury to the Department of Commerce). The implementing legislation for the U.S.-Canada FTA also contained several provisions that departed from (but did not necessarily contradict) the language of the bilateral agreement, as did the Uruguay Round Agreements Act.⁵⁹

The NAFTA debate in 1993 took this process to its logical extreme. In effect, Mexico was obliged to negotiate three times: first with the Bush Administration, second with the Clinton Administration, and third with Congress. The Clinton Administration began by insisting that the Agreement be accompanied by side agreements on labour rights, the environment, and import surges. After the Administration secured these agreements in negotiations with Canada and Mexico, members of Congress made further demands. The two governments signed a series of "side letters" during the final days of congressional debate over NAFTA, affecting U.S. treatment of such Mexican products as sugar and orange juice, as well as a commitment for further negotiations to accelerate the phase-out of Mexican tariffs on certain U.S. goods.⁶⁰ These letters were each aimed at winning the votes of specific legislators and state delegations, as were numerous provisions written into the implementing legislation, added to the statement

⁵⁸ The Subsidies Code appeared to require that the United States grant injury tests to countries that sign the Subsidies Code, but senators encouraged the Executive Branch to interpret ambiguous language to make such tests conditional. The policy further demanded that countries make commitments in separate negotiations with the United States, in which they pledge, for example, not to employ specified export subsidies. This interpretation of the Tokyo Round accords was later challenged by India in a dispute-settlement case, but an "out of court" settlement obviated any definitive ruling as to the GATT-legality of the policy.

⁵⁹ The most important bargain came too late to be incorporated in the implementing legislation itself. In a deal with Senator Robert Dole (Republican-Kansas), who was then the Senate Minority Leader, President Clinton agreed to a "three strikes and you're out" provision for U.S. participation in the World Trade Organization. The initiative would take effect in the event that three WTO dispute-settlement panels reached decisions that were unfavourable to the United States. If a group of retired U.S. judges concluded that these decisions had been reached unfairly, the jurists could recommend to Congress that the United States withdraw from the WTO. The Clinton Administration promised, in late 1994, to support the enactment of legislation providing for such a mechanism, and thus won Republican support; but in 1995–1996 the proposal was blocked by Senate Democrats who opposed U.S. participation in the WTO altogether.

⁶⁰ For the text of the side letters, see U.S. Congress, 1993.

of administrative action, or agreed to on a handshake.⁶¹ NAFTA as implemented differed in many respects from NAFTA as negotiated, but U.S. and Mexican officials believed that they had to choose between an altered NAFTA or no NAFTA at all.

IV. SHOULD THE FAST TRACK BE REJECTED, RENEWED, OR RENOVATED?

The fast track defined the domestic and the international politics of U.S. trade policy from 1974 to 1994. The question now is whether it will continue to do so. President Clinton was unable to convince Congress to renew this authority when the Legislature was in Democratic hands, and his task became even more difficult after Republicans captured control of Congress in 1994. The 1996 elections preserved the *status quo*, with voters returning both the Democratic President to the White House and the Republican majority to Congress. President Clinton is certain to renew his request for a new grant of negotiating authority. The Republican Congress could reject this appeal, renew the fast track, or renovate it.

A. Growing Problems with the Fast Track

It is possible that the fast track has outlived its usefulness. Three problems with this mechanism have become increasingly apparent with each new use of the authority, and together they complicate efforts to win a new grant.

One is the growing concern over the huckstering manner in which bargains are struck for legislators' votes. The episodes described in the preceding pages all helped to win majority support in the two chambers of Congress, and hence to achieve the immediate objectives of approving the two GATT and three FTA Agreements, but in the longer run the bargaining has provoked opposition to the fast track. Surprisingly, it is not U.S. trading partners who make this complaint, even though they have sometimes seen adjustments made to bargains that they had struck in good faith. On the contrary, foreign governments have found it to be in their interests either to remain silent while the President dealt with Congress, or even to join in these post-negotiation negotiations. In the case of the U.S.-Canada FTA, the Mulroney Administration faced a very difficult ratification fight at home. The parliamentary elections of December 1988 became a referendum on the FTA, and the Canadian Government might have complicated its own electoral strategy if it had protested loudly against the dealing in Washington. Mexican officials took a different tack five years later, when they not only condoned but participated actively in the bargaining.

The leading critics are, instead, members of Congress who favour trade liberalization on its own merits, as well as those opponents of trade liberalization who view it as an unfair advantage for the President. During debate over the U.S.-Canada

⁶¹ For a more comprehensive listing of the various deals that were cut in order to secure congressional approval for NAFTA, see Latin American Economic System, 1994.

FTA, for example, the chairmen of the trade committees in Congress objected to the number of deals that the Reagan Administration was making in order to secure passage—especially those that were not made with members of their own committees. They managed to prevent at least one such bargain from being consummated, when a group of Western senators nearly forced the Administration to include a \$1.75 billion support package for the uranium industry in the implementing bill. Some legislators expressed similar concerns during debate over the Uruguay Round implementing legislation, decrying the “extraneous matters” that had been allowed into fast-track bills, and insisting that any future implementing bills be limited strictly to those provisions that are strictly necessary to meet U.S. obligations under an agreement.

The second problem with the fast track concerns the financing of trade agreements. New budget rules adopted in 1985 require a “pay-as-you-go” (PAYGO) approach to any measures that affect the budget, and these rules have been applied to trade agreements since 1990. Under the PAYGO rules, any bill that provides for an increase in government expenditure or a decrease in government revenue (e.g. through tariff cuts) must include offsetting measures. The PAYGO principle thus required that the NAFTA and the Uruguay Round implementing bills include new taxes, fees, spending cuts, or other measures in order to make up for the foregone tariffs. These rules posed two complications. A proposal to liberalize trade does not become more attractive when it is associated with new taxes or spending cuts. Some of the funding proposals for the Uruguay Round Agreements threatened to alienate core members of the pro-trade constituency, by reducing spending for agricultural export subsidies and imposing new taxes on retailers. Moreover, the rules provided a parliamentary advantage to opponents of the Uruguay Round Agreements. The Senate had to approve a partial waiver of the budget rules in order to clear the bill for a vote,⁶² and this eroded one of the intended advantages of the fast track over formal treaty ratification. It takes sixty votes to waive the budget rules, thus moving the goalposts closer to the two-thirds (i.e. sixty-seven votes)⁶³ needed to approve a treaty than the simple majority (i.e. fifty votes)⁶⁴ needed for a fast-track bill. The vote on the waiver became the real focus of the Uruguay Round opponents; while the bill itself won twenty-six more votes than the needed fifty, the vote on the waiver exceeded the sixty-vote level by just eight votes.

The third and most serious threat to the fast track stems from disagreements over policy rather than differences over procedure. As suggested above, the political economy of U.S. trade policy has come under increasing strain with the introduction of labour rights and the environment. Unlike the “new issues” of the 1980s, which met with near-universal support in Washington, these “newest issues” of the 1990s involve

⁶² The bill could have been enacted without a waiver, but only if it provided funding not only for the tariffs foregone in fiscal years 1995 through 1999 (\$12 billion), but also fiscal years 2000 through 2004 (amounting to another \$28 billion).

⁶³ Note that the Constitution requires the votes of two-thirds of those *present*, meaning that a treaty could be approved with sixty-six votes if one seat is vacant or one senator is absent, sixty-five votes if there are three vacancies and/or absentees, and so forth.

⁶⁴ Note that when the Senate is evenly divided, the Vice President can cast the deciding vote. This means that a fast-track bill really needs the support of fifty senators (or fewer in the event of vacancies or absences).

matters of intense partisan rivalry. Many liberal Democrats agree with House Minority Leader Richard Gephardt (Democrat-Missouri) that "we must not accept the NAFTA Agreements in these important areas as the ceiling on our efforts", but should instead treat NAFTA as "the floor for any future negotiations".⁶⁵ Democrats want this goal written into the fast-track's negotiating objectives. Republicans instead declare that "fast-track negotiating authority is an extraordinary grant" that should not be provided without "a broad bipartisan consensus", and that no such agreement exists on labour and environmental standards.⁶⁶ Trade liberalization depends on co-operation in the centre, but these newest issues marginalize would-be centrists by encouraging partisan and ideological divisions.

It is for this reason that the negotiations for Chilean accession to NAFTA ground to a halt a few months after they began in mid-1995. The Clinton Administration entered into these talks in the hopes that Congress could be convinced to grant fast-track authority while the bargaining was underway. In so doing, the Administration misinterpreted the fact that the first three negotiations conducted under the fast track began before the President obtained a formal go-ahead from Congress (see Annex 2). The Tokyo Declaration, for example, launched the Tokyo Round fifteen months before formal enactment of the Trade Act of 1974,⁶⁷ and the Uruguay Round had been underway for two years before Congress granted fast-track authority. In each case, however, Congress had already given its blessing to the essential goals of the negotiation.⁶⁸ While it is important that the two branches of government agree on the terms by which a trade agreement will be approved and implemented, it is even more vital that they reach a consensus on what U.S. negotiators will seek. This was definitely not the case for the Chilean NAFTA accession negotiations, which were far less important for the small amount of trade involved than for the precedential value of the first major post-Uruguay Round negotiation. With Democrats insisting that these talks expand upon NAFTA "blue and green" disciplines, and Republicans insisting that these matters be off the table altogether, legislators were unable to produce a new fast-track grant.

B. Options for the Future

The two Branches of the U.S. Government have three options: rejection of the President's request; renewal of the fast track on the existing terms; or renovation of this mechanism. Each of these options is explored below.

⁶⁵ Gephardt, 1994, p. 5.

⁶⁶ Dole *et al.*, 1994.

⁶⁷ Note however that substantive negotiations in the Tokyo Round did not actually get underway until Congress granted negotiating authority to the executive: see McRae and Thomas, 1983, p. 61.

⁶⁸ The negotiating objectives for the Tokyo Round had already been agreed to by the time that these negotiations started, even though enactment of the bill did not come until several months later. Similarly, Congress had already approved the negotiating objectives for the Uruguay Round in the Trade and Tariff Act of 1984 (enacted two years before the talks began) even though the fast-track authority for an agreement was not granted until the Omnibus Trade and Competitiveness Act of 1988 (enacted two years after the talks began).

(i) *Renewal*

From the perspective of U.S. trading partners, the most favourable arrangement would be renewal of the fast track on its current terms. This would mean convincing Congress to give President Clinton a grant of fast-track authority for at least one year (if all that is contemplated is Chilean accession to NAFTA) and preferably several more (in order to negotiate in the context of the Free Trade Area of the Americas, the Asia-Pacific Economic Co-operation forum, and the WTO). In order to achieve this new grant, it will be necessary to reach some sort of accommodation over labour and environmental objectives. The Clinton Administration made several attempts to do so during 1994-1995, and came close to reaching an understanding with the Trade Committee in the House, but the political dynamics of the problem became too daunting with the approach of the 1996 electoral season. Now that the presidential and congressional elections are over, and leaders in both Branches of government are pledging bipartisan co-operation, there may be an opportunity to devise some workable compromise.

(ii) *Rejection*

The 105th Congress (1997-1998) may nevertheless be no more successful than its predecessors were in bridging the disagreements over labour rights and the environment, and hence will be unable to make a new grant of fast-track authority. While this would undoubtedly seriously crimp the President's ability to negotiate new agreements, it would not necessarily mean an end to all new talks. There exist at least two major and several minor authorities that provide alternative means to reach and implement trade agreements. The two major options require congressional approval of agreements, while the minor authorities can be employed without specific legislative action. In the event that the Clinton Administration is denied new fast-track authority, it may be obliged to bring one or more of these alternatives into play.

The two major options are to seek approval of agreements either as formal treaties or as ordinary legislation. Treaty ratification has fallen out of favour as a means of approving trade agreements, and there is no indication that the Clinton Administration is considering the employment of this mechanism, but it is not in complete disuse. Over the past decade, the treaty route has been taken to approve such diverse agreements as three International Labour Organization conventions, seven treaties negotiated under the auspices of the International Telecommunication Union, a treaty with Iceland allowing both countries' fleets to compete for the shipping of supplies to the NATO base at Keflavik, the Wellington Convention banning drift-net fishing in the South Pacific, the International Natural Rubber Agreement, dozens of bilateral investment treaties, and tax conventions with several trading partners. Ordinary bills have also been used in recent years to approve the Nairobi Protocol to the Agreement on the Importation of Educational, Scientific, and Cultural Materials, a 1987 Agreement with the European

Community to reduce tariffs on citrus and pasta products, the International Convention on the Harmonized Commodity Description and Coding System, and the Berne Convention for the Protection of Literary and Artistic Works.

Could treaties or bills be used to approve more consequential matters, such as new free trade agreements? These are risky but not unthinkable options. Suppose, hypothetically, that each of the five fast-track implementing bills had instead been submitted to the Senate either as formal treaties or as bills. How would they have fared? There are three different criteria for comparing the fast track with treaties and bills: votes, amendments, and timing. All of the Agreements passed by a simple majority in both chambers of Congress, which is the same standard that must be met for ordinary bills. But what of the super-majority needed for a treaty? The vote totals reported in Annex 2 suggest that four of these Agreements would have easily cleared the two-thirds hurdle, and it is possible that NAFTA—which fell five votes short of the mark—could have been approved with the expenditure of more political capital. And what of amendments? While it is true that both treaties and ordinary bills are subject to modification by Congress, it can hardly be claimed that the fast-track rules prevented Congress from altering the terms of trade agreements. This was particularly true in the case of NAFTA, for which the Clinton Administration and Mexico made many supplementary deals. It is impossible to say whether the result would have been any different under formal treaty ratification. There is, in fact, only one aspect of the fast track that offers an unambiguous advantage over treaties: Senate rules allow treaties and bills to be delayed *ad infinitum* (especially via filibusters and holds), but the fast track virtually guarantees that the implementing legislation will be put to a vote on an expedited timetable.

This is the principle reason why it would be risky for the Clinton Administration to break with six decades of practice, and return to treaties or bills as a means of approving major trade agreements. There are several recent episodes that suggest how these alternatives can lead to extreme delays or outright defeat by a minority. Consider, for example, the case of bilateral investment treaties (BITs), of which twenty-six have been negotiated, approved by the Senate, and implemented since 1982. The Senate has given its approval to all but two of the thirty-five treaties that have thus far been sent for its advice and consent.⁶⁹ Based on this evidence, one might conclude that the Senate approval procedures do not pose a difficult hurdle. On closer examination, however, one finds that several BITs negotiated in the first half of the 1980s languished for two or more years in the Senate, and, in a few cases, much longer. These delays can be largely attributed to the concerns expressed by a few conservative senators who questioned the

⁶⁹ The Senate has not considered approval in one case because of special problems related to the internal politics of the country (Haiti), and in another case because of scheduling problems (Uzbekistan). There are in addition seven other BITs that have been approved by the Senate, but have not gone into force for reasons relating to policy decisions by the United States (e.g. the United States has not yet brought the treaty with Ecuador into force because Ecuador has not yet implemented an agreement on intellectual property rights) or its partner (e.g. Georgia and Russia have not yet completed their own ratification procedures), or simply because the instruments of ratification have not yet been exchanged.

implications of BITs for U.S. sovereignty. Delays have been much shorter in recent years, but it is still within the power of a small minority in the Senate—or even a single senator—to bring a treaty to a halt. Ordinary bills are equally susceptible to dilatory manoeuvres. This was most recently demonstrated by the sorry experiences with the OECD Shipbuilding Agreement and the Lajolla Agreement on the reduction of dolphin kills in Eastern Tropical Pacific tuna fisheries. The bills approving these two Agreements both made it part way through the legislative process during the 104th Congress, but both of them came to full stops in 1996 when single senators voiced strong objections.⁷⁰

If the President does not wish to face the uncertainties of congressional approval, he can rely instead on the minor negotiating authorities at his disposal. These include a few specific provisions of law that give him the authority to act without further approval from Congress, as well as his inherent authority to negotiate and implement agreements that do not require changes in U.S. law. Some of these authorities are being used to complete the “unfinished business” of the Uruguay Round. For example, it is anticipated that the final WTO Agreements on financial and telecommunications services will not require any action by Congress, because the United States will make no commitments in these negotiations that are not already met by the current terms of U.S. law. Similarly, the Information Technology Agreement being negotiated under WTO auspices can be implemented using the residual tariff-cutting authority that Congress gave the President in the Uruguay Round Agreements Act.⁷¹ It is also within the President's constitutional power to negotiate with other countries over their Protocols of Accession to the GATT and WTO. The United States has participated in over one hundred such negotiations since 1947, and has driven increasingly hard bargains since the mid-1980s. Because these Agreements entail concessions only from the applicant country, they require no action by Congress. The Multilateral Agreement on Investment being negotiated under the auspices of the OECD might also be implemented without further action by Congress.⁷²

The so-called reciprocity laws (especially Section 301, Super 301 and Special 301) are another form of minor negotiating authority. This approach imposes the burdens of adjustment solely on U.S. trading partners, and has been among the chief causes of friction in the global trading system. If the Clinton Administration does not win congressional support for negotiations on labour rights and the environment, it may take

⁷⁰ The OECD Shipbuilding Agreement received approval from the trade committees in both chambers of Congress, but Senator Trent Lott (Republican-Mississippi) objected to the Agreement on the grounds that it could prejudice the interests of shipbuilders in his home state. The House of Representatives had approved the implementing legislation for the Lajolla Agreement, but Senator Barbara Boxer (Democrat-California) blocked further action in the Senate. Both of these Agreements would probably have attracted opposition from other senators as well, but the Senate rules are such that these legislators were able to bring the bills to a halt all by themselves.

⁷¹ The President's proclamation authority in this instance is subject to layover and consultation procedures (see footnote 32, *supra*), and hypothetically members of Congress could act during the sixty-day layover period to block the Agreement, but there is no reason to expect that this will happen.

⁷² According to U.S. officials, the final text of the Agreement (expected in May 1997) is not likely to require any change in domestic law. It is, however, possible that the Clinton Administration will seek approval of the Agreement as a formal treaty in order to enhance the perceived stature of the instrument.

the same approach that the Reagan Administration did to promote the "new issues" of services, intellectual property rights and investment in the 1980s. It is already within the authority of the U.S. Trade Representative to employ its Section 301 retaliatory power in cases involving workers' rights,⁷³ and it is possible that the law could be interpreted to cover some types of environmental issues. Other minor negotiating authorities at the disposal of the President include his power to use trade preferences as a form of leverage,⁷⁴ and to negotiate and implement agreements extending compensation for U.S. actions that affect other countries' rights (e.g. tariff re-classifications, restrictions imposed under the escape clause, etc.).

These minor authorities can thus be used to implement some agreements in the coming months and years, especially those that focus on very narrow matters or demand unrequited concessions from U.S. trading partners. The broader interests of both the United States and the trading system are not well served when Congress permits the President to conclude agreements only in areas that offer immediate and obvious benefits for competitive U.S. industries, and rejects those that impose greater competitive pressures on more mature sectors of the economy. One-shot bargains such as the sectoral deals for telecommunications, financial services, and information technology cannot replicate the kind of grand exchange that was made in the Uruguay Round, where the United States agreed to phase out its textile and apparel restrictions over a ten-year period, and developing countries agreed to phase in stricter intellectual property laws on approximately the same schedule. Moreover, agreements reached under these minor authorities may be more susceptible to free-riding on the part of those countries that choose not to contribute concessions of their own. The fast-track rules facilitate cross-sectoral and multilateral deals such as those made under the "single undertaking" of the Uruguay Round; in the absence of a special authority, this type of bargaining is much more difficult to conduct.

(iii) *Renovation*

Between the two alternatives of rejection and renewal of the fast track stands the middle option of renovation. The terms of co-operation between the two Branches of the U.S. government have evolved over the past several decades, and the fast track is only the latest manifestation of that evolution. It is possible that further tinkering with the rules of this mechanism can improve its operation.

⁷³ This is true at least in U.S. law, which (as amended in 1988) provides that denial of workers' rights is an actionable unfair trade practice under the Section 301 retaliatory law. This provision of law has not yet been invoked. There is good reason to expect that if these provisions were to be used in a dispute involving a WTO Member country, that country would bring a complaint against the United States before the WTO's Dispute Settlement Body.

⁷⁴ The laws authorizing the Generalized System of Preferences, the Caribbean Basin Initiative, and the Andean Trade Preferences Act all establish eligibility criteria for beneficiary countries. The President has the authority to reduce or eliminate duty-free privileges for countries that do not meet these criteria, and all three of these programmes have been used to bring pressure on countries in disputes involving labour rights, intellectual property rights, investment, and market access.

The financing for trade agreements is perhaps the easiest problem to solve. This is almost purely a matter of domestic concern, assuming that the funding mechanism does not entail some sort of import tax or violation of national treatment, and hence there is no need to assure U.S. trading partners that the offsets proposed by the President will not be altered by Congress. It may, therefore, be advisable to adopt a proposal that Senator Richard Lugar (Republican-Indiana) made in 1995, under which the fast-track ban on amendments would be relaxed to allow the consideration of changes to the PAYGO provisions in a fast-track bill.⁷⁵ There may be some small risk in allowing Congress to devise the best means to offset tariff losses, but there is even greater risk in giving legislators an extra excuse to oppose a trade agreement. It is also advisable to ensure that future implementing bills do not have to face the high hurdle of a sixty-vote budget waiver.

The greater challenge comes in the development of a formula that overcomes the problems posed by the new issues, as well as the complaints over the unrestrained bargaining that has accompanied recent debates over fast-track trade agreements. The trick here is to reconcile the conflicting requirements of three different parties: the President needs flexibility if he is to negotiate effectively; Congress needs assurance that the President will not exceed the mandates that he is given in these negotiations; and U.S. trading partners need the security of knowing that the agreements that they reach with the President will not be not grossly renegotiated by Congress. It is difficult to imagine a Pareto-optimal solution in which all three parties are fully satisfied, but this has not prevented policy-makers from seeking to devise some approach that is more workable than the fast track in its present form. Some propose that "teeth" be put in the negotiating objectives that are declared when the fast track is granted. Thus far, the stated objectives in each fast-track grant have been purely hortatory in nature. Republicans in the House took a more assertive approach in 1995, suggesting that fast-track treatment be denied for any provisions in an implementing bill that allowed for the use of trade sanctions to enforce labour or environmental provisions. Another recommended solution—which on its face seems less workable—is "to allow for amendments by Congress to the text of the negotiated agreement in so far as the agreement directly affects domestic labour or environmental issues."⁷⁶ Other proposals suggest that there be separate votes on the main body of an agreement and any deals relating to these newest issues. Each of these approaches may have some merit from the perspective of domestic politics, but they could greatly complicate the tasks for American negotiators and their foreign counterparts.

⁷⁵ See the Trade Agreement Implementation Reform Act (S. 577), in Congressional Record, Volume 141, Number 50, 17 March 1995, pp. S. 4148–4149. Senator Lugar's bill would also stipulate that a fast-track bill should contain only those provisions that are absolutely necessary to implement an agreement, rather than those that are merely "necessary and appropriate".

⁷⁶ Taylor, 1994, p. 127.

V. CONCLUSION

What then is the answer to the rhetorical question posed by the title of this article? The fast track *per se* is not necessary, but it is important that some arrangement be made to ensure that an agreement will come to a vote on a reasonable schedule. It is even more vital to ensure that the two branches of government reach an understanding on the objectives that will be pursued in future negotiations. No procedural arrangements can be a substitute for such consensus. While it is unreasonable to expect that Republicans and Democrats will reach perfect agreement on contentious matters such as labour rights and the environment, it is imperative that they concur on the nature of the obligations that the United States will seek to negotiate with its trading partners.

This then begs the questions: "Can Washington overcome the current impasse and make a new grant of negotiating authority? Is this an isolated disagreement between one Democratic President and one Republican Congress, or does it signify a more serious break? Taking the long view, this deadlock may prove to be no more consequential than past confrontations. These include the controversy over U.S. ratification of the Havana Charter in 1949-1950; the refusal of Congress in 1968 to ratify the Kennedy Round non-tariff agreements; the Nixon Administration's failure in 1969-1971 to win a new grant of negotiating authority; and the setback that the Reagan Administration suffered in 1986 when it asked that Congress extend negotiating authority to permit the start of a new Round of GATT negotiations. All of these defeats proved to be fleeting: the Truman Administration dragged the "temporary" GATT into service as a more permanent trade agreement; Congress adopted the stepchildren of the Kennedy Round when they were revisited in the Tokyo Round; and legislators eventually granted the Nixon and Reagan Administrations' requests for new authority.⁷⁷ If these episodes are any guide to future developments, the two Branches may find some compromise that produces a new grant of authority.

An alternative interpretation might conclude that the NAFTA and Uruguay Round successes represented the final achievements of an expiring policy system. The close vote over NAFTA, the Senate's extended manoeuvrings over the Uruguay Round Agreements, and the current fight over labour rights and the environment may be symptomatic of growing dissatisfaction with the post-war trading order. The policy-making system that has been in place for two generations now faces a series of difficult challenges, including a seemingly chronic trade deficit, the uncertainties brought on by the end of the Cold War, disenchantment over the early results of NAFTA, growing militancy in the pro-labour and environmentalist wing of the Democratic Party, and the resurgence of nativist and isolationist sentiment in one wing of the Republican Party. It is hard enough for moderate, pro-trade Democrats and Republicans to reconcile their differences over the role that labour rights and the environment should play in U.S.

⁷⁷ In the case of the Nixon Administration, the grant was not made until four months after the President resigned from office.

trade policy. This task becomes nearly impossible when those moderates feel themselves increasingly isolated from the centre of gravity of their respective parties.

The outcome of this internal debate is crucial for the global trading system. If an accommodation can be reached, the Clinton Administration will be able to address the backlog of negotiations that developed in its first term. In the absence of such an agreement, there will be no new grant of negotiating authority. The United States and its trading partners would then be obliged to bargain on the basis of other authorities, which in all probability would mean reaching fewer agreements and engaging in more conflicts.



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THE WHITE HOUSE

Office of the Press Secretary
(Martha's Vineyard, Massachusetts)

Embargoed For Release
Until 10:06 A.M. EDT
Saturday, August 23, 1997

RADIO ADDRESS OF THE PRESIDENT TO THE NATION

Martha's Vineyard, Massachusetts

THE PRESIDENT: Good morning. Today I want to talk about the tools we need to keep our economy growing in a way that helps all our people to prosper and advances America's leadership in the world as we move into the 21st century.

For nearly five years now, we have pursued a new economic course for America, with three parts: eliminate the deficit, invest in education and training, and open new markets abroad for America's products and services. It is working. The American people are enjoying the longest period of sustained economic growth in a generation -- with 12 million new jobs, unemployment below five percent, core inflation at a 30-year low. Once again, America is the world's number one exporter, the world's largest producer of semiconductors, the world's largest producer of automobiles. Our nation has been ranked the world's most competitive economy for the last five years.

With a strong and prosperous America moving into the 21st century, we must continue our successful economic strategy. In 1993, we passed an economic plan that cut the deficit 75 percent in four years. And now we have a balanced budget with an historic focus

on education and incentives to bring jobs to people and places that still don't have them.

But to keep America growing, to keep America leading, we have to continue to create high-wage jobs, and to do that, we must continue to expand American exports. After all, 95 percent of the world's consumers live beyond our borders. Already, over the last four years, more than 25 percent of our economic growth has come from overseas trade. Now, that's a big reason more than half our new jobs in the last two years have paid above average wages, because export-related jobs pay, on average, about 15 percent more than non-export jobs. And today, our exports support more than 11 million good, high-paying American jobs, including one in five of our manufacturing jobs.

To keep our economy growing and to create these good jobs we must keep tearing down foreign barriers to American goods

and services. That's why, next month, I will ask Congress to renew presidential fast track authority to negotiate tough new trade agreements. This is authority that every President from both parties has had since 1974. I will use it to negotiate trade agreements that will keep us competitive, boost our exports, create more good jobs and raise our standard of living.

This fast track authority will do three things. First, it gives the President the flexibility I need to forge strong agreements in sectors where our nation is most competitive -- such as agriculture, information technology, medical equipment and environmental technology. Second, it will strengthen my ability to get worldwide agreements, especially for our nation's farmers, tearing down barriers in the world agricultural market. It will also help to ensure that American companies and workers compete in the global economy in a contest that is open, with a level playing field, with rules that are fair and enforced.

Third, it will help me to negotiate more open markets with specific countries, especially in Latin America and Asia. In the coming century, these emerging markets in Latin America and Asia are expected to grow three times as fast as our own -- and their demand for United States goods and services is already taking off. If we don't seize these new opportunities, our competitors surely will. Already, since 1992, in Latin America and Asia alone, our competitors have negotiated 20 trade agreements that do not include the United States.

To make sure all our people share the fruits of increased prosperity and commerce, I also will continue to promote worker rights and responsible environmental policies with our trading partners. And I'll keep working to strengthen retraining and educational opportunities for workers here. We have to pull together, not apart, to compete and win in the

global economy.

For more than two decades now, on a bipartisan basis, Congress has consistently supported initiatives to open markets and create jobs -- including the President's authority to break down trade barriers around the world. Our workers and our businesses are the best in the world, but they can't compete in the slow lane. I look forward to working closely with Congress to keep American prosperity on the fast track.

END

Message Sent To:

become increasingly fragile. A recent visit to the United States by Taiwanese President Lee Teng-hui had provoked strenuous objections from China. On top of that came casual comments, later retracted, by House Speaker Newt Gingrich, R-Ga., appearing to endorse the recognition of Taiwan. (*U.S.-China*, p. 10-19)

Bereuter drafted HR 2058 to give lawmakers something to vote for to vent their displeasure at the Chinese on human rights and other issues, without toppling MFN.

Gingrich asked Bereuter, Wolf and Pelosi to work together. The result was an unexpected move on the floor by Wolf to table (kill) the disapproval resolution which he himself had sponsored. Wolf said he had come to believe that the Bereuter approach would send a clearer message to China on behalf of human rights.

A number of members decried Wolf's decision, saying Bereuter's bill was a hollow threat. "This bill will not free one dissident, it will not close one prison camp," said David Fundburk, R-N.C.

Wolf responded with an impassioned plea that members take Bereuter's legislation seriously. "Believe me, I know the Chinese are worse than many of you even think they are. . . . But I have talked with Chinese dissidents, with Christians in China about this bill, and they said if we could get a good strong vote for this, [it would] for the first time [put] Congress on record," said Wolf. "This will help the democracy movement in China."

Bereuter's bill had come directly to the floor without committee action. The Ways and Means Committee had voted 27-7 on June 20 to report H J Res 96 to the floor with a recommendation that it be rejected.

"China's abysmal human rights record has not earned any special kind of treatment," said Jim Bunning of Kentucky, who led the GOP opposition. Bunning described the arrest and beating in April of Chinese Christians conducting an Easter Mass as evidence of China's continuing human rights abuses.

John Lewis, D-Ga., also deplored China's human rights record, saying continuing trade was tantamount to "quiet complicity" by the United States in China's human rights violations.

But Ways and Means Chairman Bill Archer, R-Texas, Jennifer Dunn, R-Wash., and Robert T. Matsui, D-Calif., argued forcefully that only through engagement would the United States have any leverage over China's political policies. ■

House Committees Consider Other Trade Legislation

House lawmakers considered a number of trade issues — including renewing so-called fast-track authority and extending the Generalized System of Preferences, but none of the bills reached the Senate in the first session.

Fast-Track Rules

The House Ways and Means Committee agreed Sept. 21 to extend so-called fast-track rules that provided for expedited congressional consideration of trade agreements. The committee approved the bill by voice vote after rejecting, 12-21, a Democratic alternative favored by the administration.

Republicans crafted the bill (HR 2371 — H Rept 104-285, Part 1) as a direct challenge to the Clinton administration's policy of addressing labor and environmental issues as part

of trade negotiations. The fast-track provisions were included in the House version of the budget-reconciliation bill (HR 2491), but the House leadership dropped them before the bill reached the floor. (*Reconciliation*, p. 2-44)

Fast-track procedures, first authorized in the Trade Act of 1974, enabled U.S. trade negotiators to assure foreign partners that an agreement entered into with the United States would not subsequently be altered by Congress. Under fast-track rules, the president was required to notify and consult with Congress while negotiating eligible trade agreements; in exchange, Congress agreed to vote on the implementing bill within 90 legislative days of its submission by the president. The bill was subject only to an up or down vote, and no amendments were allowed.

To give Congress an opportunity for input, lawmakers conducted a series of mock markups to refine the legislation before it was formally submitted.

The most recent extensions, in 1991 and 1993, allowed for expedited consideration of the North American Free Trade Agreement (NAFTA) and an updated version of the General Agreement on Tariffs and Trade (GATT). However, authorization for fast-track procedures had expired, which meant that no agreement entered into after Dec. 15, 1993, was covered. (*1993 Almanac*, p. 171; *1994 Almanac*, p. 123)

HR 2371 proposed to extend fast-track procedures to trade agreements entered into before Dec. 31, 1999, and to allow an additional two-year extension if the president requested it and Congress did not pass a resolution of disapproval.

The administration wanted the fast track continued so it could conduct talks aimed at bringing Chile into NAFTA. But it objected to provisions in HR 2371 aimed at preventing such trade agreements from dealing with low wage rates and lax environmental enforcement abroad — issues the administration and many Democrats considered central when lowering trade barriers with developing countries.

In laying out negotiating objectives for agreements that qualified for fast-track treatment, the bill struck references to "worker rights" and "developing countries" and said that the talks had to deal with "policies and practices directly related to trade." In the report accompanying the bill, the committee specified that fast-track procedures were to be "reserved for measures that are (1) directly related to trade; (2) serve as trade barriers or distortions; and (3) have been subject to consultations with the Congress and the private sector. By contrast, fast-track procedures are not intended to be used to implement other, more general policy goals."

U.S. Trade Representative Mickey Kantor said the administration opposed the bill. "The president is committed to addressing labor and environmental issues in the context of trade agreements," he said. "Why limit our potential?"

Ways and Means Committee Chairman Bill Archer, R-Texas, defended the bill, saying Republicans had a "difference of opinion" with Clinton. Still, he contended that the bill was "thoroughly consistent with the authority granted to past administrations."

The dispute over negotiating goals had its roots in the 1992 NAFTA debate, when many congressional Democrats refused to vote for the agreement until concerns about Mexico's low wages and weak environmental protections were dealt with. Although Clinton took office after NAFTA negotiations were complete, he reopened talks with Mexico, winning concessions in labor and environment and other areas that, though minimal, helped shore up votes in Congress for the final deal. (*1993 Almanac*, p. 171)

Free-trade Republicans wanted to ensure that Clinton could not permanently expand trade talks to include what

they and many in the business community considered such unwarranted concerns.

GSP

Lawmakers agreed to extend through Dec. 31, 1996, the Generalized System of Preferences (GSP), under which goods from most developing countries entered the United States duty-free. The trade preferences expired July 31. But the extension did not take effect because it was part of the budget-reconciliation bill (HR 2491), which was vetoed Dec. 6.

Earlier in the year, the House Ways and Means Subcommittee on Trade approved an extension through 2000 (HR 1654). That measure, approved 13-0 on May 18, went no further.

CBI Benefits

On March 29, the House Ways and Means Subcommittee on Trade voted 11-3 to approve a bill (HR 553) to give 27 Caribbean nations and territories the same access to the U.S. market enjoyed by Mexico under the North American Free Trade Agreement (NAFTA). No further action was taken on the legislation.

The bill, sponsored by subcommittee Chairman Philip M. Crane, R-Ill., was aimed at helping members of the Caribbean Basin Initiative (CBI), which was formed by the United States

in 1982 to spur economic and political development in the region. Under the CBI, these nations had received U.S. aid and trade benefits. But supporters of the bill feared that NAFTA, which created a free-trade zone between the United States and Mexico, would drain trade and investment from CBI countries to Mexico.

HR 553 proposed to apply NAFTA's tariff and quota rules to the CBI countries for 10 years.

Cambodia, Bulgaria

The House approved bills to grant most-favored-nation (MFN) trade status to goods from Cambodia (HR 1642 — H Rept 104-160) and to make permanent Bulgaria's MFN status (HR 1643 — 104-162). The United States first extended MFN status to Bulgaria in 1991 and had been renewing it every year.

The United States granted MFN trade status to most nations, allowing their goods to enter the country at low tariff levels.

The bills began in the House Ways and Means Subcommittee on Trade, which approved them by voice vote May 18. The full Ways and Means Committee approved them by voice vote June 20, and the House passed them by voice vote July 11 under suspension of the rules.

Both bills were referred to the Senate Finance Committee, which took no action on them in the first session. ■

Rubin, O'Neill, Tyson Win Appointments

There were several changes in top economics posts in 1995. Robert E. Rubin was confirmed as Treasury secretary, June O'Neill took over as director of the Congressional Budget Office, and Laura D'Andrea Tyson became chairman of the White House National Economic Council.

Rubin Confirmed

The Senate handed President Clinton his first easy victory of the 104th Congress on Jan. 10, voting 99-0 to confirm Robert E. Rubin as Treasury secretary. (*Vote 12, p. S-4*)

Rubin's ride through the confirmation process proved even smoother than anticipated. There was no floor debate, and hours earlier the Senate Finance Committee voted by voice to approve Rubin's nomination even before questioning was fully under way.

Majority Leader Bob Dole, R-Kan., set the tone for the hearing, saying Clinton had "made an outstanding choice" in nominating Rubin to the post. "His self-effacing attitude toward getting things done has earned the respect of many of us on Capitol Hill," Dole said. Rubin replaced Lloyd Bentsen, 73, a former Senate Finance chairman who retired from public life.

Rubin, 56, joined the administration as head of the National Economic Council (NEC), where he coordinated policy between several agencies, including Treasury. He had spent 26 years with the Wall Street investment bank Goldman, Sachs & Co., eventually becoming co-chairman and a major Democratic fundraiser.

Throughout his confirmation hearing, Rubin emphasized the importance of deficit reduction. "This recovery would not and could not have happened without the deficit-reduction program" that Congress passed in 1993, he said.

Much of the hearing was devoted to sounding out Rubin's views on dynamic budget scoring techniques, which would

allow estimators leeway they did not have under traditional "static" models to predict that tax cuts would generate enough economic activity to offset revenue losses or even pay for themselves.

Rubin noted that "dynamic scoring is appealing on the surface" but that "the more you look at it, the more troubling it becomes." He said: "The kinds of estimates you can make are insufficiently reliable to want to base a budget upon."

O'Neill Heads CBO

Republicans chose a conservative labor economist with extensive Washington experience to be the director of the Congressional Budget Office (CBO).

June O'Neill, a professor of economics at Baruch College in New York, replaced outgoing CBO Director Robert D. Reischauer, whose term expired Jan. 3. O'Neill, 60, was only the fourth head of CBO since it was founded in 1975.

By tradition, CBO directors were taken from alternating parties. O'Neill was a Republican, and her selection was viewed by conservative Republicans as an overdue shift away from Democrat Reischauer, who resisted demands from some in Congress' new Republican majority that he embrace a more conservative economic outlook.

O'Neill declined to say whether she agreed with GOP conservatives on the propriety of "dynamic scoring" of tax cuts. "I expect that I'll be dynamic when that's called for and static when that's called for," O'Neill said at a Feb. 10 news conference held to announce her selection.

But House Budget Committee Chairman John R. Kasich, R-Ohio, said he was confident O'Neill would make Republicans happy. "We would not have selected somebody who was in concurrence with everything that has been done up until now," he said. "I am personally comfortable with the fact that June O'Neill will begin to upgrade [economic forecasting] models within CBO. She is a free-market-oriented person. . . . She's of the same philosophical stream that Pete and I are on," he said, referring to Senate Budget

GATT Deal Reached; Fast Track OK'd

Following close on the heels of his victory in winning approval of the North American Free Trade Agreement (NAFTA), President Clinton claimed a second sweeping trade success. On Dec. 15, he embraced a long-sought expansion of the General Agreement on Tariffs and Trade (GATT), the global accord that governed most world trade.

Acting under a congressionally imposed deadline, U.S. trade negotiators, their European counterparts and the rest of the 117 participants in the marathon Uruguay Round of the GATT reached agreement at the last minute, capping seven years of difficult talks.

The agreement significantly scaled back tariffs and placed service industries and agriculture under GATT for the first time. The accord, which was initialed but not set to be formally signed until April 1994, still had to be approved by Congress and by the governments of the other signatories before it could take effect.

The administration planned to submit a bill to Congress in 1994 that would bring U.S. laws into conformity with the GATT accord — a task that was expected to be relatively easy, at least compared with the NAFTA battle.

The United States had negotiated under special "fast track" rules that guaranteed that Congress would take an up-or-down vote on the huge deal once it was submitted.

THE GATT AGREEMENT

In a Dec. 15 news conference, Clinton praised the GATT accord, saying it would produce expanded trade and "add as much as \$100 billion to \$200 billion per year to our economy once it is fully phased in" while creating "hundreds of thousands of good-paying American jobs."

But Clinton acknowledged that the United States had been unable to win concessions in several key areas. The highest-profile disappointment was an attempt to open European markets to the U.S. film and television industries, one of the country's most lucrative areas for export.

In general, the agreement was intended to reduce worldwide tariffs by more than one-third, cut agricultural subsidies and phase out quotas on textile imports. At the same time, the pact preserved the right of the United States to use U.S. laws designed to block imports "dumped" on domestic markets at unfairly low prices.

For the United States, the pact was expected to lead to increased exports of agricultural products and greater copyright and patent protections for high-tech industries, such as computers and semiconductors. Some sectors, particularly manufacturers of textiles and drugs, suffered setbacks. And for the first time, GATT was to apply to trade in services, including banking, accounting and insurance, although the agreement on services was much less sweeping than U.S. negotiators had sought.

The pact also was designed to transform the GATT, set up in 1947 as a temporary entity, into a permanent trade body called the World Trade Organization. The new organization was to have greater authority than GATT to enforce trade agreements.

The Uruguay Round, so-named because the talks had begun in that country seven years earlier, was considered the most ambitious set of negotiations since GATT was established. The talks originally were slated to end in 1990, but they had been hung up for years over several thorny

issues, especially a big battle between the United States and Europe over farm subsidies.

A Difficult Fight Ahead

Both Clinton and members of Congress predicted that Congress would have an easier time approving the GATT accord than it had with NAFTA. But they noted that selling the agreement would still be a struggle. (NAFTA, p. 170)

The biggest battle was expected to concern provisions to preserve U.S. anti-dumping laws. Although the accord's language was aimed at protecting steel and other domestic industries from unfairly priced imports, free traders feared that an overly broad anti-dumping provision might allow foreign countries to restrict U.S. exports.

While specific U.S. industries stood to benefit from the accord, others expected to lose; those effects were likely to weigh on individual members as they considered the bill.

U.S. negotiators, for example, had been unable to secure agreement from Asian and developing countries to allow broader entry of U.S. financial services businesses into their markets.

Hollywood was bitterly disappointed that an attempt to get trade in audiovisual materials covered by the pact was scrapped at the last minute; U.S. negotiators were therefore unable to break a European quota system that limited foreign programming.

The biggest U.S. loser appeared to be the textile industry, which benefited from quotas imposed through bilateral agreements negotiated under the Multi-Fiber Arrangement. Those protections were to be phased out over 10 years under the GATT accord. Textile lobbyists had pushed hard for a 15-year phaseout. Consumers, however, were expected to gain from lower prices.

On the whole, farmers fared well, as U.S. negotiators won much-desired cuts in agriculture subsidies that had harmed U.S. exports. In addition, the agreement was likely to produce domestic budget cuts as comparable U.S. subsidies declined. Rice farmers were pleased that Japan and South Korea agreed to buy a portion of that most important dietary staple from overseas suppliers for the first time. Heavily protected sugar, peanut and cotton growers, however, expected more competition as their quotas were to be eliminated and replaced with tariffs.

FAST-TRACK AUTHORITY

In an effort to encourage the completion of the long-stalled GATT talks, Congress in June agreed to a short-term extension of the president's fast-track negotiating authority. The bill (HR 1876) extended through April 15, 1994, the president's authority to enter into a GATT agreement and provided that an agreement so negotiated would receive fast-track treatment. The bill made Dec. 15, 1993, the deadline for the president to inform Congress that he intended to sign the pact.

Fast-track rules, written specifically for bills implementing trade agreements, required that once the bill was introduced, Congress had 90 legislative days to approve or disapprove it. Amendments were not allowed.

The bill's short time frame created a window of opportunity for countries to complete the GATT talks. Without a guarantee that Congress would not alter the agreement,

U.S. trading partners would be unwilling to conclude a pact with U.S. negotiators.

Congress could still have some input into the accord before Clinton signed it in April 1994. Afterward, there would be a period of informal "mock" markups by the committees with jurisdiction over the implementing bill. Those meetings, as well as behind-the-scenes compromising, also would give members a limited opportunity to fine-tune the implementing bill before it was formally introduced. There was no deadline after the signing of the pact for the introduction of the implementing bill.

The fast-track extension bill, which the administration had requested, differed from past practice in that it applied only to the GATT agreement and did not cover any future bilateral trade deals. Usually, fast-track rules covered all trade agreements negotiated while they were in force. The last extension, enacted in 1991, expired May 31, 1993. (1991 *Almanac*, p. 118)

In addition to pressuring foreign negotiators, the focus on GATT also allowed the administration to sidestep a potential fight with Congress over broader renewal of the fast track, which trade officials said they planned to seek, perhaps in 1994. Organized labor and environmental groups had opposed previous extensions of the fast track, arguing that it amounted to a surrender of sovereignty

because it forced Congress to choose between rejecting entire trade agreements or accepting wholesale changes to U.S. laws. President George Bush had to fight hard to win the 1991 extension. But with a Democrat in the White House, opposition was muted.

Legislative Action

The House Ways and Means Committee approved HR 1876 by voice vote June 9. The measure had been introduced by committee Chairman Dan Rostenkowski, D-Ill. The House Rules Committee, which shared jurisdiction over the bill, followed suit June 16 (H Rept 103-128, Parts 1-2). The House passed the bill, 295-126, on June 22.

The Senate Finance Committee voted 18-2 for an identical bill (S 1003 — S Rept 103-66) on June 23. The Senate cleared HR 1876 by a vote of 76-16 on June 30 after opponents opted not to delay action. The administration wanted the measure enacted before Clinton headed to Tokyo for the annual summit of the seven leading industrial nations, which began July 7. (House vote 247, p. 60-H; Senate vote 192, p. 25-S)

"We are voting to permit the Uruguay Round negotiations to go forward. That is all we are doing," said Finance Committee Chairman Daniel Patrick Moynihan, D-N.Y.

Clinton signed the bill July 2 (PL 103-49). ■

Highlights of GATT Accord

The Uruguay Round of negotiations to revise the General Agreement on Tariffs and Trade (GATT) that concluded in Geneva on Dec. 15, 1993, began in September 1986 in Punta del Este, Uruguay. The agreement was the seventh renegotiation of GATT, which was created at the end of World War II and governed most world trade.

The pact, which had to be approved by Congress and the governments of the 116 other participants in the negotiations, was intended to sharply reduce trade barriers, including tariffs, import quotas and export subsidies. Key elements of the 550-page agreement, which was to be fully in force July 1, 1995, included changes in the following areas:

Tariffs. Tariffs were to be cut on approximately 85 percent of world trade and eliminated or significantly reduced on a broad range of products, including construction and agricultural equipment, pharmaceuticals, paper, steel, beer and liquor. Tariffs on industrial goods were to drop from an average of about 5 percent to an average of 3 percent.

Generally, tariff cuts were to be implemented in equal annual increments over five years, though they were to go into effect over 10 years in some sensitive industries such as textiles.

Agriculture. Trade in farm commodities was to be covered under GATT for the first time. Governments were to reduce the amount of money they spent on agriculture subsidies by an average of 36 percent; the total volume of agricultural products exported with the help of subsidies was to be reduced by 21 percent.

In addition, government-paid income support payments for farmers were to be cut by 20 percent, a commitment the United States already had met under broad farm bills enacted in 1985 and 1990 (PL 99-198, PL 101-624). (1985 *Almanac*, p. 517; 1990 *Almanac*, p. 323)

Non-tariff barriers, including quotas, were to be replaced by tariffs. Countries that completely barred imports of certain agricultural products, such as Japan, which banned rice imports, had to provide market access equal to 3 percent of domestic consumption, rising to 5 percent over a six- to 10-year implementation period.

Textiles. The Multi-Fiber Arrangement, under which indus-

trial nations had imposed quotas on textile imports from developing countries for more than 30 years, was to be phased out years. To protect the U.S. textile industry, tariff reductions on textile and apparel imports were to be significantly less than required for other industrial goods. On the whole, U.S. textile clothing tariffs were to be cut by about 12 percent; for all other goods, U.S. tariffs were to be reduced by 34 percent.

Protections against dumping. The United States and other countries were allowed to preserve existing authority to use anti-dumping laws to impose fines or countervailing duties on countries that exported goods at prices below cost. Disputes over dumping matters were to be settled under a new, multilateral dispute-settlement mechanism.

Subsidies. In a big win for the U.S. aerospace industry, the pact included civil aircraft products — a leading U.S. export — under new rules restricting government industrial subsidies. That paved the way for lower subsidies to the European Airbus consortium, a major competitor of the Boeing Co. The agreement permitted subsidies for development of new products.

Services. Applying GATT rules to the world market in services — valued at almost \$1 trillion annually — was a key goal of U.S. negotiators. In large part, the pact extended GATT rules governing trade in goods to services for the first time. But multilateral agreements to open markets in specific service sectors, such as shipping, banking, securities and insurance, proved elusive.

Intellectual property. GATT rules were extended to protect from piracy intellectual property, such as computer programs, semiconductor chip designs, books, films and music. Developing countries were to have 10 years before they would have to honor patents on drugs.

World Trade Organization. The Geneva-based GATT organization was to be replaced by the World Trade Organization, a permanent body with greater authority to force member nations to comply with Uruguay Round agreements. This broad authority was strongly opposed by some environmental groups that feared the organization could force the U.S. government to reverse environmental laws that inhibited trade. ■

243. HR 2403. Fiscal 1994 Treasury-Postal Service Appropriations/White House Payroll. Hefley, R-Colo., amendment to cut the appropriation for the White House office by \$470,000. Rejected in Committee of the Whole 169-234: R 166-1; D 3-233 (ND 2-159, SD 1-74); I 0-0, June 18, 1993.

244. HR 2403. Fiscal 1994 Treasury-Postal Service Appropriations/White House Payroll. Lightfoot, R-Iowa, amendment to cut the appropriation for the White House office by \$100,000. Rejected in Committee of the Whole 171-222: R 162-3; D 9-219 (ND 5-154, SD 4-65); I 0-0, June 18, 1993.

245. HR 2403. Fiscal 1994 Treasury-Postal Service Appropriations/U.S. Courthouse Funding. Pomeroy, D-N.D., en bloc amendment to cut funding for the construction of courthouses and joint federal buildings by 2 percent. Adopted in Committee of the Whole 339-50: R 154-10; D 185-40 (ND 127-31, SD 58-9); I 0-0, June 18, 1993.

246. HR 2403. Fiscal 1994 Treasury-Postal Service Appropriations/Former Presidents. Shepherd, D-Utah, amendment to limit office allowances for former presidents to five years of staffing and office expenses after they leave office and to cut off current spending for the five former presidents' offices Oct. 1, 1998, excluding Secret Service protection, pension benefits and presidential libraries. Adopted in Committee of the Whole 247-127: R 113-41; D 134-86 (ND 94-59, SD 40-27); I 0-0, June 18, 1993.

247. HR 1876. GATT Fast-Track Extension/Passage. Passage of the bill to extend through April 15, 1994, the administration's authority to negotiate an accord strengthening the General Agreement on Tariffs and Trade (GATT) and require Congress to consider the accord under expedited procedures that bar amendments. Passed 295-126: R 150-23; D 145-102 (ND 97-70, SD 48-32); I 0-1, June 22, 1993. A "yea" was a vote in support of the president's position.

248. HR 2333. State Department Authorization/Drug Testing. Solomon, R-N.Y., amendment to require the random drug testing of State Department employees. Rejected in Committee of the Whole 184-235: R 148-25; D 36-209 (ND 14-156, SD 22-53); I 0-1, June 22, 1993.

249. HR 2333. State Department Authorization/National Endowment for Democracy. Kanjorski, D-Pa., amendment to strike the \$48 million authorization for the National Endowment for Democracy. Adopted in the Committee of the Whole 243-181: R 112-62; D 130-119 (ND 83-88, SD 47-31); I 1-0, June 22, 1993. A "nay" was a vote in support of the president's position.

250. HR 2333. State Department Authorization/Funding Cut. Separate vote at the request of Penny, D-Minn., on the amendment adopted in the Committee of the Whole offered by Roth, R-Wis., and amended by the Berman, D-Calif., substitute to reduce the authorizations for various accounts of the State Department by \$200 million in fiscal 1994. Adopted 418-3: R 173-1; D 244-2 (ND 166-1, SD 78-1); I 1-0, June 22, 1993. (On separate votes, which may be demanded on an amendment adopted in the Committee of the Whole, the four delegates and the resident commissioner of Puerto Rico cannot vote.)

KEY

- Y Voted for (yea).
Paired for.
+ Announced for.
N Voted against (nay).
X Paired against.
— Announced against.
P Voted "present."
C Voted "present" to avoid possible conflict of interest.
? Did not vote or otherwise make a position known.
D Delegates ineligible to vote.

Democrats Republicans
Independent

	243	244	245	246	247	248	249	250
ALABAMA								
1 Callahan	Y	?	?	?	Y	Y	Y	Y
2 Everett	Y	Y	Y	Y	Y	Y	Y	Y
3 Browder	N	N	Y	Y	N	N	Y	Y
4 Bevil	N	N	Y	Y	Y	N	Y	Y
5 Cramer	N	N	Y	Y	N	N	Y	Y
6 Bachus	Y	Y	Y	Y	Y	Y	Y	Y
7 Hilliard	?	X	?	?	N	N	Y	Y
ALASKA								
Al Young	?	?	?	?	N	Y	Y	Y
ARIZONA								
1 Coppersmith	N	N	Y	Y	N	N	Y	Y
2 Pastor	N	N	Y	Y	N	N	Y	Y
3 Stump	Y	Y	Y	Y	Y	Y	Y	Y
4 Kyl	Y	Y	Y	Y	Y	Y	Y	Y
5 Kolbe	Y	Y	Y	Y	Y	Y	Y	Y
6 English	N	N	Y	Y	N	Y	Y	Y
ARKANSAS								
1 Lambert	N	N	Y	Y	N	N	Y	Y
2 Thornton	N	N	Y	?	?	?	?	?
3 Hutchinson	Y	N	Y	Y	Y	Y	Y	Y
4 Dickey	N	N	Y	Y	Y	Y	Y	Y
CALIFORNIA								
1 Hamburg	N	N	Y	Y	N	N	Y	Y
2 Harger	Y	Y	Y	Y	Y	Y	Y	Y
3 Fazio	N	N	N	Y	Y	N	Y	Y
4 DeLoittle	Y	Y	Y	Y	Y	Y	Y	Y
5 Matsui	N	N	N	Y	?	N	Y	Y
6 Woolsey	N	N	Y	Y	Y	Y	Y	Y
7 Miller	?	?	?	?	N	N	Y	Y
8 Pelosi	—	X	+	X	N	N	Y	Y
9 Dellums	N	N	N	N	Y	Y	Y	Y
10 Baker	Y	Y	Y	Y	Y	Y	Y	Y
11 Pombo	Y	Y	Y	Y	Y	Y	Y	Y
12 Lantos	N	N	Y	Y	Y	Y	Y	Y
13 Stark	N	N	Y	Y	N	N	Y	Y
14 Eshoo	N	N	Y	Y	Y	Y	Y	Y
15 Mineta	N	N	N	Y	Y	Y	Y	Y
16 Edwards	N	N	Y	Y	Y	Y	Y	Y
17 Farr	N	N	Y	Y	Y	Y	Y	Y
18 Condit	N	Y	Y	Y	Y	Y	Y	Y
19 Lehman	N	N	Y	Y	Y	Y	Y	Y
20 Dooley	N	N	Y	Y	Y	Y	Y	Y
21 Thomas	Y	Y	Y	Y	?	N	Y	Y
22 Huffington	Y	Y	Y	Y	Y	Y	Y	Y
23 Gallegly	Y	Y	Y	Y	Y	Y	Y	Y
24 Bailenson	N	N	Y	Y	N	N	Y	Y
25 McKeon	Y	Y	Y	Y	Y	Y	Y	Y
26 Berman	N	N	Y	Y	N	N	Y	Y
27 Moorhead	Y	Y	Y	Y	Y	Y	Y	Y
28 Dreier	Y	Y	Y	Y	Y	Y	Y	Y
29 Waxman	N	N	Y	Y	N	N	Y	Y
30 Becerra	N	N	Y	?	N	Y	Y	Y
31 Martinez	N	N	Y	Y	N	Y	Y	Y
32 Dixon	N	N	Y	Y	Y	Y	Y	Y
33 Roybal-Allard	N	N	Y	Y	N	Y	Y	Y
34 Torres	N	N	Y	Y	N	Y	Y	Y
35 Waters	N	N	N	Y	N	Y	Y	Y
36 Harman	?	?	?	?	?	?	?	?
37 Tucker	N	N	Y	Y	N	Y	Y	Y
38 Harn	Y	Y	Y	Y	Y	Y	Y	Y
39 Royce	Y	Y	Y	Y	Y	Y	Y	Y
40 Lewis	?	?	N	Y	N	Y	Y	Y
41 Kim	Y	Y	Y	Y	Y	Y	Y	Y

	243	244	245	246	247	248	249	250
42 Brown								
43 Calvert	N	N	Y	Y	Y	Y	N	Y
44 McCandless	Y	Y	Y	Y	Y	Y	N	Y
45 Rohrabacher	Y	Y	Y	Y	Y	Y	Y	Y
46 Dornan	Y	Y	Y	Y	Y	Y	Y	Y
47 Cox	Y	Y	Y	Y	Y	Y	Y	Y
48 Packard	Y	Y	Y	Y	Y	Y	Y	Y
49 Schenk	N	N	Y	Y	Y	Y	Y	Y
50 Filner	N	N	Y	Y	Y	Y	Y	Y
51 Cunningham	Y	Y	Y	Y	Y	Y	Y	Y
52 Hunter	Y	Y	Y	Y	Y	Y	Y	Y
COLORADO								
1 Schroeder	N	N	Y	Y	Y	Y	Y	Y
2 Skaggs	N	N	Y	Y	Y	Y	Y	Y
3 McInnis	Y	Y	Y	Y	Y	Y	Y	Y
4 Allard	Y	Y	Y	Y	Y	Y	Y	Y
5 Hefley	Y	Y	Y	Y	Y	Y	Y	Y
6 Schaefer	Y	Y	Y	Y	Y	Y	Y	Y
CONNECTICUT								
1 Kennedy	N	N	Y	Y	Y	N	N	Y
2 Gejdenson	N	N	Y	Y	Y	N	N	Y
3 DeLoiro	N	N	Y	Y	Y	N	N	Y
4 Shays	Y	Y	Y	Y	Y	Y	Y	Y
5 Franks	Y	Y	Y	Y	Y	Y	Y	Y
6 Johnson	Y	Y	Y	Y	Y	Y	Y	Y
DELAWARE								
Al Castle	Y	Y	Y	N	Y	Y	Y	Y
FLORIDA								
1 Hutto	?	?	?	?	Y	Y	Y	Y
2 Peterson	N	N	Y	Y	N	N	Y	Y
3 Brown	N	N	N	N	N	N	?	Y
4 Fowler	N	?	?	?	?	Y	Y	Y
5 Thurman	N	N	Y	Y	N	N	Y	Y
6 Stearns	Y	Y	Y	N	N	Y	Y	Y
7 Mica	Y	Y	Y	Y	Y	Y	Y	Y
8 McCollum	Y	Y	Y	Y	Y	Y	Y	Y
9 Bilirakis	Y	Y	Y	Y	Y	Y	Y	Y
10 Young	Y	Y	N	Y	Y	Y	Y	Y
11 Gibbons	N	N	N	N	?	?	N	Y
12 Canady	Y	Y	Y	Y	Y	Y	Y	Y
13 Miller	Y	Y	?	?	Y	Y	Y	Y
14 Goss	Y	Y	Y	Y	Y	Y	Y	Y
15 Bacchus	N	?	?	?	Y	Y	Y	Y
16 Lewis	Y	Y	Y	N	Y	Y	Y	Y
17 Meek	X	X	?	X	N	N	Y	Y
18 Ros-Lehtinen	Y	Y	N	N	N	Y	Y	Y
19 Johnston	N	N	?	X	Y	N	Y	Y
20 Deutsch	N	N	Y	Y	Y	Y	Y	Y
21 Diaz-Balart	Y	Y	N	N	Y	Y	Y	Y
22 Shaw	Y	Y	Y	Y	Y	Y	Y	Y
23 Hastings	N	N	N	N	N	N	N	Y
GEORGIA								
1 Kingston	Y	Y	Y	Y	N	Y	Y	Y
2 Bishop	—	—	+	+	N	N	Y	Y
3 Collins	Y	Y	Y	Y	Y	Y	Y	Y
4 Linder	Y	Y	Y	Y	Y	Y	Y	Y
5 Lewis	N	N	N	N	N	N	Y	Y
6 Gingrich	Y	Y	Y	Y	Y	Y	Y	Y
7 Darden	N	N	Y	Y	N	N	Y	Y
8 Rowland	N	N	Y	Y	N	Y	Y	Y
9 Deal	N	N	Y	Y	Y	Y	Y	Y
10 Johnson	N	N	Y	Y	Y	Y	Y	Y
11 McKinney	N	N	N	N	N	Y	Y	Y
HAWAII								
1 Abercrombie	N	N	Y	N	N	N	N	Y
2 Mink	N	N	Y	N	N	N	Y	Y
IDAHO								
1 LaRocca	N	N	Y	Y	Y	Y	Y	Y
2 Crapo	Y	Y	Y	Y	Y	Y	Y	Y
ILLINOIS								
1 Rush	?	?	?	?	?	?	?	?
2 Reynolds	N	N	N	N	N	N	Y	Y
3 Lipinski	?	?	?	?	N	Y	Y	Y
4 Gutierrez	N	N	Y	Y	Y	Y	Y	Y
5 Rostenkowski	N	N	Y	?	Y	N	Y	Y
6 Hyde	Y	Y	Y	Y	N	Y	Y	Y
7 Collins	N	N	Y	Y	N	Y	Y	Y
8 Crane	Y	Y	Y	Y	Y	Y	Y	Y
9 Yates	N	N	Y	Y	N	N	Y	Y
10 Porter	Y	Y	Y	Y	Y	Y	Y	Y
11 Songmeister	N	N	Y	Y	Y	Y	Y	Y
12 Costello	N	N	Y	Y	Y	Y	Y	Y
13 Fawell	Y	Y	Y	Y	Y	Y	Y	Y
14 Hastert	Y	Y	Y	Y	Y	Y	Y	Y
15 Ewing	Y	Y	Y	Y	Y	Y	Y	Y
16 Manzullo	Y	Y	Y	Y	Y	Y	Y	Y
17 Evans	N	N	N	Y	N	Y	Y	Y

ND Northern Democrats SD Southern Democrats

	243	244	245	246	247	248	249	250
18 Michel	Y	Y	Y	Y	Y	Y	Y	Y
19 Poshard	N	N	Y	Y	Y	Y	Y	Y
20 Durbin	N	N	Y	Y	Y	Y	Y	Y

INDIANA								
1 Visclosky	N	N	Y	Y	Y	Y	Y	Y
2 Sharp	N	N	Y	Y	Y	Y	Y	Y
3 Roemer	N	N	Y	Y	Y	Y	Y	Y
4 Long	N	N	Y	Y	Y	Y	Y	Y
5 Buyer	Y	Y	Y	Y	Y	Y	Y	Y
6 Burton	Y	Y	Y	Y	Y	Y	Y	Y
7 Myers	N	N	Y	Y	Y	Y	Y	Y
8 McCloskey	N	N	Y	Y	Y	Y	Y	Y
9 Hamilton	Y	N	Y	Y	Y	Y	Y	Y
10 Jacobs	Y	N	Y	Y	Y	Y	Y	Y

IOWA								
1 Leach	Y	Y	Y	Y	Y	Y	Y	Y
2 Nussle	Y	Y	Y	Y	Y	Y	Y	Y
3 Lightfoot	Y	Y	Y	Y	Y	Y	Y	Y
4 Smith	N	N	Y	Y	Y	Y	Y	Y
5 Grandy	Y	Y	Y	Y	Y	Y	Y	Y

KANSAS								
1 Roberts	Y	Y	Y	Y	Y	Y	Y	Y
2 Slattery	N	N	Y	Y	Y	Y	Y	Y
3 Meyers	+	+	+	+	Y	Y	Y	Y
4 Glickman	N	N	Y	Y	Y	Y	Y	Y

KENTUCKY								
1 Barlow	N	N	Y	Y	Y	Y	Y	Y
2 Natcher	N	N	Y	Y	Y	Y	Y	Y
3 Mazzoli	N	N	Y	Y	Y	Y	Y	Y
4 Bunning	Y	Y	Y	Y	Y	Y	Y	Y
5 Rogers	Y	Y	Y	Y	Y	Y	Y	Y
6 Baesler	N	N	Y	Y	Y	Y	Y	Y

LOUISIANA								
1 Livingston	Y	Y	Y	Y	Y	Y	Y	Y
2 Jefferson	N	N	Y	Y	Y	Y	Y	Y
3 Tauzin	N	N	Y	Y	Y	Y	Y	Y
4 Fields	N	N	Y	Y	Y	Y	Y	Y
5 McCrory	Y	Y	Y	Y	Y	Y	Y	Y
6 Baker	Y	Y	Y	Y	Y	Y	Y	Y
7 Hayes	N	?	?	?	?	?	?	?

MAINE								
1 Andrews	N	N	Y	Y	Y	Y	Y	Y
2 Snowe	Y	Y	Y	Y	Y	Y	Y	Y

MARYLAND								
1 Gikchrest	Y	Y	Y	Y	Y	Y	Y	Y
2 Bentley	Y	Y	Y	Y	Y	Y	Y	Y
3 Cardin	N	N	Y	Y	Y	Y	Y	Y
4 Wynn	N	N	Y	Y	Y	Y	Y	Y
5 Hoyer	N	N	Y	Y	Y	Y	Y	Y
6 Bartlett	Y	Y	Y	Y	Y	Y	Y	Y
7 Wfume	Y	Y	Y	Y	Y	Y	Y	Y
8 Morella	Y	Y	Y	Y	Y	Y	Y	Y

MASSACHUSETTS								
1 Oliver	N	N	Y	Y	Y	Y	Y	Y
2 Neal	N	N	Y	Y	Y	Y	Y	Y
3 Blute	Y	Y	Y	Y	Y	Y	Y	Y
4 Frank	N	N	Y	Y	Y	Y	Y	Y
5 Meehan	N	N	Y	Y	Y	Y	Y	Y
6 Turkidson	Y	Y	Y	Y	Y	Y	Y	Y
7 Markey	N	N	Y	Y	Y	Y	Y	Y
8 Kennedy	N	N	Y	Y	Y	Y	Y	Y
9 Mookley	?	?	?	?	Y	Y	Y	Y
10 Studds	N	N	Y	Y	Y	Y	Y	Y

MICHIGAN								
1 Shupak	N	N	Y	Y	Y	Y	Y	Y
2 Hoekstra	Y	Y	Y	Y	Y	Y	Y	Y
3 Henry	?	?	?	?	?	?	?	?
4 Camp	Y	Y	Y	Y	Y	Y	Y	Y
5 Barcia	N	N	Y	Y	Y	Y	Y	Y
6 Upton	Y	Y	Y	Y	Y	Y	Y	Y
7 Smith	Y	Y	Y	Y	Y	Y	Y	Y
8 Carr	N	N	Y	Y	Y	Y	Y	Y
9 Kildee	N	N	Y	Y	Y	Y	Y	Y
10 Bonior	N	N	?	N	Y	Y	Y	Y
11 Knollenberg	Y	Y	Y	Y	Y	Y	Y	Y
12 Levin	N	N	Y	Y	Y	Y	Y	Y
13 Ford	N	N	?	N	Y	Y	Y	Y
14 Conyers	N	?	?	?	?	?	?	?
15 Collins	N	N	Y	Y	Y	Y	Y	Y
16 Dingell	N	?	N	Y	Y	Y	Y	Y

MINNESOTA								
1 Penny	N	Y	Y	Y	Y	Y	Y	Y
2 Minge	N	Y	Y	Y	Y	Y	Y	Y
3 Ramstad	Y	Y	Y	Y	Y	Y	Y	Y
4 Vento	N	N	Y	?	Y	Y	Y	Y

	243	244	245	246	247	248	249	250
5 Sabo	?	?	?	?	Y	Y	Y	Y
6 Grams	?	?	?	?	Y	Y	Y	Y
7 Peterson	N	N	Y	Y	Y	Y	Y	Y
8 Oberstar	N	N	Y	Y	Y	Y	Y	Y

MISSISSIPPI								
1 Whitten	N	?	?	?	N	?	?	?
2 Thompson	?	?	?	?	?	?	?	?
3 Montgomery	N	N	Y	Y	Y	Y	Y	Y
4 Parker	N	Y	Y	Y	Y	Y	Y	Y
5 Taylor	N	Y	Y	Y	Y	Y	Y	Y

MISSOURI								
1 Clay	N	N	N	N	N	Y	Y	Y
2 Talent	Y	Y	Y	Y	Y	Y	Y	Y
3 Gephardt	N	N	Y	Y	Y	Y	Y	Y
4 Skelton	N	N	?	?	Y	Y	Y	Y
5 Wheat	N	N	Y	Y	Y	Y	Y	Y
6 Danner	N	N	Y	Y	Y	Y	Y	Y
7 Hancock	Y	Y	Y	Y	Y	Y	Y	Y
8 Emerson	Y	Y	Y	Y	Y	Y	Y	Y
9 Volkmer	N	N	Y	Y	Y	Y	Y	Y

MONTANA								
AL Williams	N	N	N	N	N	N	N	Y

NEBRASKA								
1 Bereuter	Y	Y	Y	Y	Y	Y	Y	Y
2 Hoagland	N	N	Y	Y	Y	Y	Y	Y
3 Barrett	Y	Y	?	?	Y	Y	Y	Y

NEVADA								
1 Bilbray	N	N	Y	Y	Y	Y	Y	Y
2 Vucanovich	Y	Y	Y	N	Y	Y	Y	Y

NEW HAMPSHIRE								
1 Zeliff	Y	Y	Y	?	Y	Y	Y	Y
2 Swett	N	N	Y	Y	Y	Y	Y	Y

NEW JERSEY								
1 Andrews	N	N	Y	Y	Y	Y	Y	Y
2 Hughes	N	N	Y	Y	Y	Y	Y	Y
3 Saxton	Y	Y	Y	Y	Y	Y	Y	Y
4 Smith	Y	Y	Y	Y	Y	Y	Y	Y
5 Roukema	Y	Y	Y	?	Y	Y	Y	Y
6 Pallone	N	N	Y	Y	Y	Y	Y	Y
7 Franks	N	?	?	?	Y	Y	Y	Y
8 Klein	N	N	Y	Y	Y	Y	Y	Y
9 Torricelli	N	N	Y	Y	Y	Y	Y	Y
10 Payne	N	N	Y	Y	Y	Y	Y	Y
11 Gallo	?	?	?	?	Y	Y	Y	Y
12 Zimmer	Y	Y	Y	Y	Y	Y	Y	Y
13 Menendez	N	N	Y	Y	Y	Y	Y	Y

NEW MEXICO								
1 Schiff	Y	Y	Y	Y	Y	Y	Y	Y
2 Skoen	Y	Y	Y	Y	Y	Y	Y	Y
3 Richardson	N	N	Y	Y	Y	Y	Y	Y

NEW YORK								
1 Hochbrueckner	N	N	Y	Y	Y	Y	Y	Y
2 Lazio	Y	Y	Y	Y	Y	Y	Y	Y
3 King	Y	Y	Y	Y	Y	Y	Y	Y
4 Levy	N	N	Y	Y	Y	Y	Y	Y
5 Ackerman	N	N	Y	?	?	?	?	?
6 Flake	N	N	Y	Y	Y	Y	Y	Y
7 Manton	N	N	Y	Y	Y	Y	Y	Y
8 Nadler	N	N	Y	Y	Y	Y	Y	Y
9 Schumer	?	?	?	?	Y	Y	Y	Y
10 Towns	N	?	?	?	Y	Y	Y	Y
11 Owens	N	?	?	?	Y	Y	Y	Y
12 Velazquez	N	N	Y	Y	Y	Y	Y	Y
13 Molinari	Y	Y	Y	Y	Y	Y	Y	Y
14 Maloney	N	N	Y	Y	Y	Y	Y	Y
15 Rangel	N	N	Y	Y	Y	Y	Y	Y
16 Serrano	N	N	Y	Y	Y	Y	Y	Y
17 Engel	N	N	Y	Y	Y	Y	Y	Y
18 Lowey	N	N	Y	Y	Y	Y	Y	Y
19 Fish	Y	Y	Y	Y	Y	Y	Y	Y
20 Gilman	Y	Y	Y	Y	Y	Y	Y	Y
21 McNulty	N	N	Y	?	Y	Y	Y	Y
22 Solomon	Y	Y	Y	?	Y	Y	Y	Y
23 Boehlert	Y	Y	Y	Y	Y	Y	Y	Y
24 McHugh	Y	Y	Y	?	Y	Y	Y	Y
25 Walsh	Y	Y	Y	Y	Y	Y	Y	Y
26 Hinchey	N	N	Y	Y	Y	Y	Y	Y
27 Paxon	Y	Y	Y	Y	Y	Y	Y	Y
28 Slaughter	N	N	Y	Y	Y	Y	Y	Y
29 LaFalce	N	N	Y	?	Y	Y	Y	Y
30 Quinn	Y	Y	Y	?	Y	Y	Y	Y
31 Houghton	Y	Y	Y	?	Y	Y	Y	Y

NORTH CAROLINA								
1 Clayton	N	N	Y	Y	Y	Y	Y	Y
2 Valentine	N	N	Y	Y	Y	Y	Y	Y

	243	244	245	246	247	248	249	250
3 Lancaster	N	N	Y	Y	Y	Y	Y	Y
4 Price	N	N	Y	Y	Y	Y	Y	Y
5 Neal	N	N	Y	Y	Y	Y	Y	Y
6 Cable	Y	Y	Y	Y	Y	Y	Y	Y
7 Rose	N	N	Y	Y	Y	?	N	Y
8 Helmer	N	N	Y	Y	Y	Y	Y	Y
9 McMillan	Y	?	?	?	Y	Y	?	?
10 Ballenger	Y	Y	Y	Y	Y	Y	Y	Y
11 Taylor	Y	Y	Y	Y	Y	Y	Y	Y
12 Watt	N	N	N	Y	Y	N	Y	Y

NORTH DAKOTA								
AL Pomeroy	N	N	Y	Y	N	N	Y	Y

OHIO								
1 Mann	N	N	Y	Y	Y	N	Y	Y
2 <i>Portman</i>	Y	Y	Y	Y	N	Y	Y	Y
3 Hall	N	N	Y	Y	Y	Y	Y	Y
4 <i>Oxley</i>	Y	Y	Y	Y	N	Y	Y	Y
5 <i>Gillmor</i>	Y	Y	Y	N	Y	N	Y	Y
6 Strickland	N	N	Y	Y	N	N	Y	Y
7 <i>Hobson</i>	Y	Y	Y	N	Y	N	Y	Y
8 <i>Boehner</i>	Y	Y	Y	?	Y	Y	Y	Y
9 Kaptur	?	?	?	?	N	N	Y	Y
10 <i>Hoke</i>	Y	?	Y	N	Y	N	Y	Y
11 Stokes	N	N	N	Y	N	N	Y	Y
12 <i>Kasich</i>	Y	Y	Y	Y	Y	Y	Y	Y
13 Brown	?	?	?	?	N	N	Y	Y
14 Sawyer	N	N	Y	Y	N	Y	N	Y
15 <i>Pryce</i>	#	#	?	#	Y	Y	Y	Y
16 <i>Regula</i>	Y	Y	Y	Y	Y	N	Y	Y
17 Traficant	N	N	Y	N	N	Y	Y	Y
18 Applegate	Y	Y	Y	Y	N	Y	Y	Y
19 Fingerhut	-	-	Y	Y	N	N	Y	Y

SENATE VOTES 185, 186, 187, 188, 189, 190, 191, 192

	185	186	187	188	189	190	191	192
ALABAMA								
Heflin	N	N	N	Y	Y	Y	Y	N
Shelby	Y	Y	N	Y	Y	N	Y	N
ALASKA								
Murkowski	Y	Y	N	Y	Y	N	?	?
Stevens	Y	Y	N	Y	Y	N	N	Y
ARIZONA								
DeConcini	N	N	N	Y	N	N	Y	Y
McCain	Y	Y	N	Y	Y	N	Y	Y
ARKANSAS								
Bumpers	N	N	N	N	Y	Y	Y	Y
Pryor	N	N	N	N	Y	Y	Y	?
CALIFORNIA								
Boxer	N	N	N	N	N	Y	Y	Y
Feinstein	N	N	N	N	N	Y	Y	N
COLORADO								
Campbell	N	N	N	Y	Y	Y	Y	N
Brown	Y	Y	N	Y	Y	N	N	Y
CONNECTICUT								
Dodd	N	N	N	N	N	Y	Y	Y
Lieberman	N	N	N	Y	N	Y	+	Y
DELAWARE								
Biden	N	N	N	N	N	Y	Y	Y
Roth	Y	Y	N	Y	N	N	Y	Y
FLORIDA								
Graham	N	N	N	Y	N	Y	Y	Y
Mack	Y	Y	N	Y	Y	N	Y	N
GEORGIA								
Nunn	N	Y	N	N	Y	N	Y	Y
Coverdell	Y	Y	N	Y	Y	N	N	Y
HAWAII								
Akaka	N	N	N	N	N	Y	Y	N
Inouye	N	N	N	N	Y	Y	Y	Y
IDAHO								
Craig	Y	Y	N	Y	Y	N	N	Y
Kempthorne	Y	Y	N	Y	Y	N	N	Y
ILLINOIS								
Mosley-Braun	N	N	N	N	N	Y	Y	Y
Simon	N	N	N	N	N	Y	Y	Y
INDIANA								
Coats	Y	Y	N	Y	Y	N	Y	Y
Lugar	Y	Y	N	Y	Y	N	Y	Y

	185	186	187	188	189	190	191	192
IOWA								
Harkin	N	N	N	N	Y	Y	Y	Y
Grassley	Y	Y	N	Y	Y	N	N	Y
KANSAS								
Dole	Y	Y	N	Y	Y	N	N	Y
Kassebaum	Y	Y	N	Y	Y	N	N	Y
KENTUCKY								
Ford	N	N	N	N	Y	Y	Y	Y
McConnell	Y	Y	N	Y	Y	N	N	Y
LOUISIANA								
Breaux	N	N	N	N	N	Y	?	Y
Johnston	N	N	N	N	Y	N	Y	Y
MAINE								
Mitchell	N	N	N	N	N	Y	Y	Y
Cohen	Y	Y	N	Y	Y	N	Y	Y
MARYLAND								
Mikulski	N	N	N	N	N	Y	Y	Y
Sarbanes	N	N	N	N	N	Y	Y	Y
MASSACHUSETTS								
Kennedy	N	N	N	N	N	Y	Y	Y
Kerry	N	N	N	N	N	Y	Y	Y
MICHIGAN								
Levin	N	N	N	N	N	Y	Y	Y
Riegle	N	N	N	N	N	Y	Y	Y
MINNESOTA								
Wellstone	N	N	N	N	N	Y	Y	-
Durenberger	Y	Y	N	Y	Y	N	Y	+
MISSISSIPPI								
Cochran	Y	Y	N	Y	Y	N	N	Y
Lott	Y	Y	N	Y	Y	N	N	Y
MISSOURI								
Bond	Y	Y	N	Y	Y	N	Y	Y
Danforth	Y	Y	N	Y	Y	N	N	Y
MONTANA								
Baucus	N	N	N	N	Y	Y	Y	Y
Burns	Y	Y	N	Y	Y	N	N	Y
NEBRASKA								
Exon	N	N	N	Y	Y	Y	Y	Y
Kerrey	N	N	N	Y	Y	Y	Y	Y
NEVADA								
Bryan	N	N	N	Y	Y	N	Y	Y
Reid	N	N	N	Y	Y	Y	Y	Y

	185	186	187	188	189	190	191	192
NEW HAMPSHIRE								
Gregg	Y	Y	N	Y	Y	N	?	Y
Smith	Y	Y	N	Y	Y	N	N	Y
NEW JERSEY								
Bradley	N	N	N	N	N	Y	Y	Y
Lautenberg	N	N	N	Y	N	N	N	Y
NEW MEXICO								
Bingaman	N	Y	N	Y	N	Y	Y	Y
Domenici	Y	Y	N	Y	Y	N	N	Y
NEW YORK								
Moynihan	N	N	N	N	N	Y	Y	Y
D'Amato	Y	Y	N	Y	Y	N	N	Y
NORTH CAROLINA								
Faircloth	Y	Y	N	Y	Y	N	N	N
Helms	Y	Y	N	Y	Y	N	N	N
NORTH DAKOTA								
Conrad	N	N	N	Y	N	Y	Y	N
Dorgan	N	N	N	Y	N	Y	Y	N
OHIO								
Glenn	N	N	N	N	N	Y	Y	Y
Metzenbaum	N	N	N	N	N	Y	Y	N
OKLAHOMA								
Boren	N	N	N	N	N	Y	Y	Y
Nickles	Y	Y	N	Y	Y	N	N	Y
OREGON								
Hatfield	N	Y	N	Y	Y	N	Y	Y
Packwood	Y	Y	N	Y	Y	N	Y	Y
PENNSYLVANIA								
Wofford	N	N	N	N	Y	Y	N	N
Specter	?	?	?	?	?	?	?	?
RHODE ISLAND								
Pell	N	N	N	N	N	Y	Y	+
Chafee	Y	Y	N	Y	N	N	Y	Y
SOUTH CAROLINA								
Hollings	N	N	N	N	Y	Y	Y	N
Thurmond	Y	Y	N	Y	Y	N	N	N
SOUTH DAKOTA								
Daschle	N	N	N	N	Y	Y	Y	?
Pressler	Y	Y	N	Y	Y	N	N	Y
TENNESSEE								
Mathews	N	N	N	N	Y	Y	Y	Y
Sasser	N	N	N	N	Y	Y	Y	Y

KEY

Y Voted for (yea).
 # Paired for.
 + Announced for.
 N Voted against (nay).
 X Paired against.
 - Announced against.
 P Voted "present."
 C Voted "present" to avoid possible conflict of interest.
 ? Did not vote or otherwise make a position known.

Democrats Republicans

	185	186	187	188	189	190	191	192
TEXAS								
Gramm	Y	Y	N	Y	Y	N	N	Y
Hutchison	Y	Y	N	Y	Y	N	N	Y
UTAH								
Bennett	Y	Y	N	Y	Y	N	Y	Y
Hatch	Y	Y	N	Y	Y	N	Y	Y
VERMONT								
Leahy	N	N	N	N	N	Y	Y	Y
Jeffords	Y	Y	N	Y	Y	N	N	N
VIRGINIA								
Robb	N	N	N	Y	N	Y	Y	Y
Warner	Y	Y	N	Y	Y	N	Y	Y
WASHINGTON								
Murray	-	-	-	-	-	+	+	+
Gorton	Y	Y	N	Y	Y	N	Y	Y
WEST VIRGINIA								
Byrd	N	N	N	N	Y	Y	Y	N
Rockefeller	N	N	N	N	Y	Y	Y	Y
WISCONSIN								
Feingold	N	N	N	N	N	Y	Y	N
Kohl	N	N	N	Y	N	Y	Y	Y
WYOMING								
Simpson	Y	Y	N	Y	Y	N	Y	Y
Wallace	Y	Y	N	Y	Y	N	N	Y

ND Northern Democrats SD Southern Democrats Southern states - Ala., Ark., Fla., Ga., Ky., La., Miss., N.C., Okla., S.C., Tenn., Texas, Va.

185. S 1134. 1993 Budget Reconciliation/Sequester. Gramm, R-Texas, motion to waive the budget act with respect to the Sasser, D-Tenn., point of order against the Gramm amendment to impose a sequester if any of the six deficit targets are not met. Motion rejected 43-55: R 42-1; D 1-54 (ND 0-41, SD 1-13), June 25, 1993 (in the Congressional Record dated June 24). A three-fifths majority vote (60) of the total Senate is required to waive the budget act. (Subsequently, the chair upheld the point of order; the Gramm amendment fell.)

186. S 1134. 1993 Budget Reconciliation/Retroactive Taxes. Burns, R-Mont., motion to waive the budget act with respect to the Sasser, D-Tenn., point of order against the Burns amendment to bar retroactive tax increases in the bill. Motion rejected 46-52: R 43-0; D 3-52 (ND 1-40, SD 2-12), June 25, 1993 (in the Congressional Record dated June 24). A three-fifths majority vote (60) of the total Senate is required to waive the budget act. (Subsequently, the chair upheld the Sasser point of order; the Burns amendment fell.)

187. S 1134. 1993 Budget Reconciliation/Paperwork Reduction. Sasser, D-Tenn., motion to table (kill) the Pressler, R-S.D., amendment to strike provisions requiring small businesses to report transactions over \$600 to the IRS. Motion rejected 0-98: R 0-43; D 0-55 (ND 0-41, SD 0-14), June 25, 1993 (in the Congressional Record dated June 24). (Subsequently, Pressler's amendment was adopted by voice vote.)

188. S 1134. 1993 Budget Reconciliation/Federal Overhead Reduction. Hutchison, R-Texas, motion to waive the budget act with respect to the Sasser, D-Tenn., point of order against the Hutchison amendment to cut federal overhead by 10 percent over two years. Motion rejected 58-40: R 43-0; D 15-40 (ND 11-30, SD 4-10), June

25, 1993 (in the Congressional Record dated June 24). A three-fifths majority vote (60) of the total Senate is required to waive the budget act. (Subsequently, the chair upheld the Sasser point of order; the Hutchison amendment fell.)

189. S 1134. 1993 Budget Reconciliation/Vaccine Bulk Purchase Plan. Bumpers, D-Ark., amendment to revise the way the Medicaid program pays for vaccines and reimburses vaccine manufacturers. Adopted 59-39: R 39-4; D 20-35 (ND 10-31, SD 10-4), June 25, 1993 (in the Congressional Record dated June 24).

190. HR 2264. 1993 Budget Reconciliation/Passage. Passage of the bill to raise taxes and cut mandatory spending to reduce the deficit by \$516 billion over five years. Passed 50-49: R 0-43; D 49-6 (ND 38-3, SD 11-3), with Vice President Gore casting a "yea" vote, June 25, 1993 (in the Congressional Record dated June 24). (Before passage, the Senate struck all after the enacting clause and inserted the text of S 1134 as amended.) A "yea" was a vote in support of the president's position.

191. Carter Nomination/Confirmation. Confirmation of President Clinton's nomination of Ashton B. Carter to be an assistant secretary of Defense. Confirmed 76-18: R 23-18; D 53-0 (ND 40-0, SD 13-0), June 29, 1993. A "yea" was a vote in support of the president's position.

192. HR 1876. GATT Fast-Track Extension/Passage. Passage of the bill to extend through April 16, 1994, authority to negotiate a GATT accord to be considered under fast-track rules. Passed (thus cleared for the president) 76-16: R 37-4; D 39-12 (ND 29-9, SD 10-3), June 30, 1993. A "yea" was a vote in support of the president's position.

After Three Years, Trade Bill Finally Clears

A massive omnibus trade bill — three years in the making — won final approval in the Senate Aug. 3 and was signed into law Aug. 23.

The core of the measure (HR 4848 — PL 100-418) focused on traditional trade issues — unfair foreign trade practices and relief for import-damaged domestic industries. It included provisions aimed at making trade a higher priority in U.S. policy making, less subservient to foreign policy and defense considerations. But the bill went beyond the tariff, quota and anti-subsidy provisions of traditional trade legislation to cover a wide range of issues, such as currency imbalances, Third World debt, patent law, education, security-based restrictions on U.S. exports and rules against business-related bribes abroad by U.S. firms.

The bill made no sharp reversals in U.S. trade policy. Earlier versions had included provisions that drew charges of protectionism and fears of retaliation from abroad. But these were largely removed from the final bill.

The legislation was bipartisan from its origins, when congressional anger over accelerating trade deficits and currency imbalances, and at administration reluctance to intervene, was at its height.

Democrats who shaped the trade bill during its three-year odyssey included Senate Finance Committee Chairman Lloyd Bentsen of Texas, House Ways and Means Committee Chairman Dan Rostenkowski of Illinois, and Rep. Richard A. Gephardt of Missouri.

A highly publicized proposal by Gephardt to require cuts in U.S. imports from countries that ran trade surpluses with the United States and refused to moderate unfair trade practices did not make it into the final bill. But he was credited with helping pressure the administration and Congress into a more activist trade policy that was codified in the bill.

Key Republican players included John C. Danforth of Missouri and Bob Packwood of Oregon.

For all its bipartisan support, however, the trade bill moved only fitfully through Congress. The House passed a more punitive version in 1986, but Senate economic leaders, preoccupied with the tax overhaul of that year, took no action. Both chambers passed new versions in 1987, but the conference on that bill (HR 3) was sidelined late in the year by negotiations on the budget deficit. (1987 *Almanac* p. 640)

The conference report was completed in April 1988, and by the end of that month it had won approval in both chambers. But President Reagan vetoed HR 3, primarily because it included a controversial requirement for advance notice of plant closings and mass layoffs. (See box, p. 213)

In June, Democratic leaders reintroduced the trade bill, minus the plant-closing section and restraints on Alaskan oil exports, to which Reagan also objected. By large bipartisan majorities, the House July 13 passed the new version of the trade bill (HR 4848), and a separate bill containing the plant-closing language (S 2527) that already had been approved in the Senate. The plant-closing measure passed 286-136; the trade bill 376-45. (Vote 229, p. 74-H; vote 231, p. 76-H)

The leadership held up Senate action on the new trade bill until it became clear that the president would not veto the plant-closing measure. When Reagan said Aug. 2 that

he would let S 2527 become law, the Senate began final action on the omnibus trade bill. Leaders of both parties agreed to oppose a new round of amendments, which would have caused potentially fatal delay for the measure. The Senate cleared the trade bill Aug. 3 by an overwhelming vote of 85-11. (Vote 288, p. 46-S)

Final Provisions

As enacted, the bill:

Trade Policy and Negotiations

- **Agenda and Consultation.** Required the president's annual report on trade agreements to include a policy agenda, and expanded private-sector advisory committees to consult on broad trade policy as well as on specific trade problems, as under existing law.

- Required the U.S. Trade Representative (USTR) to consult with Congress on trade policy and priorities, as well as on negotiations; required continuing USTR consultation with the House Ways and Means and Senate Finance committees on overall trade policy and on specific actions under trade laws.

- **Central Role for USTR.** Specified that the USTR has primary responsibility for developing and coordinating implementation of international trade policy, international trade negotiations, and trade policy guidance, and was the principal trade spokesman.

- **Non-Tariff Barrier Agreements.** Extended for five years, until May 31, 1993, the president's authority to negotiate multilateral non-tariff agreements. The bill authorized, until May 31, 1991, so-called "fast-track" congressional approval procedures for such non-tariff agreements. The procedures were also authorized for an additional two years, until 1993, unless disapproved by either chamber because of insufficient progress in the negotiations, or because the authority was not requested. The bill required the president, as a condition for continuing the fast-track procedures after the first two years, to submit progress reports to Congress on negotiations.

- The fast-track procedures limited debate on legislation to carry out a trade agreement, barred amendments and required Congress to complete action 60 days after the bill was introduced.

- The bill provided for cancellation of the fast track if the House and Senate separately disapproved the procedure because the USTR was not consulting adequately with Congress on trade negotiations and agreements. The resolutions of disapproval would themselves qualify for the fast-track procedures. The cancellation procedure was dubbed the "reverse fast-track."

- **Tariff Agreements.** Authorized the president, until May 31, 1993, to enter into multilateral tariff agreements. The bill also authorized the president, within set limits, to change U.S. duties to conform to such agreements. Tariff reductions exceeding 50 percent and negotiated tariff increases required approval by Congress but qualified for the fast-track process. Fast-track authority for tariff agreements was extended, subject to the same cancellation provisions as for multilateral agreements.

- **Bilateral Agreements.** Authorized the president, until May 31, 1993, to enter into bilateral agreements on



tariff and non-tariff barriers, subject to congressional fast-track approval. Fast-track authority for bilateral agreements was extended, subject to the same cancellation provisions as for multilateral agreements.

- **Harmonized Tariffs.** Made effective, in part upon enactment and in part on Jan. 1, 1989, the new international "harmonized" tariff system, which set international standards for identifying and measuring items subject to tariff.

- **Citrus and Pasta Agreement.** Authorized the president to reduce U.S. duties as agreed to in the United States-European Economic Community citrus/pasta agreement. The president could also change or cancel the reductions.

- **GATT and State Trading Regimes.** Required the president — before a major country with a significant share of its trade in state trading enterprises joined the General Agreement on Tariffs and Trade (GATT) — to determine if such trade was significant and if it negatively affected the U.S. economy or trade. If so, GATT rules would not apply between the United States and that country, unless there was an agreement between the two that the state enterprise would be run on a commercial basis, or unless the extension of GATT rules was approved by Congress. (The provision was expected to apply to the Soviet Union.)

- **Currency Negotiations.** Required the president to negotiate with another country on its currency exchange rate if, during trade negotiations with such a country, the president was advised by Treasury that the other country manipulated its currency.

- **Negotiating Objectives.** Established principal U.S. negotiating goals in 17 subject areas, including agriculture, services, intellectual property, foreign direct investment, worker rights and trade and monetary coordination.

Unfair Foreign Trade Practices

- **Transfer of Authority.** Transferred from the president to the USTR the authority to decide whether a foreign practice hindering U.S. trade was unfair and should therefore be investigated. The bill transferred to the USTR the authority to decide what action to take against an unfair foreign trade practice, and to implement such action. These decisions were subject to presidential discretion.

- **Mandatory Retaliation.** Required the USTR to take retaliatory action against violations of trade agreements or other "unjustifiable" foreign trade practices. The bill required that the retaliation be in an amount equivalent in value to the foreign restriction on U.S. commerce. The form of retaliation was discretionary, with preference given to tariff restrictions.

Retaliation could be waived if: the GATT ruled that the foreign practice did not violate U.S. rights; the foreign government agreed to eliminate or phase out the practice or to provide compensatory trade benefits; the action would harm the U.S. economy disproportionately, compared to the injury; or the action would harm U.S. national security.

In cases involving "unreasonable" or "discriminatory" practices — lesser offenses — retaliation continued to be discretionary, as under existing law. The category of "unreasonable" practices subject to U.S. action was expanded to include export targeting, a persistent pattern of denial of certain worker rights, and toleration by a foreign government of systematic anti-competitive activities by private firms that restricted access to U.S. goods.

Time limits were imposed for investigations, determinations and retaliatory action. Among other things, the USTR was required to make a determination of unfairness and decide what action, if any, to take within 12 months of initiating investigations in subsidy and non-trade agreement cases, and within 18 months in trade agreement cases. The bill required that action be implemented 30 days after a determination, although it could be delayed up to 180 days at the request of a petitioner in the case, or if the USTR determined progress was being made on the problem.

- **Suspension of Retaliation.** Permitted suspension or cancellation of retaliation for any of the specified exceptions; canceled any retaliatory action automatically after four years, although continuation could be requested; and required the USTR to monitor compliance by a foreign country with any agreement to remedy practices harming U.S. commerce.

- **Trade Liberalization Priorities ("Super 301").** Revised Section 301 of the Trade Act of 1974 to require the USTR to identify foreign trade practices whose elimination was likely to have the most significant potential for increasing U.S. exports; identify "priority" foreign countries, taking into account the number and pervasiveness of such practices; and estimate the amount by which U.S. exports would have increased the previous year if those barriers did not exist.

The bill also required the USTR to begin investigations into all the priority practices in each of the priority countries, seek a negotiated agreement to reduce those practices and report to Congress on the results. Failure to reach agreement would mean continuation of U.S. unfair-trade-practice procedures as revised by the bill, with possible retaliation.

Import Relief

- **Positive Industrial Adjustment.** Revised Section 201 of the Trade Act of 1974 to encourage efforts by injured domestic industries to make a "positive adjustment" to import competition — either by finding ways to compete successfully or by transferring resources to more productive pursuits. Industries petitioning for relief under Section 201 were encouraged to submit a plan for promoting such adjustment.

- **Provisional Relief.** Authorized emergency import relief for perishable agricultural products within 28 days after a relief petition was filed, if the International Trade Commission (ITC) had monitored the imports for at least 90 days and made a preliminary finding of injury. In the case of lamb, the ITC was required to monitor imports for two years. For other types of trade, the bill authorized provisional import relief within 127 days after a relief petition was filed, if the ITC made a preliminary finding of injury and if critical circumstances existed.

- **Injury Determination and Relief.** Required the U.S. International Trade Commission (ITC) to determine within 120 days whether an industry petitioning for relief had been harmed by rising imports. The ITC was required to recommend remedies and report to the president within six months of receiving a petition.

The bill required the president to act within 60 days of receiving an ITC report. The actions he could take were expanded beyond the quota and other trade remedies of existing law to include regulatory relief, legislative recommendations, or anything else within his powers. Relief could last up to eight years.

Expedited consideration was to be given to petitions for Trade Adjustment Assistance from all workers and firms in a domestic industry subject to an affirmative injury finding by the ITC.

● **Post-Investigation Action.** Required the ITC to monitor developments in the assisted industry — including industry efforts to adjust — and report every two years. The president was authorized, after two years, to reduce, modify or terminate action if the industry requested it or circumstances had changed. Also, the bill barred subsequent investigations of a product that had received import relief for a period equivalent to the amount of time that relief was granted.

Trade Adjustment Assistance (TAA)

● **TAA Reauthorization.** Reauthorized the TAA program for two years, from Sept. 30, 1991, to Sept. 30, 1993.

● **'Secondary Workers.'** Expanded eligibility to otherwise qualified workers or firms that supplied essential goods or services to firms directly damaged by imports. Eligibility of these "secondary workers" was contingent on establishment of a new trust fund financed by an import fee, also authorized by the legislation.

The bill also extended benefits to workers in the oil and gas industry who met other criteria for eligibility. Workers laid off after Sept. 30, 1985, would be eligible if a petition for their relief was filed 90 days after enactment of the bill.

● **Supplemental Payments.** Authorized, as a demonstration project, supplemental TAA payments to eligible workers who took new jobs paying less than their former jobs in an import-damaged industry.

● **Training Entitlement.** Created a new entitlement to worker training by requiring the secretary of labor to approve training for a worker who met existing TAA eligibility standards and also satisfied a new work requirement. The bill required training as a condition for workers receiving weekly cash benefits, unless training was not feasible or appropriate. The bill capped the total annual cost of the training program at \$80 million.

● **Trust Fund.** Established a trust fund to pay for the TAA program. The fund was to be financed by an import fee, also authorized by the bill, of up to 0.15 percent of the value of an item. Establishment of the fund was contingent on acceptance of the new fee by the GATT and by countries with which the United States had bilateral free-trade agreements. The bill required the president to negotiate for acceptance of the fee. If negotiations failed and if the president decided the fee was not in the national interest, he could decide not to put it into effect. Congress could insist on the fee, over his objections, if it passed a joint resolution putting it into effect.

Foreign Subsidies and 'Dumping'

● **Subsidies, 'Dumping.'** Clarified criteria in U.S. law for judging subsidies and for determining dumping by countries with non-market economies. The bill created a method for determining subsidies incorporated in products from non-market countries, where government planning controlled the economy. The bill required that subsidies to an international consortium, such as that for the European "Airbus," be factored into calculations of anti-subsidy duties. It authorized the Commerce Department to prevent circumvention of U.S. anti-subsidy or anti-dumping duties by shipments through third countries. And it authorized

restraints on steel imports from countries not covered by existing voluntary restraint agreements (VRAs), if the steel were melted and poured in a VRA country and trans-shipped to circumvent the agreement. It authorized monitoring the imports of "downstream" products made from components previously found to have been dumped or subsidized.

● **Multiple Offenders.** Required expedited investigations of certain products from multiple offenders of anti-dumping law.

Intellectual Property Rights

● **Standard for Banning Imports.** Tightened statutory protection for intellectual property by establishing a new standard under which a petitioner must prove only patent infringement to halt imports. Under existing law, a petitioner had to prove economic injury to get relief.

● **Unfair Trade Cases.** Required the USTR to identify and initiate cases against "priority" countries with trading practices that infringed on U.S. intellectual property rights. The USTR was required to decide within six months whether action was warranted; action would be under the bill's revised procedures for unfair trade practices. Also, the bill required a decision within 90 days on whether a temporary exclusion order should be issued while an investigation of violations of U.S. patent or copyright laws was under way.

● **Process Patents.** Broadened protection for owners of patents on processes by giving them the right to exclude others from using, selling or importing into the United States products made by that process. The bill limited actions against retailers by requiring patent owners first to seek redress against importers or wholesalers. The bill barred action against products that had been changed by subsequent processing, and against items that were non-essential components of another product.

● **Patent Extension.** Extended for three and a half years the patent on an anti-cholesterol drug, gemfibrozil.

Tariffs and Customs

● **Tariff Revisions.** Revised or extended revisions on more than 100 specific tariffs on goods imported into the United States.

● **Soviet Fur Skins.** Repealed a ban dating to 1952 on imports of Soviet furs.

● **Duty-Free Shops.** Established statutory and regulatory controls over duty-free sales enterprises in the United States.

Export Promotion

● **Foreign Commercial Service.** Established the U.S. and Foreign Commercial Service within the International Trade Administration as a statutory agency to promote and protect U.S. business interests abroad; upgraded the status of certain commercial service officers abroad and authorized export promotion by commercial service officers working jointly with U.S. businessmen and others from the private sector.

● **Trade Data Bank.** Enhanced the National Trade Data Bank in the Commerce Department by including agricultural and other statistical information now collected separately. The bill also established as part of the data bank an export-promotion data system to provide U.S. exporters timely and accurate data on business opportunities overseas.

● **Trade and Development Program.** Established

in law the existing State Department Trade and Development Program as an independent agency within the International Development Cooperation Agency to promote exports in the context of overseas development activities. The agency would receive between \$5 million and \$10 million annually from existing State Department accounts, including those of the Agency for International Development. An additional \$10 million was authorized for education and training programs, particularly those serving Taiwanese and Chinese nationals.

- **Tied Aid.** Reauthorized for one year the so-called tied-aid "war chest" through which the Export-Import Bank and the Trade and Development Program provided foreign assistance grants coupled with loans for major development projects, in return for favorable treatment for U.S. suppliers and contractors. The bill transferred administration of the foreign assistance portion of the tied-aid program for the Agency for International Development to the Trade and Development Program.

- **OPIC.** Raised the overall ceiling on the Overseas Private Investment Corporation's loan-guarantee program from \$750 million to \$1 billion. OPIC aided private firms seeking to do business in less-developed nations. The bill also increased from \$150 million to \$200 million OPIC's loan-guarantee program and increased from \$15 million to \$25 million the agency's direct investment fund.

- **Small Business.** Authorized an additional \$3.5 million for the Small Business Administration (SBA) Office of International Trade to expand its responsibilities by identifying small businesses with export potential and likely foreign markets, and by helping to develop export trading and management companies. It also permitted larger SBA loans than allowed under existing law, but only for trade-oriented industries. These loans would, in effect, be the same as guaranteed bank loans, but would have to be sold by SBA on the secondary market. And it authorized an additional \$5 million for export-related services, such as translation and financing, to be provided through regional SBA centers that currently provide technical assistance to businesses.

- **Competitiveness Policy Council.** Created a 12-member council appointed by the president and the leaders of Congress to evaluate U.S. policy as it affected the nation's competitiveness overseas, to make recommendations for policy changes and to comment on private-sector requests for government assistance. The council was authorized to spend \$5 million annually for 1989 and 1990.

Export Controls

- **Licensing.** Reduced the size and scope of the list of items subject to U.S. export controls for national security reasons through the following steps. The bill eliminated export licenses for shipments to countries in the Coordinating Committee for Multilateral Export Controls (COCOM) of goods that at the time could be exported to the People's Republic of China without multilateral approval. (COCOM was made up of the NATO countries, except Iceland, plus Japan.) It also eliminated, within three months, licenses for exports to COCOM countries judged to have effective export-control systems. And it eliminated licenses for exports to non-Soviet-bloc countries of low-technology goods that currently could be exported to the Soviet bloc without multilateral approval.

- **Re-export Controls.** Eliminated re-export licenses for items sold to COCOM countries, and for U.S. parts and components incorporated into foreign-made goods when

U.S. content was 25 percent or less, with certain exceptions.

- **Controlled Items.** Eliminated from the list of controlled items technology that could be exported to Soviet-bloc countries without multilateral approval, except for goods on which COCOM agreed to maintain notification requirements. The bill clarified an existing rule on embedded microprocessors to stipulate that goods were to be controlled on the basis of their overall function, not on the basis of component parts. The clarification was expected to ease restrictions on exports of most medical equipment.

- **Unilateral Controls.** Eliminated unilateral national security controls unless negotiations were under way to achieve multilateral controls, or the United States was the sole source of the item.

- **Dispute Resolution.** Clarified that Department of Defense review of license applications and inclusion of items on the control list was limited to national security, not foreign policy, considerations; required the secretaries of commerce and defense to evaluate and jointly report to Congress on the Pentagon's review of exports to non-Soviet-bloc countries.

- **People's Republic of China.** Authorized the use of specialized "distribution" licenses for multiple exports to China.

- **Toshiba/Kongsberg Sanctions.** Imposed three-year prohibitions on imports from Toshiba Machine Co. of Japan and Kongsberg Trade of Norway, and on government contracting or procurement from those firms. The bill prohibited for three years U.S. government contracting or procurement from the parent firms, Toshiba Corp. and Kongsberg Vaapenfabrikk. Exceptions were permitted for goods needed for national security purposes; spare and component parts; routine servicing and maintenance; and service, information and technology and for items imported under contracts signed before June 30, 1987.

In cases of future infractions, the bill required import and U.S. government procurement bans of two to five years against any entity whose sales violated COCOM regulations and seriously affected the strategic balance of forces. The bill made sanctions optional for a sale that did not have a serious adverse impact on the balance of forces. The same exceptions for the retroactive sanctions were permitted.

International Finance

- **Currency Exchange Rates.** Required the president to negotiate with other countries on macroeconomic policies, exchange rates and efforts to achieve more appropriate and sustainable levels of trade and current account balances (a measure of all foreign transactions, including merchandise, services, and investment).

The Treasury secretary was required to study annually the relationships between the values of other countries' currencies in relation to the dollar and to negotiate with any country that he determined manipulated the exchange rate between its currency and the dollar. The secretary was required to report twice annually to Congress on currency policy and the status of negotiations.

- **Government Securities Dealers.** Prohibited the Federal Reserve from dealing in government securities directly with a foreign-owned firm, unless that firm's home country allowed U.S.-owned securities dealers equal access to that country's securities. The provision was to take effect one year from enactment, and exempted transactions pending as of July 31, 1987.

• **Third World Debt.** Required the Treasury secretary to study and report twice to Congress — after six months and after one year — on the feasibility of creating an international institution that would buy problem loans to Third World countries at a discount and renegotiate those loans on terms more favorable to the borrowing country.

• **Foreign Takeovers.** Authorized the president to suspend or halt the merger, acquisition or takeover of a U.S. firm by a foreign citizen or firm, provided he made a detailed finding that the acquisition would threaten U.S. national security and that other laws would not provide adequate protection.

Agriculture

• **Triggered Marketing Loan.** Required the president to implement a new federal price-support loan for wheat, feed grains and soybeans in 1990 if he could not certify that GATT negotiations had produced significant progress toward reducing or eliminating agricultural subsidies. The so-called marketing loans could permit farmers to avoid full repayment, because they were repaid at the prevailing market prices for the crop serving as collateral, and not at the official loan rate, which was often higher. This structure was meant to keep high loan rates from artificially inflating world commodity prices.

The president could refuse to go ahead with the loan program if he determined that it would impede GATT negotiations; he would be required instead to expand existing Agriculture Department export-subsidy programs. He could also refuse to carry out the expansion of existing programs if that would harm further negotiations. The president could cancel either program if it had the intended effect of spurring negotiations.

The bill required that if the marketing-loan program went into effect, the Agriculture Department must also offer a price-support program for the 1990 crop of sunflower seeds and cottonseeds.

• **Export Incentives.** Reauthorized through 1990 the export enhancement program, which gave bonuses of surplus, government-owned commodities to foreign buyers of U.S. crops. The bill increased to \$2.5 billion, from \$1.5 billion, the value of surplus commodities that might be used in the incentive program. It required the Agriculture Department to use prevailing market prices in determining its compliance with the annual \$1 billion statutory minimum for program activity.

The bill also increased to \$215 million, from \$110 million, the 1988 authorization for a second export-subsidy program that assisted private, U.S. producer/processor organizations in developing foreign markets. The program provided money or surplus agricultural commodities to the group. The bill authorized the secretary of agriculture to use the money or equivalent surplus commodities to pay legal fees of the Corn Growers Association that were incurred defending a complaint brought in Canada against U.S. corn subsidies.

• **Foreign Agricultural Service (FAS).** Increased FAS funding by \$20 million in fiscal years 1988 through 1990, set a statutory minimum of FAS personnel and upgraded senior agency officers.

• **Wood Products.** Included wood and wood products among agricultural products eligible for federal export subsidies.

• **Studies.** Required studies of the Canadian system of licensing wheat imports to that country, of the so-called "intermediate" export credit, and of U.S. imports of eggs,

roses, dairy products, sugar and honey.

Foreign Corrupt Practices

• **Standard of Liability.** Amended the Foreign Corrupt Practices Act of 1977 to limit criminal liability for violations of accounting standards to those who "knowingly" circumvented accounting controls or falsified records of corporate payments and transactions. Also, the bill defined the level of detail required in such record-keeping and clarified a firm's responsibility for record-keeping by a subsidiary to "such level of detail and degree of assurance as would satisfy prudent officials in the conduct of their own affairs." The changes were meant to clarify ambiguities and improve enforcement.

• **Payment Standard of Liability.** Limited criminal liability to circumstances where the person making the payment knew or had reason to know that the recipient would use the payment for purposes barred by the law. The limitations were made by technical revisions to the legal definition of "knowing."

• **Foreign Violations.** Designated as "illegal" payments made to a foreign official that were meant to induce him to act in violation of his lawful duty. If a payment were legal in the foreign official's country, that fact would constitute a legal defense of the payment. Also, a payment could be defended as a good-faith, reasonable expenditure for product promotion or contract performance. The bill clarified that payments made to secure performance of routine government actions, including processing papers or loading and unloading cargoes, would not be illegal.

• **Individual Prosecutions.** Tightened the law by authorizing prosecution of individuals for violations, even if their firm had not been found guilty of violating the law.

Education and Training

• **Elementary and Secondary Education.** Reauthorized for fiscal 1988 a variety of elementary, secondary and vocational education programs, including those for literacy, math, science and foreign language training, and dropout retention. These programs were also reauthorized for fiscal 1989-93 in a more comprehensive elementary- and secondary-education bill (PL 100-297), signed into law April 28. Both bills also created a program of so-called star schools for special math, science and foreign language instruction. (*Education bill, p. 330*)

• **Literacy.** Authorized a new \$30 million demonstration program providing matching grants for basic skills programs, including literacy, in the work place. The bill also authorized \$25 million for grants to aid adults who were not proficient in English, and \$10 million in grants to higher education institutions for literacy corps programs in which students would get academic credit for tutoring.

• **Foreign Language.** Authorized \$20 million in matching grants for model elementary- and secondary-school programs in foreign language instruction, and \$1 million for presidential awards to teachers for excellence in foreign language teaching.

• **Partnerships for Excellence.** Authorized \$10 million for demonstration grants to create partnerships among local school districts, state education departments, institutions of higher education, businesses and chambers of commerce to enhance education.

• **Technology.** Authorized \$19 million for a variety of programs aimed at increasing training in uses of technology.

• **Rural Education.** Authorized \$5 million in discretionary grants to regional laboratories or certain other institutions to create rural education assistance centers.

• **Vocational Education.** Enhanced worker training, retraining and job-placement services in high-technology occupations by authorizing a new \$25 million adult retraining program and increasing to \$30 million, from \$20 million, funding for cooperative industry-education training programs in high technology.

• **Secondary Education.** Authorized a new \$200 million demonstration program providing basic skills to secondary-school students, and a new \$50 million demonstration program to prevent students from dropping out of high school and to encourage the return of those who had dropped out.

• **Higher Education.** Authorized \$115 million for a variety of higher-education programs: \$85 million for upgrading university research facilities; \$21.5 million for science, engineering and mathematics; \$5 million for joint graduate degrees in business and international affairs; and \$3.5 million for general library assistance and acquisition of foreign journals.

• **Dislocated Workers.** Authorized \$980 million in fiscal 1989 and an unlimited amount in future years for a new training program for workers who lost their jobs due to economic factors, including plant closings and mass layoffs. The program replaced the dislocated-worker training program of the Job Training Partnership Act (JTPA), and retained some of that program's eligibility requirements and its formula for distributing money.

In addition to those workers eligible under JTPA, the bill made some laid-off workers eligible. Displaced homemakers — mostly women — with no salable job skills and who were divorced or widowed and needed to support their families would also be eligible, provided no other eligible workers were adversely affected.

Money was to be distributed for national and state training programs: 20 percent to the secretary of labor; 80 percent to the states. States were to be allocated money under JTPA criteria (one-third based on unemployment; one-third on unemployment in excess of 4.5 percent; one-third on unemployment in excess of 15 weeks), but at a certain point data on plant closings, mass layoffs and farmer and rancher dislocation also were considered.

The bill specified that half of a state's money go to designated "substate areas" of 200,000 or more people, on the basis of formulas determined by individual governors. Another 40 percent was to be retained by governors for statewide training programs and the remaining 10 percent was to be allocated to substate areas based on need.

Miscellaneous

• **Caribbean Basin Initiative (CBI).** Authorized the president to withdraw, suspend or limit duty-free treatment of specific items in lieu of removing a country from the CBI program, which permitted certain Caribbean products to enter the United States duty-free.

• **Ethanol.** Extended to Dec. 31, 1989, a provision under the CBI program that permitted certain Caribbean-owned ethanol-production facilities to ship ethanol with minimal Caribbean processing to the United States duty-free. The extension was an exception to the program's general rule that to get duty-free status, at least 35 percent of a product's value had to consist of Caribbean parts and labor. The bill added two plants to those eligible for the exception under existing law.

• **"Windfall" Oil Tax.** Repealed the tax that Congress imposed in 1980 on oil revenues above a statutory base that were expected to result from projected increases in oil prices.

• **National Security Import Relief.** Shortened the time to 270 days from one year for the Commerce Department to report on whether an article being imported into the U.S. endangered national security. The bill imposed a time limit of 90 days for the president to decide on whether to act on such a report.

• **Telecommunications.** Required the USTR to investigate, within five months, priority foreign countries that effectively denied market opportunities to U.S. telecommunications trade. The bill required the president to negotiate with priority countries to improve market access. If there was no agreement, the president would be required to take specified actions against unfair trade practices, under the procedures as revised by the bill. Actions could include terminating other trade agreements and prohibiting U.S. government purchases of certain foreign telecommunications products.

• **National Institute of Standards and Technology.** Reauthorized and expanded the mission of the National Bureau of Standards and renamed it the National Institute of Standards and Technology. The bill also authorized \$5 million for fiscal 1988 to establish two or three regional centers through which the Bureau could demonstrate new manufacturing technology to small and medium-sized businesses. The authorization would increase to \$40 million in 1989 and 1990, to expand the program.

• **Access to Foreign Research.** Established a policy of negotiating international agreements that would give U.S. researchers the same access to foreign research opportunities as foreign researchers had in the United States. The bill required the State Department to consult with appropriate federal agencies in negotiating such agreements.

• **Metrics.** Required federal agencies, by the end of fiscal 1992, to use the metric system in grants, procurement and other business activities, to the maximum extent feasible. The bill also required agencies to help U.S. contractors with metrics. (The intent was to make U.S. firms, including small businesses, competitive with foreign firms familiar with the metric system.)

• **Government Procurement.** Required the president to identify countries that discriminated against U.S. firms in their government procurement practices and ban U.S. government procurement from firms in those countries after a period of negotiation, unless the discrimination was eliminated. Actions violating the GATT, or consistent exclusion of Americans from government procurement in a manner causing identifiable harm to U.S. businesses would be deemed discriminatory.

The bill permitted the president to substitute another sanction for an import ban. He could waive a ban for several reasons: if the waiver were in the public interest, if the ban would limit procurement to a single other source or if a ban would result in insufficient competition. The ban did not apply to overseas purchases (by a U.S. military base or embassy, for example), where the goods or services would be used in the country where they were purchased. Authorization for the import ban was due to end April 30, 1996.

• **Ocean and Air Transportation.** Authorized the Federal Maritime Commission to take punitive action against a foreign-owned ship operator, if U.S. carriers were

Economic Policy

denied equal treatment in that country's oceangoing trade. Before acting, the commission would have to consult with the president, who could disapprove the action on national security or foreign policy grounds. The bill also shortened the time allowed under existing law for the secretary of transportation to review complaints that foreign governments discriminated against U.S. air carriers and to take punitive action.

- **Pesticide Monitoring.** Required the secretary of health and human services to take several steps to improve the monitoring of pesticide residues in imported foods and the dissemination of that information to state agencies and other interested persons. A computerized data tracking system was required, as was a research plan for improved pesticide residue detection methods. The secretary was also required to reach agreements where possible with other countries to monitor pesticide use.

The bill required the secretary of agriculture to develop a plan for inspecting meat, poultry and egg products for pesticide and drug residues.

- **Competitiveness Statements.** Required the executive branch, in reports and recommendations to Congress on legislation, to estimate the impact of the legislation on international trade and on U.S. firms that did business abroad or that had to compete with foreign firms in the United States. The requirement applied only to legislation that might have some effect in these spheres.

- **Sematech.** Required an existing council to report annually to Congress on Sematech, the federally sponsored consortium of semiconductor (computer chip) manufacturers.

Conference Report

The House-Senate conference on HR 3 officially began in September 1987. The conference was huge, involving 199 members divided into 17 subgroups responsible for various sections of the 1,000-page bill. A few of the subgroups met in late 1987. But by then Congress had become preoccupied by the budget crisis, exacerbated by the Oct. 19 stock market crash, and other activities took a back seat. As a result, little progress was made in reconciling the two versions of the bill before the end of the session.

When the Democratic leadership met early in 1988 to set an agenda for the new session, the omnibus trade bill was at the top of the list. The two key architects of the bill, Bentsen and Rostenkowski, had made it clear that they wanted a bill that Reagan would sign. "They have put enough of their prestige into it that they want a bill, and they realize there will be no bill if the administration is violently opposed," said Sen. Daniel J. Evans, R-Wash.

The lead conference subgroup — made up of Finance and Ways and Means members — resumed work in mid-February. In the following few weeks, conferees settled a number of relatively minor and non-controversial issues, such as repeal of a 35-year-old ban on imports of Russian furs, duty refunds to sugar refiners, a quota on imported lamb and measures against customs fraud.

The pace picked up in mid-March, when they turned to the core trade issues in the bill — unfair foreign trade practices and relief for import-damaged domestic industries.

Setting April 1, the start of the Easter and Passover recess, as a deadline for completing the conference agreement, Rostenkowski and Bentsen stepped up the pressure on conferees. And the administration contributed to the

growing momentum, with trade officials working actively with the committees to settle outstanding disputes. Indeed, some of the key negotiations involved the White House. "This is not a conference between the two houses," Danforth said. "It's a conference between Congress and the administration."

By the time Congress broke for the recess on March 31, decisions had been made on virtually all the outstanding issues, including the Gephardt amendment, sanctions against Japan's Toshiba Corp. for illegal sales of metal-milling equipment to the Soviet Union and the plant-closing language.

The Gephardt Amendment

A decision to drop the most disputed provision in the trade bill — the so-called Gephardt amendment mandating retaliation for unfair trade practices — was a high point of the final phase of negotiations when the most contentious issues were resolved.

The Gephardt language would have reduced access to U.S. markets for nations that used unfair trade practices, ran "excessive and unwarranted" trade surpluses with the United States, and refused to reduce their surpluses through negotiations. It would have required annual surveys of the trade practices of an "excess surplus country" to determine whether unfair practices had been eliminated. If not, the amendment required mandatory tariffs and quotas to reduce the surpluses by 10 percent a year.

The amendment had passed by a slim margin in the House in 1987 and was not included in the Senate version of the bill. An effort at the end of 1987 by House Minority Leader Robert H. Michel of Illinois to kill it had failed. But the provision, which was seen as certain veto bait, was considered unlikely to survive in the final bill.

However, the task of removing the provision became more complicated when Gephardt, a candidate for the Democratic presidential nomination, won an early victory in the Iowa caucuses after calling for harsh retaliation against unfair foreign trade practices. Conferees put off considering the provision until after the next major set of primaries on March 8. Gephardt's resounding loss in the Southern Super Tuesday primaries was a signal to the conferees that they could finally drop the amendment.

Toshiba Sanctions

Before Congress broke for the Easter recess, conferees also agreed to language that barred Japan's huge Toshiba Corp. and Kongsberg Vaapenfabrikk of Norway from selling goods to the U.S. government for three years because of illegal sales to the Soviet Union by their subsidiaries. The bill barred the subsidiaries — Toshiba Machine Co. and Kongsberg Trading Co. — from selling goods to the U.S. government or commercially in the United States for three years. The prohibitions could be waived if they violated contracts; waivers were also authorized for essential defense-related goods not otherwise available and for commercial spare parts and components that U.S. industries could not acquire elsewhere.

The conferees also agreed to mandatory import bans of two to five years against foreign firms that made future sales of controlled technology in violation of international export controls. The president could waive a ban against a parent company under certain circumstances.

The compromise was narrower than the Senate version, under which sanctions would have applied to other subsidiaries, affiliates, successor entities or joint ventures

of the parent companies. It also limited the sanctions against the parent firm; the Senate version would have applied to sales by the parent not only to the U.S. government, but also commercially.

Jake Garn, R-Utah, had held out for weeks for harsher penalties against the huge Toshiba Corp. and the Norwegian firm to punish their subsidiaries' illegal 1983-85 sales of metal-milling machinery to the Soviet Union. Defense experts said at the time that the sales had enabled the Soviets to produce quieter submarine propellers, making it more difficult for the United States to track Soviet subs. The sales, which violated Japanese and Norwegian export-control laws and international regulations, did not involve U.S. products.

Garn had won overwhelming Senate support the previous year for an amendment to HR 3 that would have closed U.S. markets to Toshiba and Kongsberg products for two to five years. The Senate included mandatory retaliation for similar future violations. The House bill contained no similar sanctions.

Rep. Don Bonker, D-Wash., and the Reagan administration argued that the unilateral, mandatory sanctions sought by Garn would undermine efforts to strengthen the international system of technology-transfer controls under the 16-nation Coordinating Committee for Multilateral Export Controls (Cocom).

Cocom partners already had accused the United States of improperly trying to enforce its laws beyond its borders by extending controls to foreign subsidiaries of U.S. firms and foreign firms using U.S. technology.

Administration officials said inclusion of the penalties in the trade bill would provoke a presidential veto.

However, Garn argued that only the certainty of U.S. retaliation would discourage other violations in the future.

"I'm getting tired of holding hearings about diversions, and always hearing, through two administrations I've served with, that we're doing all to stop them," he said.

Other Key Issues

Also before the March 31 recess, conferees agreed to:

- **Plant-Closing Notice.** Accept a Senate provision that required a firm with 100 or more full-time workers to notify employees 60 days in advance if it were going to close, to locate elsewhere or to consolidate work forces, or if it anticipated a layoff of more than six months. Firms violating the requirement would be subject to fines of up to \$500 per day and would have to pay workers for each day of notice not given, up to 60 days.

Exceptions spared small employers, those with a part-time work force, and those experiencing financial difficulties. "Faltering" businesses that could show they were seeking capital or taking other steps to improve would be exempted.

The provision was not in the House version of HR 3, but House conferees on that section of the bill supported even stronger language. So despite warnings from the administration that the requirement would prompt a veto, the conferees easily agreed to include the provision in the final bill.

- **Negotiating Authority.** Authorize the executive branch to negotiate in the ongoing Uruguay Round of the multilateral General Agreement on Tariffs and Trade (GATT) talks and generally permit the president to reduce U.S. tariffs, in accord with negotiated agreements, by up to 50 percent. The Senate had tried to require congressional approval of such tariff reductions. The grant of negotiating

authority, which had expired earlier in the year, meant that an agreement resulting from the talks would qualify for special "fast-track" consideration in Congress.

- **Unfair Foreign Trade Practices.** Transfer to the USTR the authority to make decisions on whether foreign practices that hindered U.S. trade should be investigated and whether to act against such practices. This authority previously had been assigned to the president.

The change, sought by the House, was meant to enhance the status of trade policy and make it less liable to being overridden by foreign policy, defense or other considerations.

The conference agreement required the USTR to begin formal action against countries with "numerous and pervasive" unfair foreign trade practices, identified in an annual report of world trading practices initiated under the bill.

The USTR was required to negotiate, against deadlines, with countries that had a pattern of unfair trade practices identified in the annual report and retaliate against practices that violated trade agreements, if negotiations failed.

Retaliation could be waived if it were against U.S. national security interests, if it would violate GATT, if the other nation agreed to eliminate or compensate for the practice or if the effect of retaliation on the U.S. economy would be "substantially out of proportion" to the benefits.

Conferees agreed to add three new types of action to the statutory list of unfair trade practices subject to formal action by the USTR: export targeting, in which a foreign government acted to enhance exports of a specific industry or sector; violation of internationally recognized worker rights; and toleration by a foreign government of business practices that restrict purchases of U.S. goods.

These new causes of action had appeared in both bills; they were opposed by the administration. Conferees added a proviso that the executive branch would not have to act unless it had "a reasonable indication that such action will be effective" in changing the practice.

- **Import Relief.** Require as a condition for federal relief, that industries damaged by imports show that they could recover and become competitive if given short-term government relief. Existing law required only that the industry prove serious injury. The bill also authorized the president to do virtually anything within his executive power to aid a damaged industry, in addition to or instead of using the protective quotas or tariffs authorized by existing law. Relief could include suspension of U.S. regulations or antitrust law or an economic development grant to the community where the injured industry was located.

The conferees gave the executive branch some leeway in deciding whether to grant relief. They also softened requirements in both bills, opposed by the administration and by the business community, that companies seeking relief submit detailed recovery plans and that the government monitor their compliance.

They agreed to reauthorize the Trade Adjustment Assistance (TAA) program, which provided cash payments and retraining to workers in industries found to have been damaged by imports. The administration did not want the program to continue, nor did it want training to become an entitlement, as specified under the bill. Conferees limited spending for the training part of TAA to \$80 million a year.

The bill made oil drilling and exploration workers eligible for TAA benefits. It also extended eligibility to "secondary" workers in industries, such as auto-parts man-

ufacturing, that had lost business because they were suppliers of industries damaged by imports. Secondary workers would only become eligible a year after a new import duty was put into effect to pay for the benefits. The administration objected that the new duty of 0.15 percent of the value of an item would violate GATT; conferees delayed its effective date and authorized the president to repeal it.

● **Other Export Controls.** Eliminate controls on sales to NATO countries and Japan of many widely available commercial products that might have military applications. Conferees also devised a new system to lead to license-free exports to those countries if they adopted satisfactory export-control systems.

They agreed to permit some continued Defense Department review of exports to Western countries, but only for national security reasons. The House had wanted to override a 1985 executive order that gave the Defense Department review authority for certain exports to specified countries outside the Soviet bloc. The House had wanted to re-establish Commerce Department primacy in decisions on exports to non-communist countries.

And the final bill ended unilateral U.S. controls on exports that NATO allies and Japan did not attempt to control, with some exceptions.

● **Alaskan Oil.** Limit exports of Alaskan oil from new refining facilities to half their output but no more than 70,000 barrels per day. Conferees also decided that Canada could buy Alaskan oil at a rate of up to 50,000 barrels per day, as provided by the Canada-U.S. Free Trade Agreement. (*Canada free trade*, p. 222)

● **Securities Dealers.** Prohibit the Federal Reserve Bank of New York from dealing directly in U.S. government securities with foreign-owned securities firms, unless the firm's home country granted equal treatment to U.S. companies. Foreign countries were given one year to allow U.S. firms access to their government securities before the Fed would have to cut off existing access to foreign firms in this country.

Conferees dropped a related Senate-passed provision that would have required foreign countries to treat U.S. banks equally with their domestic banks, in return for foreign-owned banks receiving equal treatment in the United States. The Senate immediately included the provision in a bank-deregulation bill (S 1886) that passed the Senate March 30 but died at the end of the Congress. (*Bank powers*, p. 230)

● **Third World Debt.** Require Treasury to negotiate with foreign countries for establishment of an international organization to buy and sell Third World loans at a discount, presumably favoring banks with large portfolios of poor loans and the countries themselves, which would get better terms.

Treasury Secretary James A. Baker III, who strongly opposed any form of debt relief, won a major concession. Before entering negotiations, Treasury first had to complete a study in 1988 on the need for such talks. If, as expected, it found the talks would not be needed, the requirement would be dropped. A second study would be required in 1989, however, and could again trigger negotiations.

Also dropped by conferees was a House-passed requirement that federal bank regulators give banks with large numbers of Third World loans more options for renegotiating the terms of that debt, including a partial write-off.

● **Currency Exchange Rates.** Relax tough House-

and Senate-passed language that would have required Treasury to negotiate with countries that "pegged" their currencies to the dollar and that had large trade surpluses with the United States — principally Taiwan, South Korea, Singapore and Hong Kong.

The bill still required such negotiations, but Treasury could avoid talks that would adversely affect "vital national economic and security interests." The legislation also required multilateral currency negotiations aimed at achieving "more appropriate and sustainable" trade balances. And conferees agreed to require Treasury to issue reports to Congress twice a year on exchange rate policies.

● **Foreign Corrupt Practices.** Strengthen the Foreign Corrupt Practices Act. In response to demands from U.S. business for more statutory clarity, each chamber had revised the 1977 law against corporate bribery of foreign officials. But the Senate amendments were too lax for Howard L. Berman, D-Calif., leader of the House contingent on the issue. And many Senate conferees found the House version too harsh. (1977 *Almanac* p. 413)

The compromise toughened existing law by making a U.S. firm liable for violations by its employees or agents if top officials clearly ignored indications of improper actions taken on the firm's behalf. Existing law made the company officials liable if they knew or had reason to know of improprieties.

Also, the conferees agreed to eliminate a Senate provision that would have broadened types of payments allowed by the law. Existing law permitted so-called grease payments to facilitate such activities as unloading goods on foreign docks.

The Senate would have allowed token or courtesy payments that conformed with local customs or business practices. Conferees agreed to a modified version of a second Senate payment exception, permitting expenditures for travel, lodging and similar items in certain circumstances.

● **"Windfall" Tax.** Repeal the tax that Congress imposed in 1980 on the profits that were expected to result from projected increases in oil prices, resulting from decontrol.

Last-Minute Compromises

Only two disputes — over disclosure of foreign investment and a triggered market loan for grain — remained unresolved when conferees returned from the 10-day Easter recess.

● **Foreign Investment.** Conferees never managed to break an impasse over a controversial provision that would have required disclosure of certain foreign investments in the United States. At the last moment, the provision was dropped from the bill.

A related provision giving the president authority to stop a foreign takeover of a U.S. firm on national security grounds was revised somewhat at the insistence of the administration, and was kept in the bill.

The amendment in the House bill sponsored by Rep. John Bryant, D-Texas, and backed by powerful Energy and Commerce Chairman John D. Dingell, D-Mich., would have required disclosure of foreign ownership of 5 percent or more of publicly or privately held U.S. businesses or real estate. More detailed disclosure would have been required when foreign ownership exceeded 20 percent. The provision was strongly opposed by multinational corporations and by the administration, which argued that it would drive needed foreign investment offshore.

In an effort to salvage the amendment, House confer-

ees proposed a compromise that would have scrapped the general disclosure requirement but still required the Commerce Department to disclose to congressional committees confidential information that it collected on foreign investments in the United States. But the solution was not acceptable to the Senate conferees.

The requirement later was passed by the House Oct. 5 as a separate bill (HR 5410); the vote was 250-170. However, that measure never came up in the Senate. (*Vote 428, p. 126-H*)

● **Agriculture.** Conferees agreed on a plan to impose a triggered marketing loan for the 1990 crop of wheat, feed grains and soybeans — if the president could not certify that GATT negotiations had produced significant progress toward reducing or eliminating agricultural subsidies. The loans could permit farmers to avoid full repayment, because they were to be repaid at the low, world-market price rather than at the borrowed rate. The device was intended to spur international talks on commodity prices.

Under the compromise, such a loan would be imposed if it were determined that there had been no progress on international trade discussions. However, the loan would not have to be imposed if it were seen as impeding further talks; instead, the existing Export Enhancement Program would be expanded.

Leadership Digs In Its Heels

Despite removal or modification of parts of the bill — such as the Gephardt amendment — that had attracted sharp criticism from the administration, the bill that was emerging from the conference still included several items that drew unambiguous White House veto threats.

The administration did want certain provisions in the bill — particularly special rules for fast track consideration of any new trading rules that might result from ongoing multilateral talks on the GATT and authorization of a new international system of harmonized tariff classifications. But officials made it clear that those provisions were not enough to entice them to swallow others that they strongly opposed.

White House spokesman Marlin Fitzwater expressed official disapproval en route to California with the president on March 31, after conferees had finished most of their work.

"We still have grave reservations about several of the provisions," he said, listing plant closings, Toshiba, a transfer of presidential authority in unfair-trade cases and some provisions requiring mandatory retaliation against unfair foreign trading practices.

Labor Secretary Anne Dore McLaughlin was more blunt. If the "inherently anti-competitive, anti-growth and anti-trade" plant-closing amendment stays in, "I will be forced to recommend that the President veto the trade bill," McLaughlin wrote in a March 30 letter to congressional leaders.

As members returned from the recess, prospects of a showdown with the White House seemed to grow.

House Speaker Jim Wright, D-Texas, indicated that he would not join any effort to soften or drop the sections of the bill — particularly the Toshiba sanctions and the plant-closing notice — that had drawn adamant veto threats. He also said that the measure would include a compromise on foreign investment disclosure, if one could yet be reached.

There had been wide expectation that, after the 17 subconferences on the bill had completed their work, the

leadership would conduct further negotiations to refine HR 3 to minimize chances of a presidential veto.

But a top Wright aide said April 6 that his boss had "done about all the intervening he's going to do. He feels that if you start disturbing agreements," by the subconferences, that would create new problems. "The Speaker has decided to abide by what the subconferences have decided," Wright's aide concluded.

The plant-closing issue appeared to offer the greatest problems.

Lawmakers faced stark warnings from corporate executives that they would turn against HR 3 if it included the plant-closing section.

The advance-notice requirement was "inimical to U.S. competitiveness and enactment of a sound trade bill," read a typical telegram to congressional trade and party leaders from James E. Burke, chief executive officer of Johnson & Johnson and head of The Business Roundtable's policy group on employment matters.

Roundtable members, top executives of the nation's largest corporations, had worked closely with Congress from the outset in shaping the bill.

William T. Archey of the U.S. Chamber of Commerce explained that business saw the advance-notice requirement as "the old proboscis under the tent," a first, irreversible step toward a highly regulated, European-style economy with stagnant growth and double-digit unemployment.

But organized labor said that if the plant-closing language were dropped, it might oppose the entire bill.

"Some of us think that without plant closing and some other things, it may not be useful to have a bill," said Howard Samuel, president of the Industrial Union Department of the AFL-CIO.

By April 14, a collision between Congress and the White House seemed certain. After days of talks with White House and union officials, Wright and Senate Majority Leader Robert C. Byrd, D-W.Va., announced that they would move "as quickly as possible" on the conference agreement. The two leaders had decided that the bill would include the three disputed provisions — on Toshiba, plant-closing language and foreign investment, if it could be resolved.

Congressional strategists expected the measure to pass both chambers, but not by the two-thirds majorities required to override a veto.

Wright began the week declaring his support for the plant-closing provisions saying he would leave the negotiating to Rostenkowski and Bentsen. But by mid-week, Wright was in the thick of things, hinting to reporters that he would consider dropping the plant-closing and investment-disclosure sections.

However, in a session April 13 with labor representatives, Wright was unable to get an assurance that labor would support the bill if the two provisions were eliminated.

More importantly, Wright and Byrd failed to get a White House guarantee that if they did drop the disputed sections, Reagan would sign the bill.

Throughout the week, administration officials continued to cite other provisions that would also assure a veto. These included expansion of the Trade Adjustment Assistance program, new agriculture subsidies that would be triggered if international trade talks faltered, revisions in so-called "Section 301" procedures for dealing with unfair foreign trade practices, and a required study for an international debt facility.

House Action

On April 21, the House took up the conference report (H Rept 100-576) with the disputed provisions intact. A potent combination of oil, textile and labor interests enabled House Democrats to produce a stunning 3-to-1 margin of victory. The measure was approved by a vote of 312-107 after four hours of debate (*Vote 66, p. 26-H*).

The strength of support for HR 3, revived hopes among proponents that Congress could top by 23 votes the 289-member majority needed to turn back a veto.

Sixty-eight House Republicans voted with Democrats for the bill. Just two Democrats — Gephardt and Robert J. Mrazek of New York — voted against it. For Gephardt, the loss of his controversial retaliation amendment in conference made the bill too weak. For free-trader Mrazek, the bill was too strong.

Before the final vote, the House rejected, 167-253, a Republican move to reopen the conference and to instruct conferees to drop the plant-closing notice requirement. (*Vote 65, p. 26-H*)

Triumphant Democrats called the motion to recommit, by Republican leader Michel, a strategic mistake by the GOP. They said it gave ambivalent members in both parties a chance to protest against the plant-closing provision, then vote to pass the bill. Without the opportunity to let off steam, they said, these members would have been under greater pressure to oppose the entire measure.

"The Republicans took the fat out of the fire for us," said House Democratic Whip Tony Coelho of California as the House was preparing to vote.

Twenty-four hours earlier, the picture had looked grim for the Democrats.

Coelho's whip organization had counted just 146 Democratic votes, nearly 100 less than the final tally the next day. Conservative Southern Democrats, such as Rep. Charles W. Stenholm of Texas, were joining in fierce GOP objections to the plant-closing section.

Abetted by labor, oil and textile lobbyists, the Democratic leadership swung into action. Wright met privately with oil-state Democrats and buttonholed textile-state members. The message sent throughout the House was the most basic of politics: help and be helped.

At a Democratic whip meeting, Rep. Butler Derrick of South Carolina, chairman of the 87-member Congressional Textile Caucus, said the time had come for caucus members to pay political debts.

"A lot of people in the Midwest and Northeast helped us" in a 1987 vote on controversial textile legislation, Derrick explained. "Many of those people are now asking us for our help."

To oil-state members, Wright said that HR 3 was the last, best chance the industry had to win repeal of the windfall tax.

Oil prices were low enough that the tax was actually generating no revenues for the federal government. Wright argued that an expected rise in oil prices would foreclose repeal because budget-conscious members of Congress would not want to give it up if they saw it as a live source of revenues.

Wright and other Democratic leaders also stressed that a new trade conference couldn't be limited to the plant-closing issue.

The two-pronged attack helped neutralize much of the opposition of Southern conservatives to the plant-closing provision.

Senate Action

HR 3 won final approval in the Senate April 27. But White House lobbying and a last-minute blowup over the rules for Alaskan oil exports — which had previously received little notice — eroded GOP support for the bill. The 63-36 victory was three votes short of the 66-member majority needed to withstand a veto. (*Vote 110, p. 20-S*)

"This bill is dead," said Danforth, who had led GOP supporters of the measure.

William Proxmire of Wisconsin — who believed the provisions dealing with bribery of foreign officials would gut the Foreign Corrupt Practices Act — was the only Democrat to vote "no."

Eleven Republicans voted with Democrats for the bill. The others, under pressure from the White House and party leaders, found a variety of reasons to vote "no."

Pete V. Domenici of New Mexico cited expensive new bureaucracies that he said would be created under the bill. For Charles E. Grassley of Iowa, it was a loophole that could let European ethanol into the U.S., duty-free, through Caribbean nations. That, Grassley said, wasn't fair to his farmers who grew corn for ethanol production under the shelter of a 60-cents-per-gallon U.S. duty.

Congressional backers of the bill and the forces of organized labor, oil and, to a lesser extent, textile interests had hoped to repeat their April 21 victory in the House.

But they were defeated by continuous White House lobbying of undeclared GOP senators and a last-minute fracas over the little-noticed restriction on oil exports from a proposed Alaskan refinery.

"The president and the administration ... put on a full-court press," said Danforth.

Senators who seemed to be on the fence were visited by Treasury Secretary Baker and White House Chief of Staff Howard H. Baker Jr.

But White House blandishments might not have been enough without the Alaska dispute.

In the balance were the votes of Alaska Republicans Ted Stevens and Frank H. Murkowski. The dispute was the latest chapter in Alaska's long-running struggle to free itself from restrictions on exporting oil from the trans-Alaska pipeline. A virtual prohibition on exports of pipeline crude was imposed in the 1973 Alaska pipeline act as a condition for authorizing construction and providing a federal right of way. The limits were strengthened in 1979. (*1973 Almanac p. 596; 1979 Almanac p. 352*)

The primary reason for the restriction was national security, but it also helped to offset environmental concerns about the pipeline. And it benefited U.S. shipping firms and maritime unions, which, under another law, were entitled to transport the Alaskan oil to the "south 48."

Plans to build a refinery at Valdez, Alaska, offered a way around the export ban on crude and, incidentally, the requirement for transport on comparatively expensive U.S.-flag ships. Alaska hoped to gain an in-state producer of refined petroleum that could be sold abroad at competitive prices, thanks to savings on transportation costs.

The trade-bill provision that would have restricted exports from new Alaskan refineries to 50 percent of capacity, up to 70,000 barrels per day threatened to limit the plans.

The Alaska-specific language outraged Stevens and Murkowski. They told the Senate it was discriminatory and therefore unconstitutional. They also objected to another provision that would have allowed Canada to buy up to

50,000 barrels per day of Alaskan oil — but only if it were transported through a “lower 48” port.

The language duplicated a provision in the U.S.-Canada Free Trade Agreement, inserted by the United States as a concession to U.S. maritime interests. The administration's authorship didn't assuage Stevens' wrath.

Rep. Bonker of Washington was widely blamed in the Senate for the refinery compromise. But the picture was more complicated. Bonker had led House conferees in advocating new, national controls on exports of both crude and refined oil, restrictions that were included in the House version of HR 3.

Senate conferees opposed that policy, and it was Proxmire who suggested the final compromise: no national controls, and effective permission to construct the Alaskan refinery, but with a production cap.

Still, word flashed through the Senate that Bonker had engineered the limit, at the behest of his state's maritime unions, to beat out his primary opponent for a chance to face former Republican Sen. Slade Gorton for the seat of retiring Sen. Evans.

That iced the cake for GOP loyalists.

A discouraged Bentsen told reporters the following day that the Senate had delivered “a good vote. But not enough to overturn a veto.”

Presidential Veto

In preparation for the veto, Democratic strategists worked to turn the plant-closing issue into a major campaign theme.

Top Democrats hoped they could win back blue-collar votes lost to Reagan, if they could drive home the point that the president and GOP loyalists in Congress killed the trade bill to keep the mandatory notice requirement from becoming law.

The Democrats chose an unusual procedure to make their point. With the final version of HR 3 already approved by both chambers, House Democrats made a last-minute revision May 4, eliminating the new rules for Alaskan oil exports — which the White House had added to its short list of veto-provoking provisions.

By clearing away the Alaska provisions, Democrats sought to paint the expected veto as an attack, pure and simple, on the plant-closing language. Polls showed overwhelming support for that provision.

By a vote of 253-159, the House adopted a concurrent resolution (H Con Res 293) that would have required the enrolling clerk to delete the Alaska provisions before sending a final copy of the trade bill to the president. Such resolutions were usually used to correct grammatical errors or make other technical corrections in completed legislation. (*Vote 103, p. 36-H*)

Wright dismissed a suggestion that the plant-closing language might also be dropped. “Well, my goodness,” he said. “Is there a chance we'll just let the president write our bill?”

However, the resolution was halted May 10 in the Senate by an objection from Minority Leader Robert Dole of Kansas. Dole said there would be so many other attempts to amend HR 3 through the resolution that the debate could go on for days.

On May 11, Wright held a highly publicized ceremony in the Capitol. Surrounded by television cameras and reporters, Democratic colleagues and laid-off workers, a rabbi, a Lutheran minister, a mayor and NAACP Executive

Director Benjamin L. Hooks, Wright signed the bill before it was sent off to the White House.

Democrats said it seemed like old times: The party coalition was together again. They believed the plant-closing issue enabled them to flog Republican economic and social policies in vivid, easily understood terms.

In singling out the advance-notice requirement for special objections, “the president's brought the party back together better than we could ever do,” said Coelho.

The bill finally was sent on its way, reaching the White House May 13.

Veto Message

Reagan vetoed HR 3 on May 24. In his veto message, he cited several objections to the bill. However, presidential spokesman Marlin Fitzwater all but committed the president to supporting the measure if the plant-closing language were removed, along with the disputed restraints on Alaskan oil exports. (*Veto message, p. 15-C*)

Reagan objected to “the idea that the federal government would arbitrarily mandate, for all conditions and under all circumstances, exactly when and in what form . . . [plant-closing] notification should take place.”

The veto message did not mention key trade provisions that earlier had brought sharp objections from the administration. There was no explicit opposition to the Toshiba sanctions, proposed transfer of authority from the president to the USTR, expansion of the Trade Adjustment Assistance (TAA) program for dislocated workers or overhaul of procedures for dealing with unfair foreign-trade practices. All had drawn administration fire.

Instead, Reagan objected to several relatively secondary items, some of which brought ironic criticism from congressional trade experts. Singled out for specific opposition in the message were:

- A new restriction on Alaskan oil exports, which “as Congress has now recognized . . . amounts to an unconstitutional discrimination against a single state,” according to the veto message.

- A new council on competitiveness.

- A requirement for negotiations to establish a multinational financial authority to deal with Third World debt.

- An extension through 1989, and an expansion to additional companies, of a loophole allowing certain Caribbean firms to export ethanol duty-free into the United States, even if the feedstocks used to make the ethanol originated outside the Caribbean.

- An unnoticed amendment that would have kept a president from halting imports of “blatant enemy propaganda . . . even during wartime,” according to the message.

Override Votes

Hours after the president's action, the House voted 308-113 to override the veto. Sixty House Republicans voted with Democrats to override. Just one Democrat, Mrazek of New York, voted against. (*Vote 150, p. 52-H*)

In the brief debate before the vote, Republicans such as Minority Leader Michel insisted that the plant-closing language would entangle job-creating American industries in intolerable regulation. Democrats scoffed at the veto message, and some warned that Japan, a prime target of the trade bill, was the chief beneficiary of the veto.

Rostenkowski warned that if Washington couldn't produce trade legislation this year, “the American people will blame all of us.”

The Senate — which put off action until after the

Memorial Day recess — voted June 8 to sustain the president's veto.

The vote was 61-37 — five votes short of the two-thirds majority needed to override. Ten Republicans voted with Democrats against the veto, while two Democrats — Proxmire and Byrd — voted to sustain. (*Vote 169, p. 29-S*)

Proxmire objected to the bill's revisions of statutory curbs on bribery by U.S. firms abroad. Byrd's vote was a parliamentary maneuver that enabled him to make a motion permitting another Senate ballot on the veto later in the year. Wright characterized the threat of a future vote as a "shotgun behind the door" to spur work on a revised trade bill.

Trade Bill Redux

Even as the Senate was voting, congressional leaders were beginning consultations on a second trade bill. On June 13, Wright announced a decision to introduce such a bill, stripped of the plant-closing provision and the restrictions on Alaskan oil exports. He said the plant-closing notice requirement would be offered as a separate measure.

In a strategy to assuage organized labor, the Democratic leadership decided to act first on the plant-closing bill (S 2527), with the Senate leading the way. The Senate

went first, since it was the chamber that had failed to override the veto of HR 3. S 2527, identical to the plant-closing language in HR 3, was sponsored by leading Democrats and five Republicans, including William V. Roth Jr. of Delaware and Danforth of Missouri.

The Senate passed the plant-closing bill by a lopsided 72-23 July 6, clearing the way for House action. (*Vote 225, p. 37-S*)

The House passed both bills by large bipartisan majorities on July 13.

Strong objections from Democratic leaders and top Ways and Means members turned back a GOP effort to eliminate the provision that temporarily allowed more duty-free Caribbean ethanol into the United States. The effort failed 183-237. (*Vote 230, p. 76-H*)

The Senate voted 85-11 for HR 4848 Aug. 3, clearing the bill for Reagan, who said he would sign the measure. (*Vote 228, p. 38-S*)

Ten Republicans and one Democrat, William Proxmire, voted against the measure.

At the last minute, corn-state senators upset about the ethanol provision were assuaged with a separate resolution (S Con Res 135), which would have eliminated the ethanol section before HR 4848 went to the White House. However, the House did not act on the resolution. ■

U.S.-Canada Free-Trade Agreement Finalized

The U.S.-Canada Free Trade Agreement went into effect Jan. 1, 1989, after winning endorsement from the U.S. Congress and, at the last moment, from the Canadian Parliament.

The pact, negotiated by the two countries in 1987, was signed Jan. 2, 1988, by President Reagan and Canadian Prime Minister Brian Mulroney. But it could not take effect until both legislatures had given their approval and passed legislation bringing a large number of domestic laws into conformity with the accord. (*1987 Almanac p. 662*)

The pact was designed to phase out tariffs between the United States and Canada over a 10-year period. Canadian duties on U.S. goods averaged 9 percent of the value of the product, while U.S. tariffs on Canadian imports averaged 4 percent. The agreement also ended some restrictions on cross-border investments and trade in services, and prohibited new restraints in these areas. And it guaranteed U.S. access to Canadian oil, gas and uranium.

It did not cover government subsidies, which were more widely used in Canada than in the United States, nor did it cover intellectual property. It did call for additional negotiations on thorny problems such as the Canadian subsidies and domestic-content rules for automobiles. Each country retained its own anti-dumping and countervailing duty laws. But, in an important victory for Canada, disputes over subsidies and non-tariff barriers were subject to binding decisions by new U.S.-Canadian panels. A major goal of Canada in the negotiations had been to secure access to the huge U.S. market by making dispute-settlement more systematic and timely.

The pact with the United States' largest trading partner was the second U.S. bilateral free-trade agreement. The first, with Israel, was approved in 1985. (*1985 Almanac p. 260*)

Legislation putting the U.S.-Canada pact into effect

(HR 5090 — PL 100-449) followed an unusual course in the U.S. Congress, where it had special "fast track" status reserved for trade bills. Under fast-track procedures, Congress had 90 session days to consider the bill once it had been introduced, and it could not be amended or filibustered.

Senate Finance Committee Chairman Lloyd Bentsen, D-Texas, and House Ways and Means Committee Chairman Dan Rostenkowski, D-Ill., asked that formal submission of the bill be delayed until June 1, to give Congress and the administration time to begin drafting the legislation informally.

Key committees then went through a sort of shadow process, negotiating with the administration, marking up and going to conference on a draft bill. Once they were finished, the bill was formally introduced and quickly passed both chambers.

Early Voices of Criticism, Support

Hearings were held early in the year by the two committees handling the core of the bill, Ways and Means and Finance, and by a number of other committees responsible for pieces of the measure. On the House side, the other panels were Agriculture, Banking, Energy and Commerce, Foreign Affairs, Government Operations, Interior and Judiciary. On the Senate side, they were Agriculture, Banking, Energy and Natural Resources, Government Affairs and Judiciary.

The hearings saw a tide of complaints from specific industries and regional groups. Many focused not so much on what the pact did as on what it left out. By eliminating all remaining tariffs between the two countries, the agreement made more conspicuous other Canadian practices that incensed American competitors.

For example, transportation subsidies for a significant

House Votes 230, 231, 232, 233, 234, 235, 236

230. HR 4848. Omnibus Trade Bill/Motion to Recommit. Michel, R-Ill., motion to recommit the bill to the House Ways and Means Committee, with instructions to report it without a temporary exemption permitting five Caribbean processors to export to the United States, on a duty-free basis, ethanol made from high-proof alcohol with relatively minor Caribbean processing. Motion rejected 183-237: R 130-44; D 53-193 (ND 44-124, SD 9-69), July 13, 1988.

231. HR 4848. Omnibus Trade Bill/Passage. Passage of the bill to revise statutory procedures for dealing with unfair foreign trade practices and import damage to U.S. industries, to clarify the law against business-related bribes abroad by U.S. businesses, to streamline controls on militarily sensitive exports, to revise agriculture and education programs and to repeal the "windfall" taxes on certain oil revenues. Passed 376-45: R 133-41; D 243-4 (ND 164-4, SD 79-0), July 13, 1988.

232. HR 4264. Fiscal 1989 Defense Authorization/Rule. Adoption of the rule (H Res 492) to waive certain points of order against House floor consideration of the conference report on the bill to authorize \$221,063,100,000 for defense programs in fiscal 1989. Adopted 276-131: R 41-127; D 235-4 (ND 160-3; SD 75-1), July 14, 1988.

233. HR 4264. Fiscal 1989 Defense Authorization/Conference Report. Adoption of the conference report on the bill to authorize \$221,063,100,000 for defense programs in fiscal 1989. Adopted 229-183: R 24-147; D 205-36 (ND 133-32; SD 72-4), July 14, 1988.

234. H Res 497. Condemnation of Nicaraguan Government/Procedural Motion. Bonior, D-Mich., motion to provide for consideration of the rule (H Res 498) providing for House floor consideration of the resolution to condemn actions by the government of Nicaragua, including its crackdown on internal opposition forces and its expulsion of eight U.S. diplomats. Motion agreed to 368-40: R 167-0; D 201-40 (ND 130-36, SD 71-4), July 14, 1988. Since the rule (H Res 498) was called for House floor consideration on the same day it was reported to the floor from the Rules Committee, a two-thirds majority of those present and voting (272 in this case) was required to agree to the motion. (The rule subsequently was adopted by voice vote.)

235. H Res 497. Condemnation of Nicaraguan Government/Adoption. Adoption of the resolution to condemn actions by the government of Nicaragua, including its crackdown on internal opposition forces and its expulsion of eight U.S. diplomats. Adopted 385-18: R 167-0; D 218-18 (ND 148-17, SD 70-1), July 14, 1988.

236. HR 4519. Arizona-Florida Land Exchange/Rule. Adoption of the rule (H Res 493) to provide for House floor consideration of the bill to authorize the exchange of federal lands formerly used for the Indian School in Phoenix, Ariz., for private lands adjacent to the Big Cypress National Preserve and the Florida Panther Wildlife Refuge in Florida. Adopted 272-86: R 100-49; D 172-37 (ND 110-32, SD 62-5), July 14, 1988.

KEY		230	231	232	233	234	235	236
Y	Voted for (yea).							
#	Paired for.							
+	Announced for.							
N	Voted against (nay).							
X	Paired against.							
-	Announced against.							
P	Voted "present."							
C	Voted "present" to avoid possible conflict of interest.							
?	Did not vote or otherwise make a position known.							
Democrats Republicans								
		230	231	232	233	234	235	236
ALABAMA								
1 Callahan		Y	Y	Y	N	?	Y	Y
2 Dickinson		Y	Y	Y	N	Y	Y	?
3 Nichols		N	Y	Y	Y	?	?	?
4 Bevil		N	Y	Y	Y	Y	Y	Y
5 Flippo		N	Y	Y	Y	?	?	?
6 Erdreich		N	Y	Y	Y	Y	Y	Y
7 Harris		N	Y	Y	Y	Y	Y	Y
ALASKA								
AL Young		N	Y	Y	N	Y	Y	?
ARIZONA								
1 Rhodes		Y	Y	N	N	Y	Y	Y
2 Udall		N	Y	Y	Y	Y	Y	Y
3 Stump		N	N	N	N	Y	Y	Y
4 Kyl		Y	N	N	N	Y	Y	Y
5 Kolbe		N	N	N	N	Y	Y	Y
ARKANSAS								
1 Alexander		Y	Y	Y	Y	Y	Y	?
2 Robinson		N	Y	Y	Y	Y	Y	Y
3 Hammerschmidt		Y	Y	Y	N	Y	Y	Y
4 Anthony		N	Y	Y	Y	Y	Y	Y
CALIFORNIA								
1 Bosco		N	Y	Y	?	Y	Y	Y
2 Harger		Y	Y	N	N	Y	Y	N
3 Matsui		N	Y	Y	Y	Y	Y	Y
4 Fazio		N	Y	Y	Y	Y	Y	Y
5 Pelosi		N	Y	Y	N	N	N	N
6 Boxer		N	Y	Y	N	N	N	N
7 Miller		N	Y	Y	N	N	N	N
8 Dellums		N	Y	Y	N	N	N	N
9 Stark		N	Y	Y	N	N	N	Y
10 Edwards		N	Y	Y	N	N	Y	Y
11 Lantos		N	Y	Y	Y	Y	Y	Y
12 Kennyu		Y	Y	?	Y	?	Y	?
13 Mineta		N	Y	Y	Y	N	Y	Y
14 Shumway		N	N	N	N	Y	Y	N
15 Coelho		N	Y	Y	Y	Y	Y	Y
16 Panetta		N	Y	Y	Y	N	Y	Y
17 Pashayan		Y	Y	N	N	Y	Y	Y
18 Lehman		N	Y	Y	Y	Y	Y	Y
19 Lagomarsino		Y	Y	N	N	Y	Y	Y
20 Thomas		N	Y	N	N	Y	Y	N
21 Gallegly		Y	Y	N	N	Y	Y	Y
22 Moorhead		Y	Y	N	N	Y	Y	Y
23 Beilenson		N	Y	Y	N	Y	Y	Y
24 Waxman		N	Y	Y	Y	Y	?	?
25 Roybal		N	Y	Y	N	N	N	N
26 Berman		N	Y	Y	Y	Y	Y	N
27 Levine		N	Y	Y	Y	Y	Y	Y
28 Dixon		N	Y	?	Y	Y	Y	Y
29 Hawkins		N	Y	Y	Y	Y	Y	N
30 Martinez		N	Y	Y	Y	Y	Y	Y
31 Dymally		N	Y	Y	N	N	Y	Y
32 Anderson		?	?	?	?	?	?	?
33 Dreier		Y	N	N	N	Y	Y	N
34 Torres		N	Y	Y	Y	N	Y	Y
35 Lewis		Y	N	N	N	Y	Y	N
36 Brown		N	Y	Y	Y	Y	Y	Y
37 McCandless		Y	N	N	N	Y	Y	Y
38 Dornan		Y	N	N	N	Y	Y	N
39 Dannemeyer		Y	N	N	N	Y	Y	N
40 Badham		Y	N	N	N	?	Y	N
41 Lowery		Y	Y	Y	N	Y	Y	Y
42 Lungren		N	N	N	N	Y	Y	N
COLORADO								
1 Schroeder		N	Y	Y	Y	Y	Y	Y
2 Skaggs		Y	Y	Y	Y	?	Y	?
3 Campbell		N	Y	Y	Y	Y	Y	Y
4 Brown		Y	Y	N	N	Y	Y	Y
5 Hefley		Y	Y	N	N	Y	Y	N
6 Schofer		Y	Y	N	N	Y	Y	Y
CONNECTICUT								
1 Kennedy		N	Y	Y	Y	N	Y	?
2 Gajdenson		N	Y	Y	Y	Y	Y	Y
3 Morrison		N	Y	Y	Y	N	Y	N
4 Shays		N	Y	N	N	Y	Y	Y
5 Rowland		Y	Y	N	N	Y	Y	Y
6 Johnson		Y	Y	N	N	Y	Y	Y
DELAWARE								
AL Carper		N	Y	Y	Y	Y	Y	Y
FLORIDA								
1 Hutto		N	Y	Y	Y	Y	?	?
2 Grant		N	Y	Y	Y	Y	Y	Y
3 Bennett		N	Y	Y	Y	Y	Y	Y
4 Chappell		N	Y	?	N	Y	Y	Y
5 McCollum		Y	N	N	N	Y	Y	Y
6 McKay		?	?	?	?	?	?	?
7 Gibbons		N	Y	Y	Y	Y	Y	Y
8 Young		Y	Y	N	N	Y	Y	Y
9 Bilirakis		Y	Y	N	N	Y	Y	Y
10 Ireland		N	Y	N	N	Y	Y	Y
11 Nelson		N	Y	Y	Y	Y	Y	Y
12 Lewis		Y	Y	N	N	Y	Y	?
13 Mack		Y	N	N	N	Y	Y	Y
14 Mica		?	?	?	?	?	?	?
15 Shaw		Y	Y	N	N	Y	Y	Y
16 Smith		N	Y	Y	Y	Y	Y	Y
17 Lehman		N	Y	Y	Y	Y	Y	Y
18 Pepper		N	Y	Y	Y	Y	Y	Y
19 Foscett		N	Y	Y	Y	Y	Y	Y
GEORGIA								
1 Thomas		N	Y	Y	Y	Y	Y	Y
2 Hatcher		Y	Y	Y	Y	?	?	?
3 Ray		Y	Y	Y	Y	Y	Y	Y
4 Swindall		Y	Y	N	N	Y	Y	?
5 Lewis		N	Y	Y	Y	N	Y	Y
6 Gingrich		Y	Y	?	?	Y	Y	Y
7 Darden		N	Y	Y	Y	Y	Y	Y
8 Rowland		N	Y	Y	Y	?	?	?
9 Jenkins		N	Y	Y	Y	Y	Y	Y
10 Barnard		N	Y	?	?	?	?	?
HAWAII								
1 Sisk		Y	Y	Y	Y	Y	Y	Y
2 Akaka		N	Y	Y	Y	Y	Y	Y
IDAHO								
1 Craig		Y	Y	N	N	Y	Y	Y
2 Stallings		Y	Y	Y	Y	Y	Y	Y
ILLINOIS								
1 Hayes		N	Y	Y	N	N	N	Y
2 Savage		N	Y	?	?	N	N	N
3 Russo		Y	Y	Y	Y	Y	Y	N
4 Davis		Y	Y	N	N	Y	Y	?
5 Lipinski		Y	Y	Y	Y	Y	Y	Y
6 Hyde		Y	Y	N	N	Y	Y	Y
7 Collins		N	Y	Y	N	Y	Y	Y
8 Rostenkowski		N	Y	Y	Y	Y	Y	Y
9 Yates		Y	Y	Y	Y	Y	Y	Y
10 Porter		Y	Y	N	Y	Y	Y	Y
11 Annunzio		Y	Y	Y	Y	Y	Y	Y
12 Crane		N	N	N	N	Y	Y	N
13 Fawell		N	N	N	N	Y	Y	N
14 Hastert		Y	Y	N	N	Y	Y	N
15 Madigan		Y	N	N	N	Y	?	?
16 Martin		Y	N	?	X	?	?	?
17 Evans		Y	Y	Y	Y	N	Y	N
18 Michel		Y	N	N	N	Y	Y	N
19 Bruce		Y	Y	Y	Y	Y	Y	Y
20 Durbin		Y	Y	Y	Y	Y	Y	N
21 Vacancy								
22 Gray		Y	Y	?	?	?	?	?
INDIANA								
1 Visclosky		N	Y	Y	Y	Y	Y	Y
2 Sharp		Y	Y	Y	Y	Y	Y	Y
3 Hiler		Y	Y	N	N	Y	Y	N
4 Coats		Y	Y	Y	N	Y	Y	N
5 Jontz		Y	Y	Y	Y	Y	Y	N

ND - Northern Democrats SD - Southern Democrats

	230	231	232	233	234	235	236		230	231	232	233	234	235	236		230	231	232	233	234	235	236		230	231	232	233	234	235	236	
6 Burton	Y	N	N	N	Y	Y	N	7 Stangeland	Y	Y	N	N	Y	Y	Y		NORTH CAROLINA								TENNESSEE							
7 Myers	Y	Y	N	N	Y	Y	Y	8 Oberstar	N	N	N	N	N	Y	Y		1 Jones	Y	Y	Y	Y	Y	Y	Y	1 Quillen	Y	Y	Y	Y	Y	Y	?
8 McCloskey	Y	Y	Y	Y	Y	Y	Y	MISSISSIPPI									2 Valentine	N	Y	Y	Y	Y	Y	Y	2 Vacancy							
9 Hamilton	Y	Y	Y	Y	Y	Y	Y	1 Whitten	N	Y	Y	Y	Y	Y	Y		3 Lancaster	N	Y	Y	Y	Y	Y	Y	3 Lloyd	N	Y	Y	Y	Y	Y	?
10 Jacobs	N	Y	Y	Y	Y	Y	Y	2 Espy	?	?	Y	Y	Y	Y	Y		4 Price	N	Y	Y	Y	Y	Y	Y	4 Cooper	N	Y	Y	Y	Y	Y	Y
IOWA								3 Montgomery	N	Y	Y	Y	Y	Y	Y		5 Neal	N	Y	Y	Y	Y	Y	Y	5 Clement	N	Y	Y	Y	Y	Y	Y
1 Leach	Y	Y	?	?	?	?	?	4 Dowdy	N	Y	Y	Y	Y	?	?		6 Coble	Y	Y	N	Y	Y	Y	N	6 Gordon	N	Y	Y	?	Y	Y	Y
2 Tauke	Y	N	N	N	Y	Y	N	5 Loft	Y	Y	Y	Y	Y	?	?		7 Rose	N	Y	Y	Y	Y	Y	Y	7 Sundquist	Y	Y	Y	N	Y	Y	?
3 Nagle	Y	Y	Y	Y	Y	Y	Y	MISSOURI									8 Hefner	N	Y	Y	Y	Y	Y	Y	8 Jones	N	Y	Y	Y	Y	Y	Y
4 Smith	Y	Y	Y	Y	Y	Y	?	1 Clay	Y	Y	Y	N	N	Y	?		9 McMillan	Y	Y	Y	Y	Y	Y	Y	9 Ford	N	Y	Y	Y	N	Y	Y
5 Lightfoot	Y	N	N	N	Y	Y	N	2 Buechner	Y	N	N	N	Y	Y	N		10 Ballenger	Y	Y	N	N	Y	Y	?	TEXAS							
6 Grandy	Y	Y	N	N	Y	Y	N	3 Gephardt	Y	N	?	?	Y	Y	Y		11 Clarke	N	Y	Y	Y	Y	Y	Y	1 Chapman	N	Y	Y	Y	Y	Y	Y
KANSAS								4 Skehon	Y	Y	Y	Y	Y	Y	Y		NORTH DAKOTA								2 Wilson	N	Y	Y	Y	Y	Y	Y
1 Roberts	Y	Y	N	N	Y	Y	Y	5 Wheat	N	Y	Y	N	N	N	Y		AL Dorgan	Y	Y	Y	Y	?	Y	Y	3 Bartlett	N	Y	N	N	Y	Y	N
2 Slattery	Y	Y	Y	Y	Y	Y	Y	6 Coleman	Y	Y	N	N	Y	Y	Y		OHIO								4 Hall	N	Y	Y	N	Y	Y	Y
3 Meyers	Y	Y	N	N	Y	Y	Y	7 Taylor	Y	Y	Y	N	Y	Y	?		1 Luken	Y	Y	Y	Y	Y	Y	Y	5 Bryant	N	Y	Y	N	Y	Y	Y
4 Glickman	Y	Y	Y	Y	Y	Y	Y	8 Emerson	Y	Y	N	N	Y	Y	Y		2 Gradison	N	N	Y	Y	Y	Y	Y	6 Barton	N	Y	N	N	Y	Y	Y
5 Whittaker	Y	Y	N	N	Y	Y	Y	9 Volkmer	Y	Y	Y	Y	Y	Y	Y		3 Hall	N	Y	Y	Y	Y	Y	?	7 Archer	N	Y	N	N	Y	Y	Y
KENTUCKY								MONTANA									4 Oxley	Y	Y	N	N	Y	Y	Y	8 Fields	N	Y	N	N	Y	Y	Y
1 Hubbard	Y	Y	Y	N	Y	Y	Y	1 Williams	Y	Y	Y	Y	Y	Y	?		5 Latta	Y	Y	N	N	Y	Y	Y	9 Brooks	?	Y	Y	Y	Y	Y	Y
2 Natcher	N	Y	Y	Y	Y	Y	Y	2 Marlenee	Y	N	N	Y	Y	Y	?		6 McEwen	Y	Y	N	N	Y	Y	Y	10 Pickle	N	Y	Y	Y	Y	Y	Y
3 Mazzoli	N	Y	Y	Y	Y	Y	Y	NEBRASKA									7 DeWine	Y	N	N	N	Y	Y	Y	11 Leath	N	Y	Y	Y	Y	Y	Y
4 Bunning	Y	Y	N	N	Y	Y	N	1 Bereuter	Y	Y	N	N	Y	Y	Y		8 Lukens	Y	Y	N	N	?	Y	Y	12 Wright							
5 Rogers	Y	Y	Y	N	Y	Y	N	2 Daub	Y	N	N	N	Y	Y	Y		9 Kaptur	N	Y	Y	Y	Y	Y	Y	13 Boulter	Y	Y	N	N	Y	Y	Y
6 Hopkins	Y	Y	N	N	Y	Y	Y	3 Smith	Y	Y	Y	N	Y	Y	Y		10 Miller	Y	Y	N	N	Y	Y	Y	14 Sweeney	Y	Y	N	N	Y	Y	Y
7 Perkins	Y	Y	Y	Y	Y	Y	Y	NEVADA									11 Eckart	Y	Y	N	N	Y	Y	Y	15 de la Garza	N	Y	Y	Y	Y	Y	Y
LOUISIANA								1 Bilbray	N	Y	Y	Y	Y	Y	Y		12 Kasich	Y	Y	N	N	Y	Y	Y	16 Coleman	N	Y	Y	Y	Y	Y	Y
1 Livingston	?	?	N	N	Y	Y	Y	2 Vucanovich	Y	N	N	N	Y	Y	Y		13 Pease	N	Y	Y	Y	Y	Y	Y	17 Stenholm	N	Y	Y	Y	Y	Y	Y
2 Boggs	?	?	Y	Y	Y	Y	Y	NEW HAMPSHIRE									14 Sawyer	N	Y	Y	Y	Y	Y	Y	18 Leland	N	Y	Y	N	N	Y	Y
3 Tauzin	N	Y	Y	Y	Y	Y	Y	1 Smith	Y	N	N	N	Y	Y	N		15 Wylie	Y	Y	N	N	Y	?	?	19 Cambest	N	Y	N	N	Y	Y	Y
4 McCrory	Y	Y	N	N	Y	Y	Y	2 Gregg	N	Y	?	?	?	?	?		16 Regula	Y	Y	N	N	Y	Y	N	20 Gonzalez	N	Y	Y	Y	N	Y	Y
5 Huckaby	N	Y	Y	Y	Y	Y	Y	NEW JERSEY									17 Traficant	Y	Y	Y	Y	Y	Y	?	21 Smith	N	Y	Y	N	Y	Y	Y
6 Baker	N	Y	Y	N	Y	Y	Y	1 Florio	N	Y	Y	Y	Y	Y	?		18 Applegate	Y	Y	Y	Y	Y	Y	?	22 Delay	N	N	N	N	Y	Y	Y
7 Hayes	N	Y	?	?	?	?	?	2 Hughes	N	Y	Y	Y	Y	?	?		19 Feighan	N	Y	Y	Y	Y	Y	Y	23 Bustomante	N	Y	Y	Y	Y	Y	?
8 Holloway	Y	Y	N	N	Y	Y	Y	3 Vacancy	N	Y	Y	Y	Y	?	?		20 Oaker	N	Y	Y	Y	Y	Y	Y	24 Frost	N	Y	?	?	?	?	?
MAINE								4 Smith	N	Y	Y	Y	Y	Y	Y		21 Stokes	N	Y	Y	N	N	N	Y	25 Andrews	N	Y	Y	Y	Y	Y	Y
1 Brennan	N	Y	Y	Y	Y	Y	Y	5 Roukema	Y	Y	N	Y	Y	Y	?		OKLAHOMA								26 Arney	Y	Y	N	N	Y	Y	Y
2 Snowe	Y	Y	Y	Y	Y	Y	Y	6 Dwyer	N	Y	Y	Y	Y	Y	?		1 Inhofe	Y	Y	N	Y	Y	Y	Y	27 Ortiz	N	Y	Y	Y	Y	Y	Y
MARYLAND								7 Rinaldo	N	Y	Y	Y	Y	Y	Y		2 Synar	N	Y	Y	Y	Y	Y	Y	UTAH							
1 Dyson	N	Y	Y	Y	Y	Y	Y	8 Roe	N	Y	Y	Y	Y	Y	Y		3 Watkins	N	Y	Y	Y	Y	Y	Y	1 Hansen	N	Y	N	N	Y	Y	Y
2 Bentley	Y	Y	N	N	Y	Y	N	9 Torricelli	Y	Y	Y	Y	Y	Y	?		4 McCurdy	N	Y	Y	Y	Y	Y	Y	2 Owens	N	Y	Y	Y	Y	Y	Y
3 Cardin	N	Y	Y	Y	Y	Y	Y	10 Rodino	N	Y	Y	Y	Y	Y	?		5 Edwards	Y	Y	N	N	Y	Y	Y	3 Nielson	N	Y	N	N	Y	Y	Y
4 McMillen	N	Y	Y	Y	Y	Y	Y	11 Gallo	Y	Y	N	N	Y	Y	?		6 English	Y	Y	Y	Y	Y	Y	Y	VERMONT							
5 Hoyer	N	Y	Y	Y	Y	Y	Y	12 Courter	N	N	Y	N	Y	Y	N		OREGON								AL Jeffords	Y	Y	Y	Y	Y	Y	?
6 Byron	N	Y	Y	Y	Y	Y	Y	13 Saxton	Y	Y	Y	N	Y	Y	Y		1 AuCoin	N	Y	?	Y	Y	Y	Y	VIRGINIA							
7 Mfume	N	Y	Y	N	Y	Y	Y	14 Guarini	N	Y	Y	Y	Y	Y	Y		2 Smith, R.	Y	N	N	N	Y	Y	Y	1 Bateman	Y	N	N	N	Y	Y	Y
8 Marolla	N	Y	Y	Y	Y	Y	Y	NEW MEXICO									3 Wyden	Y	Y	N	Y	Y	Y	Y	2 Pickett	N	Y	?	?	?	?	?
MASSACHUSETTS								1 Lujan	Y	Y	N	N	Y	Y	?		4 DeFazio	N	Y	N	Y	Y	Y	Y	3 Bliley	Y	Y	N	N	Y	Y	N
1 Conte	Y	Y	N	Y	Y	Y	Y	2 Skoen	Y	Y	N	Y	Y	Y	Y		5 Smith, D.	Y	N	N	N	Y	Y	Y	4 Siskiy	N	Y	Y	Y	Y	Y	Y
2 Boland	Y	Y	?	Y	Y	Y	?	3 Richardson	N	Y	Y	Y	Y	Y	Y		PENNSYLVANIA								5 Payne	N	Y	Y	Y	Y	Y	Y
3 Eorly	Y	Y	Y	Y	Y	Y	Y	NEW YORK									1 Foglietta	N	Y	Y	Y	Y	Y	Y	6 Olin	N	Y	Y	Y	Y	Y	Y
4 Frank	N	Y	Y	Y	Y	Y	N	1 Hochbrueckner	N	Y	Y	Y	Y	Y	Y		2 Gray	N	Y	Y	?	Y	Y	Y	7 Slaughter	Y	Y	N	N	Y	Y	Y
5 Atkins	N	Y	Y	Y	Y	Y	Y	2 Downey	N	Y	Y	Y	N	Y	Y		3 Borski	N	Y	Y	Y	Y	Y	Y	8 Parris	Y	Y	N	N	Y	Y	Y
6 Mavroules	N	Y	Y	Y	Y	Y	?	3 Mrazek	Y	Y	Y	Y	Y	Y	N		4 Kolter	Y	Y	Y	Y	Y	Y	Y	9 Boucher	N	Y	Y	Y	Y	Y	Y
7 Markey	N	Y	Y	Y	Y	Y	Y	4 Lent	Y	Y	N	N	Y	Y	Y		5 Schulze	N	Y	Y	N	Y	Y	Y	10 Wolf	Y	Y	Y	N	Y	Y	Y
8 Kennedy	N	Y	Y	Y	Y	Y	Y	5 McGrath	Y	Y	Y	N	Y	Y	Y		6 Yatron	N	Y	Y	Y	Y	Y	?	WASHINGTON							
9 Moakley	N	Y	Y	Y	Y	Y	?	6 Flake	N	Y	Y	Y	Y	Y	Y		7 Weldon	Y	Y	Y	N	Y	Y	Y	1 Miller	N	Y	N	N	Y	Y	Y
10 Studds	N	Y	Y	N	N	Y	Y	7 Ackerman	N	Y	Y	Y	Y	Y	?		8 Kostmayer	N	Y	Y	Y	Y	Y	Y	2 Swift	N	Y	Y	Y	Y	Y	Y
11 Donnelly	N	Y	Y	Y	Y	Y	Y	8 Scheuer	N	Y	Y	Y	Y	Y	Y		9 Shuster	N	Y	N	N	Y	?	?	3 Bonker	N	Y	Y	Y	Y	Y	Y
MICHIGAN								9 Marton	N	Y	Y	Y	Y	Y	Y		10 McDade	Y	Y	Y	N	Y	Y	Y	4 Morrison	Y	Y	N	N	Y	Y	?
1 Conyers	N	Y	Y	Y	N	N	Y	10 Schumer	N	Y	Y	Y	N	Y	N		11 Kanjorski	N	Y	Y	Y	Y	Y	Y	5 Foley	N	Y	Y	Y	Y	Y	Y
2 Pursell	Y	Y	N	Y	Y	Y	N	11 Towns	N	Y	Y	N	N	N	Y		12 Murtha															

House Votes 60, 61, 62, 63, 65, 66

60. HR 4222. Extension of Immigration Legalization Program/Limits on Beneficiaries. Gekas, R-Pa., amendment to provide a seven-month extension to a program granting legal status to illegal aliens only for those aliens who can show "good cause" for failing to apply by May 4, 1988, the program's original deadline. Rejected 167-246; R 122-46; D 45-200 (ND 13-152, SD 32-48), April 20, 1988.

61. HR 4222. Extension of Immigration Legalization Program/Passage. Passage of the bill to extend from May 4, 1988, to Nov. 30, 1988, a program to grant legal status to illegal aliens who arrived in the United States before Jan. 1, 1982, speak English and meet other requirements specified in a 1986 law (PL 99-603). Passed 213-201; R 32-137; D 181-64 (ND 143-22, SD 38-42), April 20, 1988. A "nay" was a vote supporting the president's position.

62. Procedural Motion. Gallegly, R-Calif., motion to approve the House *Journal* of Wednesday, April 20. Motion agreed to 272-105; R 56-98; D 216-7 (ND 145-7, SD 71-0), April 21, 1988.

63. HR 3. Omnibus Trade Bill/Rule. Adoption of the rule (H Res 430) to provide for House floor consideration of the conference report on the bill to revise statutory procedures for dealing with unfair foreign trade practices and import damage to U.S. industries, to clarify the law against business-related bribes abroad by U.S. businesses, to streamline controls on militarily sensitive exports, to revise agriculture and education programs, to repeal the windfall-profits tax on oil and to require certain employers to provide workers with 60 days' notice of plant closings or layoffs. Adopted 340-61; R 102-61; D 238-0 (ND 162-0, SD 76-0), April 21, 1988.

65. HR 3. Omnibus Trade Bill/Plant Closings. Michel, R-Ill., motion to recommit to the conference committee the conference report on the bill, with instructions to eliminate the requirement to provide workers with 60 days' notice of plant closings or layoffs. (Recommitment of a conference report would permit conferees to reconsider any provision in the legislation.) Motion rejected 167-253; R 144-29; D 23-224 (ND 0-168, SD 23-56), April 21, 1988.

66. HR 3. Omnibus Trade Bill/Adoption. Adoption of the conference report on the bill to revise statutory procedures for dealing with unfair foreign trade practices and import damage to U.S. industries, to clarify the law against business-related bribes abroad by U.S. businesses, to streamline controls on militarily sensitive exports, to revise agriculture and education programs, to repeal the windfall-profits tax on oil and to require certain employers to provide workers with 60 days' notice of plant closings or layoffs. Adopted 312-107; R 68-105; D 244-2 (ND 166-2, SD 78-0), April 21, 1988. A "nay" was a vote supporting the president's position.

KEY		60	61	62	63	65	66
Y	Voted for (yea).						
#	Paired for.						
+	Announced for.						
N	Voted against (nay).						
X	Paired against.						
-	Announced against.						
P	Voted "present."						
C	Voted "present" to avoid possible conflict of interest.						
?	Did not vote or otherwise make a position known.						
Democrats Republicans							
		60	61	62	63	65	66
ALABAMA							
1 Callahan	Y N Y N Y N						
2 Dickinson	Y N N N Y N						
3 Nichols	Y N ? Y Y Y						
4 Bewill	Y N Y Y N Y						
5 Flippo	Y N Y Y Y Y						
6 Erdreich	Y N Y Y Y Y						
7 Harris	Y N Y Y Y Y						
ALASKA							
AL Young	Y N N Y N N						
ARIZONA							
1 Rhodes	Y N N Y Y N						
2 Udall	N Y Y Y N Y						
3 Stump	N N N N Y N						
4 Kyl	Y N N N Y N						
5 Kolbe	Y N N Y Y N						
ARKANSAS							
1 Alexander	N Y Y ? N Y						
2 Robinson	N N Y Y N Y						
3 Hammerschmidt	Y N Y Y Y Y						
4 Anthony	N Y Y Y N Y						
CALIFORNIA							
1 Bosco	N Y Y Y N Y						
2 Heger	N Y N Y Y Y						
3 Matsui	N Y Y Y N Y						
4 Fazio	N Y Y Y N Y						
5 Pelosi	N Y Y Y N Y						
6 Boxer	N Y Y Y N Y						
7 Miller	N Y N Y N Y						
8 Dellums	N Y ? Y N Y						
9 Stark	? ? ? Y N Y						
10 Edwards	N Y Y Y N Y						
11 Lantos	N Y Y Y N Y						
12 Kannyu	N Y Y Y N Y						
13 Mineta	N Y Y Y N Y						
14 Shumway	Y N Y Y N Y						
15 Coelho	N Y Y Y N Y						
16 Panetta	N Y Y Y N Y						
17 Pashayan	N Y N Y Y Y						
18 Lehman	N Y ? Y N Y						
19 Lagomarsino	Y N N Y Y N						
20 Thomas	Y N N ? Y Y						
21 Gallegly	Y N N Y Y N						
22 Moorhead	Y N N Y Y N						
23 Beilenson	N Y Y Y N Y						
24 Waxman	N Y Y Y N Y						
25 Roybal	N Y Y Y N Y						
26 Berman	N Y Y Y N Y						
27 Levine	N Y Y Y N Y						
28 Dixon	N Y Y Y N Y						
29 Hawkins	N Y ? Y N Y						
30 Martinez	N Y Y Y N Y						
31 Dymally	N Y Y Y ? ?						
32 Anderson	N Y Y Y N Y						
33 Dreier	Y N N N Y N						
34 Torres	N Y Y Y N Y						
35 Lewis	N Y N Y Y N						
36 Brown	N Y Y Y N Y						
37 McCandless	Y N N N Y N						
38 Dornan	Y Y ? N Y N						
39 Dannemeyer	Y N N ? Y N						
40 Badham	N Y N N Y N						
41 Lowery	Y N ? X Y N						
42 Lungren	N Y Y Y N Y						
COLORADO							
1 Schroeder	N Y N Y N Y						
2 Skaggs	N Y Y Y N Y						
3 Campbell	Y N Y Y N Y						
4 Brown	Y N N N Y N						
5 Hefley	N Y N Y N Y						
6 Schaefer	N N N Y N Y						
CONNECTICUT							
1 Kennedy	N Y Y Y N Y						
2 Gejdenson	N Y Y Y N Y						
3 Morrison	N Y Y Y N Y						
4 Shays	N Y N Y Y N						
5 Rowland	N Y N Y N Y						
6 Johnson	N Y Y Y N Y						
DELAWARE							
AL Carper	N Y Y Y N Y						
FLORIDA							
1 Hutto	Y N Y Y Y Y						
2 Grant	Y N Y Y N Y						
3 Bennett	Y N Y Y N Y						
4 Chappell	Y N ? ? Y Y						
5 McCollum	Y N Y Y N Y						
6 Mackay	Y N Y Y N Y						
7 Gibbons	N Y Y Y N Y						
8 Young	Y N ? Y Y Y						
9 Bilirakis	Y N N N Y N						
10 Ireland	Y N N N Y N						
11 Nelson	Y N Y Y N Y						
12 Lewis	N N N N Y N						
13 Mack	? ? ? Y Y N						
14 Mica	N N ? Y N Y						
15 Shaw	Y N Y Y N Y						
16 Smith	N Y Y Y N Y						
17 Lehman	N Y Y Y N Y						
18 Pepper	N Y Y Y N Y						
19 Foscill	N Y Y Y N Y						
GEORGIA							
1 Thomas	Y N Y Y Y Y						
2 Hatcher	Y N Y Y Y Y						
3 Ray	? ? ? ? ? ?						
4 Swindall	Y N N Y Y N						
5 Lewis	N Y Y Y N Y						
6 Gingrich	Y N ? ? Y N						
7 Darden	Y N Y Y Y Y						
8 Rowland	Y N Y Y Y Y						
9 Jenkins	Y N Y Y Y Y						
10 Barnard	N N ? ? ? #						
HAWAII							
1 Saiki	Y Y Y Y Y Y						
2 Akaka	N Y Y Y N Y						
IDAHO							
1 Craig	Y N N N Y N						
2 Stallings	Y N Y Y N Y						
ILLINOIS							
1 Hayes	N Y Y Y N Y						
2 Savage	N Y Y Y N Y						
3 Russo	N N Y Y N Y						
4 Davis	Y N N Y N Y						
5 Lipinski	N Y Y Y N Y						
6 Hyde	Y N N N Y N						
7 Collins	N Y Y Y N Y						
8 Rostenkowski	N Y Y Y N Y						
9 Yates	N Y Y Y N Y						
10 Porter	Y N ? Y Y N						
11 Annunzio	N Y Y Y N Y						
12 Crane	Y N N N Y N						
13 Fawell	Y N N N Y N						
14 Hastert	Y N N N Y N						
15 Madigan	Y N N N Y N						
16 Martin	N Y Y Y N Y						
17 Evans	N Y Y Y N Y						
18 Michel	Y N Y Y N Y						
19 Bruce	N Y Y Y N Y						
20 Durbin	N Y Y Y N Y						
21 Price	? ? ? ? ? ?						
22 Gray	N Y Y Y N Y						
INDIANA							
1 Visclosky	N Y Y Y N Y						
2 Sharp	N Y Y Y N Y						
3 Hiler	Y N N Y N Y						
4 Coats	Y N N N N Y						
5 Jontz	N Y Y Y N Y						

ND - Northern Democrats SD - Southern Democrats

	60	61	62	63	65	66		60	61	62	63	65	66		60	61	62	63	65	66		60	61	62	63	65	66
6 <i>Burton</i>	Y	N	N	N	Y	N	7 <i>Stangeland</i>	Y	Y	N	Y	Y	Y	NORTH CAROLINA							TENNESSEE						
7 <i>Myers</i>	N	N	Y	Y	Y	N	8 <i>Oberstar</i>	N	Y	Y	Y	Y	Y	1 <i>Jones</i>	N	Y	Y	Y	N	?	1 <i>Quillen</i>	Y	N	N	Y	Y	Y
8 <i>McCloskey</i>	N	Y	Y	Y	Y	N	MISSISSIPPI							2 <i>Valentine</i>	N	N	Y	Y	Y	Y	2 <i>Duncan</i>	Y	N	N	Y	Y	Y
9 <i>Hamilton</i>	N	Y	Y	Y	Y	N	1 <i>Whitten</i>	N	Y	Y	Y	Y	Y	3 <i>Lancaster</i>	N	N	?	Y	Y	Y	3 <i>Lloyd</i>	N	N	Y	Y	Y	
10 <i>Jacobs</i>	N	Y	N	Y	Y	N	2 <i>Espy</i>	N	Y	Y	Y	Y	Y	4 <i>Price</i>	N	Y	Y	Y	Y	Y	4 <i>Cooper</i>	Y	Y	Y	Y	Y	
IOWA							3 <i>Montgomery</i>	N	Y	Y	Y	Y	Y	5 <i>Neal</i>	N	Y	?	?	N	Y	5 <i>Clement</i>	N	N	Y	Y	Y	
1 <i>Leach</i>	Y	N	N	Y	Y	N	4 <i>Dowdy</i>	N	N	Y	Y	Y	Y	6 <i>Cable</i>	Y	N	Y	Y	Y	Y	6 <i>Gordon</i>	N	Y	Y	Y	Y	
2 <i>Tauke</i>	Y	N	N	Y	Y	N	5 <i>Lott</i>	N	N	N	Y	Y	N	7 <i>Rose</i>	N	Y	Y	Y	Y	Y	7 <i>Sundquist</i>	Y	N	N	Y	Y	
3 <i>Nagle</i>	N	Y	Y	Y	Y	N	MISSOURI							8 <i>Hefner</i>	N	Y	Y	Y	Y	Y	8 <i>Jones</i>	N	N	Y	Y	Y	
4 <i>Smith</i>	Y	N	Y	Y	Y	N	1 <i>Clay</i>	?	?	?	?	?	?	9 <i>McMillan</i>	Y	N	Y	Y	Y	Y	9 <i>Ford</i>	N	Y	Y	Y	Y	
5 <i>Lightfoot</i>	Y	N	N	N	Y	N	2 <i>Buechner</i>	Y	N	?	N	Y	N	10 <i>Ballenger</i>	Y	N	N	Y	Y	N	TEXAS						
6 <i>Grandy</i>	Y	N	N	N	Y	N	3 <i>Gephardt</i>	N	Y	Y	Y	N	N	11 <i>Clarke</i>	N	Y	Y	Y	Y	Y	1 <i>Chapman</i>	Y	N	Y	Y	Y	
KANSAS							4 <i>Skelton</i>	N	N	?	Y	N	Y	NORTH DAKOTA							2 <i>Wilson</i>	N	Y	?	Y	N	
1 <i>Roberts</i>	Y	N	N	N	Y	Y	5 <i>Wheat</i>	N	Y	N	Y	Y	Y	AL Dorgan	N	N	Y	Y	Y	Y	3 <i>Bartlett</i>	Y	N	Y	Y	Y	
2 <i>Slattery</i>	N	Y	Y	Y	Y	N	6 <i>Coleman</i>	Y	N	Y	Y	Y	Y	OHIO							4 <i>Hall</i>	Y	N	Y	Y	Y	
3 <i>Meyers</i>	Y	N	Y	Y	Y	N	7 <i>Taylor</i>	Y	N	Y	Y	Y	Y	1 <i>Luker</i>	N	Y	Y	Y	Y	Y	5 <i>Bryant</i>	N	Y	Y	Y	Y	
4 <i>Glickman</i>	N	Y	Y	Y	Y	N	8 <i>Emerson</i>	?	X	?	?	?	?	2 <i>Gradison</i>	Y	N	Y	Y	Y	Y	6 <i>Barton</i>	Y	N	N	Y	Y	
5 <i>Whittaker</i>	Y	N	N	N	Y	Y	9 <i>Volkmer</i>	N	Y	N	Y	Y	Y	3 <i>Hall</i>	N	Y	Y	?	N	Y	7 <i>Archer</i>	Y	N	Y	Y	Y	
KENTUCKY							MONTANA							4 <i>Oxley</i>	N	N	N	Y	Y	N	8 <i>Fields</i>	Y	N	?	Y	Y	
1 <i>Hubbard</i>	Y	N	Y	Y	Y	N	1 <i>Williams</i>	N	Y	Y	Y	Y	Y	5 <i>Latta</i>	Y	N	?	?	?	?	9 <i>Brooks</i>	N	N	Y	Y	Y	
2 <i>Natcher</i>	N	Y	Y	Y	Y	N	2 <i>Marlenee</i>	Y	N	?	N	Y	N	6 <i>McEwen</i>	Y	N	Y	Y	Y	Y	10 <i>Pickle</i>	N	Y	Y	Y	Y	
3 <i>Mazzoli</i>	N	Y	Y	Y	Y	N	NEBRASKA							7 <i>DeWine</i>	N	N	Y	Y	Y	N	11 <i>Leath</i>	Y	Y	Y	Y	Y	
4 <i>Bunning</i>	Y	N	Y	Y	Y	N	1 <i>Bereuter</i>	Y	N	N	Y	Y	Y	8 <i>Lukens</i>	N	N	Y	Y	Y	Y	12 <i>Wright</i>						
5 <i>Rogers</i>	Y	N	Y	Y	Y	N	2 <i>Daub</i>	N	N	N	N	N	N	9 <i>Kaptur</i>	N	Y	Y	Y	Y	Y	13 <i>Boulter</i>	Y	N	N	Y	Y	
6 <i>Hopkins</i>	Y	N	Y	Y	Y	N	3 <i>Smith</i>	Y	N	Y	Y	Y	Y	10 <i>Miller</i>	Y	N	?	?	Y	Y	14 <i>Sweeney</i>	Y	N	Y	Y	Y	
7 <i>Perkins</i>	N	Y	Y	Y	Y	N	NEVADA							11 <i>Eckart</i>	N	Y	Y	Y	Y	Y	15 <i>de la Garza</i>	N	Y	Y	Y	?	
LOUISIANA							1 <i>Bilbray</i>	N	Y	Y	Y	Y	Y	12 <i>Kasich</i>	Y	N	Y	Y	Y	Y	16 <i>Coleman</i>	N	Y	Y	Y	Y	
1 <i>Livingston</i>	Y	N	?	?	Y	N	2 <i>Vucanovich</i>	Y	N	N	N	Y	N	13 <i>Pease</i>	N	Y	Y	Y	Y	Y	17 <i>Stenholm</i>	Y	N	Y	Y	Y	
2 <i>Boggs</i>	N	Y	Y	Y	Y	N	NEW HAMPSHIRE							14 <i>Sawyer</i>	N	Y	Y	Y	Y	Y	18 <i>Leland</i>	Y	N	Y	Y	Y	
3 <i>Touzin</i>	Y	N	Y	Y	Y	N	1 <i>Smith</i>	Y	N	N	N	Y	Y	15 <i>Wylie</i>	Y	N	Y	Y	Y	Y	19 <i>Cornbest</i>	Y	N	Y	Y	Y	
4 <i>Vacancy</i>							2 <i>Gregg</i>	N	N	N	N	Y	N	16 <i>Regula</i>	Y	N	Y	Y	Y	Y	20 <i>Gonzalez</i>	N	Y	Y	Y	Y	
5 <i>Huckaby</i>	Y	N	Y	Y	Y	N	NEW JERSEY							17 <i>Traficant</i>	N	N	Y	Y	Y	Y	21 <i>Smith</i>	Y	N	Y	Y	?	
6 <i>Baker</i>	Y	N	N	N	Y	N	1 <i>Florio</i>	N	Y	Y	Y	Y	Y	18 <i>Applegate</i>	Y	N	Y	Y	Y	Y	22 <i>Delay</i>	Y	N	N	Y	Y	
7 <i>Hayes</i>	Y	N	?	Y	Y	N	2 <i>Hughes</i>	Y	N	Y	Y	Y	Y	19 <i>Feighan</i>	N	Y	Y	Y	Y	Y	23 <i>Bustamante</i>	N	Y	Y	Y	Y	
8 <i>Holloway</i>	Y	N	N	N	Y	Y	3 <i>Vacancy</i>							20 <i>Oskar</i>	N	Y	Y	Y	Y	Y	24 <i>Frost</i>	N	Y	Y	Y	Y	
MAINE							4 <i>Smith</i>	N	Y	?	Y	Y	Y	21 <i>Stokes</i>	N	Y	?	Y	Y	Y	25 <i>Andrews</i>	Y	N	Y	Y	Y	
1 <i>Brennan</i>	N	Y	Y	Y	Y	N	5 <i>Raukema</i>	Y	N	Y	Y	Y	Y	OKLAHOMA							26 <i>Armey</i>	Y	N	N	Y	Y	
2 <i>Snowe</i>	N	N	Y	Y	Y	N	6 <i>Dwyer</i>	N	Y	Y	Y	Y	Y	1 <i>Inhofe</i>	N	N	Y	Y	Y	Y	27 <i>Ortiz</i>	N	Y	Y	Y	Y	
MARYLAND							7 <i>Rinaldo</i>	N	N	Y	Y	Y	Y	2 <i>Synar</i>	N	Y	Y	Y	Y	Y	UTAH						
1 <i>Dyson</i>	N	Y	Y	Y	Y	N	8 <i>Roe</i>	N	Y	Y	Y	Y	Y	3 <i>Watkins</i>	Y	N	Y	Y	Y	Y	1 <i>Hansen</i>	Y	N	Y	Y	Y	
2 <i>Bentley</i>	Y	N	N	N	Y	N	9 <i>Torricelli</i>	N	Y	Y	Y	Y	Y	4 <i>McCurdy</i>	Y	N	Y	Y	Y	Y	2 <i>Owens</i>	N	Y	Y	Y	Y	
3 <i>Cardin</i>	N	Y	Y	Y	Y	N	10 <i>Radino</i>	N	Y	Y	Y	Y	Y	5 <i>Edwards</i>	Y	N	N	Y	Y	Y	3 <i>Nielson</i>	Y	N	Y	Y	Y	
4 <i>McMillen</i>	N	Y	Y	Y	Y	N	11 <i>Gallo</i>	N	N	N	Y	Y	Y	6 <i>English</i>	Y	N	Y	Y	Y	Y	VERMONT						
5 <i>Hoyer</i>	N	Y	Y	Y	Y	N	12 <i>Courter</i>	N	Y	N	Y	Y	Y	OREGON							AL <i>Jeffords</i>	Y	N	Y	Y	Y	
6 <i>Byron</i>	N	Y	Y	Y	Y	N	13 <i>Saxton</i>	N	N	N	Y	Y	Y	1 <i>AuCoin</i>	N	Y	?	?	N	Y	VIRGINIA						
7 <i>Mfume</i>	N	Y	?	?	Y	N	14 <i>Guarini</i>	N	Y	Y	Y	Y	Y	2 <i>Smith, R.</i>	Y	N	Y	Y	Y	Y	1 <i>Boteman</i>	Y	N	?	?	Y	
8 <i>Morella</i>	N	Y	Y	Y	Y	N	NEW MEXICO							3 <i>Wyden</i>	N	Y	Y	Y	Y	Y	2 <i>Pickett</i>	?	?	Y	Y	Y	
MASSACHUSETTS							1 <i>Lujan</i>	Y	Y	Y	Y	Y	Y	4 <i>DeFazio</i>	N	Y	Y	Y	Y	Y	3 <i>Bliley</i>	Y	N	N	Y	Y	
1 <i>Conte</i>	N	Y	Y	Y	Y	N	2 <i>Skeen</i>	N	Y	Y	Y	Y	Y	5 <i>Smith, D.</i>	Y	N	N	Y	Y	Y	4 <i>Siskisky</i>	Y	N	?	?	N	
2 <i>Boland</i>	N	Y	Y	Y	Y	N	3 <i>Richardson</i>	N	Y	Y	Y	Y	Y	PENNSYLVANIA							5 <i>Vacancy</i>						
3 <i>Early</i>	N	N	Y	Y	Y	N	NEW YORK							1 <i>Foglietta</i>	N	Y	Y	Y	Y	Y	6 <i>Olin</i>	N	N	Y	Y	Y	
4 <i>Frank</i>	N	Y	Y	Y	Y	N	1 <i>Hochbrueckner</i>	N	Y	Y	Y	Y	Y	2 <i>Gray</i>	N	Y	Y	Y	Y	Y	7 <i>Slaughter</i>	N	N	Y	Y	Y	
5 <i>Atkins</i>	N	Y	Y	?	Y	N	2 <i>Downey</i>	N	Y	Y	Y	Y	Y	3 <i>Borski</i>	N	Y	Y	Y	Y	Y	8 <i>Parris</i>	?	?	N	Y	Y	
6 <i>Mavroules</i>	N	Y	Y	Y	Y	N	3 <i>Mrazek</i>	N	Y	Y	Y	Y	Y	4 <i>Koller</i>	N	N	Y	Y	Y	Y	9 <i>Boucher</i>	N	Y	Y	Y	Y	
7 <i>Markey</i>	N	Y	Y	Y	Y	N	4 <i>Lent</i>	?	?	?	Y	Y	Y	5 <i>Schulze</i>	Y	N	Y	Y	Y	Y	10 <i>Wolf</i>	Y	N	N	Y	Y	
8 <i>Kennedy</i>	N	Y	Y	Y	Y	N	5 <i>McGrath</i>	?	?	?	N	Y	Y	6 <i>Yatron</i>	Y	N	Y	Y	Y	Y	WASHINGTON						
9 <i>Moakley</i>	N	Y	Y	Y	Y	N	6 <i>Flake</i>	N	Y	Y	Y	Y	Y	7 <i>Weldon</i>	Y	N	Y	Y	Y	Y	1 <i>Miller</i>	N	Y	Y	Y	Y	
10 <i>Studds</i>	N	Y	Y	Y	Y	N	7 <i>Ackerman</i>	N	Y	Y	Y	Y	Y	8 <i>Kostmayer</i>	Y	N	Y	Y	Y	Y	2 <i>Swift</i>	N	Y	Y	Y	Y	
11 <i>Donnelly</i>	N	Y	Y	Y	Y	N	8 <i>Scheuer</i>	N	Y	Y	Y	Y	Y	9 <i>Shuster</i>	Y	N	Y	Y	Y	Y	3 <i>Bonker</i>	N	Y	Y	Y	Y	
MICHIGAN							9 <i>Manton</i>	N	Y	Y	Y	Y	Y	10 <i>McDade</i>	Y	N	?	?	N	Y	4 <i>Morrison</i>	Y	Y	Y	Y	Y	
1 <i>Conyers</i>	?	?	Y	Y	Y	N	10 <i>Schumer</i>	N	Y	Y	Y	Y	Y	11 <i>Kanjorski</i>	N	N	Y	Y	Y	Y	5 <i>Foley</i>	N	Y	Y	Y	Y	
2 <i>Pursell</i>	N	N	Y	Y	Y	N	11 <i>Towns</i>	N	Y	Y	Y	Y	Y	12 <i>Murtha</i>	Y	N	Y	Y	Y	Y	6 <i>Dicks</i>	N	Y	?	?	N	
3 <i>Wolpe</i>	N	Y	Y	Y	Y	N	12 <i>Owens</i>	N	Y	?	Y	Y	Y	13 <i>Coughlin</i>	Y	N	N	Y	Y	Y	7 <i>Lowry</i>	N	Y	Y	Y	Y	
4 <i>Upton</i>	Y	N	N	Y	Y	N	13 <i>Solarz</i>	N	Y	Y	Y	Y	Y	14 <i>Coyne</i>	N	Y	?	Y	Y	Y	8 <i>Chandler</i>	N	N	N	Y	Y	
5 <i>Henry</i>	Y	N	N	Y	Y	N	14 <i>Molinari</i>	?	?	?	?	?	?	15 <i>Ritter</i>	Y	N	?	Y	Y	Y	WEST VIRGINIA						
6 <i>Carr</i>	N	Y	Y	Y	Y	N	15 <i>Green</i>	N	Y	Y	Y	Y	Y	16 <i>Walker</i>	Y	N	N	Y	Y	Y	1 <i>Mollohan</i>	N	Y	Y	Y	Y	
7 <i>Kildee</i>	N	Y	Y	Y	Y	N	16 <i>Rangel</i>	N	Y	Y	Y	Y	Y	17 <i>Gekas</i>	Y	N	N	Y	Y	Y	2 <i>Staggers</i>	Y	N	Y			

House Votes 150, 151, 152, 153, 154, 155, 157, 158

150. HR 3. Omnibus Trade Bill/Veto Override. Passage, over President Reagan's May 24 veto, of the bill to revise statutory procedures for dealing with unfair foreign trade practices and import damage to U.S. industries, to clarify the law against business-related bribes abroad by U.S. businesses, to streamline controls on militarily sensitive exports, to revise agriculture and education programs, to repeal the windfall-profits tax on oil and to require certain employers to provide workers with 60 days' notice of plant closings or layoffs. Passed 308-113: R 60-112; D 248-1 (ND 167-1, SD 81-0), May 24, 1988. A two-thirds majority of those present and voting (281 in this case) of both houses is required to override a veto. A "nay" was a vote supporting the president's position.

151. H Res 455. Soviet Human Rights Violations/Adoption. Yatron, D-Pa., motion to suspend the rules and adopt the resolution to protest the Soviet Union's violations of its international human rights obligations, and particularly its restrictive emigration regulations, and to urge the president to stress, during the May 29-June 2 Moscow summit meeting, the inherent link between respect for human rights and the achievement of lasting peace. Adopted 411-0: R 171-0; D 240-0 (ND 163-0, SD 77-0), May 24, 1988. A two-thirds majority of those present and voting (274 in this case) is required for passage under suspension of the rules.

152. Procedural Motion. Kostmayer, D-Pa., motion to approve the House *Journal* of Tuesday, May 24. Motion agreed to 269-128: R 44-122; D 225-6 (ND 150-6, SD 75-0), May 25, 1988.

153. HR 4637. Fiscal 1989 Foreign Aid Appropriations/Rule. Adoption of the rule (H Res 457) to waive certain points of order against House floor consideration of the bill to appropriate \$14.3 billion for foreign aid and export-promotion programs. Adopted 246-154: R 19-144; D 227-10 (ND 155-5, SD 72-5), May 25, 1988.

154. HR 4637. Fiscal 1989 Foreign Aid Appropriations/Passage. Passage of the bill to appropriate \$14.3 billion, slightly less than the amount the president requested, for foreign aid and export-promotion programs. Passed 328-90: R 119-52; D 209-38 (ND 148-20, SD 61-18), May 25, 1988. A "yea" was a vote supporting the president's position.

155. Procedural Motion. Herger, R-Calif., motion to approve the House *Journal* of Wednesday, May 25. Motion agreed to 253-118: R 43-110; D 210-8 (ND 137-8, SD 73-0), May 26, 1988.

157. HR 4387. Fiscal 1989 Intelligence Authorization/Contra Aid. Hyde, R-Ill., amendment to delete a provision that bars the CIA from spending any money — including its contingency fund — to aid the Nicaraguan contras. In effect, the amendment would have allowed the administration to resume covert aid to the guerrillas as of Oct. 1, the effective date of the bill. Rejected 190-214: R 149-17; D 41-197 (ND 8-153, SD 33-44), May 26, 1988. (The intelligence authorization bill was subsequently passed by voice vote.)

158. H Con Res 268. Fiscal 1989 Budget Resolution/Conference Report. Adoption of the conference report on the concurrent resolution to set forth the congressional budget for the U.S. government for fiscal 1989-91. The resolution sets fiscal 1989 ceilings of \$1.232 trillion in new budget authority and \$1.100 trillion in outlays; establishes a revenue floor of \$964.4 billion, with an expected deficit of \$135.3 billion (conforming to the November 1987 White House-congressional budget summit agreement for defense and non-defense discretionary spending levels); assumes new savings of \$6.1 billion and equal pay increases of up to 4 percent for military and civilian employees; and recommends general spending levels for the various functions of government. Adopted 201-181: R 26-134; D 175-47 (ND 128-27, SD 47-20), May 26, 1988.

KEY		150 151 152 153 154 155 157 158						
Y	Voted for (yea).							
#	Paired for.							
+	Announced for.							
N	Voted against (nay).							
X	Paired against.							
-	Announced against.							
P	Voted "present."							
C	Voted "present" to avoid possible conflict of interest.							
?	Did not vote or otherwise make a position known.							
Democrats								
Republicans								
		150	151	152	153	154	155	157 158
ALABAMA								
1 Callahan		N	Y	N	N	N	Y	N
2 Dickinson		N	Y	N	N	N	Y	N
3 Nichols		Y	Y	?	Y	N	Y	?
4 Beville		Y	Y	Y	Y	Y	Y	Y
5 Flippo		Y	Y	Y	Y	?	Y	N
6 Erdreich		Y	Y	Y	Y	Y	Y	N
7 Harris		Y	Y	Y	Y	Y	Y	N
ALASKA								
AL Young		N	Y	N	N	Y	Y	Y
ARIZONA								
1 Rhodes		N	Y	N	N	Y	Y	N
2 Udall		Y	?	Y	Y	?	N	Y
3 Stump		N	Y	N	N	N	Y	N
4 Kyl		N	Y	N	N	Y	Y	N
5 Kolbe		N	Y	N	N	Y	Y	N
ARKANSAS								
1 Alexander		Y	Y	Y	Y	Y	Y	Y
2 Robinson		Y	Y	Y	Y	Y	Y	Y
3 Hammerschmidt		N	Y	N	N	N	Y	N
4 Anthony		Y	Y	Y	Y	Y	Y	Y
CALIFORNIA								
1 Bosco		Y	Y	Y	Y	Y	Y	Y
2 Herger		Y	Y	N	N	N	Y	N
3 Matsui		Y	Y	Y	Y	Y	Y	Y
4 Fazio		Y	Y	Y	Y	Y	Y	Y
5 Pelosi		Y	Y	Y	Y	Y	Y	Y
6 Boxer		Y	Y	Y	Y	Y	Y	Y
7 Miller		Y	Y	Y	Y	Y	Y	Y
8 Dellums		Y	Y	Y	Y	?	N	#
9 Stark		Y	Y	Y	Y	Y	Y	Y
10 Edwards		Y	Y	Y	Y	Y	Y	Y
11 Lantos		Y	Y	Y	Y	Y	Y	Y
12 Kennyu		N	?	N	N	Y	?	#
13 Mineta		Y	Y	Y	Y	Y	Y	Y
14 Shumway		N	Y	Y	N	N	Y	N
15 Coelho		Y	Y	Y	Y	Y	Y	Y
16 Panetta		Y	Y	Y	Y	Y	Y	Y
17 Pashayan		N	Y	N	N	N	Y	N
18 Lehman		Y	Y	Y	Y	Y	Y	Y
19 Lagomarsino		N	Y	N	N	N	Y	Y
20 Thomas		#	?	N	N	Y	Y	Y
21 Galleghy		N	Y	N	N	N	Y	N
22 Moorhead		N	Y	N	?	N	?	N
23 Beilenson		Y	Y	Y	Y	Y	Y	Y
24 Waxman		Y	Y	Y	Y	Y	Y	Y
25 Roybal		Y	Y	Y	Y	Y	Y	Y
26 Berman		Y	Y	Y	Y	?	N	Y
27 Levine		Y	Y	Y	Y	Y	Y	Y
28 Dixon		Y	Y	Y	Y	?	N	Y
29 Hawkins		Y	Y	?	Y	Y	Y	Y
30 Martinez		Y	Y	Y	Y	Y	Y	Y
31 Dymally		Y	Y	Y	Y	?	N	Y
32 Anderson		Y	Y	Y	Y	Y	Y	Y
33 Dreier		N	Y	Y	N	N	N	Y
34 Torres		Y	Y	Y	Y	?	N	Y
35 Lewis		N	Y	N	N	Y	?	N
36 Brown		Y	Y	Y	Y	Y	?	X
37 McCandless		N	Y	N	N	N	Y	N
38 Dornan		N	Y	N	N	N	Y	N
39 Dannemeyer		N	Y	N	N	N	Y	N
40 Badham		-	?	N	N	N	Y	N
41 Lowery		N	Y	N	N	Y	?	N
42 Lungren		N	Y	N	N	Y	?	N
COLORADO								
1 Schroeder		Y	Y	N	Y	Y	N	Y
2 Skaggs		Y	Y	Y	N	Y	Y	N
3 Campbell		Y	Y	Y	Y	?	N	N
4 Brown		N	Y	N	N	N	Y	N
5 Hefley		N	Y	N	N	Y	Y	N
6 Schafer		Y	Y	Y	N	N	Y	N
CONNECTICUT								
1 Kennedy		Y	Y	Y	Y	Y	Y	N
2 Gejdenson		Y	Y	Y	Y	?	?	Y
3 Morrison		Y	Y	Y	Y	Y	Y	Y
4 Shays		N	Y	N	Y	Y	N	N
5 Rowland		N	Y	N	Y	Y	Y	N
6 Johnson		Y	Y	Y	Y	Y	Y	Y
DELAWARE								
AL Corper		Y	Y	Y	Y	Y	Y	N
FLORIDA								
1 Hutto		Y	Y	Y	Y	Y	Y	?
2 Grant		Y	Y	Y	Y	Y	Y	Y
3 Bennett		Y	Y	Y	Y	N	Y	Y
4 Chappell		Y	Y	Y	Y	?	Y	Y
5 McCallum		N	Y	N	N	Y	Y	X
6 MacKay		Y	Y	+	+	+	+	X
7 Gibbons		Y	Y	Y	Y	Y	Y	Y
8 Young		Y	Y	N	N	N	Y	N
9 Bilirakis		N	Y	N	Y	Y	Y	Y
10 Ireland		N	Y	N	N	Y	Y	N
11 Nelson		Y	Y	Y	Y	Y	Y	Y
12 Lewis		N	Y	N	N	Y	Y	N
13 Mack		N	Y	N	Y	Y	?	#
14 Mica		Y	?	?	?	?	?	#
15 Shaw		Y	Y	N	N	Y	Y	N
16 Smith		Y	Y	Y	Y	Y	Y	Y
17 Lehman		Y	Y	Y	Y	Y	Y	N
18 Pepper		Y	Y	Y	?	?	Y	Y
19 Fascell		Y	Y	Y	Y	Y	Y	Y
GEORGIA								
1 Thomas		Y	Y	Y	Y	Y	Y	Y
2 Hatcher		Y	Y	Y	Y	Y	Y	?
3 Ray		Y	Y	Y	Y	N	Y	Y
4 Swindall		N	Y	N	N	N	Y	N
5 Lewis		Y	Y	Y	Y	Y	Y	Y
6 Gingrich		N	Y	?	N	Y	Y	N
7 Darden		Y	Y	Y	Y	Y	Y	Y
8 Rowland		Y	Y	Y	Y	Y	Y	Y
9 Jenkins		Y	Y	N	N	Y	Y	?
10 Barnard		Y	Y	Y	Y	N	Y	N
HAWAII								
1 Saiiki		Y	Y	Y	N	Y	N	Y
2 Akaka		Y	Y	Y	?	Y	Y	Y
IDAHO								
1 Craig		N	Y	N	N	N	?	#
2 Stallings		Y	Y	Y	Y	N	Y	Y
ILLINOIS								
1 Hayes		Y	Y	Y	Y	N	Y	Y
2 Savage		Y	Y	Y	Y	N	?	N
3 Russo		Y	Y	Y	Y	Y	Y	Y
4 Davis		Y	Y	N	N	Y	Y	N
5 Lipinski		Y	Y	?	Y	?	Y	Y
6 Hyde		N	Y	N	Y	Y	Y	Y
7 Collins		Y	Y	Y	Y	Y	Y	Y
8 Rostenkowski		Y	Y	Y	Y	Y	Y	Y
9 Yates		Y	Y	Y	Y	Y	Y	N
10 Porter		N	Y	N	N	Y	Y	N
11 Annunzio		Y	Y	Y	Y	Y	Y	Y
12 Crane		N	Y	N	N	N	Y	N
13 Fawell		N	Y	N	N	Y	Y	N
14 Hastert		N	Y	N	N	Y	Y	N
15 Madigan		N	Y	N	N	Y	Y	N
16 Martin		N	Y	N	N	Y	Y	N
17 Evans		Y	Y	Y	Y	Y	Y	Y
18 Michel		N	Y	N	Y	?	Y	N
19 Bruce		Y	Y	Y	Y	Y	Y	N
20 Durbin		Y	Y	Y	Y	Y	Y	N
21 Vacancy		Y	Y	Y	Y	?	?	N
22 Gray		Y	Y	Y	Y	?	?	N
INDIANA								
1 Visclosky		Y	Y	Y	Y	Y	Y	N
2 Sharp		Y	Y	Y	Y	Y	Y	N
3 Hiler		N	Y	N	N	Y	Y	?
4 Coats		N	Y	N	N	Y	Y	N
5 Jontz		Y	Y	Y	Y	Y	Y	Y

ND - Northern Democrats SD - Southern Democrats

Senate Votes 282, 283, 284, 285, 286, 287, 288, 289

																		KEY																			
282	283	284	285	286	287	288	289		282	283	284	285	286	287	288	289		282	283	284	285	286	287	288	289		282	283	284	285	286	287	288	289			
ALABAMA									IOWA									NEW HAMPSHIRE									Y Voted for (yea).										
Heflin	Y	Y	Y	Y	Y	Y	Y		Harkin	Y	Y	Y	Y	Y	Y	Y		Humphrey	N	N	N	N	N	N	N	N		#	Paired for.								
Shelby	Y	Y	Y	Y	Y	Y	Y		Grossley	Y	Y	N	Y	N	N	Y	Y	Rudman	Y	Y	Y	N	N	Y	Y	Y		+	Announced for.								
ALASKA									KANSAS									NEW JERSEY									N Voted against (nay).										
Murkowski	N	Y	N	Y	N	N	Y	Y	Dole	Y	Y	N	Y	N	Y	Y		Bradley	Y	Y	Y	Y	Y	Y	Y	N		X	Paired against.								
Stevens	N	Y	N	N	N	N	N	Y	Kassebaum	Y	Y	Y	N	N	N	Y		Lautenberg	Y	Y	Y	Y	Y	Y	Y	N		-	Announced against.								
ARIZONA									KENTUCKY									NEW MEXICO									P Voted "present."										
DeConcini	Y	Y	Y	N	Y	Y	N		Ford	Y	Y	Y	Y	Y	Y	Y		Bingaman	Y	Y	Y	Y	Y	Y	Y	Y		C	Voted "present" to avoid possible conflict of interest.								
McCaig	Y	Y	N	N	N	N	N	Y	McConnell	Y	Y	N	Y	Y	N	Y	Y	Domenici	Y	Y	N	N	N	Y	Y	Y		?	Did not vote or otherwise make a position known.								
ARKANSAS									LOUISIANA									NEW YORK									Democrats Republicans										
Bumpers	?	?	?	?	?	?	?		Breaux	Y	Y	Y	Y	Y	Y	N		Moynihan	Y	Y	Y	Y	Y	Y	Y	N											
Pryor	Y	Y	Y	Y	Y	Y	Y	Y	Johnston	Y	Y	Y	Y	Y	Y	N		D'Amato	Y	Y	N	N	N	Y	Y	Y											
CALIFORNIA									MAINE									NORTH CAROLINA																			
Cranston	Y	Y	Y	Y	Y	Y	N		Mitchell	Y	Y	Y	Y	Y	Y	N		Sanford	Y	Y	Y	Y	Y	Y	Y	Y											
Wilson	Y	Y	Y	Y	N	Y	Y	Y	Cohen	Y	Y	Y	Y	Y	Y	Y		Helms	N	N	N	N	N	N	N	Y											
COLORADO									MARYLAND									NORTH DAKOTA																			
Wirth	Y	Y	Y	Y	Y	Y	N		Mikulski	Y	Y	Y	Y	Y	Y	Y		Burdick	Y	Y	Y	Y	Y	Y	Y	Y											
Armstrong	N	Y	N	N	N	N	Y	Y	Sarbanes	Y	Y	Y	Y	Y	Y	N		Conrad	N	Y	Y	Y	Y	Y	Y	Y											
CONNECTICUT									MASSACHUSETTS									OHIO																			
Dodd	Y	Y	Y	Y	Y	Y	N		Kennedy	Y	Y	Y	Y	Y	Y	N		Glenn	Y	Y	Y	Y	Y	Y	Y	Y											
Waicker	Y	Y	Y	Y	Y	Y	N	Y	Kerry	Y	Y	Y	Y	Y	Y	N		Metzenbaum	Y	Y	Y	Y	Y	Y	Y	Y											
DELAWARE									MICHIGAN									OKLAHOMA																			
Biden	?	?	?	?	?	?	?		Levin	Y	Y	Y	Y	Y	Y	Y		Boren	Y	Y	Y	Y	Y	Y	Y	N											
Roth	Y	Y	Y	Y	Y	Y	Y	Y	Riegle	Y	Y	Y	Y	Y	Y	Y		Nickles	N	Y	N	N	N	N	N	N											
FLORIDA									MINNESOTA									OREGON																			
Chiles	Y	Y	Y	?	Y	Y	N		Boschwitz	Y	Y	N	N	N	N	Y		Hatfield	Y	Y	Y	Y	N	N	N	Y											
Graham	Y	Y	Y	Y	Y	Y	N	Y	Durenberger	Y	Y	N	Y	N	Y	Y		Packwood	Y	Y	Y	Y	Y	Y	Y	N											
GEORGIA									MISSISSIPPI									PENNSYLVANIA																			
Fowler	Y	Y	Y	Y	Y	Y	N		Stennis	Y	Y	?	?	?	?	?		Heinz	Y	Y	Y	Y	Y	Y	Y	Y											
Nunn	Y	Y	Y	Y	Y	Y	N	Y	Cochran	Y	Y	?	?	?	?	?		Specter	Y	Y	N	Y	N	N	Y	Y											
HAWAII									MISSOURI									RHODE ISLAND																			
Inouye	Y	Y	Y	Y	Y	Y	N		Bond	Y	Y	Y	Y	N	Y	Y		Pell	Y	Y	Y	Y	Y	Y	N	Y											
Matsunaga	?	Y	Y	Y	Y	Y	N	Y	Danforth	Y	Y	Y	Y	Y	Y	Y		Chafee	Y	Y	Y	Y	Y	N	Y	Y											
IDAHO									MONTANA									SOUTH CAROLINA																			
McClure	N	Y	N	N	N	N	N	Y	Baucus	Y	Y	Y	Y	Y	Y	Y		Hollings	Y	Y	Y	Y	Y	Y	Y	Y											
Symms	N	N	N	N	N	N	N	Y	Melcher	Y	Y	N	Y	N	Y	Y		Thurmond	Y	Y	N	N	-	-	Y	Y											
ILLINOIS									NEBRASKA									SOUTH DAKOTA																			
Dixon	Y	Y	Y	Y	Y	Y	Y	Y	Exon	Y	Y	Y	Y	Y	Y	Y		Daschle	Y	Y	Y	Y	Y	Y	Y	Y											
Simon	Y	Y	Y	Y	Y	Y	Y	Y	Karnes	Y	Y	N	N	N	N	Y	Y		Pressler	Y	Y	N	Y	N	N	Y	Y										
INDIANA									NEVADA									TENNESSEE																			
Lugar	Y	Y	N	N	N	N	Y	Y	Reid	?	?	Y	Y	Y	Y	N		Gore	Y	Y	Y	Y	Y	Y	N	Y											
Quayle	Y	Y	N	N	N	N	Y	Y	Hocht	Y	Y	N	N	N	Y	Y		Sasser	Y	Y	Y	Y	Y	Y	Y	Y											

KEY

Y Voted for (yea).
 # Paired for.
 + Announced for.
 N Voted against (nay).
 X Paired against.
 - Announced against.
 P Voted "present."
 C Voted "present" to avoid possible conflict of interest.
 ? Did not vote or otherwise make a position known.

Democrats Republicans

282 283 284 285 286 287 288 289

TEXAS								
Bentsen	Y	Y	Y	Y	Y	Y	Y	Y
Gramm	N	Y	N	N	Y	N	N	N
UTAH								
Garn	N	Y	N	N	N	N	N	Y
Hatch	Y	Y	N	N	N	N	Y	Y
VERMONT								
Leahy	Y	Y	Y	Y	Y	Y	Y	Y
Stafford	Y	Y	Y	N	Y	Y	Y	Y
VIRGINIA								
Byrd	Y	Y	N	N	N	N	Y	Y
Warner	Y	Y	N	N	N	N	Y	Y
WASHINGTON								
Adams	Y	Y	Y	Y	Y	Y	Y	Y
Evans	Y	Y	Y	N	Y	N	N	N
WEST VIRGINIA								
Byrd	Y	Y	Y	Y	Y	Y	Y	Y
Rockefeller	Y	Y	Y	Y	Y	Y	Y	Y
WISCONSIN								
Proxmire	Y	Y	Y	Y	Y	Y	N	N
Kasten	Y	Y	N	Y	Y	Y	Y	Y
WYOMING								
Simpson	Y	Y	N	N	N	Y	Y	Y
Wallop	N	Y	N	N	N	N	Y	Y

ND - Northern Democrats SD - Southern Democrats (Southern states - Ala., Ark., Fla., Ga., Ky., La., Miss., N.C., Okla., S.C., Tenn., Texas, Va.)

282. HR 1158. Fair Housing/Handicapped Housing. Kennedy, D-Mass., motion to table (kill) the Humphrey, R-N.H., amendment to limit the number of new multifamily dwellings that would have to conform to building requirements to help the handicapped. Motion agreed to 84-12: R 35-11; D 49-1 (ND 32-1, SD 17-0), Aug. 2, 1988.

283. HR 1158. Fair Housing/Passage. Passage of the bill to give the Department of Housing and Urban Development (HUD) new enforcement authority for handling charges of discrimination in the sale or rental of housing, and to bar discrimination in the sale or rental of housing on the basis of a handicap or because a family has young children. The new enforcement scheme provides for a proceeding before an administrative-law judge within HUD, with an appeal to a federal appeals court or a full-blown trial in federal court. Passed 94-3: R 43-3, D 51-0 (ND 34-0, SD 17-0), Aug. 2, 1988. A "yea" was a vote supporting the president's position.

284. HR 4848. Omnibus Trade Bill/Soviet Fur Imports and Soviet Emigration. Bentsen, D-Texas, motion to table (kill) the Durenberger, R-Minn., amendment to make repeal of a ban on Soviet fur imports, included in the bill, contingent on certification by the president that the Soviet Union is relaxing its limitations on emigration. Motion agreed to 64-32: R 14-31; D 50-1 (ND 34-1, SD 16-0), Aug. 3, 1988.

285. HR 4848. Omnibus Trade Bill/Presidential Authority for Unfair-Trade Case Decisions. Bentsen, D-Texas, motion to table (kill) the Wallop, R-Wyo., amendment, to strike a phrase in a provision that would transfer authority for unfair-trade case decisions from the president to the U.S. Trade Representative. The effect of the amendment would have been to

restore the authority to the president. Motion agreed to 69-26: R 19-26; D 50-0 (ND 35-0, SD 15-0), August 3, 1988.

286. HR 4848. Omnibus Trade Bill/Helsinki Accord Compliance. Bentsen, D-Texas, motion to table (kill) the McClure, R-Idaho, amendment, to require the president, in granting "most-favored-nation" status, to consider the extent to which a country complies with the Helsinki Accord on human rights and to report on its compliance to Congress. Motion agreed to 67-28: R 18-26; D 49-2 (ND 33-2, SD 16-0), Aug. 3, 1988.

287. HR 4848. Omnibus Trade Bill/Competitiveness Policy Council. Bentsen, D-Texas, motion to table (kill) the Wallop, R-Wyo., amendment to strike a provision to authorize a new Competitiveness Policy Council. Motion agreed to 62-33: R 11-33; D 51-0 (ND 35-0, SD 16-0), Aug. 3, 1988.

288. HR 4848. Omnibus Trade Bill/Passage. Passage of the bill (thus clearing the measure for the president) to revise statutory procedures for dealing with unfair foreign trade practices and import damage to U.S. industries, to clarify the law against business-related bribes abroad by U.S. businesses, to streamline controls on militarily sensitive exports, and to repeal the "windfall" tax on certain oil revenues. Passed 85-11: R 35-10; D 50-1 (ND 34-1, SD 16-0), Aug. 3, 1988.

289. S Con Res 135. Omnibus Trade Bill/Ethanol Provisions. Adoption of the concurrent resolution to instruct the enrolling clerk to amend the bill to make duty-free importation of certain ethanol from the Caribbean contingent on certification by the secretaries of agriculture, Treasury and energy that such importation is needed to ensure an adequate domestic supply of ethanol. Adopted 62-34: R 37-8; D 25-26 (ND 19-16, SD 6-10), Aug. 3, 1988.

Senate Votes 108, 109, 110, 111, 112, 113, 114, 115

																											KEY								
108	109	110	111	112	113	114	115		108	109	110	111	112	113	114	115		108	109	110	111	112	113	114	115		108	109	110	111	112	113	114	115	
ALABAMA									IOWA									NEW HAMPSHIRE									Y Voted for (yea).								
Heflin	Y	Y	Y	N	Y	N	Y	Y	Harkin	Y	Y	Y	?	N	Y	Y	Y	Humphrey	N	N	N	Y	Y	N	N	Y	# Paired for.								
Shelby	Y	Y	Y	Y	Y	N	Y	Y	Grassley	N	N	N	Y	Y	N	N	Y	Rudman	Y	N	N	Y	Y	N	N	Y	+ Announced for.								
ALASKA									KANSAS									NEW JERSEY									N Voted against (nay).								
Murkowski	N	N	N	N	Y	Y	N	Y	Dole	N	N	N	N	Y	N	N	Y	Bradley	Y	Y	Y	?	N	Y	Y	Y	X Paired against.								
Stevens	N	N	N	N	?	N	Y	Y	Kassebaum	Y	N	N	N	Y	Y	Y	Y	Lautenberg	Y	?	Y	N	N	Y	Y	- Announced against.									
ARIZONA									KENTUCKY									NEW MEXICO									P Voted "present."								
DeConcini	Y	+	Y	N	Y	N	N	Y	Ford	Y	?	Y	N	Y	Y	Y	Y	Bingaman	Y	Y	Y	N	N	Y	Y	C Voted "present" to avoid possible conflict of interest.									
McCain	N	N	N	Y	Y	N	N	Y	McConnell	N	N	N	N	N	Y	N	Y	Domenici	N	Y	N	N	Y	N	N	Y	? Did not vote or otherwise make a position known.								
ARKANSAS									LOUISIANA									NEW YORK																	
Bumpers	Y	Y	Y	N	N	Y	Y	Y	Breaux	Y	Y	Y	N	N	Y	Y	Y	Moynihan	Y	?	Y	N	N	Y	Y										
Pryor	Y	Y	Y	N	N	Y	Y	Y	Johnston	Y	Y	Y	N	N	Y	Y	Y	D'Amato	N	Y	N	N	Y	Y	Y										
CALIFORNIA									MAINE									NORTH CAROLINA									Democrats Republicans								
Cranston	Y	Y	Y	N	N	Y	Y	Y	Mitchell	Y	Y	Y	N	N	Y	Y	Y	Sanford	Y	Y	Y	N	N	Y	Y										
Wilson	N	?	N	N	N	Y	N	Y	Cohen	N	?	Y	N	Y	Y	Y	Y	Helms	N	N	N	Y	Y	N	Y										
COLORADO									MARYLAND									NORTH DAKOTA																	
Wirth	Y	Y	Y	N	N	Y	Y	Y	Mikulski	Y	+	Y	N	N	Y	Y	Y	Burdick	Y	?	Y	N	N	Y	Y										
Armstrong	N	N	N	Y	?	N	N	Y	Sarbanes	Y	Y	Y	N	N	Y	Y	Y	Conrad	Y	Y	Y	N	N	Y	Y										
CONNECTICUT									MASSACHUSETTS									OHIO									TEXAS								
Dodd	Y	?	Y	N	N	Y	Y	Y	Kennedy	?	Y	Y	N	N	Y	Y	Y	Glenn	Y	Y	Y	N	N	Y	Y	Bentsen	Y	N	Y	?	N	Y	Y	Y	
Weicker	N	Y	Y	N	N	Y	Y	Y	Kerry	Y	Y	Y	N	N	Y	Y	Y	Metzenbaum	Y	Y	Y	N	N	Y	Y	Gramm	N	N	N	Y	Y	N	N	Y	
DELAWARE									MICHIGAN									OKLAHOMA									UTAH								
Biden	?	?	?	?	?	?	?	?	Levin	Y	Y	Y	N	N	Y	Y	Y	Boren	Y	Y	Y	?	Y	N	Y	Garn	N	?	N	Y	Y	N	N	Y	
Roth	Y	N	Y	Y	Y	N	Y	Y	Riegle	Y	Y	Y	N	N	Y	Y	Y	Nickles	N	N	Y	Y	Y	N	N	Hatch	N	Y	N	N	N	Y	N	Y	
FLORIDA									MINNESOTA									OREGON									VERMONT								
Chiles	Y	?	Y	?	N	Y	Y	Y	Boschwitz	N	Y	N	N	N	Y	N	Y	Hatfield	N	N	N	N	N	Y	Y	Leahy	Y	Y	Y	N	N	Y	Y	Y	
Graham	Y	Y	Y	N	N	Y	Y	Y	Durenberger	N	?	Y	N	N	Y	N	Y	Packwood	?	Y	Y	?	N	Y	Y	Stafford	N	N	N	?	N	Y	?	Y	
GEORGIA									MISSISSIPPI									PENNSYLVANIA									VIRGINIA								
Fowler	Y	Y	Y	N	Y	Y	Y	Y	Stennis	Y	Y	Y	?	?	?	?	?	Heinz	N	Y	Y	N	N	Y	Y	Trible	N	?	N	N	Y	N	N	Y	
Nunn	Y	?	Y	N	N	Y	Y	Y	Cochran	N	N	N	N	N	Y	N	Y	Specter	Y	?	Y	N	N	Y	Y	Warner	N	Y	N	N	Y	N	N	Y	
HAWAII									MISSOURI									RHODE ISLAND									WASHINGTON								
Inouye	Y	Y	Y	N	N	Y	Y	Y	Bond	N	N	Y	Y	Y	Y	N	Y	Pell	Y	+	Y	-	N	Y	Y	Adams	Y	Y	Y	?	N	Y	Y	Y	
Matsunaga	?	Y	Y	N	N	Y	Y	Y	Danforth	N	N	Y	Y	Y	Y	N	Y	Chafee	N	Y	Y	N	N	Y	Y	Evans	N	N	N	N	Y	Y	Y	Y	
IDAHO									MONTANA									SOUTH CAROLINA									WEST VIRGINIA								
McClure	N	N	N	Y	Y	N	N	Y	Baucus	Y	Y	Y	N	N	Y	Y	Y	Hollings	Y	Y	Y	N	N	Y	Y	Byrd	Y	Y	Y	N	Y	Y	Y	Y	
Symms	?	N	N	Y	Y	N	N	Y	Melcher	Y	Y	Y	?	N	Y	Y	Y	Thurmond	N	N	N	Y	Y	N	Y	Rockefeller	Y	Y	Y	N	Y	Y	Y	Y	
ILLINOIS									NEBRASKA									SOUTH DAKOTA									WISCONSIN								
Dixon	?	?	Y	N	N	Y	Y	Y	Exon	Y	?	Y	N	Y	Y	Y	Y	Daschle	Y	Y	Y	?	N	Y	Y	Proxmire	Y	N	N	N	N	Y	Y	Y	
Simon	Y	Y	Y	N	N	Y	Y	Y	Karnes	?	?	N	?	?	?	?	?	Pressler	Y	Y	N	N	Y	N	Y	Kasten	N	N	N	N	Y	N	N	Y	
INDIANA									NEVADA									TENNESSEE									WYOMING								
Lugar	N	N	N	N	N	Y	N	Y	Reid	?	Y	Y	N	N	Y	N	Y	Gore	?	+	Y	N	N	Y	Y	Simpson	N	N	N	Y	Y	Y	Y	Y	
Quayle	N	N	N	N	Y	N	N	Y	Hecht	?	?	N	Y	Y	N	N	Y	Sasser	Y	Y	Y	N	N	Y	Y	Wallop	N	N	N	Y	N	N	N	Y	

KEY
Y Voted for (yea).
Paired for.
+ Announced for.
- Voted against (nay).
X Paired against.
- Announced against.
P Voted "present."
C Voted "present" to avoid possible conflict of interest.
? Did not vote or otherwise make a position known.

Democrats Republicans

108 109 110 111 112 113 114 115

TEXAS								
Bentsen	Y	N	Y	?	N	Y	Y	Y
Gramm	N	N	N	Y	Y	N	N	Y
UTAH								
Garn	N	?	N	Y	N	N	Y	Y
Hatch	N	Y	N	N	N	Y	N	Y
VERMONT								
Leahy	Y	Y	Y	N	N	Y	Y	Y
Stafford	N	N	N	?	N	Y	?	Y
VIRGINIA								
Trible	N	?	N	N	Y	N	N	Y
Warner	N	Y	N	N	N	Y	N	Y
WASHINGTON								
Adams	Y	Y	Y	?	N	Y	Y	Y
Evans	N	N	N	N	N	Y	Y	Y
WEST VIRGINIA								
Byrd	Y	Y	Y	N	Y	Y	Y	Y
Rockefeller	Y	Y	Y	N	Y	Y	Y	Y
WISCONSIN								
Proxmire	Y	N	N	N	N	Y	Y	Y
Kasten	N	N	N	N	Y	N	N	Y
WYOMING								
Simpson	N	N	N	Y	Y	Y	Y	Y
Wallop	N	N	N	Y	Y	Y	Y	Y

ND - Northern Democrats SD - Southern Democrats (Southern states - Ala., Ark., Fla., Ga., Ky., La., Miss., N.C., Okla., S.C., Tenn., Texas, Va.)

108. S J Res 282. Campaign Spending Limitations/Cloture. Hollings, D-S.C., motion to invoke cloture (thus limiting debate) on the Hollings amendment to the Gramm, R-Texas, motion to recommit the joint resolution to the Senate Judiciary Committee. The Hollings amendment would provide for a constitutional amendment to allow federal and state governments to impose limits on campaign expenditures, restoring the proposal to its original form. The underlying Gramm motion to recommit the joint resolution to the Senate Judiciary Committee instructed committee members to report it back to the Senate with a substitute amendment requiring a balanced federal budget. Motion rejected 53-37: R 5-37; D 48-0 (ND 31-0, SD 17-0), April 22, 1988. A three-fifths majority vote (60) of the total Senate is required to invoke cloture.

109. HR 1811. Atomic Veterans' Compensation/Passage. Passage of the bill to provide compensation to veterans and survivors of veterans who participated in U.S. atmospheric nuclear tests or in the occupation of Hiroshima or Nagasaki and who suffer from diseases that may be attributable to ionizing radiation exposure. Passed 48-30: R 10-28; D 38-2 (ND 25-1, SD 13-1), April 25, 1988. A "nay" was a vote supporting the president's position.

110. HR 3. Omnibus Trade Bill/Adoption. Adoption of the conference report on the bill (thus clearing the measure for the president) to revise statutory procedures for dealing with unfair foreign trade practices and import damage to U.S. industries, to clarify the law against business-related bribes abroad by U.S. businesses, to streamline controls on militarily sensitive exports, to revise agriculture and education programs, to repeal the windfall-profits tax on oil and to require certain employers to provide workers with 60 days' notice of plant closings or layoffs. Adopted 63-36: R 11-35; D 52-1 (ND 34-1, SD 18-0), April 27, 1988. A "nay" was a vote supporting the president's position.

111. S 1220. AIDS Research and Education/Hypodermic

Needles. Helms, R-N.C., amendment to prohibit funds authorized under the bill from being used to provide hypodermic needles or syringes. Rejected 19-66: R 18-24; D 1-42 (ND 0-29, SD 1-13), April 27, 1988.

112. S 1220. AIDS Research and Education/Hypodermic Needles. Helms, R-N.C., amendment to prohibit funds authorized under the bill from being used to provide hypodermic needles or syringes to drug addicts. Rejected 37-59: R 28-16; D 9-43 (ND 4-31, SD 5-12), April 28, 1988.

113. S 1220. AIDS Research and Education/Hypodermic Needles. Kennedy, D-Mass., and Hatch, R-Utah, substitute amendment for the Hatch amendment to prohibit funds authorized under the bill from being used to provide individuals with hypodermic needles or syringes for possible use of illegal drugs unless the surgeon general determines that a demonstration "needle-exchange" program could reduce the spread of AIDS. Adopted 70-27: R 21-24; D 49-3 (ND 34-1, SD 15-2), April 28, 1988. (The underlying Hatch amendment prohibited funds from being used to provide needles or syringes to individuals for possible use of illegal drugs.)

114. S 1220. AIDS Research and Education/Care of Dying Patients. Kennedy, D-Mass., substitute amendment for the Armstrong, R-Colo., amendment to require a report on the withholding of food or fluids from dying AIDS patients. Adopted 60-36: R 11-33; D 49-3 (ND 33-2, SD 16-1), April 28, 1988. (The underlying Armstrong amendment precluded funds from going to states or localities that encourage the withholding of food or fluid from dying AIDS patients.)

115. S 1220. AIDS Research and Education/Testing. Nickles, R-Okla., amendment to require mandatory, confidential testing of persons convicted of sex- or drug-related crimes. Adopted 97-0: R 45-0; D 52-0 (ND 35-0, SD 17-0), April 28, 1988.

Senate Votes 167, 168, 169, 170, 171, 172, 173

	167	168	169	170	171	172	173
ALABAMA							
Heflin	N	Y	Y	Y	Y	Y	Y
Shelby	Y	Y	Y	Y	Y	Y	Y
ALASKA							
<i>Murkowski</i>	? ?	N	Y	Y	Y	Y	Y
<i>Stevens</i>	Y	Y	N	Y	Y	Y	Y
ARIZONA							
DeConcini	+	Y	Y	Y	Y	Y	Y
<i>McCain</i>	Y	Y	N	N	Y	Y	N
ARKANSAS							
Bumpers	Y	N	Y	Y	Y	Y	Y
Pryor	N	N	Y	Y	Y	Y	Y
CALIFORNIA							
Cranston	? ?	Y	Y	N	N	Y	Y
<i>Wilson</i>	? ?	N	Y	Y	Y	N	N
COLORADO							
Wirth	Y	N	Y	Y	N	Y	Y
<i>Armstrong</i>	N	Y	N	N	Y	Y	Y
CONNECTICUT							
Dodd	Y	N	Y	Y	Y	Y	Y
<i>Weicker</i>	Y	N	Y	Y	N	Y	Y
DELAWARE							
Biden	? ? ? ?	? ? ? ?					
<i>Roth</i>	N	Y	Y	N	Y	Y	N
FLORIDA							
Chiles	Y	? ?	Y	X	? ?		
Graham	Y	Y	Y	Y	Y	Y	N
GEORGIA							
Fowler	Y	N	Y	Y	N	N	Y
Nunn	Y	Y	Y	Y	Y	Y	Y
HAWAII							
Inouye	? ?	Y	Y	N	N	Y	Y
Matsunaga	Y	N	Y	Y	N	Y	Y
IDAHO							
<i>McClure</i>	N	Y	N	N	Y	Y	N
<i>Symms</i>	N	Y	N	N	Y	Y	N
ILLINOIS							
Dixon	Y	Y	Y	Y	Y	Y	Y
Simon	Y	N	Y	Y	N	N	Y
INDIANA							
Lugar	Y	Y	N	Y	Y	Y	Y
<i>Quayle</i>	Y	Y	N	Y	Y	Y	N
IOWA							
Harkin	Y	N	Y	Y	N	N	Y
<i>Grassley</i>	Y	Y	N	Y	Y	Y	N
KANSAS							
<i>Dole</i>	Y	Y	N	Y	Y	Y	Y
<i>Kassebaum</i>	Y	Y	N	N	Y	Y	N
KENTUCKY							
Ford	Y	Y	Y	Y	Y	Y	Y
<i>McConnell</i>	N	Y	N	Y	Y	Y	N
LOUISIANA							
Breaux	Y	Y	Y	Y	Y	Y	Y
Johnston	Y	Y	Y	Y	Y	Y	Y
MAINE							
Mitchell	Y	Y	Y	Y	N	N	Y
<i>Cohen</i>	Y	Y	Y	Y	N	N	?
MARYLAND							
Mikulski	Y	N	Y	Y	N	N	Y
Sarbanes	Y	N	Y	Y	N	N	Y
MASSACHUSETTS							
Kennedy	Y	? ?	Y	Y	N	N	Y
Kerry	Y	N	Y	Y	-	-	+
MICHIGAN							
Levin	N	N	Y	Y	N	N	Y
Riegler	Y	N	Y	Y	Y	Y	Y
MINNESOTA							
<i>Boschwitz</i>	Y	Y	N	Y	Y	Y	Y
<i>Durenberger</i>	N	Y	Y	Y	N	N	Y
MISSISSIPPI							
Stennis	Y	Y	Y	Y	N	N	Y
<i>Cochran</i>	N	Y	N	Y	Y	Y	N
MISSOURI							
<i>Bond</i>	N	Y	Y	Y	Y	Y	N
<i>Danforth</i>	? ?	Y	Y	N	Y	Y	Y
MONTANA							
Baucus	N	N	Y	Y	Y	Y	Y
Mekcher	Y	Y	Y	Y	Y	Y	Y

ND - Northern Democrats SD - Southern Democrats (Southern states - Ala., Ark., Fla., Ga., Ky., La., Miss., N.C., Okla., S.C., Tenn., Texas, Va.)

167. H Con Res 268. Fiscal 1989 Budget Resolution/Conference Report. Adoption of the conference report on the concurrent resolution to set forth the congressional budget for the U.S. government for fiscal 1989-91. The resolution sets fiscal 1989 ceilings of \$1.232 trillion in new budget authority and \$1.100 trillion in outlays; establishes a revenue floor of \$964.4 billion, with an expected deficit of \$135.3 billion (conforming to the November 1987 White House-congressional budget summit agreement for defense and non-defense discretionary spending levels); assumes new savings of \$6.1 billion and equal pay increases of up to 4 percent for military and civilian employees; and recommends general spending levels for the various functions of government. Adopted 58-29: R 21-20; D 37-9 (ND 23-6, SD 14-3), June 6, 1988. (The House adopted the conference report on H Con Res 268 May 26.)

168. Procedural Motion. Byrd, D-W.Va., point of order that S J Res 305 is not privileged under the War Powers Resolution. The motion blocked the joint resolution, which would provide for Congress to decide on further military involvement in the Persian Gulf after 90 days. Point of order upheld 54-31: R 35-3; D 19-28 (ND 8-22, SD 11-6), June 6, 1988.

169. Omnibus Trade Bill/Veto Override. Passage, over President Reagan's May 24 veto, of the bill to revise statutory procedures for dealing with unfair foreign trade practices and import damage to U.S. industries, to clarify the law against business-related bribes abroad by U.S. businesses, to streamline controls on militarily sensitive exports, to revise agriculture and education programs, to repeal the windfall-profits tax on oil and to require certain employers to provide workers with 60 days' notice of plant closings or layoffs. Rejected 61-37: R 10-35; D 51-2 (ND 33-2, SD 18-0), June 8, 1988. A two-thirds majority of those present and voting (66 in this case) of both houses is required to override a veto. (The House overrode the veto May 24.) A "nay" was a vote supporting the president's position.

170. HR 2470. Catastrophic Health Insurance/Conference Report. Adoption of the conference report on the bill (thus clearing the measure for the president) to cap the amounts for which Medicare beneficiaries will be financially liable for Medicare-covered services and to make other changes in the program. Adopted 86-11: R 34-11; D 52-0 (ND 35-0, SD 17-0), June 8, 1988.

171. S 2455. Death Penalty for Drug-Related Killings/ Life Imprisonment. D'Amato, R-N.Y., motion to table (kill) the Levin, D-Mich., amendment to substitute life imprisonment, without possibility of release, for the death penalty in drug-related killings. Motion agreed to 65-31; R 38-7; D 27-24 (ND 14-20, SD 13-4), June 9, 1988.

172. S 2455. Death Penalty for Drug-Related Killings/Cloture. Dole, R-Kan., motion to invoke cloture (thus limiting debate) on the bill to provide the death penalty for drug-related killings. Motion agreed to 70-26: R 39-6; D 31-20 (ND 19-15, SD 12-5), June 9, 1988. A three-fifths majority vote (60) of the total Senate is required to invoke cloture.

173. HR 1212. Polygraph Protection/Conference Report. Adoption of the conference report on the bill (thus clearing the measure for the president) to ban use of lie-detector tests for job applicants or workers. Exempted would be all federal, state and local governments; contractors or consultants to government agencies engaged in intelligence or national-security activities; companies providing security services for specified purposes; companies engaged in the manufacture and distribution of controlled drugs; and employers with reasonable cause to suspect a worker of involvement in criminal wrongdoing that resulted in economic loss to the company. Adopted 68-24: R 20-23; D 48-1 (ND 33-0, SD 15-1). June 9, 1988.

Massive Trade Bill Sails Through Congress

President Carter July 26 signed into law a new trade liberalization bill that he said would create jobs, spur exports and enhance prospects for peace.

The bill (HR 4537 — PL 96-39) was sent to him by Congress July 23 when the Senate passed it by a vote of 90-4.

Because the rules of the 1974 Trade Act barred any amendments to the legislation, the Senate action cleared the measure for the president's signature. The House had approved the bill July 11 by a 395-7 vote.

HR 4537 made the changes in U.S. law that were "necessary and appropriate" to carry out agreements reached in the Tokyo Round of multilateral trade negotiations (MTN), the seventh in a series of post-World War II negotiations designed to liberalize world trade. Unlike the previous negotiations, which emphasized tariff cuts, the Tokyo Round concentrated on developing new international rules to deal with non-tariff barriers to trade, such as government subsidies that affect exports. These non-tariff aspects of the MTN agreements required congressional approval.

Unique Process

Working under a unique legislative process laid out in the 1974 Trade Act, members of the two congressional tax-writing committees wrote the bill in consultation with administration trade officials. President Carter's special trade representative, Robert S. Strauss, and the Senate Finance and House Ways and Means committees tailored some provisions to head off threatened opposition from key industries such as textiles and steel.

"In a regular process you might never have had a bill," remarked Rep. James R. Jones, D-Okla., of the Ways and Means Trade Subcommittee. "If everybody had had an open crack at it, you could have had that thing amended forever. Anybody that felt left out had access to some group or individual to get their case acted upon, and in most cases there was a response. I didn't hear of any groups that were left out of the process."

Strauss won high praise for his political skills and willingness to listen to grievances and respond.

"It's an enormous tribute to the colossal skills of Bob Strauss," Rep. Bill Frenzel, R-Minn., said. "Without Bob we'd have had all kinds of difficulties putting this thing together."

Bill Highlights

Major provisions of the bill:

- Overhauled the U.S. countervailing duty law, which was designed to protect domestic industry against foreign government subsidies on imported goods. Domestic industries for the first time would be required to show they had been seriously injured by subsidized imports before an offsetting duty would be imposed. The bill extended sanctions to domestic subsidies that indirectly affect exports — such as government-backed loans to export industries — as well as to direct government export subsidies.

- Speeded investigations and imposition of penalties under both the countervailing duty law and anti-dumping statutes, which barred imports at prices below home market prices.

- Established a new system of customs valuation that would use the price actually paid for merchandise when it was sold for exportation to the United States as the primary method of assessing customs value.

- Discouraged discrimination against foreign suppliers in bidding for government purchases.

- Curbed the use of product standards as disguised trade barriers.

Trade Reorganization

The last obstacle to the bill's passage was removed July 19 when Strauss announced the administration's trade reorganization proposal. Senate Finance Committee members had delayed floor action on the bill until the Carter plan was sent to Congress.

The plan consolidated trade functions in the Commerce Department while strengthening the policy role of the special trade representative.

The administration proposed to give Commerce the responsibility for administering the anti-dumping and countervailing duty laws that were currently held by the Treasury Department. Business interests had criticized Treasury officials for what they considered lax enforcement of the import trade laws.

The reorganization plan was not formally submitted to Congress until Sept. 25. Like the trade bill, the plan was the product of numerous compromises between the administration and congressional trade leaders. The final plan was close to the proposals made in the House but fell short of Senate demands for a separate trade department. A House resolution to disapprove the plan failed Nov. 8, and a Senate disapproval resolution never came to a floor vote. The plan took effect Jan. 2, 1980. (*Reorganization action*, p. 292)

Provisions

As signed into law, HR 4537 (PL 96-39):

- Approved the MTN codes and the statements of administrative action summarizing changes in U.S. law that were submitted with the legislation.

- Provided that the trade agreements would have legal standing in the United States primarily as they were implemented in the trade bill, and that no provision of any agreement would take precedence over domestic laws in the event of a conflict.

- Stipulated that the agreements would not become effective until Europe, Japan and Canada also completed their domestic implementing procedures. Under an exception to this rule, the president could accept a particular agreement if only one industrial country had not accepted the agreement and acceptance by that country was not considered essential.

- Provided that if any future change in U.S. law was necessary to conform to a code requirement, the president must consult with congressional committees at least a month before submitting a draft bill. Any legislation would be considered under the fast-track procedures of the 1974 Trade Act.

Title I - Countervailing and Anti-dumping Duties

● **Countervailing Duties.** Allowed countervailing duties to offset foreign governments' export subsidies if the administering agency (currently the Treasury Department) determined that an import was either directly or indirectly subsidized, and the International Trade Commission (ITC) determined that a domestic industry had been materially injured or threatened with injury.

● Defined material injury as "a harm which is not inconsequential, immaterial or unimportant."

● Allowed investigations to be initiated by the agency itself or by a domestic manufacturer, labor union or trade association.

● Set new procedures to shorten investigations, which currently took about one year, to about seven months. Importers would be forced to deposit a bond or cash in less than three months (compared to a year or more under existing law) if a preliminary investigation found the imports were subsidized.

● Allowed the agency to drop the investigation if the foreign government or exporters agreed to eliminate the subsidy or cease exports within six months, or if the foreign government agreed to negotiate an agreement that would offset the effect of the subsidy or reduce the volume of exports.

● Required the agency to verify the accuracy of any information submitted to it before making a final determination. If it was unable to verify the information, it must rely on the best information available, which could include the information submitted by the domestic industry.

● Allowed confidential information to be made available to lawyers for the other parties in the investigation under an administrative or court order; if a party failed to provide information, determinations would be made on the basis of the best available evidence.

● **Anti-dumping Duties.** Provided for an anti-dumping duty if the U.S. administering agency (currently the Treas-

ury Department) found that merchandise was being or was likely to be sold in the United States at less than fair value, and if the ITC determined that a domestic industry was materially injured or threatened with material injury. The duty would be the amount by which the home market price exceeded the U.S. price for the merchandise. (Dumping is the practice of selling exports below the price charged in the domestic market; anti-dumping duties are intended to make up the difference between the home market price and the export price.)

● Established new procedures that shortened normal cases to about nine months (under existing law cases normally took from nine to 15 months, but some cases had taken many years).

● Allowed the Customs Service six months to determine the amount of dumping and assess the duty (delays in assessments had averaged three years). During the assessment period importers of dumped products would have to pay estimated anti-dumping duties.

● Provided that investigations could be initiated by the agency or upon petition by a manufacturer, union or trade association.

● Allowed the agency to drop an investigation if exporters stopped shipping the merchandise within six months or agreed to stop dumping the merchandise by increasing the price to about the home market value.

Title II — Customs Valuation

● Established five methods of determining the value of imports to simplify the process of assessing duties (replacing the nine methods under existing law).

● Established as the primary method the transaction value, defined as "the price actually paid or payable for the merchandise when sold for exportation to the United States," with additions for extra costs such as packing costs, selling commissions and "assists" (certain free or reduced cost products and services — such as materials, tools or design and development work — supplied by the buyer for the production or sale of the merchandise).

● Listed four alternative methods to transaction value in order of preference: 1) transaction value of identical merchandise; 2) transaction value of similar merchandise; 3) deductive value, which takes the price of similar merchandise and subtracts additional costs for insurance, transportation, taxes and commissions; and 4) computed value, which is the sum of production and materials costs, profit and general expenses, packing costs and assists.

● Allowed "reasonable adjustments" to be made to one of the previous methods to arrive at a value if none of these methods could be used.

● Repealed the American Selling Price (ASP) system of valuation, which based duties for some chemicals and rubber footwear on the price of comparable domestic products.

● Converted ASP rates of duty into tariffs estimated to provide the same protection currently provided under ASP.

Title III — Government Procurement

● Gave the president the authority, beginning Jan. 1, 1981, to waive the application of discriminatory government procurement laws such as the Buy American Act for purchases covered by the agreement. (Existing law gave domestic bidders on government contracts a 6 percent price preference over foreign bidders, 12 percent for small business or labor surplus areas, and 50 percent for Defense Department procurement.)

Long: Battling 'Phony' Figures

Among the miscellaneous provisions of the 1979 Trade Act was a change that Sen. Russell B. Long, D-La., chairman of the Senate Finance Committee, had tried to include in the 1974 Trade Act.

The provision required that, beginning in 1980, monthly U.S. import statistics include the cost of insurance and freight and other costs of bringing goods from the port of exportation to the U.S. port of entry. The method is frequently referred to as CIF (cost-insurance-freight).

Long had argued for years that this was a more realistic way to estimate the value of imports and that, with the exception of the United States, Canada and Australia, it was the method most other countries were using.

Including the value of freight and insurance would increase the customs value of imports into the United States, and have the effect of increasing the amount of import duties. The higher value of imports would also worsen the U.S. balance of trade statistics.

The trade bill provision required the release of CIF trade statistics 48 hours before the release of any other statistics on U.S. imports and the balance of trade. As a Long committee aide put it, "the phony numbers won't come until 48 hours later."

- Excluded from the waiver provision several U.S. agencies, including the departments of Transportation and Energy, the Tennessee Valley Authority and the Army Corps of Engineers. Also excluded were: purchases under \$190,000; state and local government purchases; existing preferences for small and minority businesses; strategic goods; and purchases for farm support or human feeding programs such as the U.S. school lunch program.

- Directed the president to designate major industrial countries as eligible for non-discriminatory bidding under the agreement only if they had signed the Geneva procurement code. Non-industrial countries could be given a waiver if they allowed reciprocal government procurement opportunities for U.S. products; the least-developed countries would be eligible without providing reciprocity.

- Authorized the president to bar purchases from ineligible countries, but allowed him to give non-industrial countries two years to provide reciprocal opportunities before invoking the prohibition.

- Directed the president to seek new opportunities for U.S. exports in future negotiations. If negotiations with specific countries did not result in expanded procurement opportunities, the president could recommend legislation to prohibit purchases from those countries by federal agencies not currently covered by the agreement.

- Directed the president to submit a report to Congress before Jan. 1, 1981, that assessed the effect of the procurement provisions in areas of high unemployment.

Title IV — Product Standards

- Recognized that federal and state agencies had a legitimate need to develop new product standards if they did not create unnecessary obstacles to foreign trade and if the purpose of the standard was to achieve a "legitimate domestic objective" such as the protection of health or safety, essential security, environmental or consumer interests.

- Directed federal agencies to use standards in a way that treated imported products "no less favorably" than similar domestic products, including the use of tests and any fees charged for tests, and to adopt international standards unless factors such as national security requirements or the prevention of deceptive practices made adoption of the international standard inappropriate.

- Expressed the sense of Congress that no state agency or private organization should use standards that created obstacles to foreign trade.

- Gave the office of the special trade representative (STR) responsibility for coordinating international trade policy issues connected with the standards code and for monitoring foreign implementation of the agreement; established offices in the Commerce and Agriculture departments to gather and publish information on standards.

- Allowed other nations that had signed the code or observed its provisions to file a complaint with STR alleging that specific domestic practices violated U.S. obligations under the standards code. STR was directed to resolve the complaint "on a mutually satisfactory basis" through consultations, or submit the complaint for international arbitration if both parties consented.

Title V — Tariff Negotiations

- Implemented tariff concessions that exceeded the authority granted the president in the 1974 Trade Act.

- Allowed the president to give the least-developed countries full tariff reductions (instead of phased reductions

Tariff Cuts Also Planned

The Carter administration June 21 released a summary of tariff reductions negotiated during the Tokyo Round trade talks.

Tariffs for U.S. industrial goods would be cut by an average 31 percent — from 8.2 percent to 5.7 percent — over an eight-year period beginning Jan. 1, 1980, according to the summary, though cuts on some import-sensitive products such as textiles and steel would not begin until Jan. 1, 1982.

Tariff reductions included the following:

Textiles. Average U.S. tariffs for textiles from the Common Market would be reduced to 13.7 percent from 19.5 percent; tariffs on Japanese textiles would be cut to an average 16.8 percent from the existing 23.2 percent. Nearly all of the \$637 million in U.S. imports with tariffs that still exceeded 30 percent were in the textile and apparel category.

Iron and Steel. Average U.S. tariffs for Common Market imports would be lowered to 4.3 percent from 6.1 percent; for imports from Japan, tariffs would be reduced to 4.6 percent from the existing 6.2 percent.

Leather and Leather Products. Because import-sensitive footwear was left out of the negotiations, cuts would be relatively small. U.S. tariffs for Common Market imports would be reduced to an average 8.8 percent from 9.2 percent; Japanese imports would drop to an average tariff of 11.7 percent from 13 percent.

Drugs and Soaps. The average U.S. tariff would drop to 5.1 percent from 9.1 percent for Common Market imports.

Industrial Chemicals. U.S. tariffs for chemicals from the Common Market countries would be cut to an average 7.3 percent from 11.2 percent.

Aerospace, Automotive Equipment. U.S. tariffs on imports of automobiles and aircraft would be completely eliminated.

stretching over eight years) on products that were not import-sensitive.

Title VI — Civil Aircraft Agreement

- Eliminated all duties on civil aircraft, engines and parts intended for use in civil aircraft.

Title VII — Agricultural Agreements

- Implemented bilateral agreements on cheese, other dairy products and meat.

- Allowed the president to proclaim import quotas, up to an annual level of 111,000 metric tons, on about 85 percent of cheeses currently imported. Provided a "fast-track" complaint procedure to protect domestic producers against subsidies on foreign cheeses, and directed the president to impose fees or quantitative restrictions if foreign governments did not eliminate subsidies.

- Set a minimum annual level of meat imports at 1.2 billion pounds.

Title VIII — Liquor Duties

- Repealed the wine gallon method of assessing duties on imported liquor, under which liquor was taxed on the basis of quantity rather than alcoholic content.

- Provided that liquor would be taxed solely on the basis of alcohol content, with the tax based on the finished product after it had been diluted and bottled.

- Allowed a 15-day deferral period for payment on spirits bottled in the United States (phased in over a three-year period).

Title IX — Enforcement

- Authorized the president to take action against unreasonable foreign trade practices under the current agreements.

- Introduced specific time limits for investigating and taking action on complaints.

- Allowed any interested person to file a petition alleging unfair trade practices with the special trade representative's office, which would have 45 days to determine if an investigation was necessary.

- Directed STR to request consultation with the foreign country involved in the dispute as part of its investigation. If the dispute could not be resolved through consultations, then the trade representative could request proceedings under the international dispute settlement procedures of the agreement.

- Directed the trade representative also to make recommendations to the president within seven to 12 months after initiating an investigation.

Title X — Judicial Review

- Provided increased opportunities for judicial review of some provisional and all final rulings by the Treasury Department and ITC in anti-dumping and countervailing duty cases.

- Expanded opportunities for judicial review of determinations by the Customs Service concerning the appraised value or rate of duty of imported goods.

- Allowed any interested party involved in the proceeding to take legal action, and allowed any party to challenge the amount of a countervailing or anti-dumping duty as well as the failure to assess a duty.

- Provided expedited review procedures for anti-dumping and countervailing duty cases, including a requirement that any party could challenge a court decision within 30 days after the decision, and that these cases would be given priority in Customs Court.

Title XI — Miscellaneous Provisions

- Extended for an additional eight years, until Jan. 3, 1988, the president's authority to negotiate trade agreements with foreign countries to reduce or eliminate non-tariff barriers. Trade agreements submitted to Congress would be handled under the expedited procedures of the 1974 Trade Act.

- Clarified existing law by authorizing the president to sell import licenses at public auction (under existing programs import licenses were allocated by the U.S. government on a first-come, first-served basis).

- Continued the private sector advisory committee structure established in the 1974 Trade Act, with a broadened mandate to include advice on the implementation of the trade agreements.

- Authorized the president to study the desirability of negotiating trade agreements with North American countries.

- Required monthly statistics on imports and the balance of trade to include the cost of freight charges, insurance charges and other expenses of bringing goods from the

port of exportation to the U.S. port of entry, commonly known as the cost-insurance-freight (CIF) value. The bill required release of CIF trade statistics 48 hours before the release of any other statistics on U.S. imports and the balance of trade.

- Directed the president to submit a trade reorganization proposal to Congress by July 10, 1979. Congressional committees were instructed to make their "best efforts" to take final action on a reorganization bill by Nov. 10, 1979.

- Prohibited the president from giving a developing country duty-free treatment for certain products provided under the Generalized System of Preferences (GSP) if that country was a member of the Organization of Petroleum Exporting Countries (OPEC) and "interrupts or terminates" petroleum deliveries to the United States.

- Authorized no new budget authority before fiscal 1981 (beginning Oct. 1, 1980); any funding in fiscal 1980 must be from funds already appropriated.

Background

The General Agreement on Tariffs and Trade (GATT), signed in 1947 by 23 countries, formed the cornerstone of post-World War II trade policy.

GATT established tariff-cutting schedules for each participating country and provided some basic rules of trade. The rules:

- Required each participating nation to accord equal, or most-favored-nation, treatment to the products of all other participating nations.

- Limited anti-dumping actions, designed to stop imports sold at less than fair value, to imports that threatened injury to domestic industries. The same rule applied to countervailing duty actions, which imposed penalty duties to offset foreign government subsidies.

- Barred use of internal taxes and other regulations as substitutes for tariffs.

- Prohibited import quotas with certain exceptions, including agricultural quotas imposed to enforce domestic marketing or production-control programs, or quotas imposed to protect currency reserves during a balance of payments emergency.

- Permitted tariff concessions to be suspended, withdrawn or modified if increased imports caused or threatened serious injury to a domestic industry producing similar products. This "escape clause," inserted at the insistence of the United States, also required consultation with affected countries and permitted them to retaliate if no compensatory action was taken.

Though GATT contained many loopholes allowing nations to impose restrictions on imports, it also set up a framework for periodic negotiations to reduce tariffs. A series of tariff-cutting rounds — at Annecy, France, in 1949, Torquay, England, in 1950-51, and Geneva in 1955-56 — culminated in the Dillon Round in 1961-62 and the Kennedy Round in 1964-67 (both held in Geneva) that led to substantial reductions in tariffs. (*Congress and the Nation Vol. I, p. 188*)

The Dillon Round negotiations resulted in tariff cuts averaging 20 percent on industrial goods.

Even deeper cuts occurred in the Kennedy Round, which lowered tariffs an average of about 35 percent on some 60,000 items representing \$40 billion in world trade. (*Congress and the Nation Vol. II, p. 94*)

The administration's authority to negotiate further trade concessions expired at the end of the Kennedy Round

in 1967. Legislation to restore the expired presidential authority failed in 1967 and 1970. (*Congress and the Nation Vol. III, p. 123*)

Responding to a deteriorating U.S. trade position, President Nixon in 1973 asked Congress for broad new negotiating powers for U.S. representatives at trade talks scheduled to begin in Tokyo later that year.

The Trade Act (PL 93-618), which finally cleared Congress in December 1974, gave the president negotiating authority for five years to enter into trade agreements to reduce tariffs by up to 60 percent. The president was also authorized to reduce or eliminate non-tariff barriers. (*Trade Act, 1974 Almanac p. 553*)

The 1974 act required congressional approval of all non-tariff barrier trade agreements, and it established a complicated timetable and procedure for legislative action.

Rising Protectionism

Over the 30-year period 1945-1975 U.S. tariffs on dutiable products declined from 32 percent to 8 percent, while tariffs in the industrial countries as a whole dropped to an average 11 percent.

Spurred in part by GATT trade liberalization, foreign trade in the postwar period grew rapidly. From 1950 to 1975, merchandise trade among the industrial countries grew almost twice as fast as their domestic economies.

But protectionist pressure rose significantly following the 1974 Arab oil price increase and the subsequent world recession. Three factors played an important role in the protectionist surge:

- Sharply higher exports from developed countries such as Japan, which was trying to stimulate a sluggish domestic economy by boosting sales overseas. The Japanese effort was so successful it caused a massive and politically sensitive trade surplus.

- The emergence of a group of advanced developing countries (Singapore, Taiwan, Hong Kong, South Korea, Brazil, Mexico and Malaysia) as increasingly dominant exporters of light manufactures.

- Greater government intervention in trade — through measures such as export subsidization, price support arrangements, nationalization of major industries and support for research and development — prompting retaliatory action by other governments.

In the late 1970s, the advanced developing countries captured an increasingly large share of the U.S. market for products such as clothing, televisions and radios, and footwear, while the European Common Market and Japan increasingly concentrated on exports of chemicals, steel and automobiles.

As a result, the U.S. balance of merchandise trade swung sharply into deficit. The first deficit since 1888 occurred in 1971, when the nation's imports exceeded its exports by \$2.3 billion. The deficit subsequently mushroomed, reaching \$26.5 billion in 1977 and \$28.5 billion in 1978. Calculated on a balance of payments basis, which deducts Defense Department foreign military sales and adds oil imports from the Virgin Islands, the deficit was \$31.1 billion in 1977 and \$34.1 billion in 1978.

The surge of imports caused a substantial buildup of protectionist pressures in both the United States and in the Common Market nations. The United States negotiated voluntary quotas on specialty steel imports, on color televisions from Japan and Korea, on footwear from Korea and Taiwan, and in late 1977 imposed a system of trigger prices for steel designed to stop steel from being "dumped," or

sold below the cost of steel from Japan, which was considered to be the most efficient producer.

The Common Market imposed similarly restrictive measures on imports of textiles and clothing, electronics, chemicals and steel.

The European Common Agricultural Policy (CAP) was a particularly controversial example of large-scale government intervention in trade. U.S. farm groups contended that sales of the Common Market's heavily subsidized surplus commodities in third country markets lost business for U.S. agricultural exports.

Other forms of assistance, such as government-supported research and development in areas such as electronics and aircraft, or support to aid the growth of infant industries, amounted to indirect subsidies.

The Tokyo Round Agreement

These and other non-tariff barriers to trade were the focus of the Tokyo Round trade negotiations, which began in the Japanese capital in September 1973 and culminated five and a half years later in an agreement signed by major trading nations in Geneva on April 12, 1979.

The multilateral trade package consisted of a series of non-tariff barrier codes, or agreements, a package of agricultural agreements and a framework for GATT reform. It also included phased tariff cuts averaging about 33 percent. (*Tariff cuts, box, p. 295*)

Negotiators failed to reach agreement on several difficult issues, including a wheat trade convention and a code on commercial counterfeiting, as well as a controversial safeguards code — proposed new rules under which nations could temporarily restrict imports of a particular product if the product caused or threatened serious injury to domestic producers.

Even before the Geneva negotiations were completed, the Carter administration began meeting behind closed doors with the House Ways and Means and Senate Finance committees to shape legislation dealing with the non-tariff aspects of the trade agreements. Because lawmakers were to consider the bill under rules that prohibited any amendments, the drafting sessions took place before the trade legislation was formally sent to Congress. As finally submitted June 19, the bill included a number of concessions designed to head off potential opposition.

The business community was particularly concerned by U.S. negotiators' acceptance of an injury test which businessmen feared could make it much harder for domestic industries to get relief from subsidized imports.

Strauss and the congressional committees responded by rewriting both the countervailing duty and anti-dumping laws to expedite investigations, impose penalties earlier in the process, and provide more opportunities for judicial review.

"It's probably as good as we could have expected," said Charles Carlisle, a vice president of St. Joe Minerals Corp. and leader of a coalition of 33 industries and unions supporting reform of the countervailing duty law. "The injury test won't be the easiest test in the world, but other improvements will on balance offset that."

Lobbyists for importers criticized the reforms as potentially protectionist. They argued that shorter deadlines to make preliminary decisions would tend to produce arbitrary decisions that often would favor domestic industries.

"I deplore the fact that as the product of an international effort to liberalize trade, we now see these two statutes turned into protectionist measures," said John

Rehm, a former general counsel in the special trade representative's office, who represented the Automobile Importers of America. "I think it's appalling, a testament to the excessive price Strauss paid to get the bill through."

Richard Self, director of the Office of Tariff Affairs in the Treasury Department, agreed that the new rules could help domestic industry.

"There's a distinct possibility that the preliminary determination will favor domestic complainants more often," Self said.

Importers — and reportedly several Common Market countries — were also unhappy with the bill's definition of material injury as "not inconsequential, immaterial or unimportant," rather than the commonly accepted international meaning of "important, substantial and significant."

"Critics of the definition as set out in the law are pessimistic regarding its future application, because of their feeling that protectionist sentiments are strong in the Congress, and because of their feeling that the ITC is sensitive to congressional attitudes in making injury determinations," wrote former deputy trade representative Harald B. Malmgren.

House Committee Action

The Ways and Means Committee approved HR 4537 June 21 by a 35-0 vote.

The committee acted on the bill just two days after it was received from the White House and one day after it was unanimously approved by the Ways and Means Trade Subcommittee. (*Carter message to Congress*, p. 37-E)

With protests from potentially major adversaries such as the textile and steel industries already satisfied by Strauss and congressional trade leaders, the Ways and Means meeting amounted to little more than a *pro forma* approval of the bill.

"The potential opinion-setters who were likely to lead the alarm against the bill have been de-fanged," said Barber B. Conable Jr., R-N.Y. "The bill has fallen into a benign environment of disinterest."

In its July 3 report on the bill (H Rept 96-317), the Ways and Means Committee described the immediate impact of the trade negotiations on the U.S. economy as "small but generally positive."

The agreements could have "enormous" long-term potential, the committee said, by providing improved discipline over unfair trade practices, helping to dismantle some existing trade barriers and stop the spread of others, and establishing a better system for settling trade disputes.

The report cautioned that studies of the economic impact of the agreements, while generally showing positive benefits for the U.S. economy, "must be viewed with considerable skepticism."

Quantitative estimates were difficult because the most significant results of the negotiations dealt with "new rules of the game" rather than tariff cuts, the committee said, and because many of the economic assumptions underlying the estimates were of "questionable validity." Any forecasts, the committee concluded, were therefore "of highly questionable reliability."

Future Issues

The committee said there was a great need for viewing the end of the negotiations "as only the beginning of efforts to further strengthen the international system of rules and dispute settlement."

- The agenda for the future included:
- Completing negotiations for a safeguards code.
 - Further discussions in the area of international fair labor standards.
 - Convening an international conference on tax practices and their impact on trade.
 - Encouraging as many nations as possible to sign the codes. "Unless the number of signatories for these agreements can be expanded there is a danger that trade relations between countries can return to the bilateral myopia of the 1930s, particularly if a serious world recession were to occur," the committee said.

Trade Reorganization

The report paid particular attention to the "critical need" to reorganize the trade bureaucracy.

"Bits and pieces of trade responsibility are scattered among a dozen agencies, making it impossible to make the most efficient use of the government's resources," the committee said, adding that there was a "clear need for consolidation, rationalization and strengthening of foreign trade responsibilities within the U.S. government."

A "centralized trade agency" was needed, the report said, to carry out the MTN results and monitor foreign compliance with the agreements, coordinate U.S. trade policy, and process trade complaints.

The report recommended the consolidation of U.S. commercial responsibilities abroad, restructuring the current administration of anti-dumping and countervailing duty laws, and strengthening U.S. representation in GATT.

It advocated creation of a foreign commercial service that would promote U.S. business abroad as well as monitor and enforce the trade agreements. Foreign commercial responsibilities were currently scattered among the State, Commerce and Agriculture departments.

The committee said it "has serious doubts that the present system and personnel can handle all of these functions, and the success of the MTN for the United States largely depends on adequate foreign representation of U.S. interests."

The committee "has long been dissatisfied" with the Treasury Department's handling of anti-dumping and countervailing duty cases, it added.

"Investigations and determinations are often too lengthy, and assessment and collection of duties are often unreasonably delayed," the report said.

While the trade bill accelerated timetables and made other administrative reforms, it did not, the committee said, come to grips with the organization issue.

"Given Treasury's performance over the past 10 years, many have questioned whether the dumping and countervailing investigations and policy functions should remain in the Treasury Department," the committee said.

In order to strengthen U.S. representation in GATT, the committee recommended upgrading the resources of the special trade representative's office and appointing a high-level U.S. trade official from that office as a full-time representative to the GATT.

House Floor Action

Following two days of desultory debate, the House July 11 passed HR 4537 by a 395-7 vote. (*Vote 286*, p. 86-H)

Conable, the ranking minority member of the Ways and Means Committee, summed up the anti-climactic mood of the House during debate on the bill July 10.

"There is not much fascination in a finally achieved consensus," Conable told his audience of a few dozen members. "There is very little drama in this moment, which has been a long time coming to the floor of the House."

At stake, he said, was "the very momentum of over 30 years of gradual, but consistent trade liberalization" as well as "the ability of this country to continue to receive fair and equitable treatment for its goods involved in international trade and our ability to secure effective redress for unfair international trading practices."

During the course of the debate there was little criticism of the bill. Several members emphasized the importance of monitoring both international compliance with the agreements and domestic trade laws, as well as the need to reshape U.S. export policy with tax incentives and more aggressive marketing of U.S. products.

The strongest cautionary note was sounded by Joseph M. Gaydos, D-Pa., chairman of the Congressional Steel Caucus. While the caucus supported the bill, Gaydos warned that an impending recession coupled with the energy crisis could mean a slowdown in steel demand in the second half of 1979.

"If a worldwide recession develops, many nations, including the developing countries, with excess steel-producing capacity, will need to find foreign markets when demand in their home market subsides," Gaydos said. "The U.S. market may become the prime target for this foreign steel."

"In concept, this legislation should improve our international trade position by curbing the advantages occurring from unfair trade practices and eliminating non-tariff barriers to trade," he concluded. "However, the effectiveness of this legislation requires a firm commitment from the administration to administer and enforce our trade laws fairly."

Senate Committee Action

The Senate Finance Committee unanimously approved the bill July 12, but agreed to delay floor action until the administration submitted its promised trade reorganization proposal.

Strauss told the Subcommittee on International Trade July 10 that the reorganization proposal had been delayed beyond its planned July 10 date because of the president's preoccupation with energy and other urgent issues. With the announcement of Carter's trade reorganization proposal July 19, the way was cleared for floor action on the bill.

The Finance Committee report (S Rept 96-249) on the trade bill, filed July 17, called the "experiment in coordination" between the administration and Congress in developing the trade agreements bill a "success," and said "it expects this coordination to continue."

The report substantially agreed with the conclusions of the Ways and Means Committee that the domestic economic impact of the trade pact was hard to estimate.

Senate Floor Action

The Senate passed HR 4537 July 23 by a 90-4 vote, completing congressional action on the legislation. (*Vote 207, p. 36-S*)

Praise for the bill and for Strauss was nearly unanimous, though many members said the legislation would be of little use if the new international rules weren't enforced.

"With this bill as their legal foundation in the United States, the MTN agreements should promote increased trade and higher standards of living throughout the world," said Finance Trade Subcommittee Chairman Abraham Ribicoff, D-Conn. "I say 'should' because the MTN agreements and this bill merely establish rules. Rules mean nothing unless they are enforced."

In his role as chairman of the Governmental Affairs Committee, Ribicoff said he intended to act within two or three months on trade reorganization. But he called the president's plan "inadequate," and predicted his committee would do better.

"If we do not, the benefits of the MTN for the United States will be minimal," he said.

Senators who had pushed hard for reform and tougher enforcement of the anti-dumping and countervailing duty laws, such as John Heinz, R-Pa., and John C. Danforth, R-Mo., also voiced satisfaction with the bill.

The toughest criticism came from Wisconsin Democrats Gaylord Nelson and William Proxmire, who said the bill's increase in cheese quotas would do serious harm to the dairy industry. Both voted against the bill.

"The dairy industry and the dairy farmers of Wisconsin and the nation are the big losers in this legislation," Proxmire said.

In addition to Nelson and Proxmire, Orrin G. Hatch, R-Utah, and John Melcher, D-Mont., were the only other members to vote against the bill. ■

Duty Waiver Extension

President Carter signed into law April 3 legislation (HR 1147 — PL 96-6) temporarily extending the president's authority to waive countervailing duties designed to offset foreign government subsidies on imported goods.

Congress had completed action on HR 1147 March 28 when the Senate passed the bill by an 82-15 vote. The House had passed HR 1147 by voice vote March 1. (*Senate vote 30, p. 7-S*)

Trade Bill Link

The administration had argued that quick passage of the bill was essential to successful completion of the multilateral trade negotiations. About half of the approximately \$600 million in affected imports were European agricultural products such as Danish canned hams and butter cookies, and European negotiators said they would not initial any trade agreement without a waiver extension.

"I have been persuaded by Ambassador [special trade representative Robert S.] Strauss that it is crucial that we pass this legislation very quickly, that we do not encumber it with a number of amendments," said Robert Dole, R-Kan., who earlier had threatened to offer amendments to the bill.

As signed into law, HR 1147 waived duties retroactively to Jan. 3, when the president's authority expired, and extended the waiver through Sept. 30, 1979, or until a final vote occurred on the implementing legislation for the multilateral trade pact. (*Multilateral trade bill, preceding story*)

A countervailing duty waiver extension passed both the House and Senate in the final days of the 95th Congress, but the measure became the vehicle for a variety of non-germane amendments and died when Congress adjourned Oct. 15, 1978. (*1978 Almanac p. 279*) ■

76

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**Expanding Trade and Creating American Jobs
Remarks by Governor Bill Clinton
North Carolina State University
Raleigh, NC
October 4, 1992**

Thank you. Thank you very much. Thank you. Thank you very much. Thank you.

You've brightened up a cloudy day. I want to say how delighted I am to be here with my good friend, Jim Hunt.

When I was elected Governor and took office in 1979, he was the leader of the Democratic Governors, and he befriended me and helped to educate me, and I can honestly say, in the years that have elapsed, I have served with about 150 governors of the United States, having now served longer than any other governor, and Jim Hunt is one of the very finest with whom I ever served in any state in America.

He was our leader in education. He was our leader in economic development. He made me think of North Carolina as a state of the future, a state with a partnership between business and government and education; a state committed to competing in a global economy; a state committed to educating its people.

The legacy of Terry Sanford and Jim Hunt inspired a whole generation of young people from all across the south, including me, and for that I will always be very, very grateful.

I'd also like to say, I'm glad to be back here at North Carolina State, especially in this comfortable auditorium.

A few years ago I came here to the Democratic Convention and we had it in the place where the Wolf Pack plays basketball. It was 90 degrees outside this is literally true. It was 100 degrees inside, and then we all got up to speak on a podium that had bright lights like this, but brighter and closer, so it was about 120 on the podium. Today it is raining on us; that day I rained on the people in the crowd.

Ladies and gentlemen, I came here to North Carolina today to talk about a

difficult and important issue for our country. I wanted to come here because I think of North Carolina as a mixture of the best in America's economy, its traditional industries, and farms, and its modern hi-tech future.

When I announced my candidacy for President a year and a day ago, I did it not just to challenge Mr. Bush, but to challenge the American people, and here I come today to talk about one of our greatest challenges--how we can compete and win in the global economy.

Because I have been a governor during the entire decade of the 1980s, because I have served in the 1970s, the 1980s, and the 1990s, I have literally been required to be obsessed with the competitive realities of my state and this nation, with what we do well and what we do poorly, with what policies work, and what policies don't. But always at the core of all my concerns are the American people, the kind of people I've seen on these bus trips that Hillary and I, and Al and Tipper Gore, have taken. We're taking another one in Florida tomorrow. People who come out with hope in their heart and pain in their eyes; people who have worked hard and played by the rules. Some of them are winning, but too many of them are losing.

The whole purpose of what one person once called the dismal science of economics, is to enable us to make good decisions that will reward people who work hard and develop their God-given capacities.

I came here today to tell you why I support the North American Free Trade Agreement.

If it is done right, it will create jobs in the United States and in Mexico, and if it is done right and it is part of a larger economic strategy, we can raise our incomes and reverse the awful trend of now more than a decade in which most Americans are working harder for less money.

If it is not done right, however, the blessings of the agreement are far less clear, and the burdens can be significant. I'm convinced that I will do it right. I am equally convinced that Mr. Bush won't.

We live in a world that has been revolutionized almost beyond comprehension. We have seen, in the last few years, the Soviet Union disintegrate, the fall of Berlin Wall, freedom fighters released from their prisons in Eastern Europe and South Africa, end of the Cold War. That was the era in which I was born and in which Mr. Bush came of age, and over the last generation, less obviously but no less dramatically, we have seen unbelievable changes transforming the global economy, which have had their impact here at home.

A little more than a generation ago, international trade and investment were a seemingly insignificant portion of our nation's income, but today our exports and imports of goods and services amount to about one quarter of our entire economy.

A little more than a generation ago, American workers, consumers, and companies lived almost entirely within the American economy. Today we live within the world economy, and foreign trade accounts for almost as high a proportion of our economic activity as it does in Japan and Western Europe.

A little more than a generation ago, we were virtually unchallenged in the world market place, but today we are challenged as ever before not only by Japan and Western Europe, but by other countries as well.

A little more than a generation ago, the world was a far simpler place. We could support free trade and open markets and still maintain a high wage economy because we were the only economic super-power, and our capacity to control our destiny was largely totally within our own hands.

Now, because money and management and production are mobile and can cross national borders quickly, we face unprecedented competition from developing countries, as well as wealthy ones.

You know that in North Carolina and so do I. A textile worker in Carolina has to compete against a textile worker in Singapore perhaps to sell sweaters in Germany.

It's also hard to tell who the players are. An American car may have more foreign parts in it than a foreign car that happens to be made in an American assembly plant.

This, in other words, is not a simple debate. The world is changing in complex ways. The choices before us are difficult, and it is imperative that at least we understand what is going on, and that we have an honest and forthright discussion of all the forces at play.

For a high wage country like ours, the blessings of more trade can be offset, at least in part, by the loss of income and jobs as more and more multi-national corporations take advantage of their ability to move money, management, and production away from a high-wage country to a low-wage country.

We can also lose incomes because those companies who stay at home can use the threat of moving to depress wages, as many do today. Other countries like Germany and Japan have, quite frankly, managed this problem much better than we

have. How have they done it?

First of all, by maintaining a more highly-skilled work force -- not just among their university graduates, but up and down the line among their workers.

Secondly, by investing more in modern plant and equipment and in research and development, and developing better systems of moving ideas from the laboratory to the market place, so that if they lose one kind of manufacturing job, there are always other kinds opening up. In contrast to what you often have here, where when people lose their manufacturing jobs, they look around until their unemployment runs out, and then eventually take jobs making half what they used to make.

Thirdly, these countries do a better job of controlling their external costs like health care and energy. The average German factory produces the same amount of output as the average American one for 1/2 the energy input, and our country spends 30 percent more of our income on health care than any other nation with which we compete.

Next, other countries do a better job of exporting more and of continuously increasing productivity by working together more closely, business and labor, government and education. But also let's be frank--Germany and Japan have policies that are tougher in keeping high wage jobs at home, at least for the home market. The Europeans have an absolute ban on foreign car sales that exceed 16 percent of the market now in Western Europe. The Japanese distribution system means that only 3 percent of the cars sold in Japan are not Japanese. We have an auto parts export surplus of \$4 billion with every country in the world, but when you add Japan in, we have a \$9 billion deficit.

For some time now--as you see, this is a very complicated thing, and for some time I have felt that one of the most difficult problems in modern politics and, therefore, in this presidential election, is the simplistic and superficial labeling of complex issues.

As network news sound bites have shrunk by -- one study -- they're down to less than 9 seconds now, public discussions of important issues have gotten the short shrift. On, perhaps, no other issue has the decline of discourse been more pronounced than on the issue of trade, an issue of great impact to you here in North Carolina, in positive and in negative ways on farmers and textile workers, on furniture makers, on engineers, and scientists in the research triangle.

Too much is at stake here to avoid the real issues and yet, time and again, that is what we do.

The issue here is not whether we should support free trade or open

markets. Of course, we should. The real issue is whether or not we will have a national economic strategy to make sure we reap the benefits, and the answer today is -- we don't.

Too many Republicans would say that it's a simple issue--free trade always equals economic growth. Well, it can, but only if we have a comprehensive national strategy to promote that kind of growth.

Some Democrats would say that free trade today always equals exporting jobs and lowering wages. Well, it sure can if you don't have a comprehensive economic strategy to maintain a high-wage, high-growth economy.

It is in that context that we have to look at this North American Free Trade Agreement. Is it good for Americans? Will it help us to develop a high-wage, high-growth economy here at home? Or, by opening Mexico to more U.S. and foreign investment, will it simply encourage more United States companies to abandon their workers and communities here and move to Mexico? Will it depress wages of those who are left here, and will they even have ironically, less money to buy the products that Mexico will send back to this country?

Well, if you look at the experience of the mequiladora plants, those who have moved to Mexico right across the border, there is certainly cause for concern. We can see clearly there that labor standards have been regularly violated; that environmental standards are often ignored, and that many people who have those jobs live in conditions which are still pretty dismal not just by our standards, but theirs.

So there is some reason to fear that there are people in this world and in our country who would take advantage of any provisions insuring more investment opportunities simply to look for lower wages without regard to the human impact of their decisions.

Still, you must look at the other side of the coin. Changes in Mexico under President Salinas have ballooned our two-way trade with them and have eliminated the trade deficit we once had with Mexico, thus creating jobs here in America even as our investment policies have cost them.

I can also say, based on my own experience, that a good economic policy can grow manufacturing jobs even in tough global competition.

In our state, thanks to highly productive workers and creative business leaders, good cooperation between the government and the private sector, good incentives and aggressive support for educating workers, promoting quality management and marketing more products, we have grown manufacturing jobs at 10 times the national average for several years now. You heard

Governor Hunt say that we now rank first in the country in private sector job growth. There are many and complex reasons for this, but we did have a definite strategy that involved partnerships with a deliberate decision not to give up our manufacturing base. That is very important.

In the United States of America today, only about 16.5 percent of the work force is in manufacturing. In my state, it's 22 percent. In this state, I think it's still about 28 percent, the largest in the United States.

I want to make it very clear--I am committed to maintaining a strong manufacturing base in this country.

My granddaddy used to say that during the Depression, people were so poor they took in one another's washing for a living.

That would be the equivalent of an economy that was only a service economy where nobody in America ever made anything.

The great economic powers in this world are the people who make things. We have 16.5 percent of our work force in manufacturing; Japan has 28 percent; Germany has 32 percent. We must do better and we can.

I believe NAFTA can contribute to this effort, not undermine it, as long as we move aggressively to address the serious omissions from the agreement.

I believe we have to do more for our own workers, to protect the environment on both sides of the border, both because it's good for the environment and because if they don't do it, it will further lower their cost of production, to promote prosperity on both sides of the border.

If we do these things and, again, if we develop a serious economic policy at home, then NAFTA can be a very good thing for the United States.

We simply cannot go backwards when the rest of the world is going forward into a more integrated economy. We cannot go inward when our opportunities are so often outward. For all our history, America has moved ahead and reached out, colonizing a wilderness, exploring a continent, always seeking what President Kennedy called the New Frontier.

And today we must forge ahead again. As president, I will seek to address the deficiencies of the North American Free Trade Agreement through supplemental agreements with the Canadians and the Mexican government and by taking several key steps here at home. I will not sign legislation implementing the North American Free Trade Agreement until we have reached additional agreements to protect

America's vital interests. But I believe we can address these issues without renegotiating the basic agreement.

This agreement, however, is only one piece of a larger puzzle. Even the present negotiations recognize that, as there are other issues being discussed all along. We need not only to reduce trade barriers, but to prepare our entire workforce not only to compete in the global economy, but to live with the changes in it and to make sure nobody gets left behind.

I remain convinced that the North American Free Trade Agreement will generate jobs and growth on both sides of the border if and only if it's part of a broad-based strategy, and if, and only if, we address the issues still to be addressed.

If we don't do those things, we can kill NAFTA, but we'll still lose jobs. And that's the important point I want to make. I have been governor of a state that has seen jobs go on a fast track to Mexico and to other countries. If we do nothing on this agreement and we don't address the serious worker retraining and economic investment issues in this country and we don't change our economic policy, we will still lose jobs because money, production, and management are mobile, and there are people, unfortunately, in this world who would rather move for cheap wages than stay and work for productivity.

We have got to face the bigger issue. We cannot overload NAFTA and make it the symbol of either all our hopes, as Mr. Bush has done, or all our fears, as some of the opponents have done. We have got to see this as a part of a real, big effort to rebuild the American economy from the ground up.

This is not an abstract question. It has real consequences for real people.

For more than a decade, our country has been led by yesterday's men, who were out of touch, out of ideas and out of step with the developments in the global economy, who refused to recognize not only new opportunities, but new challenges and new responsibilities.

Americans have paid a terrible price for their policies. Trickle-down economics have given us a weakened economy, declining wages for more than two-thirds of our workers, longer work weeks, lost jobs, greater inequality, greater poverty, one in 10 Americans on food stamps today, 100,000 Americans a month losing their health insurance, and the real sense that we may be raising the first generation of Americans to do worse than their parents.

Without a national economic strategy, this country has been allowed to

drift. Meanwhile, our competitors have organized themselves around clear national goals to save, promote and enhance high-wage, high-growth jobs.

In a Clinton administration, we will approach trade and every other issue with a single-minded focus, to do what is best for ordinary Americans who are willing to work hard to get ahead.

But that focus must also recognize the new rules of the global economy. When Japan discovers a way just to make cars a little better, or when the European Community closes its markets to American pork, or when our president refuses to issue export credits and European farmers take away a Russian market that was meant to be for us, or when a country in South Asia or South America violates copyright standards for software, the impact is felt in factories and farms and families all across America.

But when people line up in Paris to watch an American movie, when families around the world eat American food, when a jet made in Seattle lands or takes off from an airport in Seoul, American jobs and paychecks are more secure.

Our prospects and our prosperity depend upon our ability to win in this kind of environment, an environment in which what we earn depends on what we can learn, in which Americans who only finish high school and have no further education and training face far grimmer futures than their parents, an America in which if we do not equal our competitors in research and development and our skill in bringing ideas into manufacturing jobs here at home, unless we have a conversion plan to take all the money by which we reduce defense and invest it in an American economy for the 21st century -- in transportation, communication, and environmental cleanup technologies, in biotechnology, in the new frontiers that will provide tens of thousands, indeed, hundreds of thousands of high wage jobs if we seize the opportunities, unless we do that, whatever we do on this trade agreement will not guarantee or undermine the future we are otherwise going to have.

We've got to understand what the big rules are and start following them. Our competitors know it. The Germans and the Japanese do more with education, from public school to apprenticeships to training in the work force, than we do. The average German factory spends five times as much money retraining its workers as the average American employer on an annual basis.

They do more on research and development than we do. They spend a higher percentage of their income.

But when our companies do have well-trained workers and competitive products and services and high levels of cooperation and productivity, they

do very well indeed. We still have some of the finest companies in the world, that dominate their marketplaces in spite of the fact that they live in a country which doesn't encourage investment in new plants ~~over~~ investment in new Maseratis or third or fourth homes. They do so in spite of the fact that they live in a country which won't control health care costs and in spite of the fact that they live in a country which doesn't guarantee that workers will always have the opportunity to have high, high, high levels of education and training.

But no matter what we do in preparing our workers and investing money, we've still got to have markets for our products. As much as we export, the Germans export a far higher percentage per capita than we do. We need more markets. And today, regional economic blocs are emerging, very formally in Western Europe and less formally, but still surely in Asia, organized by Japan and Japanese investment.

It is too early to say whether the integration of Western Europe will be a plus or a minus for America. If they keep opening trade, well, that's good.

We now have a \$17 billion surplus with Europe. But they also limit car imports to 16 percent, and they recently restricted imports of American agricultural products on the flimsiest of excuses.

So while we don't know what will happen with these other regional trading blocs, we know enough to know that we need stronger ties to our neighbors both for positive opportunities and to protect us in the event that other countries become more protectionist.

We can only do that with Canada, which is already at roughly our standard of living, and with Mexico, which is way below our standard of living, if we find a way to grow our economies together in ways that are good for both of us.

So I advocate this treaty as a beginning of that process. I hope that one day we'll have a global agreement for the General Agreement on Tariffs and Trades which will be fairer to our country and which will open markets around the world. But in the meantime, we need to do more in our own region.

If we can make this agreement work with Canada and Mexico, then we can reach down into the other market-oriented economies of Central and South America to expand even further. But these three economies together will give us, in terms of population, the largest trading market in the world today.

It will provide more jobs through exports. It will challenge us to become more competitive. It will certainly help Mexico to develop, but still, that is also in our interest: A wealthier Mexico will buy more American products; as incomes rise there, that will reduce pressure for immigration across the border into the United States, which depresses wages here.

President Salinas has taken some important steps. He's privatized corporations, he's reduced his debt, he's tamed inflation and he's brought down trade barriers. As I said, the unilateral initiative of the Mexicans has led to a huge increase in the products we sell there and the evaporation of the trade deficit. They also encouraged us to enter these negotiations.

Now, what we have to do, I will say again, is to have a new kind of leadership to make this work. We have to have an overall trade policy that says to our trading partners, particularly our wealthy ones, if you want access to our market, you've got to give us access to yours.

When the president went to Japan, it was sort of sad. He took the auto company executives and pleaded with the Japanese to buy cars. But his United States trade representative had given him a report that said that if Japanese markets were as open as American markets, they would buy \$10 billion more products from us every year, everything from agriculture to auto parts to electronics, in ways that would create 300,000 high-wage jobs in America.

So have to say that trading blocs are not enough. We need fair treatment in other countries if we are giving them fair treatment in ours.

But let me come back to this agreement. Although it is unpopular with some people and organizations that I admire and who represent the very Americans I am fighting so hard for in this election, I think we should go forward with it because it advances our interests, the interests of ordinary Americans, more than it undermines them if we also do the other things needed to deal with the deficiencies in this agreement and if we have a good, new economic policy.

The agreement reduces and eventually eliminates trade barriers in place, especially in Mexico, against a number of major American exports. It opens up larger markets for our goods and services. It will phase out virtually all tariffs between the U.S. and Mexico over the next 15 years, with some of the most sensitive products being given the longest transitions.

Yet, as I said, there are critical issues which remain unaddressed, from workers' rights to farmers' needs to environmental protection. Despite the promises he made to really address these in a forthright way, Mr. Bush has failed, most

important, to provide adequate assistance to our workers, those most likely to be hurt by economic integration with Mexico.

American farmers could also suffer without stronger safeguards for their interests. And the environmental provisions are still too weak. This agreement does nothing to reaffirm our right to insist that the Mexicans follow their own labor standards, now frequently violated--this is a very important issue--and not aggravate the wage differentials which already exist.

As we move toward free trade, we must always remember why we're doing it--to help the working men and women of America. We should not do things that are not in the interest of our people over the long run.

There are apparel workers, fruit and vegetable farmers, electronic workers, and auto workers who are at risk, not only of short-term dislocation, but of permanent damage if this agreement is not strengthened and improved. Industries that have already been hard hit by the flow of jobs to Mexico will continue to be hurt unless we negotiate tougher measures to protect them and to make ourselves more competitive.

The shortcomings in the agreement are really a reflection, however, of the shortcomings in the Bush economic policy as a whole, not just in his approach to trade with Mexico or to world trade, but in the whole approach to the economy and the environment.

This agreement underscores the core of the differences between me and Mr. Bush. From the national economic recession to the dislocations caused by defense cutbacks, his attitude has been that we should have trickle-down economics and let the market have its way, keep taxes lowest on the wealthiest Americans, then get out of the way. He seems to be saying, so what if some workers get hurt or some farmers get hurt or some environmental damage is done? So what? Sooner or later, it'll all come out in the wash. Well, a lot of Americans are being washed away by that economic philosophy.

I want America to go forward with expanded trade with our neighbors. I also want an America that has a national economic strategy that makes sense. And I believe there are some things we need to do to make this agreement stronger, but I think they can be addressed without renegotiating the basic free trade agreement.

As president, I will ensure adequate measures are taken, before Congress acts to implement the free trade agreement. I don't want to give up all our leverage to help our workers and to make sure our environment is protected by basically ratifying the agreement through legislation. I think that we don't have to reopen the agreement, but we do have to insist that protection for our workers, and for the environment proceed on parallel tracks. We should do it all at once.

President Bush has many tools at his disposal to protect our interests in addition to the things that ought to be done to the agreement. But he has failed to use them. As president, I will aggressively pursue the remedies available in our current trade laws and in the proposed agreement to protect our jobs, our businesses, our farmers and our environment from unfair practices. In addition, I think there are five unilateral steps we should take, and there are three supplemental agreements we should negotiate with Canada and Mexico to achieve an acceptable package. Here they are: First, what we have to do; we've got to address the long neglected needs of our working people, both skilled and unskilled, who are on the front lines of new economic conditions and who may be displaced. The most glaring omission in the president's package is its lack of meaningful assistance to vulnerable workers and community.

For those who need training, we must provide it. Mr. Bush's record on these issues is not a good one. In the last three budgets, he has proposed totally eliminating the training assistance that goes to people whose jobs are displaced by foreign competition.

In his 1993 budget, he cut employment and training programs by \$40 million. In a cynical election year ploy, his labor department proposed some more money for job training and other trade assistance to Michigan workers who've lost their jobs. It amounted to about \$4.60 a worker.

In our administration, the Clinton/Gore administration we won't play politics with the lives of working men and women.

We will give you real programs to deal with the real problems. Trade adjustment assistance that includes training, health care benefits and income supports, and assistance to communities to create jobs. You can train people all you want, but if they don't have anything to do, it will be like being all dressed up with no place to go.

While Mr. Bush has, in the 11th hour, made a proposal more generous than anything he has said before, it is still way too little too late. I will do more, it will be better. The American working people will be proud of it. It will ensure dignity and the opportunity to continue to be a productive member of the American workforce.

The second thing we have to do is move to protect our environment.

The Bush administration on this score is so bad that Mr. Bush's own cabinet secretary sent a memo to all of his employees saying what a bad job the president had done at the earth summit. And he's even stopped calling himself the environmental president.

It's not surprising that they did little to deal with this issue in the negotiations. Before we implement this, we have to be sure, first, that there will be environmental cleanup and infrastructure investments in our country sufficient to do what we have to do.

The third thing we have to do is to make sure we do something for the farmers who are at risk here. I am convinced, having read this agreement with some care, that some of the farmers will do better under it than they fear that they will and that the losses in some sectors have been somewhat exaggerated. However, there will certainly be some dislocation.

Assistance should be provided to farmers who are threatened. We can assist them first by strict application of American pesticide requirements to imported food.

We should help some growers shift to alternative crops, and those who may lose out to competition should be just as eligible for transition assistance as workers in businesses and communities are.

Fourth, we ought to make sure that NAFTA, the trade agreement, doesn't override the Democratic process.

For example, in the provisions on the environment, the current agreement contains no mechanism for public participation in defending challenges to American laws if we apply our environmental laws against Mexican products, or in bringing challenges to the practices of other parties.

I think the new Congress should pass legislation to provide for public participation in crafting our position in ongoing disputes, and to give citizens the right to challenge objectionable environmental practices by the Mexicans or the Canadians.

Fifth, I think we have to make sure this agreement's provisions allowing foreign workers to cross our borders are properly implemented. We have to assure that certain professional workers aren't brought in here as strike breakers. The recent experience where Canadian workers were brought into the country to break our nurses' strike by American nurses is an example of this. That should never be repeated.

As president, I have said repeatedly, I would support a law to outlaw the use of permanent replacement workers, and I certainly will negotiate to stop the use of replacement workers from Canada and Mexico.

I also think--I want to note that this agreement allows Mexican truckers to drive in the United States without having to satisfy all the U.S. safety and training

standards. That troubles me, and I think that you have to say that we must do everything we can under the agreement, and there are some things we can do, to assure there is adherence to U.S. standards through tough inspections.

There are several areas now that we have to negotiate, supplemental agreements which I would want to present together with the agreement that's already been negotiated. Before implementing the agreement, we must establish an environmental protection commission with substantial powers and resources to prevent and clean up water pollution. The commission should also encourage the enforcement of the country's own environmental laws through education, training and commitment of resources, and provide a forum to hear complaints.

Such a commission would have the power to provide remedies, including money damages and the legal power to stop pollution. As a last resort, a country could even be allowed to withdraw.

If we don't have the power to enforce the laws that are on the books, what good is the agreement?

We must have some assurances on this. This is a major economic, as well as an environmental, issue.

Best of all, I'm going to ask Senator Gore to take charge of ensuring that an effective commission is established and that it does work to protect the environment.

The Bush administration has talked about setting up a commission, but it's too little, too late. It won't even be up for final discussion until next year. By then, the incentives the other countries have to do anything meaningful will have evaporated if the agreement is already adopted.

That is unacceptable. Al Gore and I will ensure that the environmental protection commission is up and running when the free trade agreement is up and running.

A second commission with similar powers should be established for worker standards and safety. It too should have extensive powers to educate, train, develop minimum standards and have similar dispute resolution powers and remedies. We have got to do this. This is a big deal.

Perhaps the toughest issue of all is how to obtain better enforcement of laws already on the books on the environment and worker standards. It's interesting that the agreement negotiated by the Bush team goes a long way to do this in protecting intellectual property rights and the right to invest in Mexico, but is silent

with respect to labor laws and the environment.

I want to remedy that. I'm interested in the impact of the agreement on the rest of the people, not just those investing in Mexico, but the rest of the people in this country and the rest of the people in their country.

So we need a supplemental agreement which would require each country to enforce its own environmental and worker standards. Each agreement should contain a wide variety of procedural safeguards and remedies that we take for granted here in our country, such as easy access to the courts, public hearings, the right to present evidence, streamlined procedures and effective remedies. I will negotiate an agreement among the three parties that permits citizens of each country to bring suit in their own courts when they believe their domestic environmental protections and worker standards aren't being enforced.

Finally, I want to ask Congress to grant the authority to the president to continue negotiations on the impact of this treaty. What if we have a global agreement? How will that impact this? And most important, what happens if there is an unexpected surge in imports in one sector or another that displaces huge numbers of people in this economy?

We have in our present trade law, believe it or not--a lot of people don't know this--we have in our present trade law the capacity to protect our own workers if there is, quote, an unexpected surge in exports--or imports into our country in some sectors of the economy, where the displacement is too great for us to manage, too great for us to retrain, too great for us to put people to work in other sectors.

That provision is contained, for automobiles only, in the North American Free Trade Agreement, and the remedy is weakened substantially.

I believe we should negotiate a parallel agreement that deals with the fact that neither the Mexicans nor the Americans know what the full consequences of this agreement are going to be. You can't get anybody to agree on how many jobs we're going to lose or how many jobs we're going to gain out of this. And I think it's fair to say that we don't want to do anything that's unnecessarily crippling to them, and they shouldn't want to do anything that's unnecessarily crippling to us.

So I will ask the Congress to give me extended authority to negotiate another agreement to deal with the ability of both countries to move in the event there is an unexpected and overwhelming surge in imports into either country which would dislocate a whole sector of the economy so quickly that there's nothing we could do about it to overcome the economic impact.

Now, I want to say one more time, none of this will make a difference unless

we have a new economic policy. This administration has no strategy to create and preserve jobs in middle America, but they offer job training, low cost loans and technical assistance to companies that'll move to Central America. I know that most of you saw or now have heard the television show which documented the fact that the United States Agency for International Development has spent at least \$289 million for programs to encourage American businesses to shut down here and move to Central America and the Caribbean. In fact, your tax dollars paid for this advertisement. And I quote--you paid for this: Rosa Martinez produces apparel for the U.S. markets on her sewing machine in El Salvador. You can hire her for 57 cents an hour.

How do you feel about paying for that? You paid for low-interest loans to a plant in Tennessee to shut down in Tennessee, put 304 people on the street, and move to Central America. But that fellow running that plant couldn't get the same low-interest loan to modernize plant and equipment in Tennessee to keep those people working.

You paid for an employee of the United States government who was photographed in an interview saying that the workers in the country he was working in were more reliable than the workers in Miami, Florida. You paid for that.

It is no wonder that the American working people are so frightened of having this administration implement this trade agreement.

We've got to stop using our own taxpayers' money to export their own jobs. And it's unbelievable to me that we have actually spent more money under the Bush administration last year to train workers in Central America than we spent to train people in middle America who had lost their jobs because of foreign competition.

Now, those are their priorities. But let me say again; it's not enough just to stop what they are doing wrong. We have to do some new things right. And let me reel them off quickly:

We've got to change the tax system in this country. We should give people more incentives if they invest in new plants, new equipment, new small businesses, research and development, housing, the kinds of things that put the American people to work, and we should remove from the tax code the incentives to shut plants down here and move them overseas. That's what we should do.

This is entirely consistent with what the other wealthy countries do. This is the only country--you look at Germany and Japan; look at their tax code--that would say we're not going to give you an investment tax credit to modernize your equipment and your plant; but shut your plant down, move it overseas, we'll give you a tax deduction for shutting the plant down, we'll give you loss carried forward for the losses in the

earlier years. Keep your money down there and you'll never have to pay income tax on it in America.

It's all backward. We need a tax system that's an investment, job-oriented tax system that says we want people to make money in America, but we want them to make it the old fashioned way--make millionaires by putting other Americans to work. That's very, very important.

I mentioned this once before and you clapped so I know you got it, but we've got to have a conversion strategy to do something with the defense money. The defense budget is going to be cut no matter who wins this election.

But look what has happened. What has happened under the present Administration is all that money is going to the S&L bailout the higher health care costs. I want to put it into jobs for Americans. It's important.

We've got to have--we have got to finally join the other advanced nations and have a national system to bring health costs in line with inflation and provide basic health care to all Americans; one that preserves the strengths of our system, but deals with the problems.

We've got to bring energy usage into competitive lines with more efficiency and alternative uses of energy, more use of cheap American natural gas, renewable energy sources, and efficiency.

If we could be as efficient in every factory and office building as our foreign competitors, it would free up billions of dollars to reinvest in this economy.

If we could bring health care costs in line with inflation, it would save the average American family \$1,200 a year and hundreds of billions of dollars for this economy, which could be reinvested for new jobs by the end of this decade hundreds of billions of dollars.

And let me point out that that is why our campaign has been getting such broad based support. The Teamsters endorsed the Clinton-Gore ticket, the first Democratic ticket they had endorsed in two decades. In the hi-tech center of America, Silicon Valley, 21 computer and electronic executives endorsed our ticket; two-thirds of them were Republicans.

In Chicago the other day, 400 business executives endorsed our campaign; a third of them were Republicans--because they know that what's going on now is not working.

On the health care issue, Mr. Bush keeps dumping on me, but the Nurses

Association endorsed our campaign; the first time they ever had

The American College of Physicians, 77,000 doctors, issued a health care plan very similar to mine, and last week people who had been executives in both the Republican and Democratic Administrations said that Bush's health care plan would not control costs; that mine would save the average family nearly \$1,200 a year by the year 2000 and that we would cover everybody, and his plan would still leave 27 million people uncovered.

There is a reason why this kind of support is being generated for this ticket.

For all of its complexities, the debate over this treaty comes down to this:

It's clear what the benefits of trade are. It's clear what the hazards of investment across national lines are, and the issue you have to face is who do you trust to protect our workers, our communities, and our environment?

George Bush, whose Administration encourages American corporations to move to other countries with low wages and lax environmental laws, and even spends your tax money to finance it, or Bill and Al Gore who have a long record of fighting for good jobs and a healthy environment?

Do you trust George Bush, who has amassed the worst economic record in 50 years, the first decline in manufacturing, two-thirds of the working people with their wages going down, 1 in 10 Americans on food stamps, quadrupled the debt in the last 12 years with our investment in the future going down, and no strategy for the future, or a different kind of Democrat who believes we can have both, open markets and a strong domestic economy?

In the end, whether the North American Free Trade Agreement is a good thing for America is not a question of foreign policy. It is a question of domestic policy.

If we are not strong at home, we will inevitably be weaker abroad. We have to build a new economy in which incomes and employment are rising and companies are growing; a society in which opportunity is expanding and hope comes alive again.

And so I say to you, my fellow Americans, we have to have the courage to change, and a part of that change should involve a closer relationship with Mexico now under better leadership than ever in my lifetime. If we have the determination to reject failed policies and the old labels of the past, if

we have the vision to see and work toward a better tomorrow. Therefore, we need not fear the future. If we seize this day and shape this change, we can make our great country what it was meant to be.

Thank you very much.

Fast Track

1. Sheet on - What is Fast-Track Authority
2. Sheet - Trade is Good For America: general sheet on how we've benefited from trade (high wage jobs) as well as a lot of references to the new economy.
3. Sheets on Previous Trade Agreements that have been negotiated under fast-track procedures and how they have all benefited the United States (if this is true).
4. Fast Track Myths & Realities - Try to deal with the large-scale misconceptions with what fast-track is.
5. Republicans' and Democrats' views on fast track. Pundits as well.
6. Sheet on how this is not about NAFTA, but about free trade in general. We should also have a sheet on NAFTA's positive effects, in case this becomes a pro- or anti- NAFTA debate.
7. Anecdotes: real small businesses from a diverse cross-section of America that have benefitted from freer trade.

TRADE

"When we have the opportunity to sell American products and services around the world, we know we can compete -- and that means new jobs and a rising standard of living, the core of the American Dream."

President Bill Clinton
December 9, 1994

President Clinton has worked to expand our economy by creating more opportunities to sell Americans goods and services in foreign markets and to create jobs for American workers. Our nation has had the highest growth of any major economy in the world over the last three years. The economy has created more than 9.7 million jobs -- 93% of which have been in the private sector. Over 60% of the 3.3 million new jobs created in 1994 alone were created by small companies. Unemployment is down to 5.6%. The combination of unemployment plus inflation is the lowest in 27 years.

President Clinton has stood up for American interests by implementing an aggressive market-opening policy. The President has opened new markets to U.S. exports to create high-wage jobs in the United States while monitoring and enforcing our trade agreements to ensure our trading partners are living up to their obligations.

A RECORD OF ACCOMPLISHMENT:

Created Over 1 Million High-Wage American Jobs Through an Export Boom: President Clinton recognizes that America's prosperity in the 21st century depends on our ability to compete and win in international markets. That is why the President has put in place a trade policy that opens foreign markets to U.S. products, invests in U.S. workers to help them compete in the global economy and provides government support in promoting U.S. goods and services abroad.

- The United States is today the world's largest exporter. U.S. exports have grown 31% since President Clinton took office. In 1995 alone, U.S. exports were up more than 14%.
- Exports have accounted for one-third of overall U.S. economic growth since the beginning of the Clinton Administration.
- Since the beginning of the Administration, over one million high-quality, high-wage jobs have been created as a result of increased U.S. exports. Eleven million American jobs are supported by exports. Roughly one out of every ten American workers have jobs which are supported by exports. Export-related jobs pay on average 13% more than other jobs.
- U.S. exports support one in five manufacturing jobs. The increase in U.S. exports has contributed to the creation of 175,000 manufacturing jobs in the past three years. Auto

jobs have increased by 121,000 during the Clinton Administration, after declining during the previous four years.

- The Clinton Administration has pioneered a National Export Strategy to help U.S. companies compete for foreign contracts. For the first time, the U.S. government is providing a coordinated package of services to American companies including export finance, advice on foreign markets from Brazil to Indonesia, and high-level government advocacy.

Stood Up for American Workers to Open Markets Abroad: President Clinton has taken a firm stand in opening markets around the world to U.S. goods and services. The Administration has concluded over 200 trade agreements and has placed emphasis on opening the markets of our most important trading partners, including Japan, Canada, and Mexico. The Administration places a high priority on monitoring and enforcing these agreements.

- President Clinton helped level the playing field for U.S. products around the world by concluding the Uruguay Round of the GATT, which lowers trade barriers and requires our trading partners to live up to their obligations. For the first time, the Uruguay Round established rules for trade in agriculture. In 1995, U.S. agricultural exports surged to a record \$56 billion, with all-time highs in poultry, pork, wheat, and cotton.
- The President worked to open markets of our first and third largest trading partners -- Canada and Mexico -- by leading a bipartisan coalition in support of the North American Free Trade Agreement.
 - At \$46 billion, U.S. exports to Mexico in 1995 were 11% higher than in 1993 -- the year before NAFTA was implemented. Mexicans buy 74% of their imports from the United States.
- The Clinton Administration has reached 21 market opening trade agreements with Japan - our second largest trading partner -- covering a range of sectors including: autos and auto parts, medical technology, flat glass, insurance, financial services, telecommunications, construction, cellular phones, chemicals, rice, apples and intellectual property rights.
 - Total U.S. exports to Japan are up 35% since 1992, reaching a record \$64 billion in 1995 and supporting over 800,000 American jobs.
 - Merchandise exports to Japan grew five times faster than our imports from Japan in 1995. As a result, the 1995 merchandise trade deficit with Japan declined by 10% -- the first decline in five years. Half of the improvement in the trade deficit with Japan was a result of autos and, for the first time in a decade, U.S. auto exports to Japan increased significantly while imports fell.

- According to the Council of Economic Advisers, U.S. exports in goods sectors covered by the Administration's market-opening agreements with Japan have grown over 85% since 1992. That's three times as fast as other U.S. exports to Japan. For example:
 - U.S. auto and auto parts exports to Japan have increased over 35% since the agreement went into effect in August 1995. In 1995, more than 140,000 U.S.-made vehicles were sold in Japan, up 40% since 1994.
 - U.S. exports of telecommunications equipment to Japan have grown nearly 50% since November 1994 -- almost twice as fast as telecommunications equipment exports to the European Union. U.S. telecommunications exports to Japan reached \$1.7 billion in 1995.
 - U.S. exports of medical technology to Japan have grown over 35% since November 1994, reaching nearly \$2 billion.
- U.S. manufacturing firms have increased their share of the Japanese market by over 20% in past three years.

Strengthened America's Economy by Restoring U.S. Competitiveness: President Clinton has put the United States' financial house in order through sound macroeconomic policies such as a tough deficit reduction plan and reduced government. The President also has promoted education and training programs to give the American people the tools they need to prosper in the new global economy. In addition, the President has strengthened our economy by opening up opportunities to sell American goods and services in foreign markets.

- The United States was named the most competitive economy in the world for the third year in a row -- up from number five in 1992.
- The United States is the world's number one producer of automobiles for the first time since the 1970's -- overtaking Japan.
- The U.S. aircraft industry dominates the world market -- supplying 65% of Asia's imports.
- The United States is once again the world's number one producer of semiconductors -- surpassing Japan.

THE CHALLENGES AHEAD:

President Clinton will continue to open markets around the world and will continue to promote American exports by:

- Aggressively pushing our trading partners to further open their markets to U.S. goods and services.
- Ensuring that our trading partners live up to their obligations by strictly enforcing our trade agreements, using sanctions and other punitive measures when necessary.
- Continuing to place special emphasis on the fast-growing emerging markets around the world.
- Continuing to help small- and medium-sized enterprises export.
- Continuing to give American workers and businesses the tools they need to compete and win in the new global economy.

June 1996

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- Continuing to give American workers and businesses the tools they need to compete and win in the new global economy.

June 1996

**U.S. TRADE-RELATED AGREEMENTS
AND DECLARATIONS CONCLUDED SINCE 1993**

Following is a list of the 222 U.S. trade-related agreements and declarations concluded by the Office of the U.S. Trade Representative from January 1993 through October 1, 1997. This list does not include U.S. trade-related agreements negotiated by other U.S. Government agencies (e.g., civil aviation and maritime agreements).

MULTILATERAL AGREEMENTS

- Marrakesh Agreement Establishing the World Trade Organization (WTO) (signed April 15, 1994) and the Ministerial Decisions and Declarations adopted by the Uruguay Round Trade Negotiations Committee on December 15, 1993
 - a. Multilateral Agreements on Trade in Goods
 - i. General Agreement on Tariffs and Trade 1994
 - ii. Agreement on Agriculture
 - iii. Agreement on the Application of Sanitary and Phytosanitary Measures
 - iv. Agreement on Textiles and Clothing (which now supersedes most of the bilateral textile agreements listed below, incorporating quotas and certain provisions from those agreements)
 - v. Agreement on Technical Barriers to Trade
 - vi. Agreement on Trade-Related Investment Measures
 - vii. Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994
 - viii. Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994
 - ix. Agreement on Preshipment Inspection
 - x. Agreement on Rules of Origin
 - xi. Agreement on Import Licensing Procedures
 - xii. Agreement on Subsidies and Countervailing Measures
 - xiii. Agreement on Safeguards

- Agreement on Trade in Textiles and Textile Products (April 7 & July 28, 1994)
- Agreement on a Temporary Waiver of Hungary's WTO Export Subsidy Schedule (July 11, 1997)
- Agreement ad referendum to settle dispute involving Hungary's Uruguay Round commitments on agricultural export subsidies (July 11, 1997)

India

- Agreement on Intellectual Property Rights Protection (March 1993)
- Market Access Agreement for Textiles and Clothing (December 31, 1994)
- Agreement on Trade in Textiles and Textile Products (January 22 & December 31, 1994)

Indonesia

- Agreement on Trade in Textiles and Textile Products (June 16 & July 21, 1993; September 23, 1994; February 24, 1995)
- Market Access Agreement for Textiles and Clothing (December 1993)

Israel

- U.S.-Israel Agreement on Trade in Agriculture (November 4, 1996)

Jamaica

- Agreement on Trade in Textiles and Textile Products (November 8, 1993; September 29, 1994; June 20, 1995)
- Agreement on Intellectual Property Rights Protection and Enforcement (February 1994)
- Bilateral Investment Treaty (February 4, 1994)

Japan

- U.S.-Japan Framework for a New Economic Partnership (July 10, 1993)
- Exchange of Letters Regarding Apples (September 13, 1993)
- Action Plan on Reform of the Bidding and Contracting Procedures for Public Works in

Japan (January 18, 1994)

- **Mutual Understanding on Intellectual Property Rights between the Japanese Patent Office and the U.S. Patent and Trademark Office (January 20, 1994)**
- **Exchange of Letters Regarding Implementation of the Measures Regarding Cellular Telephone and Third-Party Radio Systems (March 12, 1994)**
- **Rice (April 15, 1994)**
- **Harmonized Chemical Tariffs (April 15, 1994)**
- **Copper (April 15, 1994)**
- **Market Access (April 15, 1994)**
- **Agreement Clarifying the Framework Agreement (May 24, 1994)**
- **Agreement on Actions to be Taken by the Japanese Patent Office and the U.S. Patent and Trademark Office pursuant to the January 20, 1994 Mutual Understanding on Intellectual Property Rights (August 16, 1994)**
- **Measures Regarding Insurance (October 11, 1994)**
- **Measures on Japanese Public Sector Procurement of Telecommunications Products and Services (November 1, 1994)**
- **Measures Related to Japanese Public Sector Procurement of Medical Technology Products and Services (November 1, 1994)**
- **Improvement Measures of NTT Procurement Procedures (November 1, 1994)**
- **Measures Regarding Market Access for Flat Glass (January 25, 1995)**
- **Policies and Measures Regarding Inward Direct Investment and Buyer-Supplier Relationships (June 20, 1995)**
- **U.S.-Japan Automotive Agreement and Supporting Documents (August 23, 1995)**
- **U.S.-Japan Record of Discussion on PHS (Personal Handiphone Systems) (March 30, 1996)**
- **U.S.-Japan Semiconductor Accord (August 2, 1996)**
- **Interim Understanding for the Continuation of Japan-U.S. Insurance Talks (September 30,**

1996)

- U.S.-Japan Insurance Agreement (December 15, 1996)
- Japan's Recognition of U.S.-Graded Lumber (January 13, 1997)
- Resolution of WTO Dispute with Japan on Sound Recordings (January 24, 1997)
- National Policy Agency (NPA) Procurement of VHF Radio Communications System (March 31, 1997)
- U.S.-Japan Agreement on Deregulation Initiative (June 19, 1997)
- U.S.-Japan Agreement to Extend and Strengthen the NTT Procurement Procedures Arrangements (October 1, 1997)

Jordan

- U.S.-Jordan Bilateral Investment Treaty (initialed, April 4, 1997)

Kazakhstan

- Agreement on Bilateral Trade Relations (February 18, 1993)

Kenya

- Agreement on Trade in Textiles and Textile Products (August 23 & October 25, 1994)

Korea

- Exchange of Letters Relating to Korea Telecom Company's Procurement of AT&T Switches (March 31, 1993)
- Beef Agreements (June 26 & December 29, 1993)
- Record of Understanding on Agricultural Market Access in the Uruguay Round (December 13, 1993)
- Agreement on Trade in Textiles and Textile Products (November 8 & 30, 1993)
- Market Access Agreement for Textiles and Clothing (January 1, 1995)
- Exchange of Letters on Telecommunications Issues Relating to Equipment Authorization and Korea Telecom Company's Procurement (March 29, 1995)
- Consultative Agreement on Steel (July 14, 1995)

**U.S. TRADE-RELATED AGREEMENTS
AND DECLARATIONS CONCLUDED SINCE 1993**

Following is a list of the 214 U.S. trade-related agreements and declarations concluded by the Office of the U.S. Trade Representative from January 1993 through July 23, 1997. This list does not include U.S. trade-related agreements negotiated by other U.S. Government agencies (e.g. civil aviation agreements).

MULTILATERAL AGREEMENTS

- Marrakesh Agreement Establishing the World Trade Organization (WTO) (signed April 15, 1994) and the Ministerial Decisions and Declarations adopted by the Uruguay Round Trade Negotiations Committee on December 15, 1993
 - a. Multilateral Agreements on Trade in Goods
 - i. General Agreement on Tariffs and Trade 1994
 - ii. Agreement on Agriculture
 - iii. Agreement on the Application of Sanitary and Phytosanitary Measures
 - iv. Agreement on Textiles and Clothing (which now supersedes most of the bilateral textile agreements listed below, incorporating quotas and certain provisions from those agreements)
 - v. Agreement on Technical Barriers to Trade
 - vi. Agreement on Trade-Related Investment Measures
 - vii. Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994
 - viii. Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994
 - ix. Agreement on Preshipment Inspection
 - x. Agreement on Rules of Origin
 - xi. Agreement on Import Licensing Procedures
 - xii. Agreement on Subsidies and Countervailing Measures
 - xiii. Agreement on Safeguards

- b. General Agreement on Trade in Services
- c. Agreement on Trade-Related Aspects of Intellectual Property Rights
- d. Plurilateral Trade Agreements¹
 - i. Agreement on Government Procurement (April 15, 1994)
 - ii. International Bovine Meat Agreement (April 15, 1994)
- North American Free Trade Agreement (NAFTA) (implementing legislation signed December 8, 1993)
- U.S.-Mexico Agreement under NAFTA on the Exchange of Product Safety Test Data (May 20, 1997)
- Free Trade Area of the Americas
 - a. Summit of the Americas Declaration and Action Plan (December 11, 1994)
 - b. Joint Declaration of the Trade Ministers (June 30, 1995)
 - c. Joint Declaration of the Trade Ministers (March 21, 1996)
 - d. Joint Ministerial Declaration of Belo Horizonte (May 16, 1997)
- Asia Pacific Economic Cooperation
 - a. Declaration of Common Resolve (November 15, 1994)
 - b. Declaration for Action (November 19, 1995)
 - c. Declaration on an APEC Framework for Strengthening Economic Cooperation and Development (November 22-23, 1996)
- International Tropical Timber Agreement, 1994 (January 26, 1994; not yet entered into force; successor to the 1983 International Tropical Timber Agreement)
- Memorandum of Understanding on Aluminum (agreement among the United States, Russia, Canada, the European Union, Australia, and Norway on Russian production of

¹ The Agreement on Trade in Civil Aircraft (April 12, 1979; amended by protocol in 1986) remains in force and was not changed by the Uruguay Round negotiations.

aluminum; January 27, 1994; expired in January 1996)

- OECD Agreement on Shipbuilding (December 21, 1994; implementing legislation pending before Congress)
- International Rubber Agreement (renegotiations concluded February 16, 1995; not yet signed)
- Singapore WTO Ministerial Declaration (December 13, 1996)
- WTO Basic Telecommunications Services Agreement (February 15, 1997)
- WTO Information Technology Agreement (ITA) (March 26, 1997)

BILATERAL AGREEMENTS

Albania

- Bilateral Investment Treaty (January 11, 1995)

Argentina

- Market Access Agreement for Textiles and Clothing (December 1993)
- Agreement on Tobacco Tariff-Rate Quota (September 11, 1995)

Australia

- Market Access Agreement for Textiles and Clothing (December 1993)
- Settlement on Leather Products Trade (November 25, 1996)

Azerbaijan

- Agreement on Bilateral Trade Relations (April 12, 1993)

Bahrain

- Agreement on Trade in Textiles and Textile Products (April 4 & June 9, 1993)

Bangladesh

4

- Agreement on Trade in Textiles and Textile Products (December 10, 1994)

Belarus

- Agreement on Bilateral Trade Relations (February 16, 1993)
- Bilateral Investment Treaty (January 15, 1994)

Brazil

- Market Access Agreement for Textiles and Clothing (December 1993)
- Agreement on Trade in Textiles and Textile Products (May 4 & June 27, 1994)
- Agreement on Tobacco Tariff-Rate Quota (August 9 & September 11, 1995)

5

Bulgaria

- Agreement on Trade in Textiles and Textile Products (December 2 & 23, 1993; Memorandum of Understanding, ad ref. March 23, 1996)
- Agreement Concerning Intellectual Property Rights (July 6, 1994)

Cambodia

- Agreement Between the United States of America and the Kingdom of Cambodia on Trade Relations and Intellectual Property Rights Protection (October 8, 1996)

Canada

- Agreement Regarding Processed Chicken Quotas (October 14, 1993)
- Agreement on Salmon & Herring (May 11, 1993)
- Agreement Regarding Tires (May 25, 1993)
- Memorandum of Understanding on Provincial Beer Marketing Practices (August 5, 1993)
- Agreement on Ultra-High Temperature Milk (September 1993)
- Agreement on Telecommunications (March 1994)
- Agreement on Beer Market Access in Quebec and British Columbia Beer Antidumping Cases (April 4, 1994)
- Agreement on Salmon & Herring (April 1994)
- Agreement on Wheat (August 1, 1994; expired September 11, 1995)
- Agreement on Softwood Lumber Consultative Process (December 15, 1994)
- Agreement on Trade in Softwood Lumber (May 29, 1996)

Chile

- Market Access Agreement for Textiles and Clothing (December 1993)
- Agreement on Trade in Textiles and Textile Products (March 29 & June 8, 1995)

China

- Agreement on Silk Apparel Products (January 17, 1994)
- Memorandum of Agreement to Renew the Bilateral Agreement on International Trade in Commercial Space Launch Services (January 27, 1995)
- Agreement on Trade Relations Between the United States of America and the People's Republic of China (February 1, 1995)
- Agreement on Providing Intellectual Property Rights Protection (February 26, 1995)
- Agreement on Trade in Textiles and Textile Products (January 17 & March 17, 1994; March 29 & June 8, 1995)
- Protocol on the Export of Cherries from Washington State (April 20, 1995)
- Protocol on the Export of Apples from Idaho and Oregon (April 20, 1995)
- Research Protocol for Tobacco (April 1995)
- Protocol on Bovine Embryos and Live Cattle (June 1995)
- Protocol on Bovine Semen (October 1995)
- Agreement on Trade in Textiles and Textile Products (February 2, 1997)
- Protocol and Work Plan on the Export of Grapes from California (May 13, 1997)

Colombia

- Market Access Agreement for Textiles and Clothing (December 1993)
- Agreement on Trade in Textiles and Textile Products (October 15, 1993, November 18, 1994; June 27 & August 9, 1995)
- Memorandum of Understanding on Trade in Bananas (January 9, 1996)

Costa Rica

- Agreement on Trade in Textiles and Textile Products (December 23, 1993; May 5 & October 20, 1994)

- Memorandum of Understanding on Trade in Bananas (January 9, 1996)

Czech Republic

- Agreement on Trade in Textiles and Textile Products (August 11, 1993; April 11, 1994)

Dominican Republic

- Agreement on Trade in Textiles and Textile Products (April 13, August 11 & November 15, 1994; June 25, 1995)
- Agreement on Tobacco Tariff-Rate Quota (September 11, 1995)

Ecuador

- Bilateral Investment Treaty (August 27, 1993; U.S. awaiting Ecuador's approval of intellectual property rights protection agreement before proceeding)
- Agreement on Intellectual Property Rights Protection (October 15, 1993)
- Bilateral Trade Agreement in the Context of Ecuador's Accession to the WTO (1995)

Egypt

- Agreement on Trade in Textiles and Textile Products (January 1993; March 7 & May 4, 1995)
- Market Access Agreement for Textiles and Clothing (June 1994)

El Salvador

- Agreement on Trade in Textiles and Textile Products (September 26, 1994 & July 6, 1995)
- Bilateral Investment Treaty (June 1995)

Estonia

- Bilateral Investment Treaty (April 19, 1994)
- Trade and Intellectual Property Rights Agreement (April 19, 1994; requires approval by

Estonian legislature)

European Union

- Memorandum of Understanding on Government Procurement (May 25, 1993)
- Market Access Agreement for Textiles and Clothing (December 1993)
- Agreement on Recognition of Bourbon Whisky and Tennessee Whisky as Distinctive U.S. Products (March 28, 1994)
- Bilateral Agreement on Application of the WTO Agreement on Government Procurement (WTO Plurilateral Agreement on Government Procurement, April 15, 1994)
- Interim Agreement on EU Enlargement Compensation (January 4, 1995)
- Letter on Financial Services Confirming Assurances to Provide Full MFN and National Treatment (July 14, 1995)
- Joint Action Plan on the TransAtlantic Marketplace (December 1995)
- Exchange of Letters Concerning Implementation of the Marrakesh Agreement Establishing the World Trade Organization and Related Matters (June 26, 1996)
- Exchange of Letters between the United States of America and the European Community on a Settlement for Cereals and Rice, and accompanying exchange of letters on rice prices (July 22, 1996)
- Agreement for the Conclusion of Negotiations between the United States of America and the European Community under Article XXIV:6, and accompanying exchange of letters (July 22, 1996)
- Tariff Initiative on Distilled Spirits (February 28, 1997)
- U.S.-EU Agreement on Mutual Recognition of Product Testing or Approval Requirements (June 20, 1997--not yet entered into force)

Fiji

- Agreement on Trade in Textiles and Textile Products (October 11 & November 10, 1994; October 26 & December 29, 1995)

Georgia

- Agreement on Bilateral Trade Relations (March 1, 1993)
- Bilateral Investment Treaty (March 7, 1994)

Germany

- German Agreement to Reform its Procurement System (September 30, 1996)

Guatemala

- Agreement on Trade in Textiles and Textile Products (March 3, 1995; October 19, 1995)
- Agreement on Tobacco Tariff-Rate Quota (September 11, 1995)

Haiti

- Agreement on Trade in Textiles and Textile Products (December 30, 1993; expired)

Honduras

- Agreement on Trade in Textiles and Textile Products (March 2 & September 15, 1995)
- Bilateral Investment Treaty (July 1, 1995; requires U.S. Senate approval)
- Memorandum of Understanding on Worker Rights (November 15, 1995)

Hungary

- Agreement on Intellectual Property Rights Protection (September 29, 1993)
- Market Access Agreement for Textiles and Clothing (December 1993)
- Agreement on Trade in Textiles and Textile Products (April 7 & July 28, 1994)

India

- Agreement on Intellectual Property Rights Protection (March 1993)
- Market Access Agreement for Textiles and Clothing (December 31, 1994)

- Agreement on Trade in Textiles and Textile Products (January 22 & December 31, 1994)

Indonesia

- Agreement on Trade in Textiles and Textile Products (June 16 & July 21, 1993; September 23, 1994; February 24, 1995)
- Market Access Agreement for Textiles and Clothing (December 1993)

Israel

- U.S.-Israel Agreement on Trade in Agriculture (November 4, 1996)

Jamaica

- Agreement on Trade in Textiles and Textile Products (November 8, 1993, September 29, 1994, June 20, 1995)
- Agreement on Intellectual Property Rights Protection and Enforcement (February 1994)
- Bilateral Investment Treaty (February 4, 1994)

Japan

- U.S.-Japan Framework for a New Economic Partnership (July 10, 1993)
- Exchange of Letters Regarding Apples (September 13, 1993)
- Action Plan on Reform of the Bidding and Contracting Procedures for Public Works in Japan (January 18, 1994)
- Mutual Understanding on Intellectual Property Rights between the Japanese Patent Office and the U.S. Patent and Trademark Office (January 20, 1994)
- Exchange of Letters Regarding Implementation of the Measures Regarding Cellular Telephone and Third-Party Radio Systems (March 12, 1994)

- Rice (April 15, 1994)
- Harmonized Chemical Tariffs (April 15, 1994)
- Copper (April 15, 1994)
- Market Access (April 15, 1994)
- Agreement Clarifying the Framework Agreement (May 24, 1994)
- Agreement on Actions to be Taken by the Japanese Patent Office and the U.S. Patent and Trademark Office pursuant to the January 20, 1994 Mutual Understanding on Intellectual Property Rights (August 16, 1994)
- Measures Regarding Insurance (October 11, 1994)
- Measures on Japanese Public Sector Procurement of Telecommunications Products and Services (November 1, 1994)
- Measures Related to Japanese Public Sector Procurement of Medical Technology Products and Services (November 1, 1994)
- Improvement Measures of NTT Procurement Procedures (November 1, 1994)
- Measures Regarding Market Access for Flat Glass (January 25, 1995)
- Measures Regarding Financial Services (February 13, 1995)
- Policies and Measures Regarding Inward Direct Investment and Buyer-Supplier Relationships (June 20, 1995)
- U.S.-Japan Automotive Agreement and Supporting Documents (August 23, 1995)
- U.S.-Japan Semiconductor Accord (August 2, 1996)
- Interim Understanding for the Continuation of Japan-U.S. Insurance Talks (September 30, 1996)
- U.S.-Japan Insurance Agreement (December 15, 1996)
- Japan's Recognition of U.S.-Graded Lumber (January 13, 1997)
- U.S.-Japan Agreement on Deregulation Initiative (June 19, 1997)

12

Jordan

- U.S.-Jordan Bilateral Investment Treaty (initialed, April 4, 1997)

Kazakhstan

- Agreement on Bilateral Trade Relations (February 18, 1993)

Kenya

- Agreement on Trade in Textiles and Textile Products (August 23 & October 25, 1994)

13

Korea

- Exchange of Letters Relating to Korea Telecom Company's Procurement of AT&T Switches (March 31, 1993)
- Beef Agreements (June 26 & December 29, 1993)
- Record of Understanding on Agricultural Market Access in the Uruguay Round (December 13, 1993)
- Agreement on Trade in Textiles and Textile Products (November 8 & 30, 1993)
- Market Access Agreement for Textiles and Clothing (January 1, 1995)
- Exchange of Letters on Telecommunications Issues Relating to Equipment Authorization and Korea Telecom Company's Procurement (March 29, 1995)
- Agreement on Steel (July 14, 1995)
- Shelf-Life Agreement (July 20, 1995)
- Revised Cigarette Agreement (August 25, 1995)
- Memorandum of Understanding to Increase Market Access for Foreign Passenger Vehicles in Korea (September 28, 1995)
- Exchange of Letters on Implementation of the 1992 Telecommunications Agreement (April 12, 1996)
- Korean Commitments on Trade in Telecommunications Goods and Services (July 23, 1997)

Kuwait

- Agreement on Trade in Textiles and Textile Products (May 10, 1994)

Laos

- Agreement on Trade in Textiles and Textile Products (September 15, 1994)

Latvia

- Agreement on Trade & Intellectual Property Rights Protection (July 6, 1994)

- Bilateral Investment Treaty (January 13, 1995)

Lebanon

- Agreement Concerning Trade in Certain Textiles and Textile Products (February 18, 1993)

Lesotho

- Agreement on Trade in Textiles and Textile Products (March 2 & May 25, 1994; expired)

Lithuania

- Trade and Intellectual Property Rights Agreement (April 26, 1994; requires approval by Lithuanian legislature)

Macau

- Agreement on Trade in Textiles and Textile Products (March 29 & May 21, 1994)

Malaysia

- Market Access Agreement for Textiles and Clothing (December 1993)
- Agreement on Trade in Textiles and Textile Products (January 12 & 28 & November 3, 1994)

Mauritius

- Agreement on Trade in Textiles and Textile Products (March 17 & July 29, 1994)

Mexico

- Agreement on Trade in Textiles and Textile Products (August 26, 1993; superseded by NAFTA)

Middle East

- Reciprocal Duty Free Treatment to the West Bank and Gaza Strip (October 17, 1995; requires implementing legislation)

Moldova

15

- Bilateral Investment Treaty (April 21, 1993; requires U.S. Senate approval)

Mongolia

- Bilateral Investment Treaty (October 7, 1994)

Morocco

- Market Access Agreement for Textiles and Clothing (December 1993)
- Bilateral Trade and Investment Framework Agreement (March 16, 1995)

Nepal

- Agreement on Trade in Textiles and Textile Products (December 2, 1993; July 22, 1994)

Nicaragua

- Bilateral Investment Treaty (July 1, 1995; requires U.S. Senate approval)

Norway

- Market Access Agreement for Textiles and Clothing (December 1993)

Oman

- Agreement on Trade in Textiles and Textile Products (December 13, 1993; January 15 & June 21, 1994; September 30 & November 6, 1995)

Pakistan

- Market Access Agreement for Textiles and Clothing (January 21, 1994)
- Agreement on Trade in Textiles and Textile Products (November 10 & December 12, 1994; March 22, 1996)

Panama

- Bilateral Tariff Agreement Concluded in the Context of Accession to the GATT (June 1993)
- Agreement on Trade in Textiles and Textile Products (August 10, 1994; expired)

Philippines

- Protection and Enforcement of Intellectual Property Rights (April 6, 1993)
- Market Access Agreement for Textiles and Clothing (December 1993)
- Agreement on Trade in Textiles and Textile Products (March 10 & 19, 1994)

Poland

- Agreement on Trade in Textiles and Textile Products (December 6 & 30, 1993)

Qatar

- Agreement Concerning Trade in Textiles and Textile Products (June 28, 1994; October 25 & November 20, 1995)

Romania

- Agreement on Trade in Textiles and Textile Products (December 9, 1993; January 5, 1994; December 15, 1995)

Russia

- U.S.-Russia Space Launch Agreement (September 1994; amended January 1996)
- Agreement on Trade in Textiles and Textile Products (December 1, 1995)
- Joint Memorandum of Understanding on Market Access for Aircraft (January 30, 1996)
- Agreement on Russian Firearms & Ammunition (initialed February 10, 1996; not yet signed)
- Agreed Minutes regarding exports of poultry products from the United States to Russia (March 15, March 25 & March 29, 1996)

Singapore

- Market Access Agreement for Textiles and Clothing (December 1993)

- **Agreement on Intellectual Property Rights Protection (April 26, 1995)**

Slovak Republic

- Agreement on Trade in Textiles and Textile Products (August 6 & October 6, 1993)

South Africa

- Market Access Agreement for Textiles and Clothing (December 1993)

Sri Lanka

- Agreement on Trade in Textiles and Textile Products (April 7 & July 17, 1994; February 6, March 22, June 23 & September 5, 1995)

Suriname

- Agreement Establishing a U.S.-Suriname Council on Trade and Investment (October 8, 1993)

Switzerland

- Exchange of Letters on Financial Services (November 9, 27, 1995)

Taiwan

- Agreement on Intellectual Property Protection (Trademark) (April 1993)
- Agreement on Trade in Textiles and Textile Products (June 4 & 24, 1993; December 30, 1995)
- Agreement on Intellectual Property Protection (Copyright) (July 16, 1993)
- Agreement on Market Access (April 27, 1994)
- Trade and Investment Framework Agreement (September 19, 1994)
- Telecommunications Liberalization by Taiwan (July 19, 1996)
- U.S.-Taiwan Medical Device Issue: List of Principles (September 30, 1996)

Tajikistan

- Agreement on Bilateral Trade Relations (July 1, 1993)

Thailand

- Market Access Agreement for Textiles and Clothing (December 1993)
- Agreement on Intellectual Property Rights Protection and Enforcement (July 1993)
- Agreement on Trade in Textiles and Textile Products (June 3 & July 5, 1994)

Trinidad and Tobago

- Agreement on Intellectual Property Protection and Enforcement (September 26, 1994)
- Bilateral Investment Treaty (September 26, 1994)

Turkey

- Agreement on Trade in Textiles and Textile Products (November 13 & December 17, 1993; October 31 & November 30, 1994; July 19, 1995)
- Agreement on Tobacco Tariff-Rate Quota (July 24, 1995)

Turkmenistan

- Agreement on Bilateral Trade Relations (March 23, 1993)

Ukraine

- Bilateral Investment Treaty (March 4, 1994)
- Agreement on Trade in Textiles and Textile Products (May 6, 1995)
- Space Launch Agreement (February 21, 1996)

United Arab Emirates

- Agreement on Trade in Textiles and Textile Products (March 29 & July 21, 1994; December 30, 1995; February 6, 1996)

Uruguay

- Agreement on Trade in Textiles and Textile Products (October 31, 1994)

Uzbekistan

- Agreement on Bilateral Trade Relations (November 5, 1993)
- Bilateral Investment Treaty (December 16, 1994; requires U.S. Senate approval)

Vietnam

- U.S.-Vietnam Copyright Agreement (June 27, 1997)

Venezuela

- Market Access Agreement for Textiles and Clothing (December 1993)

Zimbabwe

- Agreement on Tobacco Tariff-Rate Quota (September 11, 1995)

American Automobile Manufacturers Association



ANDREW H. CARD, Jr.
President and Chief Executive Officer

Sept. 17
~~February 19, 1997~~

TO:

John
~~Peter~~ Orszag
National Economic Council

FROM:

Rob Birch *RB*
Manager of Statistics

Motor vehicle production has been higher in the U.S. than in any other country for each of the last three years. Japan's motor vehicle production was second highest in 1994-1996, as shown below:

1994

U.S. - 12,263,000
Japan - 10,554,000

1995

U.S. - 11,986,000
Japan - 10,196,000

1996

U.S. - 11,799,000
Japan - 10,346,000

7-months 1997

U.S. - 6,888,049
Japan - 6,730,078

per Wand's
per JAMA

HEADQUARTERS

DETROIT OFFICE

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	Real GDP	Real Exports
931	6327.9	647.2
932	6359.9	660.1
933	6393.5	646.3
934	6476.9	679.1
941	6524.5	676.0
942	6600.3	704.1
943	6629.5	722.1
944	6688.6	747.3
951	6703.7	760.4
952	6708.8	777.4
953	6759.2	802.4
954	6796.5	824.6
961	6826.4	828.2
962	6926.0	847.4
963	6943.8	851.4
964	7017.4	901.1
971	7101.6	922.7
972	7165.1	965.0

Chg. 931-972	837.2	317.8
%Chg. 931-97	13.2%	49.1%
%Chg. Ann.	3.0%	9.9%

Share of Growth	$317.8/837.2 =$	37.96%
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Source: Department of Commerce, Bureau of Economic Analysis

EXECUTIVE OFFICE OF THE PRESIDENT
**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE**

600 17TH STREET, N.W.
WASHINGTON, D.C. 20508
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FAX TRANSMISSION

Date: 9/2/97

To: Glenn Weiner (6-6216)

From: Jay Zuyth

Subject: Fast Track

Pages (including cover page): 24

Comments:

- Elements of Package: Fast Track in the past (1 pp)
- Briefing paper for Barshefsky on trade & wage rates (4 pp)
 - Trade & wage data (2 pp)
 - Trade & income disparity (2 pp)
 - Competing w/ countries w/ low wages (2 pp)
 - Paper on trade & economic concerns (6 pp)
 - U.S. - Japan trade under Clinton (6 pp)
(this paper needs an update)

Brooks.edu

FAST TRACK TIMELINE

STATUTE AND DATES	PRESIDENT WHO USED FAST TRACK	WHAT WAS FAST TRACK USED FOR AND DATE SIGNED
Trade Act of 1974 (1975-79)	Carter	Tokyo Round (1979)
Trade Agreements Act of 1979 (extension for non-tariff barriers through 1/3/88)		
Trade and Tariffs Act of 1984 (for tariff cuts through 1/3/88)	Reagan Reagan	Israel (1985) Canada (1988)
Omnibus Trade and Competitiveness Act of 1988 (through 5/31/91 subject to two-year extension)		
Extended through 5/31/93	Bush	NAFTA (1992)
Renewed through 4/15/94	Clinton	Uruguay Round (1994)

Information for Ambassador Barshefsky, June 9, 1997

- As of May 1997, over 12.3 million jobs have been created by the U.S. economy since President Clinton took office.
- Roughly 91 percent of these new jobs are located in the private sector. Employment by state and local governments accounted for an additional 11 percent of the increase. Federal employment decreased over the period and represented a negative 2 percent growth in employment.
- The 12.3 million job increase since the President took office stands in sharp contrast to near zero (400,000) job growth in the other high income, large industrial economies of the G-7 in the last four years. The G-6 combined have a population more than 55 percent greater than the United States.
- The European Union had an estimated \$17 billion deficit with China in 1996 (annualized based on the first 3 quarters). EU imports from China were \$35 billion and exports to China were \$18 billion. Exports are estimated to have dropped 7.2% from 1995 levels and imports were up by 12.7% over 1995.

IMF's World Economic Outlook (WEO) Discussion of Trade and Wages

- The latest (April) WEO has a section on trade and wages. It argues that trade with low wages (developing) countries has played only a small role in the increasing wage disparities between skilled and unskilled workers. The following bullets summarize the Fund's argument:
- Wage disparities have grown throughout the industrial world between lower and higher skilled workers. They have grown more in the U.S. (and U.K.) than in continental Europe. The changing demands for workers (increasing for skilled relative to unskilled workers) has expressed itself in the U.S. (with our more flexible labor markets) as greater wage inequality with strong job growth; and in Europe (with their less flexible labor markets) as lesser growth in wage inequality but stagnant performance in job creation.
- The Fund then examines the argument that increased import competition from low wage countries has been responsible for suppressing the wages of low skilled workers in high income countries like the United States. For this to be the case, the Fund argues, the following would have to occur. Imports from low wage countries would have to drive down the prices received by import-competing industries of advanced economies, encouraging companies to shift resources from industries where profitability has fallen to those where it has increased. Imports would thus shift in advanced country production from products using more low skilled labor to product using more high skilled labor.

That shift in demand could effect wage disparities.

- The question then is whether product prices in advanced countries have changed in a way suggesting that import competition has lowered the relative wage of lower skilled workers. The Fund finds, in fact, product prices in industrial countries do not show a relative decline in the prices of import-competing, low-skill intensive goods relative to the prices of high skill-intensive goods. But, just the opposite has occurred in the 1980s and 1990s. The price low skill intensive goods has fallen less, not more, than the prices of high skill intensive goods. They go on to say,
- Just as the empirical evidence indicates that imports have not lowered the relative prices of goods produced by unskilled labor, it also indicates that trade has had little effect on wages and employment in industrial countries. In the United States changes in import prices have been found to have only small effects on wages and employment.
- The Fund goes on to say small effects of developing country imports on industrial countries' labor markets is not surprising given the small share of imports relative to domestic production (ranging between 3% and 8% of GDP). For the U.S., imports from developing total just under 5% of GDP.
- With respect to job dislocations resulting from increased imports, the Fund, not surprising, recommends, rather than trying to block globalization and its benefits, the adoption of policies that address underlying "underlying structural rigidities that prevent labor markets from adjusting to technological change or external competition."

"In this respect, education and training are essential, since these are important means by which workers in advanced economies can upgrade their skills to match the demands of the changing global economy. It is also important to have in place well-targeted and cost-effective social safety nets that provide assistance to those displaced and ensure that they do not become marginalized. Social safety nets, however, should not weaken incentives for workers and firms to make the adjustments to changes in the economic environment that form an essential and inevitable part of economic progress."

Definitions**A. Goods Trade**

The sale of tangible products across borders. This would include raw materials, agriculture and manufacturing products.

B. Services Trade

The sale of intangible products across borders such as banking, tourism, transportation, insurance, telecommunications, advertising and consulting. Services trade are reported by the Department of Commerce in 7 broad categories: Travel, Passenger Fares, Other Transportation, Royalties and License Fees, Other Private Services, Transfers under U.S. Military Sales Contracts (exports only), Direct Defense expenditures (Imports only), and U.S. Government Miscellaneous Services.

C. Earnings on Investment

Earnings on capital invested abroad in terms of interest and profits. Includes receipts on direct investment, other private receipts, and U.S. Government Receipts. Conceptually, investment earnings are payments for the services rendered by the use of one country's capital in another country.

D. Unilateral Transfers:

These are "one way transactions", including foreign aid, pensions paid to retirees, and private remittances

Current Account

The Current Account is the broadest measure of U.S. trade including goods trade, services trade, investment earnings, and unilateral transactions. Its counterpart in the U.S. balance of payments is the Capital Account. Balances on the Current account and the Capital account must always sum to zero. Hence, in 1996 the U.S. had a deficit of \$165.1 billion on the Current account and a surplus of \$165.1 billion on the Capital account (adjusted for statistical discrepancy).

Addendum: Measurement of Goods and Services:

Goods trade is measured on 3 different bases (with slight differences in the values of each): Census, Balance of Payments (BOP), and National Income Product Accounts (NIPA). Services trade is measured on BOP and NIPA bases.

Census Basis: Census reports original source HS custom categories of trade. Only Goods trade is presented on a Census Basis (no Services trade). Commodity and country detail are reported on a Census Basis.

BOP Basis: The basis for the monthly announcement of the trade release. Goods on a Census basis are adjusted to a BOP basis to bring the data in line with the concepts and definitions used to prepare international and national accounts. The adjustments include changes in ownership that occur without goods passing into or out of the customs territory of the U.S. These adjustments are necessary to supplement coverage of the Census basis data, to eliminate duplication of transactions recorded elsewhere in the international accounts, and to value transactions according to a standard definition. Services trade is reported on a BOP basis.

NIPA Basis: Conforms BOP trade basis to reflect adjustments for statistical differences and coverage. The major adjustments concern: the treatment of U.S. territories, Puerto Rico and the Northern Mariana Islands, and nonmonetary gold transactions. The NIPA basis conforms trade in goods and services to a GDP accounting framework. The current account is measured on a NIPA basis.

TRADE, WAGES AND ECONOMIC WELFARE

- **Real wages are rising again.** Nearly every measure from real wages to real compensation to weekly income to disposable personal income has increased for U.S. workers in recent years. Between 1993 and May 1997,

- real hourly earnings are up 1.8%, and

- real weekly earnings are up 1.9%,

And between 1993 and first quarter 1997 (latest data available),

- real compensation per hour is 1.3%, and

- real disposable personal income per capita is up 11%.

To the extent that inflation has been over stated, (Boskin Commission: CPI over stated by 1.1% per year), real wage and compensation gains have actually been stronger than reported in the government statistics I have just cited.

- **How do we improve real wage performance in the economy?** Increasing the growth of productivity, or the real output per hour worked, is the key. A number of factors are important to this end. These include sustaining a strong U.S. investment rate, strengthening our education base and expanding educational, training and re-training opportunities to all Americans and investments in technology. **Opening foreign markets is part of the solution as well:**

- Export supported jobs are located in our most productive, successful industries. That is why they already pay a wage 13% to 16% higher than the U.S. national average.

- By opening foreign markets, we gradually shift the locus of job creation in the United States more toward better jobs supported by exports. (Price competitive imports, meanwhile help raise the buying power of each workers paycheck further.)

- As a result of such foreign market openings, U.S. average labor productivity and the real compensation of U.S. labor is enhanced, not diminished.

- **What about workers in import-competing industries?** Involuntary job loss totals about 3 million in the United States in any given year. In the trade area, the Administration and Congress has been extremely sensitive to any part of that job loss that might be attributable to trade expansion:

- Trade agreements are always phased in gradually to ease any adjustment pressures. And, the most sensitive sectors are on the longest timeframe. Uruguay phase in is as long as 10 years and NAFTA 15 years.

- For those who do lose employment, trade adjustment assistance offers benefits

(income support and retraining) in excess of those provided under generally available unemployment insurance.

Fundamentally, the answer is not to deny our whole workforce and American families the benefits of higher paying jobs and high standards of living that good trade agreements can bring. Rather, it is to be as effective as possible in assisting anyone who is displaced from a job because of economic change, so that no one is left behind.

- **How can you argue that U.S. workers are being helped by trade when we have such a large trade deficit, particularly in the manufacturing sector where so many high wage jobs are located?**

While we are concerned about the **current trade deficit**, we also must recognize that at the present time it is more a reflection of U.S. economic success than economic failure. The U.S. is starting its 7th year of economic expansion with an unemployment rate lower than at any time since the early 1970s. Our performance stands in sharp contrast that of many of our most import trade partners. Look only at the sustained economic problems of Japan and Europe. It is the relative strength of the U.S. economy that has contributed greatly to the deficit.

While we have a large trade deficit in **manufacturing**, U.S. manufacturing production is nevertheless booming. U.S. industrial production in real terms is up nearly 20% since 1992, compared to a 10% increase for Japan and a 3% decline for Germany. And, our industrial capacity is rising at a faster rate than at any time since the late 1970s, thanks for strong investment in the U.S.

U.S. jobs in manufacturing are up 405,000 since the President took office (Jan 1993-June 1997). While it is good they are up, that increase has been nowhere in line with growth of manufacturing output. The reason for this is strong productivity growth in the manufacturing sector, not imports. We should not forget however that today's highly productive manufacturing facility supports high paying jobs throughout the economy-- in everything from software and equipment designers to a wide range of business services upon which the modern manufacturing facility depends. The Present's CEA, looking at 2 recent years of the current recovery, found that more than 2/3rds of job expansion was in jobs paying higher than median wages and that these were mostly in service sectors.

- **For the various reasons stated above, I believe that when it comes to shaping the modern economy in which American workers and families can benefit and better realize their economic aspirations and in which American remains the world's most successful economy, foreign market opening agreements are part of the solution, not part of the problem**

07/29/97

June 1997

TRADE AND INCOME DISPARITY

Question 4. Hasn't Trade Liberalization caused growing income disparities in the United States? Does increasing trade with low wage countries drive down the wages and living standards of U.S. workers?

Answer:

- Your question is a legitimate one. It has been addressed a number of times in highly technical economic analysis. The OECD has also recently studied extensively the linkages between trade, employment and real compensation. The results of these studies vary considerably in their conclusions. **Let me, however, tell you in a nutshell what I believe is the closest we have to a consensus view on this issue, based on such work.**
- **The literature tends to suggest that the principal source of increased disparity in labor compensation is technological change.** [The IMF World Economic Outlook, April 1997 finds that the relative decline of wages for low-skilled workers in the world is largely due largely to technological change which has raised the demand for higher-skilled workers.] New technologies in communications, information, manufacturing, transportation and number of other areas have increased the economy's needed for higher skilled workers while limiting the growth in demand for lower skilled workers. New technology, of course, creates new products, increases labor productivity and real income for the country as a whole, but possibly at some expense in demand for and remuneration of lower skilled workers.
- **Trade may act in a similar manner to technology, though its effects are usually considered to be considerably less.** The U.S. has on average the world's highest labor productivity and most creative and skilled labor force. Our exports embody, the work of skilled U.S. workers. Productivity is higher in exporting industries and the wages of export supported jobs are 13% to 16% higher than the U.S. national average. **Trade liberalization, by removing impediments to U.S. exports, therefore tends to shift job growth over time somewhat toward higher skilled jobs rather than lower skilled jobs and, at least theoretically, may contribute to changes in wage distribution.**
- **We are careful with regard to trade agreements about the interests of import impacted workers.**
 - **First**, the reduction in any U.S. barriers is phased in gradually, with the longest phase in provided for the most sensitive industries to ease any burden of adjustment.
 - **Second**, trade-related adjustment assistance such as for NAFTA provides more favorable support for trade impacted workers than for U.S. workers who face job displacement for purely domestic reasons.
 - **Third**, we always reserve our rights and have in fact used provisions for temporary safeguard import relief to assist worker adjustment.
 - **And, fourth**, of course, as the world's most open major market, our barriers are

already very low, and U.S. workers do not face the type of substantial adjustments to trade agreements that elsewhere in smaller, currently more protected markets.

- **Whatever the impact of trade on wage disparity, import protection is a no more advisable policy to address it than a policy that would take punitive measures to persuade our scientists, researchers and high-tech companies to cease innovating.** Both would slow the rate of growth and real labor compensation. The economic costs of trade protections would certainly outweigh the benefits.
- **Ultimately, the best and most lasting solution to any increase in wage inequality growing out of properly functioning markets is better education and increased training.** The enhancement of job skills allow more lower wage workers to take greater of advantage of technological changes and more open markets to raise their productivity and incomes. The upgrading of the skill level of labor force should also contribute to bringing better balance between supply and demand for lower-skilled workers as well as between the supply and demand for higher skilled workers, thus helping to offset tendencies toward greater wage inequality.

[Americans as individuals and families have always valued the sense of having an opportunity to get ahead. Education and training, on the one hand, job-enhancing technology and market-opening agreements, on the other, are among our principal means for expanding economic opportunity for U.S. workers.]

COMPETING AGAINST COUNTRIES WITH LOW WAGES

Issue: How can U.S. workers compete in trade against workers in developing countries earning of small fraction of U.S. wages?

- **Because American workers are highly productive, trading with low wage countries does not, as a general matter, depress wages in the U.S.** The labor cost of producing a product is a function of both wages and worker time spent producing the product. U.S. workers total compensation is \$17 to \$18 an hour, while wages are \$7 or \$5 or even \$2 an hour in foreign competitors. American workers, however, are highly productive spending far less time to produce most anything than is required of workers in low wage countries. As a result, in many areas the United States has both higher wages and lower unit labor costs than our low wage trade partners.
 - A recent study published by the Federal Reserve Bank of San Francisco examining several Asian developing countries illustrates this point. According to its estimates, worker in the Philippines and Malaysia earned less than 20% of the compensation of their U.S. counterparts in 1990, yet unit labor costs in those countries were much higher than in the United States because of productivity differentials. In Korea and Thailand, the study showed that productivity differentials significantly, though not completely, offset wage differentials in 1990. Perhaps even more significantly, the study showed that unit labor cost differentials favoring the four Asian countries examined had shrunk significantly, or turned into disadvantages between 1970 and 1990.
 - The authors concluded, "Contrary to the sweatshop labor argument, low wages are a symptom of low productivity, not an independent source of international competitiveness ... This analysis indicates that fears about unfair competition from low-wage NICs are greatly exaggerated and should not stand in the way of free international trade, which benefits both the U.S. and developing countries."
 - The fact is that workers can and do compete successfully with low wage countries. In the last 10 years U.S. exports to low-wage countries have risen 240%, while exports to high wage countries are up just 140%. Exports to low wage countries now account for 42% of total U.S. exports.
- **U.S. companies compete successfully with state of the art manufacturing facilities in low wage countries.**
 - The competitiveness of output from such facilities is influenced significantly by the quality, cost and availability of inputs into its production -- everything ranging from telecommunication, transportation, financial services to purchased parts and components. Thus even state of

the art facilities in developing countries are in fact far from operating as efficiently as in countries like the United States because of low productivity and frequent quality and availability problems in the domestic goods and service supplying sectors upon which the manufacturing facility depends. The role of these purchased inputs can be large. For example, only one quarter of the factory price of a new U.S. auto actually pays for work done by U.S. auto companies.

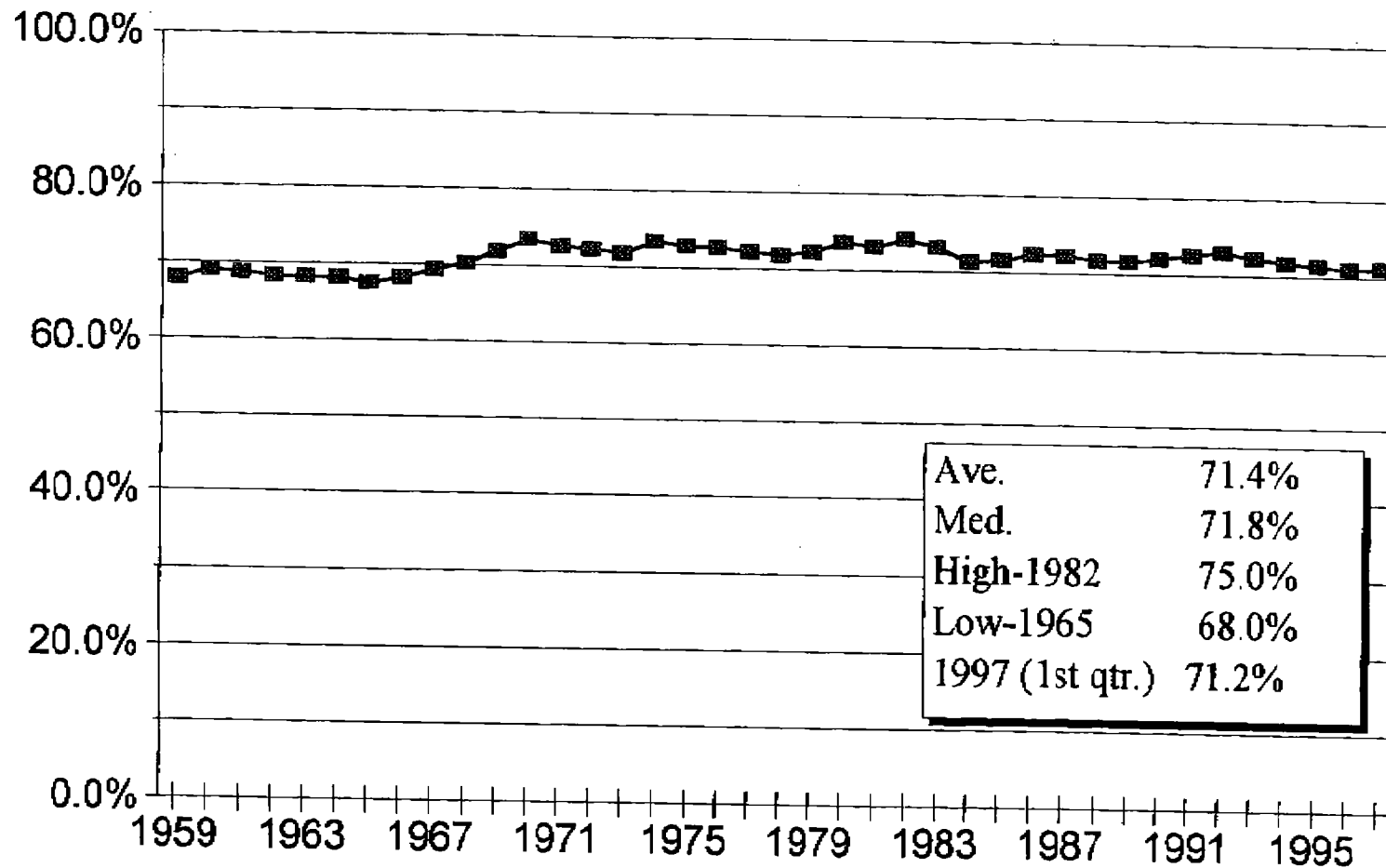
- **The U.S. has competed successfully in the industrial sector.** U.S. industrial output is up 18% in real terms since 1992 (compared to an 8% rise for Japan and a 1% decline for Germany). Manufacturing employment since 1992 is up roughly one-quarter million due largely to strong U.S. productivity growth in the manufacturing sector (3% to 4% a year).
- **Imports from low wage countries are relatively minor.** Imports from non-oil developing countries account for only 4% of U.S. spending, and spending of such imports has grown only 1.5% during the past decade.
- **Real U.S. wages have increased by 1.6% from 4th quarter 1994 to 4th quarter 1996.**
- **Expanded education opportunities and worker training.** Competitive pressure from low wage countries is greatest in industries where labor skills and productivity are relatively low. The answer for U.S. workers, however, is not to cut off imports, but rather to improve the quality and availability of educational and worker retraining opportunities.

Revised 8/28/97

09/02/97 TUE 13:11 FAX 202 395 3911

U.S.T.R

Compensation as percentage of National Income, 1959-1997*



*1997 data Jan.-Mar. only.

Source: Dept. of Commerce, Bureau of Economic Analysis

May 1997

Common Concerns About Trade

There are some common concerns related to trade's impact on the economy, specifically its effect on job displacement and income distribution. Also, there are some concerns expressed about the effects of the trade deficit.

Job Loss Associated with Imports

There is, of course, legitimate public concern about workers in U.S. import-competing industries who may suffer job loss from increased competition. All involuntary job loss in the United States totals about three million in any given year with the vast majority of that having little to do with international trade. In the trade area, the Administration and Congress have been particularly sensitive to any part of job loss that might, in fact, be attributable to trade expansion. Trade agreements, like the NAFTA, are always phased in gradually to ease any adjustment pressures. The most import sensitive sectors are on the longest time frame for phase in to assist personal adjustments. For those who do lose employment, trade adjustment assistance offers benefits (e.g. income support and retraining) in excess of those provided to American workers under generally available unemployment insurance. Also, because the United States is already the world's most open major market, with a post-Uruguay Round average tariff rate estimated to be just 2.8%, U.S. workers in general have far more to gain than to fear from additional foreign market opening agreements.

While public policy reflects considerable concern about any job displacement related to trade, the answer to such displacements should not be to deny our whole workforce and American families the benefits of the higher paying jobs and the higher standards of living that good trade agreements can bring. The more appropriate response is to be as effective as possible in assisting workers in need, due to job loss resulting from technology, trade, demographically driven changes in demand and other forms of legitimate economic change, so that opportunity is available to all.

Trade and Average U.S. Labor Compensation

Another source of concern is that trade, particularly with substantially lower wage countries, will lower compensation (wages plus non-wage employee benefits) for workers in high average income countries like the United States. The evidence does not strongly support the view that compensation suppression in the aggregate is occurring to any great degree, at least as measured in terms of total employee compensation. As a share of total U.S. national income, compensation has varied between a low of 68.0% in 1965 and a high of 75.0% in 1982. There is a slight tendency for compensation to rise as a share of national income during recessions, as employers attempt to retain employees even as sales and profits experience a temporary downturn. In 1996, 72.3% of U.S. national income was paid out as employee compensation, compared to a recent peak of 74.3% in the early post-recession year of 1992.

A related concern is that wage suppression must occur in high income countries in order to compete with low wage countries. This argument, however, ignores the fundamental explanation

why real wages are high in high income countries in the first place: most importantly because output for each hour worked (productivity) is very high in the United States and other advanced countries, permitting the compensation paid for each hour of work to purchase more real goods and services than in countries lower on the productivity scale. High productivity levels keeps the labor cost per unit of output competitive in the United States. In fact, good trade agreements to open the still restricted markets of middle and low income countries will help expand export supported jobs throughout the U.S. economy, encourage investment, raise average labor productivity and enhance average real compensation. Good trade agreements are part of the solution, not part of the problem, when it comes to enhancing real labor compensation and living standards in the United States.

Trade and the Compensation of Lower Skilled Workers

Could the matter be different with regard to some segment of the work force defined as lower skilled? The argument is that the United States, with a highly trained work force, sophisticated products and advanced production techniques will tend to export goods employing substantially higher skilled labor (as well as some resource-based products, given the continental scope of the U.S. territory). In return, the U.S. economy will tend, in part, to import goods whose production uses larger amounts of lower skilled labor from countries where skill levels and wages are below levels in the United States. The increased supply, through imports, of such products embodying the work of lower skilled foreign workers sometimes competes with the production of such products in the United States, possibly placing downward pressure on the compensation of lower-skilled U.S. workers in those industries.

The International Monetary Fund has recently argued that, despite theoretical arguments to the contrary, the suppression of wages of lower skilled workers in high income countries like the United States due to trade (as opposed to other factors) is, at most, very limited¹. For significant wage suppression to occur, imports of such products would have to drive down prices of goods produced by import-competing industries in a way that caused resources to shift from low-skill to high-skill intensive industries. The IMF, found that, in fact, the prices of low-skill intensive goods in high income countries like the United States have fallen by less, not more, than the prices of high-skill intensive goods. Their conclusion is that trade has had little effect on wages of lower skilled workers in industrial countries.

Supporting the IMF's point of view is the fact that total imports from low and middle income countries are still relatively small compared to production levels in high-income countries (ranging from 3% to 8% of GDP, with the U.S. at just under 5% of GDP). Also, there appears to be a substantial consensus of economic opinion, upon which the Council of Economic Advisers has reported in its February 1997 *Economic Report of the President*, that the impact of trade on the disparity in wages between higher and lower skilled workers is small compared to the effect

¹World Economic Outlook: Globalization: Opportunities and Challenges, International Monetary Fund, May 1997, pp. 53-58.

of advancing technology on wage disparity.

Apparel is an industry that traditionally employed lower skilled U.S. workers. Apparel imports have grown substantially both in absolute terms and relative to the size of the U.S. market, with the import share of domestic consumption rising from 24% in 1986 to 37% in 1996.

Employment in the apparel industry has also declined steadily, from 1.1 million to roughly 850,000 over this same period. Yet, U.S. domestic production of apparel has continued to increase to meet part of the growing U.S. demand. Comparing roughly similar points in business cycles, U.S. quantity indexes of production show a 20% increase in U.S. apparel production between 1977 and 1987 and a nearly 10% increase between 1987 and 1994, the latest year available in the quantity series. Even in one of the most sensitive U.S. industries to import competition, rapidly rising imports have been consistent with real increases in U.S. production, even as technology and productivity enhancements by the U.S. apparel industry have positioned it to produce more with fewer workers.

An increase in wage disparity in any country does not make the restriction of imports any more of an advisable policy than such an increase would warrant a policy of punitive measures to persuade our scientists, researchers and high-tech companies to cease innovating. Both would slow the rate of growth and average real labor compensation. The economic costs of trade protection would certainly outweigh the benefits.

Ultimately, the best and most lasting solution to any increase in wage inequality is better education, increased training, and incentives and support to achieve those ends. The enhancement of job skills allows more lower wage workers to take greater advantage of technological change and more open markets to raise their productivity and income levels. The nation as a whole, as well as the individuals, is also thereby strengthened. Upgrading the skill level of the labor force should also contribute to bringing better balance between supply and demand for lower-skilled workers as well as between the supply and demand for higher skilled workers, thus helping to offset tendencies toward greater wage inequality. In short, Americans as individuals and families have always valued the opportunity to get ahead. Education and training, investment and job-enhancing technology, and good foreign market-opening agreements are among our principal means for expanding economic opportunity for U.S. workers.

The Trade Balance

Concerns have also been raised about the increase in the U.S. trade deficit during the current economic expansion. The deficit is a matter of concern, but should be understood in an appropriate context.

The U.S. trade deficit has increased since the recession of 1990/91. However, this increase has been closely related to much faster job and output growth in the United States than in many of our major trade partners over the last four years. Because of the differences in relative economic performance, U.S. demand for imports has been growing even faster than strong foreign demand for U.S. exports. Relative to the size of the U.S. economy, however, the deficit is less than half

as large as it was at its peak during the last decade (1987). Even the dollar value of trade deficit last year would have declined, but for a sharp rise in petroleum prices.

The U.S. trade deficit has coincided with declining unemployment rates because both reflect the favorable growth performance of our national economy. In recent U.S. economic experience, trade deficits and employment both tend to rise when the U.S. economy is growing rapidly, particularly if our recovery from economic stagnation is earlier and faster than that of our major trading partners. To illustrate, the United States has run an overall trade deficit with the world since 1976. During that same period, the OECD reports that U.S. civilian employment grew at an average annual rate of 1.7%, significantly out-pacing countries in the European Union and Japan. In contrast, France, Germany and Italy -- 3 countries with large surpluses in goods and services trade -- are currently experiencing double-digit unemployment rates. During the height of the Mexican recession in 1995, the trade balance with Mexico shifted from a surplus of \$1.4 billion to a deficit of \$15.4 billion without having a clear impact on U.S. jobs. In that same year, the U.S. economy was able to achieve a net increase in employment of 1.7 million jobs (a 1.5% increase).

Last year, U.S. goods exports rose by 6.2% to a record \$611.7 billion in 1996. Advanced technology products were up 11.9% to \$154.9 billion. After a 22% surge in 1995, U.S. agricultural exports were up another 7.6% to \$60.6 billion in 1996. In the President's first administration, U.S. goods exports were up by 39.0% or \$171.5 billion (current dollars).

The growth of U.S. goods imports, at 6.7%, reflected both strong U.S. economic growth and a nearly 20% increase in the per barrel price of imported petroleum. The goods trade deficit overall rose by \$14.2 billion to \$187.6 billion in 1996. The non-petroleum goods trade deficit however declined by nearly \$4 billion to \$107.8 billion. At 2.5% of GDP, last year's goods trade deficit was significantly below the 1987 peak of 3.4%.

Looking at goods trade alone, however, does not do justice to U.S. strength in international trade. We have, in fact, increasingly large U.S. surpluses in services trade. The goods and services deficit in 1996, at \$114.2 billion, reflected a U.S. surplus in services trade of \$73.5 billion, up from 1995's surplus of \$68.4 billion. The deficit for goods and services combined rose by \$9.2 billion in 1996, but would have shown a small decline except for the sharp rise in petroleum import prices. The goods and services deficit in 1996 represented 1.5% of GDP, less than one-half the 1987 peak deficit of 3.3% of GDP. The goods and services trade deficit, even with petroleum included, has been relatively stable as a share of U.S. GDP for three years -- 1994, 1995, 1996.

Why has the goods and services trade deficit been so sharply reduced as a share of GDP since its previous cyclical peak in the late 1980s? Good market-opening agreements have certainly helped contain and/or reduce the deficit in certain bilateral markets, such as Japan. And, strong export growth has helped achieve this progress on the trade deficit in the context of sustained U.S. economic growth. However, the outsized trade deficits of the 1980s fundamentally reflected reduced U.S. saving rates, in part resulting from outsized federal budget deficits. The progress made on the budget deficit through cooperation of the President and Congress has 1)

helped strengthen national saving relative to investment, 2) reduced the need for large net capital inflows to the United States to sustain a healthy investment rate, and 3) contributed directly to the reduction in the goods and services trade deficit from 3.2% in the near business cycle peak of 1987 and to 1.5% last year.

The full elimination of the trade deficit, however, is likely to depend on fully addressing the decline in U.S. saving rates that occurred in the early 1980s. The trade deficit can only be eliminated when U.S. domestic saving and investment are brought back into balance. Obviously, for the future expansion of better paying jobs, production and living standards, it is much better that the trade deficit be closed through higher U.S. saving than through reduced investment in the U.S. economy -- hence, the importance of progress toward steady elimination of the U.S. federal budget deficit.

Trade policy per se has relatively small influence on our aggregate trade imbalance with the world because trade policy has a modest impact on the level of aggregate U.S. saving (and investment). Trade policy may play more of a role in bilateral imbalances. To the extent that bilateral

SAVINGS AND THE TRADE DEFICIT

Why do reduced rates of national saving sometimes induce trade deficits? For any country there are only two major components of international transactions: trade (defined most broadly by the current account) and investment (as measured by the capital account in the international balance of payments). The purchase of an import by an American (a U.S. debit) ultimately requires the purchase of foreign currency with dollars. The seller of the foreign currency can only use dollars for one of two purposes: to either buy U.S. exports (trade transaction) or to invest in the United States (capital transaction) -- either way representing a credit for the United States. This "double entry bookkeeping" aspect (every credit must be matched by a debit and vice versa) means that any country's international transactions, comprehensively defined to include all its trade (current account) and international investment (capital account), must at all times be in balance. It also follows that a surplus or deficit on one of the two major components (a current account surplus, for instance) must be exactly offset by the balance on the other account (in this case a capital account deficit, or net capital outflow, of exactly the same amount), reflecting the overall balance that always exist in the international balance of payments.

The U.S. current account deficits of the last 15 years have been mirrored by U.S. capital account surpluses or net capital inflows. These net capital inflows have served to supplement U.S. saving levels, that had been reduced as a share of GDP during the 1980s, to help maintain healthy rates of investment in the U.S. economy. But, the net capital inflows have had as their necessary counterpart, current account deficits of equal magnitude. Recessions reduce trade deficits, in part, because temporarily reduced investment rates require the smaller net inflows of foreign capital. Rapid economic expansions may raise investment even more quickly than saving, causing net capital inflows and current account deficits to expand. Raising the U.S. national saving rate,

U.S. trade deficits reflect foreign trade barriers, there is another reason for concern about U.S. trade deficits. However, even if the U.S. trade balance were in constant surplus, foreign barriers would still impede the most efficient use of our national resources, hurt U.S. workers, and compromise our economic potential. Foreign trade barriers affecting U.S. exports are a matter of concern to the United States, irrespective of our trade balance position and need to be addressed vigorously.

U.S. TRADE POLICY WITH JAPAN: ASSESSING THE RECORD

An Update

The Council of Economic Advisers
U.S. Treasury Department

April 10, 1996

President Clinton has made opening the Japanese market a key priority.

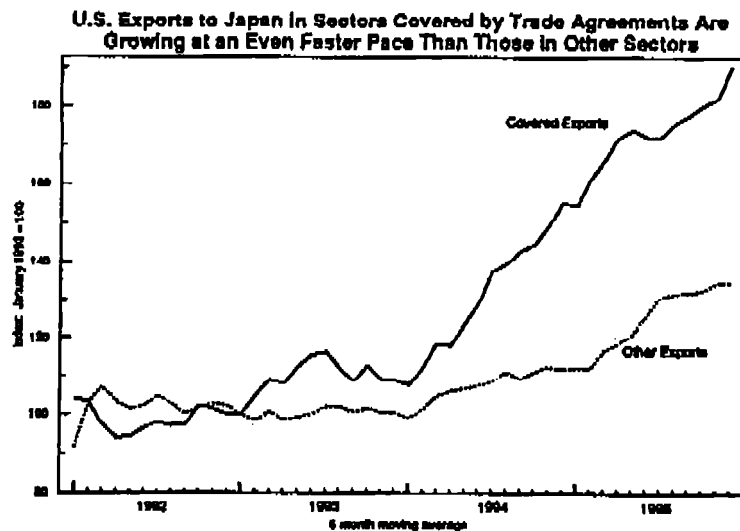
One month after taking office, President Clinton set forth a simple but powerful mission statement to guide trade policy: "We must compete, not retreat." At the same time, he made clear that his trade policy would not be business as usual. "We will continue to welcome foreign products and services into our markets but insist that our products and services be able to enter theirs on equal terms." Since that time, President Clinton has been unwavering in his commitment to secure tough but fair trade agreements -- and to make sure that those agreements are enforced.

President Clinton has made the economic relationship with Japan a model for his distinctive approach to trade policy. Accordingly, one of his first trade initiatives was to establish a "framework for a new trade relationship with Japan." In the 33 months since the Framework Agreement was signed, the Administration has concluded more trade agreements with Japan than any previous administration. And in keeping with the President's commitment to America's companies, workers and farmers, the Administration has followed through on implementing, reviewing, and enforcing these agreements. The President's consistent application of the principles he laid out in his first months in office is now producing convincing results.

U.S. exports to Japan in targeted sectors are growing rapidly.

The Clinton Administration has negotiated 20 trade agreements with Japan, including Uruguay Round, Framework, and other bilateral agreements. The agreements cover priority areas from general market access and deregulation, to intellectual property rights protection for U.S. goods and services, to important services sectors such as insurance and construction, to specific goods sectors such as automobiles and apples. The trade agreements are "win-win", yielding lower prices and higher quality for Japanese purchasers and consumers and increasing market access for U.S. companies, workers and farmers. Free and fair trade has long been recognized as the basis for increasing living standards for all trading partners.

The Administration's strategy is results-oriented. The agreements include objective criteria for measuring progress and timelines for review of the agreements. The Administration has placed a high priority on enforcing the agreements, which is helping to ensure they deliver real benefits for American companies, workers, and farmers.



The Administration's strategy is showing positive results. In the goods sectors covered by our Uruguay Round, Framework, and other bilateral agreements, U.S. exports to Japan have grown over 85 percent since this Administration took office. Growth in exports to Japan in these sectors is 3 times greater than growth in other U.S. exports to Japan -- which has also been strong. Indeed, growth in all U.S. exports to Japan of 34 percent has been over twice as great as growth in U.S. exports to the European Union. Total U.S. exports to Japan reached a record \$64 billion in 1995.

The July 1993 Framework Agreement is the cornerstone of the Administration's trade policy with Japan. The Framework focuses on all three aspects of the economic relationship with Japan--macroeconomic, structural and sectoral--and it establishes guidelines for review of the agreements to ensure that the desired results are achieved. This strategy is now paying off: in the goods sectors covered by the Framework Agreement alone, U.S. exports to Japan have risen 120 percent since the Agreement was signed -- four times as fast as other U.S. exports to Japan.

U.S. businesses and workers are achieving successes in sectors covered by Clinton Administration trade agreements.

Autos and Auto Parts: Since the auto and auto parts agreement was signed in August 1995, U.S. auto and auto parts exports to Japan have risen over 35 percent, totalling \$3.8 billion in 1995 -- already exceeding exports to the European Union. In 1995, the Big Three and Japanese transplant producers exported over 140,000 U.S.-made vehicles to Japan, up nearly 40 percent from 1994.

Recognizing that U.S. auto makers could expand their sales if given adequate opportunity to display their products in Japan, the Administration targeted access to dealerships as an important part of the August 1995 auto and auto parts agreement. Since the agreement was signed, the Big Three U.S. automakers have added 30 high-quality, high-volume dealer outlets in Japan, but more progress is required.

Deregulatory actions in Japan are beginning to lead to more sales for competitive U.S. suppliers in the auto parts aftermarket. U.S. parts suppliers will now have the opportunity to sell their products through Japan's major auto parts retailers and service stations. Such access will dramatically increase U.S. auto parts sales to Japan: For example, as result of opportunities created by the agreement, Tenneco Automotive, which has made efforts to break into this market for years, expects to expand its sales of shocks and struts in Japan from the existing level of 70,000 units per year to 105,000 in 1996.

Telecommunications Equipment: Since two agreements on telecommunications procurement were signed on November 1, 1994, U.S. exports of telecommunications equipment to Japan have increased nearly 50 percent, to \$1.7 billion in 1995. This is almost twice as fast as the growth of U.S. exports of telecommunications equipment to the European Union, albeit starting from a lower base.

Cellular Telephones: After years of stalled negotiations, the Clinton Administration concluded an agreement in March 1994 with Japan to open the cellular telephone market in the Tokyo-Nagoya area, the largest population center in Japan. Since the agreement was signed and the Japanese Government instituted deregulation measures, subscribers to the North American designed system have grown from 22,000 to 600,000. Motorola, which tried unsuccessfully for years to break into this market, provides the bulk of the equipment to build and maintain this system, with sales values in the hundreds of millions of dollars per year. Greater competition in the region has also benefitted Japanese consumers -- they now not only have greater choice but also enjoy lower prices for cellular phone services. Initiation and monthly service fees are now one-third the previous rates.

Medical Technology: The Clinton Administration concluded a Framework Agreement with Japan covering public sector procurement of medical technology (such as MRI machines and CT scanners) on November 1, 1994. A review of the agreement in July 1995 determined that the Japanese Government has made good progress toward implementing the transparent and open procurement procedures called for in the agreement. Since the agreement was signed, U.S. exports of medical technology to Japan have increased over 35 percent, to nearly \$2 billion in 1995.

Rice: The Clinton Administration targeted rice in the Uruguay Round negotiations. Although American medium-grain rice has been highly rated on quality by the Japanese Food Agency, imported rice was virtually banned in Japan for decades. With the successful conclusion of the Uruguay Round, Japan finally opened its market to imported rice and American rice has been well-received by Japanese consumers.

In 1993, a major failure of the rice crop in Japan led to the first taste of American rice for many Japanese consumers. Since that time, U.S. farmers have sold \$287 million of rice exports to Japan, more than the previous 25 years combined. And although Japan's rice crop subsequently recovered, U.S. exports of rice to Japan in 1995 totalled \$31 million.

Apples: The Clinton Administration targeted apples as one of its first bilateral trade initiatives with Japan, and an agreement was concluded on September 13, 1993. Since that time, the Administration has continued to work with Japanese officials to increase the number of U.S. apple growers and apple varieties certified to supply the Japanese market. These sustained efforts are beginning to pay off: where U.S. apple exports to Japan were once banned, apple exports approached \$7 million in 1995. Meanwhile, imports of apples have brought lower prices to Japanese consumers, which will help increase overall apple sales in Japan.

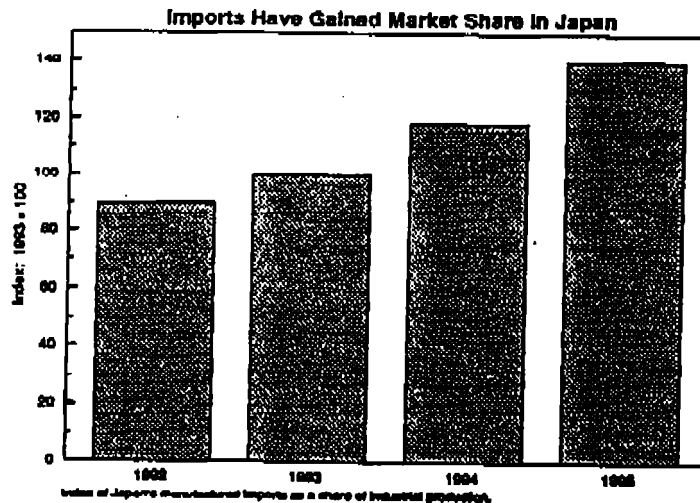
Copper: The Clinton Administration targeted copper in the Uruguay Round negotiations. Since the Uruguay Round Agreement was signed, U.S. exports of copper to Japan have increased by over 80 percent, to \$350 million in 1995. The United States sells 1.5 times as much copper to Japan as to the European Union, and U.S. exports of copper to Japan are growing faster than those to the European Union.

Chemicals: The Clinton Administration targeted chemicals in the Uruguay Round negotiations. Since the Uruguay Round Agreement was signed, U.S. exports of chemicals to Japan have grown nearly 25 percent, reaching \$2.8 billion in 1995.

Flat Glass: Until the flat glass agreement was signed in January 1995, Japan's \$4.5 billion market for flat glass had been dominated by an oligopoly of 3 Japanese producers. U.S. exports of flat glass to Japan doubled in 1995 to nearly 5 million square meters.

Japan's market is also opening up more broadly.

Realizing that progress in individual sectors would depend in part on addressing overall imbalances, the Administration targeted macroeconomic and structural adjustment in Japan as important aspects of the Framework agreement. On these fronts as well, the results have been positive. Japan's imports have been growing rapidly. This strong import growth is especially encouraging given low overall growth in Japan and the recent depreciation of the yen against the dollar. Indeed, recent evidence suggests Japan may be experiencing a structural shift towards greater acceptance of imports.

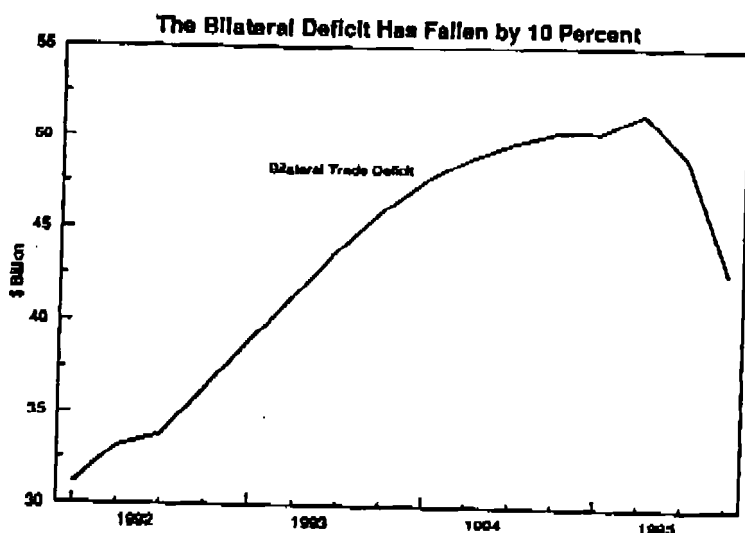


By the last quarter of 1995, the Japanese current account surplus had fallen below 2 percent as a share of the economy. Moreover, *Consensus Economics* forecasts continued reduction in Japan's current account surplus from \$110 billion in 1995 to \$88 billion in 1996 and \$69 billion in 1997.



And the bilateral trade deficit with Japan has begun to decline.

Despite slow growth in Japan during 1995, U.S. merchandise exports to Japan grew five times faster than our imports from Japan. Overall, U.S. merchandise exports to Japan grew 20 percent in 1995 alone. As a result, the trade deficit with Japan declined by nearly 10 percent -- the first decline in five years. Trade in autos accounted for half of the improvement in the trade deficit: U.S. auto exports to Japan increased by nearly 40 percent while imports fell for the first time in a decade.



The improvement in the trade deficit in part reflects economic recovery in Japan. While we welcome the improvement in the bilateral deficit, it is important to note that the bilateral deficit is not a scorecard for trade policy. The goal of our trade policy is to improve the economic well-being of Americans by expanding trade.

The recent success of our Japan trade policy parallels improvement in overall U.S. competitiveness.

Our strong export performance in general and to Japan in particular is attributable to a variety of factors, in addition to the numerous market opening agreements concluded during this Administration. The President's overall economic plan, with its emphasis on deficit reduction and investment, has led to strong sustained growth with low inflation. This has encouraged strong growth in U.S. investment and employment, and helped to strengthened U.S. business confidence and the fundamental competitiveness of U.S. industries and workers. The economic results have been impressive by any measure: during the last three years, the American economy has produced 8.5 million new jobs; the federal budget deficit has been cut nearly in half; home ownership is at a 15-year high; the combined rate of inflation and unemployment is the lowest in 27 years; and an all-time high of almost 2 million new businesses have been created. U.S. exports have surged, rising 31 percent since the beginning of the Administration, and the World Economic Forum has ranked the United States number one on competitiveness for two years in a row, up from number 5 in 1992.

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