

the North Atlantic Treaty; as follows: At the appropriate place in section 3 of the resolution, insert the following:

() REQUIREMENT OF FULL COOPERATION WITH UNITED STATES EFFORTS TO OBTAIN THE FULLEST POSSIBLE ACCOUNTING OF CAPTURED AND MISSING UNITED STATES PERSONNEL FROM PAST MILITARY CONFLICTS OR COLD WAR INCIDENTS.—Prior to the deposit of the United States instrument of ratification, the President shall certify to Congress that each of the governments of Poland, Hungary, and the Czech Republic are fully cooperating with United States efforts to obtain the fullest possible accounting of captured and missing United States personnel from past military conflicts or Cold War incidents, to include the following:

(A) facilitating full access to relevant archival material; and

(B) identifying individuals who may possess knowledge relative to captured and missing United States personnel, and encouraging such individuals to speak with United States Government officials.

SPECTER (AND TORRICELLI)
EXECUTIVE AMENDMENT NO. 2315

(Ordered to lie on the table.)

Mr. SPECTER (for himself and Mr. TORRICELLI) submitted an amendment intended to be proposed by them to the resolution of ratification for the treaty (Treaty Doc. No. 105-36) protocols to the North Atlantic Treaty of 1949 on the accession of Poland, Hungary, and the Czech Republic. These protocols were opened for signature at Brussels on December 16, 1997, and signed on behalf of the United States of America and other parties to the North Atlantic Treaty; as follows:

At the appropriate place in section 2 of the resolution, insert the following:

() UNDERSTANDING OF THE SENATE REGARDING PAYMENTS OWED BY POLAND, HUNGARY, AND THE CZECH REPUBLIC TO VICTIMS OF THE NAZIS.—

(A) UNDERSTANDING OF THE SENATE.—It is the understanding of the Senate that in future meetings and correspondence with the governments of Poland, Hungary, and the Czech Republic, the Secretary of State should—

(i) raise the issue of insurance benefits owed to victims of the Nazis (and their beneficiaries and heirs) by these countries as a result of the actions taken by their communist predecessor regimes in nationalizing foreign insurance companies and confiscating their assets in the aftermath of World War II;

(ii) seek to secure a commitment from the governments of these countries to provide a full accounting of the total value of insurance company assets that were seized by their communist predecessors and to share all documents relevant to unpaid insurance claims that are in their possession; and

(iii) seek to secure a commitment from the governments of these countries to contribute to the payment of these unpaid insurance claims in an amount that reflects the present value of the assets seized by the communist governments (and for which no compensation had previously been paid).

(B) DEFINITION.—As used in this paragraph, the term "victims of the Nazis" means persons persecuted during the period beginning on March 23, 1933 and ending on May 8, 1945, by, under the direction of, on behalf of, or under authority granted by the Nazi government of Germany or any nation allied with that government.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. SMITH of Oregon. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Tuesday, April 28, 1998, at 9:30 a.m. on year 2000 problem.

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

COMMITTEE ON FINANCE

Mr. SMITH of Oregon. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Tuesday, April 28, 1998 beginning at 9:00 a.m. in room 215 Dirksen.

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

COMMITTEE ON THE JUDICIARY

Mr. SMITH of Oregon. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, April 28, 1998 at 2:00 p.m. in room 226 of the Senate Dirksen Office Building to hold a hearing on "S.J. Res. 44, a proposed constitutional amendment to protect crime victims."

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. SMITH of Oregon. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on Reading and Literacy Initiatives during the session of the Senate on Tuesday, April 28, 1998, at 10:00 a.m.

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

COMMITTEE ON SMALL BUSINESS

Mr. SMITH of Oregon. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate for a hearing entitled "Environmental Compliance Tools for Small Business." The hearing will begin at 10:00 a.m. on Tuesday, April 28, 1998, in room 428A Russell Senate Office Building.

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

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. SMITH of Oregon. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, April 28, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:30 p.m. The purpose of this hearing is to receive testimony on S. 326, the Abandoned Hardrock Mines Reclamation Act of 1997; S. 327, the Hardrock Mining Royalty Act of 1997; and S. 1102, the Mining Law Reform Act of 1997.

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

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. SMITH of Oregon. Mr. President, I ask unanimous consent that the

Science, Technology, and Space Subcommittee of the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Tuesday, April 28, 1998, at 2:30 p.m. on Federal research and development.

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

ADDITIONAL STATEMENTS

THE CHALLENGE OF PUBLIC SERVICE

● Mr. JOHNSON. Mr. President, over the past year, some remarkable developments have taken place at the University of South Dakota (USD) involving the advancement of public service. The South Dakota Board of Regents has designated the University as a public service center of excellence," the Farber Fund which is committed to assisting students with experiences helpful to a future in public service has continued to grow, and the University's political science program has prospered.

There are a great many people responsible for these positive developments, but undoubtedly the person who has contributed the most, both in terms of effort and vision, has been Dr. W.O. Farber. I have a special fondness for Bill Farber because he was chairman of the USD political science department (then referred to as the government department") when I was completing my undergraduate work there, and later Dr. Farber was instrumental in assisting me with my graduate studies. But beyond personal friendship, Dr. Farber has become an unequalled institution in our state—a voice for reason, progress and integrity respected by all.

Dr. Farber presented an important lecture this past year at the dedication of Farber Hall in the beautifully restored Old Main on the USD campus. I believe that all Americans would benefit from Dr. Farber's wisdom shared with us at that time and also by the Farber Testament" which dates to our nation's bicentennial in 1976.

Mr. President, I ask that excerpts of Dr. Farber's speech, "The Challenge of Public Service" and the Farber Testament be printed in the RECORD.

Mr. President, I appreciate the opportunity to recognize the contributions Dr. Farber has made to the advancement of public service and I encourage all of my colleagues to take the time to read these important observations.

The material follows:

EXCERPTS OF THE CHALLENGE OF PUBLIC SERVICE

(By Dr. William O. Farber, Professor Emeritus (Political Science), University of South Dakota)

Note.—This lecture, presented August 1, 1997, was the first to be given in the newly dedicated Farber Hall in Old Main. Dr. Farber was introduced by President James Abbott.

USD Alumni and Friends: As you may well imagine, this moment has been on my mind for a long time. H.G. Wells, the fabled historian of my generation, once described the

eternal tragedy of a teacher to be that a teacher is a sower of "unseen harvests."

Today, I have the greatest of good fortune. For I am able to witness a "seen harvest." In my wildest fantasy I never thought that some day, on a single spot, I would witness such an assembly of those who, during a sixty-year period, would have brought me such inspiration, challenge, and satisfaction. It is a great day, in this building, in this hall, for us to celebrate.

This is certainly a special event for me for more than one reason. There had been a rumor that there had never been a Farber family, that I had appeared out of nowhere. Here this afternoon are seven Farbers, including two brothers, my special critics. I am especially happy they are here.

The presence of all of you makes me realize the extraordinary nature of USD. The credentials of a university are its alumni and, as I survey this audience, I appreciate that the University of South Dakota has much of which to be proud.

There are those who think that "politics" is a dirty word and "government" is synonymous with incompetence. But you know and I know better, that "politics" is determining the problems facing the world and deciding what can be done to improve humankind's lot, and "government" is the agency through which, when individual efforts fail, we collectively make our nation and world a better place in which to live. And that is what democracy and public service are all about.

While you were a student and, even now, I think of us as partners in a goal to improve government and the world. We know that if government is bad, all other human endeavors will fail. We subscribe to the Athenian oath that we will seek to transmit our community to the next generation greater, better, and more beautiful than it was transmitted to us.

We are here today then as partners in an especially important enterprise, as contributors, indispensable contributors, who have made this renovation of Old Main and this event possible. Many of you, like myself, have great memories of this building. I believe a superior restoration job has been done. I am especially proud of the Governors' Balcony. The idea came to me in June 1996, when, on the retirement of Bob Dole from the Senate, the decision was made to designate a Senate Balcony as the Dole Balcony. USD has had ten of its alumni serve as Governor of South Dakota—Norbeck, Gunderson, Jensen, Sharpe, the two Mickelsons, Anderson, Foss, Farrar, and Janklow. I have been fortunate in knowing six of them. They serve as models of what can be done. Students of the future can receive their inspiration in this room as well as this building. We owe much to many.

Fortunately, USD now is at the threshold of what can be a great future. It reminds me of Shakespeare's "tide in the affairs of men, which taken at the flood leads on to fortune." We are now lucky to have a USD graduate as president. I was tempted to say a "coyote" for president but somehow that didn't seem quite right. Jim Abbott was a political science major and is a member of the Farber Fund Executive Board. One wonders why we didn't place more emphasis on selecting one of our own sooner. Jim knows the territory.

There are three other developments which bode well for USD in achieving its goals. The Farber Fund is now approaching \$1 million in assets and it takes only my death to put it there. (This is not a suggestion.)

The Fund has done much to stimulate ambition among our students and cause them to heighten their goals. The second development, thanks to Ray Aldrich, is the Chiesman Fund for Civic Education, which

has over \$400,000 to promote civic education through research and public forums. The third is the selection, by the Board of Regents of the Political Science Department's proposal, for a Leadership Training program as a Center of Excellence providing some \$340,000 annually, including the recruitment of new staff.

Thus the Political Science Department and the University as a whole have some unusual opportunities in the near future. Already planned for next year is a lecture program, which involves some of you. The initial response from alumni has been excellent. Old Main is to be the center of student activity, an emphasis much to my liking.

* * * * *

THE BACKGROUND TO KNOW

What is this business about? It's about preparing ourselves and others. There is an awful lot of garbage out there being passed around as information, on the tube, on the web, on the newsstand, and, indeed, in the classroom. We need to ask the right questions. We need to determine priorities. We need to help others to take little for granted.

I had a jolting experience with respect to the background to know. I took a minor in education at Northwestern where I received my BA and MA. To complete the minor, I took "practice teaching" and had the luck to do my "practicing" at New Trier High School in Winnetka, Illinois. I was an understudy to Laura Ullrich. Although she was a high school teacher, she had a Ph.D. In my evaluation session with her, she was very laudatory, said I had good command of the class, etc. But then she said, "You have one fault. You don't know your subject." That stinging rebuke I have never forgotten. You do need to know your subject. The need for the background to know is imperative. As part of the background to know, you must learn and love to read and write.

* * * * *

My favorite quote is from Elizabeth Barrett Browning: "Every common bush is afire with God, but only he who knows, takes off his shoes. The rest sit round it and eat blackberries." The point is that it is possible to see in every situation intriguing and challenging forces. But you need to see. And that is what education is all about.

In addition to giving a stimulating lecture for all to hear collectively, the teacher must provide individual recognition. If a student calls for an appointment, I do my best to say, "Can you come over now." The student calls when the problem is disturbing him. I like to go to class early, walking down the aisle in large classes, to invite access.

I came from a family with a strong work ethic. My dad, for some 50 years, owned and worked in a grocery store. . . . I worked in the store on Saturdays and summer during high school and during summers through seven years of college.

The experiences in the grocery store taught me many things, the first is the constant need to be a salesman, including of yourself. When Mrs. Peterson came in the store with her list of needs, I always thought, what does she really need that is not on her list, and I made the applicable suggestion. Now, when a student comes into my purview, I think what is a potential career he or she has not thought about, which might be even better than present goals?

In attaining goals it is important to give encouragement. Some time ago, I was going to Pierre by plane from Sioux Falls. A good looking fellow sat down beside me and said, "Do you remember me?" I fumbled and said "Your face is familiar, but I do not recall your name." He identified himself and then said, "I want to tell you what you did for me.

Inside the cover of a bluebook, a test I had taken, you wrote 'It begins to look as though you are getting the hang of it.' You have no idea how encouraged I felt at a time I felt discouraged. I have gone on, graduated, and have a successful business in Sioux Falls and Denver." I was happy with the compliment, but then I thought of all the other bluebooks that had deserved a similar statement. The position of a teacher is a delicate one.

One of the things I have done at graduation time has been to encourage students by rewarding them with a token gift. Originally, it was a marble owl from Italy, later an onyx turtle from Mexico, and more recently a Dedo gargoyles from Notre Dame. This past year a former student called me from Boston. "Doc," he said, "when you gave me a turtle, you said, like the turtle you will only make progress when you stick out your neck. Doc, I've made it, and I want you to know I have kept that turtle in sight for twenty years."

The background to know, fortunately is now easier to acquire, but at the same time there is much more to know. Thanks to technology we have greatly expanded our ability to know. We have access to global knowledge almost instantly. The shortcuts in acquiring knowledge are many and in this fast world the shortcuts are necessary. If you wanted to, you could get up from your seat, walk out on me here and read parts of my speech later on the Farber Fund web page. In the background to know, you must learn and love to read and write and cherish the value of both. As educators and public servants, we must not only acquire and dispense information, but also develop in ourselves and in others the inner hunger and imagination to use information meaningfully. Thus research in all areas including political science is a must and thankfully the USD Governmental Research Bureau, established in 1939, still exists and continues to provide needed studies in government. The Chiesman grant will make it possible to expand our research activities. It is a wonderful opportunity also for USD to promote civic education through public forums not only in Vermillion but throughout the state.

THE VISION TO SEE

The second important point is for one to have the vision to see. The background to know provides the pieces of the puzzle; as with a jigsaw puzzle, the vision to see puts the pieces in their rightful places.

Vision often comes easily. There are obvious reforms that should be made. In the early thirties Jane Addams, the founder of Hull House in Chicago, pointed out the ridiculousness of the American policy of killing little pigs to decrease supply when we had a nation of 12,000,000 unemployed and people starving. Justice Brandeis used to plead for "education in the obvious."

I have been enchanted with how the devil took Jesus to the top of a mountain to show him the kingdoms of the earth.

Thus from time to time we need to get to the mountaintops and examine our own problems. Look at South Dakota. The single most important political fact is our population size, only a bit over 700,000, less than the population of cities like Indianapolis, Phoenix, or San Antonio. Yet here we are to govern the 700,000 saddled with 66 counties, 300 municipalities, 900 township governments, and an increasing number of special districts. It is just plain nuts. Compared to Arizona with 16 counties, we should have 10 at most. Cities with populations of under 500 should be disincorporated. And townships have long since lost their reason for being.

E.A. Ross, a prominent University of Wisconsin sociologist, once said, "Rural Wisconsin resembles a dried up fish pond with nothing but the bullheads and the suckers left behind." I wouldn't put rural South Dakota in

the same category as Wisconsin, but there is no doubt that the drain out of population with two-thirds of our counties losing population every census for the past thirty years has caused a loss of leaders.

It doesn't take too much vision to see that on the national level we should make certain that every child up to age 18 has adequate medical attention. And the tuition costs of college students are a national disgrace. Even our best and brightest are graduating with debts in many cases of more than \$50,000. If China and Cuba can provide free educational and health costs, we, at least, could drastically reduce tuition costs.

In 1935, when I came to South Dakota, I was impressed by the vision of many of the local leaders. Governor Peter Norbeck was still alive and his record of accomplishment and his belief in what government could do was still remembered. In Vermillion, in the midst of a depression, the town could boast of a recently completed municipal swimming pool, a new Union Building, and a new hospital.

I had the good fortune to know Doane Robinson quite well. His vision of South Dakota included the building of the Missouri River dams, widespread irrigation including much of the land east of the Missouri and west of the Jim, extensive electrical power almost certain to attract a Henry Ford plant, and the use of the Missouri for transportation.

Many of these dreams have not been realized, but some have been. I am impressed with the great potential South Dakota has today. Look at Vermillion. The bridge to the south will open up new economic possibilities along the river itself. The example of Gateway stands out as an example for other industries to emulate. The caliber of our labor supply, the low crime rates, the quality of our labor supply, the low crime rates, the quality of living, the educational system, all make the state and its cities attractive places in which to live. Now is the opportune time to set up think tanks in South Dakota. Some of you have expressed a willingness to serve.

What we need for many of our problems is thus the vision to see. It is absurd to think that the governmental structure the founding fathers created in 1787 in Philadelphia, scared by a pending French revolution, is the best possible for the year 2000. And that much of state and local government should remain, two centuries later, relatively unchanged.

But there is another important ingredient to the vision to see. It is to secure human rights and equality of opportunity. One of the memorable events in my life was sitting beside Phil LaFollette at a graduate political science student session. We were considering at length First Amendment rights. He turned to me and said, "We are discussing the wrong rights. More important than these are the right to feel secure, have a decent job with just compensation, the right to an education, a home and a family."

Thus, I think we can conclude that while education is the basis of what we need to know and see, there is another important ingredient, to think of human values and the need to be caring. Life is not worth living if there is not a constant concern for others. I am reminded of one of Senator Karl Mundt's favorite quotes: "The hermit of God who shuts himself in, shuts out more of God, than he shuts in."

One of the best ways to provide a new dimension to one's vision to see is to be acquainted with a different culture. That is why the encouragement given to students to travel with funds from the Farber Fund has been so significant. One of my favorite

quotes, an inscription on the old Pennsylvania Station in Washington, DC, is: "He who would bring back the wealth of the Indies must first take the wealth of the Indies with him." The requirement of a report upon the student's return has helped to implement that advice.

THE WILL TO DO

This brings me to my third and final point, the will to do. Without action, without implementation, all else becomes pointless. But most of us, burdened by needs of everyday life, are reluctant to do more than will make our own life more comfortable. The lesson from Toynbee is the need to insure that our civilization, our government, reflects citizen involvement, so that future developments of the Hitler type can be and will be resisted. That demands participation of a high order, the lack of which even now threatens our government.

What I am pleading for is a will to do, not only for one's own self but as well for one's community, one's state, one's nation, and indeed, the world. None of us attains his fullest potential. We can be more than we are. We should sacrifice what we are for what we can become.

Winston Churchill said, "we shall never surrender, never, never, never." And, "There are no hopeless situations, only people hopeless about them." There is a need for all of us to continuously explore alternatives. There are many ways to skin the proverbial cat.

George Bernard Shaw's famous quotation provides an important clue: "You see things as they are, and ask 'Why?' But I dream things that never were and ask 'Why not?'" I am confident that most of you present here today are "Why not" leaders. Part of the will to do is to accomplish through others. I have always believed, as you know, that a college education is a partnership between teachers and students and the success of much of life depends on partnerships. And as Pat O'Brien has noted in his essay in *Dig Your Well Before You Are Thirsty*, Farber Fund contributors have been an amazingly successful network.

An essential ingredient of leadership is enthusiasm. A teacher not sold on the importance of the subject is doomed to be a poor stimulator of students. The key to Nelson Rockefeller's success as New York governor was described as his "exuberance." I like Eisenhower's statement: "It is not the size of the dog in a fight that counts, it is the size of the fight in the dog."

The will to do involves leadership. I feel this afternoon that I am surrounded by leaders. The challenge today for professors and students has changed mightily since 1935. The complexity of modern problems demands a higher degree of expertise. Computers have opened up vast areas of information heretofore not available. In some ways, we are swamped. Leadership with guidance is increasingly important. In this world we need to speak out. In politics, if you don't blow your own horn, there is no music.

I have great confidence in South Dakota's potential. But I am equally convinced that without governmental changes of the sort outlined in the Vision to See, that potential will not be realized. I know that the conventional wisdom dictates that it is difficult to make changes in South Dakota. But we have, in my opinion, a population that can be sold. Remember, in 1936 the size of South Dakota legislature was reduced by public vote from 180 to 105 with the loss of 75 legislative seats—an astounding public victory.

I was a participant in the constitutional revision effort from 1969-1975. From a governmental point of view, the reorganizations of the executive and judicial branches of gov-

ernment were remarkable events that received popular approval. It is amazing what little things can help to bring about reform. Ted Muenster recalls that it was a letter from the State Snake Exterminator, who held office with no other employees, asking for a new pickup that made him realize the stupidity of a state administrative organization with over 100 reporting units. Action followed.

In 1982, I had the good fortune to head the successful drive, using the initiative, which changed the basis of our system, of electing legislators, abolishing the block system. It took time and effort but we did the job. What is needed is leadership. I am convinced that we have the ability to change our outmoded method of taxation. There are those in this room who could do it.

This emphasis on leadership is why, as we look to the future, the opportunities now open to USD and especially in political science are indeed attractive. Key to this program is the recruitment of a core group of superior students whose leadership has been demonstrated in high school. As you can readily appreciate this is why scholarship money is a critical need.

With rising tuition costs, few superior students can afford university training without scholarship aid. South Dakota can well afford the investment in such aid. At the present time this state, of its total revenue, devotes 6.5 percent to higher education, the lowest of any state in the region. North Dakota provides 10 percent, Iowa 8.4, Minnesota 6.8 and Nebraska 8.3. As a consequence, compared to surrounding states, our in-state tuition is the highest with the exception of Minnesota.

And thanks to many of you, the support of the Farber Internship and Travel Fund has made possible funding that has enabled more than 500 eager political science students to receive internships, attend state national conferences, and study overseas. It has raised their sights, stimulated their study, and attracted many to careers of public service.

THE FUTURE

It is my hope that here in Farber Hall past traditions will guide future activities to motivate students to become involved and reap the many rewards of public service.

In the evening, I often walk to the Shakespeare garden and then pause at the Quirk carillon. There I am encouraged as I read from Longfellow's Psalm of Life:

Let us then be up and doing,
With a heart for any fate,
Still achieving, still pursuing,
Learn to labor and to wait.

One final thought: It is my hope that in that wonderful and exciting twenty-first century in which you will have an important role, that sometime when the merry feast is on, you may reflect on what we did here on August 1, 1997, and celebrate by imbibing a strawberry daiquiri!

God bless you all and thanks much for attending.

THE FARBER TESTAMENT

To My Students: I believe that dedicated public service is the noblest of the professions. To enter it, whether as academic or as practitioner, is the greatest of good fortune. Thus, I have sought to encourage all in my purview to share the joys and rewards of this commitment.

You who came to me with some inner flame, it has been my mission to nurture, to

feed that flame, and at all costs never to kill it. With all the world's contemporary challenges, the chance to motivate, to stimulate, to kindle, remain the high calling, and ever to remind that in catastrophe there is opportunity, out of weakness can come strength. My hope has been that none of you has left my presence feeling the worse for the encounter.

The keys to a happy, acceptable, and productive life are participation, involvement and concern for others. I have hoped, by example, to inspire you to be change agents. Often your intellect, I know, has been superior to my own; only my experience has been greater and that I have tried to permit by association "to rub off on you."

To broaden one's horizons, travel, experimentation, and bold thinking must be the goals. I have sought to teach the importance of the background to know, the vision to see, the will to do. Like others before me I have often learned more from you than you from me. But always, for more than 40 years, has the joint educational venture been intensely human, exciting, and worthwhile. (May 8, 1976).●

NEW STUDY SHOWS HOW MINNESOTA'S CARGILL AND 3M COMPANIES BOOST THE U.S. STANDARD OF LIVING THROUGH THEIR GLOBAL ACTIVITIES

● Mr. GRAMS. Mr. President, last week, a Washington-based trade association, the Emergency Committee for American Trade (ECAT), released an important new study on how American companies with global operations increase the U.S. standard of living and strengthen the domestic economy. The study is entitled "Global Investments, American Returns" and I highly recommend it to every Member of the Senate.

I am proud that two of my state's most successful companies have contributed case studies to this compelling report. Cargill, Incorporated and 3M Company are examples of why America's economic future and an improved standard of living for all Americans depend upon our ability to operate, sell, invest and compete in the global marketplace.

Cargill, Incorporated operates in some 72 countries as a marketer, processor and distributor of agricultural goods and services. The company has been so successful in selling to foreign markets that some of Cargill's fertilizer facilities operate 24 hours a day, 365 days a year. This allows the plants to achieve lower unit operating costs and thereby allows Cargill to deliver a more competitively priced product. If these plants served only the U.S. market, they would sit idle most of the year because fertilizers are required only during very short periods of growing seasons. Cargill's global presence helps generate demand for its fertilizers all year round by serving different parts of the world during different growing seasons.

3M Company produces a large and continually evolving range of technologies and products. For example, the company currently offers more than 900 varieties of tapes alone. More

than 53 percent of the company's total sales are from outside the United States. 3M Company's success in operating abroad has meant growth here at home. Efficient foreign distribution, sales, and technical support, and research and development generate increased U.S. production and research and development here at home. For example, 3M's \$2.6 billion in Asian-Pacific sales contributes more than \$182 million to the company's annual research and development budget of \$1 billion—much of which is spent in Minnesota. In addition, finished and semi-finished goods that are manufactured in the United States and then exported help support overseas sales.

Cargill and 3M Company are just two of the American companies profiled in Global Investments, American Returns. The study uses data and business cases to illustrate the importance of operating globally. For example, the study shows that:

Global activities by American companies actually increase investments here at home rather than substitute for them.

The global presence of U.S. firms helps to increase export sales and create additional purchases from U.S. suppliers.

American companies with global operations account for most of the nation's research and development capital investments, and export sales.

American companies with global operations also rely heavily upon U.S. suppliers. These companies purchase more than 90 percent of their supplies—amounting to \$2.4 trillion annually—from American companies.

American manufacturers with global operations pay higher wages than do purely domestically-focused firms. For production or blue-collar workers, the difference is 15 percent higher earnings.

I urge all of my colleagues to review carefully "Global Investments, American Returns." It is an important study that should guide America's tax and trade policies. I am especially pleased to learn that ECAT—and companies like Cargill and 3M that contributed to the report—will launch a trade education campaign to help spread the facts and dispel the misconceptions about trade and investment. I am proud that these Minnesota companies are a part of this effort.

I ask that the Executive Summary of the study be printed in the RECORD.

The Executive Summary follows:

EXECUTIVE SUMMARY

In public and private-sector debates over U.S. trade and investment policies, the role in the U.S. economy of Americans companies with global operations¹ has often been misunderstood. Although there is no doubt that the United States plays an important role in the world economy, most Americans are unaware of the critical contributions that trade and foreign direct investment (FDI) of American companies with global operations make to the U.S. economy.

To broaden public understanding of the positive role of these companies, this study expands upon the research in ECAT's pre-

vious Mainstay studies in two important ways. First, it focuses on the key issue of the U.S. standard of living. Second, it broadens the scope of the study to include all three major sectors of the economy: manufacturing, agriculture, and services.

There are two key points in Mainstay III. First, by raising U.S. worker productivity, American companies with global operations help raise the U.S. standard of living. Second, because the U.S. and foreign activities of these companies tend to complement each other, the ability of these companies to help raise the U.S. standard of living depends crucially on their ability to undertake foreign direct investment abroad.

Mainstay III is based upon analysis of the investments, research and development, exports, imports, and purchases from suppliers of American companies with global operations and many other data from 1977 through 1994. The primary data source is surveys of such companies conducted by the Bureau of Economic Analysis (BEA) within the U.S. Department of Commerce.

The following sections summarize the major findings and conclusions of the study:

1. SETTING THE STAGE: THE WORLD ECONOMY IN WHICH AMERICAN COMPANIES WITH GLOBAL OPERATIONS COMPETE

American companies today operate in a world economy that is increasingly concentrated outside the United States and that is rapidly expanding its international linkages through FDI and international trade.

The U.S. share of the global economy is shrinking. For decades, the U.S. economy has been growing more slowly than the rest of the world, such that the U.S. share of total world output has been declining. This share was approximately 50 percent in 1945, but is down to only 20 percent today.

FDI and trade help U.S. integration into the global economy. American companies with global operations have helped integrate the United States more closely into the growing world economy. Average annual outflows of FDI from the United States quadrupled from the 1960s through the 1980s, and total trade as a share of U.S. output rose from 5.6 percent in 1945 to 24.7 percent in 1995.

By participating in the world economy, American companies with global operations maintain a significant presence in the United States.

Most employment is in the United States, not abroad. In 1977, U.S. parent companies accounted for 72.8 percent of total worldwide employment of American companies with global operations and by 1994, they accounted for 74.3 percent of the total.

Profits earned by foreign affiliates are mostly repatriated. In 1989 (the most recent year for which these data are available), U.S. parents repatriated 72.8 percent of their foreign affiliates' net income.

Most intermediate inputs are purchased from domestic suppliers, not foreign suppliers. From 1977 through 1994, more than 90 percent of all intermediate inputs purchased by U.S. parents came from American suppliers, not foreign suppliers.

Overseas, American companies with global operations are located primarily in developed countries, and the sales from these operations are overwhelmingly in local markets.

Most affiliate activity abroad is in developed—not developing—countries. In 1994, developed countries hosted nearly two-thirds of U.S. foreign affiliate employment and accounted for more than three-quarters of foreign affiliate assets and sales.

Foreign affiliate sales are mostly abroad, not back to the United States. In 1994, only 10 percent of total U.S. affiliate sales went to