

had anyone come forward who wishes to speak at this point. But since we have reached the magic hour of 2 o'clock, it is best we proceed under the unanimous consent agreement.

#### AGRICULTURE EXPORT RELIEF ACT OF 1998

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the clerk will report S. 2282.

The legislative clerk read as follows:

A bill (S. 2282) to amend the Arms Export Control Act, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 1 hour under the previous agreement.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I rise today to offer the Agriculture Export Relief Act. First, I thank the members of the sanctions task force for their critical contributions to this bill. The staff has met several times, and I think the concerns which were raised in each meeting have been incorporated in this legislation.

Before I describe the bill, I would like to mention a few Members for their unique role in bringing this bill to the floor and energizing all of the interest that has developed around this particular issue.

Senator ROBERTS of Kansas deserves special recognition for his leadership in resolving this pressing issue. It was two bills first introduced by Senator ROBERTS—one dealing with the specific issue of lost markets for U.S. farmers and another more important bill dealing with the broader issue of ensuring that the executive branch has the flexibility it needs to conduct foreign policy in south Asia—that provided the initial impetus for today's action on this important legislation.

Senator ROBERTS quickly recognized the need to provide additional flexibility in dealing with the troublesome relationship between India and Pakistan. His legislation to provide that flexibility prompted the majority leader to create the sanctions task force 2 weeks ago. And today, in the task force's action, the U.S. Senate is preparing to act on the legislation originally sponsored by Senator ROBERTS.

I am very pleased to associate myself with the work of the Senator from Kansas. While his efforts to protect and defend America's farmers and ranchers are widely appreciated, I am particularly pleased to recognize his strong leadership in the area of U.S. foreign policy and in protecting the national security interests of the American people.

I also want to take a moment to recognize the work of Senator CONRAD BURNS, Senator CHUCK HAGEL, and Senator LUGAR. Each have been vocal, effective advocates for their agriculture communities' interests, which I am convinced is why the Senate is acting

so quickly today. And, in addition to that, Senator GRAMS of Minnesota and Senator ALLARD of Colorado have been particularly active and involved in this issue.

Let me outline briefly what I think this bill accomplishes, since we operated on a tight deadline and there may be some Members who have not had a chance to review the details. Frankly, it is short and it is simple.

As many Members know, current law imposes sanctions on nations which transfer nuclear technology or detonate a nuclear weapon. The law exempts from these sanctions intelligence activities and humanitarian assistance. This legislation adds one additional category. We have permanently exempted financing and credits extended by the Department of Agriculture to support the sales of agricultural commodities. We have also clarified that current law exemptions on commercial financing extend not only to agricultural commodities but also to fertilizer.

The reasoning behind this exemption is simple: Sanctions are supposed to squeeze the targeted country, not the American farmer or producer. Cutting off our sales will not alter or reverse the decision to detonate. Cutting off American export financing will not change any government's judgment or, for that matter, change its behavior about its nuclear program. There is no leverage in curtailing or cutting off our sales; there is only loss of income for our farmers, our ranchers, our producers.

As we discuss this bill, the U.S. agriculture community faces the possibility of not being able to bid on a tender of 350,000 tons of wheat recently proffered by the Pakistani Government. At a time when Asian markets and sales are depressed, this tender is unusually important. Whether the Pakistanis buy U.S. wheat, Canadian wheat, or some other country's wheat isn't going to make a difference on a dinner table in Islamabad—but it sure will in Topeka. We should not sacrifice the American farmer in our effort to put the nuclear genie back in the bottle.

This bill is a good first step. But I would like to let my colleagues know it is not as far as most of the members of the task force wanted us to go. I think many shared the view that we should exempt from the sanctions law all official export promotion support to all American businesses, especially in view of the enormous pressure many are under because of the Asian meltdown. In the search for substitute markets, it would have made a real difference to allow the Export-Import Bank and OPIC support for a wide range of businesses from aircraft to home computers. However, given Senator FEINSTEIN's and Senator GLENN's objections, we were not able to proceed with export support.

We also could not proceed with language which would give the President a margin of flexibility to facilitate a reduction of tensions in the region. We

did not plan to offer a permanent waiver or suspension of sanctions. We were simply going to give the President authority to waive any restrictions until March 1 if doing so would produce some progress.

I think many of us are concerned about the possibility of additional tests, the prospect of deployment of nuclear weapons, and the transfer of fissile material to third parties. I am convinced that there was some merit in providing the President a short period of time to waive a restriction on economic assistance if he could produce meaningful results in enhancing our security interests.

Again, objections on the other side of the aisle have prevented us from offering that option today. We may not have reached as far as most of the members of the task force wanted, but we have taken a first, constructive step in defining when sanctions are and when sanctions are not in American interests and changing the law to better reflect those interests. This bill will advance and protect American economic security interests.

I have been pleased by the cooperative spirit which has characterized this first round in the task force's efforts and the fact that we had a very tough deadline set by the leadership which we were able to meet a week early. We would not have been able to move so quickly without Senator BIDEN's active and thoughtful effort. I thank him for that. We have had a lot of explaining to do, and my colleague has taken on that challenge with expertise and enthusiasm.

Mr. President, I do not see Senator BIDEN here yet. There are a variety of Senators on this side of the aisle who have been heavily involved in this, many of whom I see on the floor today. Senator CRAIG has been very, very active and concerned about this issue, and I believe he was first on the floor. I would be happy to yield to Senator CRAIG 5 minutes.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President let me thank my colleague and chairman, Senator McCONNELL, for working so closely with so many of us to bring S. 2282 to the floor. It is important that we act now and that we act decisively to send a very clear message to our producers and to our markets, both nationally and around the world, that we recognize, although sometimes the action of Government does not appear to, that the American economy and American farmers live in a global economy, and that we have to be a good deal more sensitive to our actions as it relates to that and the impact that those actions can have on our producers. Cutting ourselves off through unilateral sanctions seldom benefits us as a nation and almost always hurts the producer. In this instance today, we are

speaking of that producer being the American farmer.

Many of us have recognized that for a long time and have tried to say in a clear way through different pieces of legislation that food should never be used as a tool of foreign policy. But we stumble into that on a regular basis. As a result of that, we damage significantly the producer, because in the business of trade, one of the things that American agriculture has been able to establish over the years is two very important items. First of all, they are able to let the world know they can deliver a quality product. The world knows that and appreciates it. But it is also important that the world knows we are a reliable supplier. We search and we allow our producers to find markets and work to build those markets, only to be snuffed out by a piece of legislation that may or may not have impact upon another nation. That is exactly what has happened in this instance and why it is so important we act today and in a timely way.

Food should never be used as a tool of foreign policy for all the reasons that have been spoken to by myself and Senator MCCONNELL and I am sure will be referenced here today. It is poor policy to require the farmer to bear the burden of a faulty foreign policy or undeterminable goals, faulty goals.

In the bill we passed a year and a half ago, a new farm bill, we made a variety of promises to American agriculture producers. We promised, as we eliminated most price supports and ushered in a greater freedom to produce, that we would help open up world markets and that we would assure their openness and access to those markets, and that would become an important part of the marketplace. We promised less government intervention, and we promised to improve risk management options. The tragedy is, while we promised it, the action that was necessary to be taken under the Arms Export Control Act was a denial of that promise.

Today, we are here on the floor reinstating that promise very clearly. I hope the task force that Senator MCCONNELL and others are involved in, while they have looked at this and while Senator ROBERTS has been a leader in helping us focus on this issue, that we go well beyond this in this future, that we examine all of the things we are doing in the area of sanctions to see whether they really make sense or not. Maybe they would have in a world economy if we were the sole provider, if we had something nobody else had, if we had something that everybody else needed; maybe then we could force policy that was otherwise unpopular with some. That is not the case, certainly not the case with agricultural commodities. We must be a supplier of quality, and we must be a reliable supplier. Government needs to stay out of the way, only to help facilitate access to those markets, not in any way to deter them.

This amendment today moves us again to deal with this issue in a forthright manner. I think it will go a long way toward sending the right signal to our markets. I thank Senator MCCONNELL and others who have been involved.

He mentioned a good number who have been involved with us on a regular basis over the last several months, both Democrat and Republican, in focusing on this issue. I am happy to have played some role in it but, most importantly, to help get this to the floor on a timely basis so we can impact markets and production and price in this country. I am convinced this action today will do so.

I yield back any remaining time.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I am very pleased today to join my colleagues, Senator BIDEN, Senator ROBERTS, and numerous other sponsors of this amendment, in moving forward this important piece of legislation today.

I ask unanimous consent Senator KERREY be added as a cosponsor as well.

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

Mrs. MURRAY. Mr. President, it is imperative that we preserve Pakistan as an export market for our wheat. Washington State wheat growers need this bill. Our wheat prices right now are beneath the cost of production. Our growers and the rural communities they support are, frankly, losing the shirts off their backs.

There are now 3,500 wheat farms in eastern Washington; that is 3,500 wheat families. These families are the backbone of our rural economy. In Douglas, Lincoln, and Adams Counties, in Ritzville and Garfield, our growers need export markets like Pakistan so they can keep going. Every day we are losing family farms, and it is imperative that we do something about it.

This bill doesn't just affect farmers, it affects our truckers, it affects our ports, it affects our barge operators, and all of their families as well.

Given the evolving market forces in south Asia, it is really critical that we pass this bill today to give wheat growers in Washington State, the Northwest, and the Nation the chance to compete with other suppliers who are just waiting to take our customers.

No one condones the actions of either Pakistan or India earlier this year. The proliferation of nuclear weapons must not be allowed. The Arms Export Control Act of 1994, passed overwhelmingly by Congress, and requires that sanctions be imposed on these nations.

But the original act excluded food and humanitarian assistance. Unfortunately, the export credit guarantee programs of USDA essential to sale of food to poorer nations like Pakistan were not excluded.

Last month, during committee consideration of the Agriculture appro-

priations bill, I passed an amendment to explicitly exclude these export credit guarantees, most notably the GSM-102 program, from the sanctions.

Unfortunately, because of recent developments here on the floor, this amendment on agriculture will not be enacted into law soon enough to prevent the loss of this important export market.

Pakistan recently announced that they will tender for 350,000 metric tons of white wheat on July 15 for an August shipment. Without access to the GSM-102 credit guarantees, United States wheat producers will not sell a single kernel of wheat to Pakistan.

In recent years, Washington state wheat producers, in fact, Pacific Northwest growers, have sold more than one-third of their wheat to Pakistan. Washington state and other Pacific Northwest states produce almost exclusively white wheat, making Pakistan out number one export market.

Washington wheat needs this export market. This is a \$300 million market for Washington wheat.

If we do not enact this legislation by July 15, we will lose not only the ability to bid on this tender, but potentially the entire Pakistan market, as other nations step in to fill the void.

That is why we are bringing this amendment as a stand-alone piece of legislation this afternoon.

If we do not pass this bill and preserve this important wheat market, the United States reputation as a reliable supplier of high quality wheat will be weakened and our competitive advantage in the global marketplace undermined.

That is why this Congress must act now.

Mr. President, I have a number of items that I ask unanimous consent to have printed in the RECORD: A letter from Sandy Berger, Assistant to the President for National Security Affairs, in support of my amendment; remarks of the President in a radio statement on wheat exports in support of the legislation; a statement by the Secretary of Agriculture, Dan Glickman, in support of the legislation; a letter from the National Association of Wheat Growers in support of this legislation; and a letter from the National Association of State Departments of Agriculture in support of this legislation.

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

THE WHITE HOUSE,  
Washington, DC., June 11, 1998.

Hon. PATTY MURRAY,  
U.S. Senate, Washington, DC.

DEAR SENATOR MURRAY: Thank you for your leadership in addressing the question of Agriculture Department export credit programs that may be affected by the imposition of sanctions on Pakistan and India under section 102 of the Arms Export Control Act. As you know, in implementing the sanctions we are endeavoring, whenever possible, to minimize the humanitarian impact on the people of India and Pakistan.

With this purpose in mind, the Administration supports the legislative language in the bill, introduced today by you and Senator Roberts, which would amend the Arms Export Control Act to create an exception for "credit, credit guarantees, or other financial assistance provided by the Department of Agriculture for the purchase or other provision of food or other agricultural commodities." We further support your efforts to move such legislative language as expeditiously as possible.

Sincerely,

SAMUEL R. BERGER,  
Assistant to the President for  
National Security Affairs.

THE WHITE HOUSE,  
OFFICE OF THE PRESS SECRETARY,  
June 11, 1998.

For Immediate Release:

REMARKS OF THE PRESIDENT IN A RADIO  
STATEMENT ON WHEAT EXPORTS

"Today, I announced my support for Senator Murray's legislation to ensure that American farmers can continue to export wheat to Pakistan and India under the Department of Agriculture's export credit program.

In implementing sanctions against India and Pakistan, we are trying, wherever possible, to minimize the humanitarian impact on the people of those countries. We have long believed that food should not be used as a weapon to influence other nations.

Farmers in the United States provide a significant percentage of Pakistan's wheat imports. Cutting off that supply would only hurt the citizens of Pakistan and American farmers without furthering our important goals of nonproliferation of atomic weapons. We hope this amendment is passed as quickly as possible."

CONTINUING AGRICULTURAL EXPORT CREDITS  
TO INDIA AND PAKISTAN

[From Radio Address of Agriculture  
Secretary Dan Glickman, June 12, 1998]

When India and Pakistan recently conducted underground tests of their nuclear weapons, they crossed a line with the United States that requires a firm, no-nonsense response. This Administration has imposed tough sanctions that we support and that are required by law.

But the law also has called into question the fate of U.S. agricultural export credits. Export credits promote the sale of U.S. farm products to buyers in countries facing economic difficulties. These credits, which come at no cost to U.S. taxpayers, have enabled our farmers and ranchers to sell several billion dollars worth of food and fiber around the world. Without these credits, our exports would decline, as would our farm income, and areas in Asia and other parts of the world would be more unstable because economically troubled countries would have a harder time buying food.

While India makes only nominal use of these export credit programs, Pakistan is another story. They are the third largest market for U.S. wheat, and the top market for white wheat. Last year, Pakistan purchased 81 million bushels of U.S. wheat, almost all through export credit guarantees. And, so far this year, these credits have made possible \$162 million in U.S. wheat sales to buyers in Pakistan.

Unfortunately, as Congress wrote the arms control act, these sales may soon be in jeopardy. By law, this Administration could be forced to suspend these credits.

For humanitarian reasons, we should not use food as a weapon to influence other nations. From an economic perspective, it's important to show that the U.S. is com-

mitted to being a reliable supplier of agricultural products. And, for all practical purposes, the ones who will be punished most by this action would be U.S. wheat farmers who already have been beaten up by low prices.

This Administration will resist any action that would lead to a de facto grain embargo, and I do not believe the arms control act was written with that end in mind. We need to act quickly to protect these export credits. Fortunately, legislation now before the Congress—authored by Senator Patty Murray, of Washington, and Senator Pat Roberts, of Kansas—would do just that. This Administration strongly supports this bill which would separate agricultural trade from American's non-proliferation efforts.

For our world to be stable and secure in the next century, we need strong international arms control efforts, but we also need a strong agricultural trading system that is capable of getting enough food to people around the world. Both are essential ingredients to peace and stability, and neither should be sacrificed to the other.

NATIONAL ASSOCIATION OF  
WHEAT GROWERS

Washington, DC, June 11, 1998.

Hon. PATTY MURRAY,  
U.S. Senate, Washington, DC.

DEAR SENATOR MURRAY: We are writing in strong support of the "India-Pakistan Agricultural Credit Sanction Exemption Bill". It is our understanding that this bill will provide a narrow exemption for food and food credit programs from any possible sanctions resulting from Section 102(b) of the Arms Export Control Act against the nations of India and Pakistan. Further, this limited exemption is consistent with the existing statutory exemption for commercial agricultural loans.

Pakistan is the third largest wheat export market for the United States. In 1997-98, Pakistan imported 2.2 million metric tons. Wheat is the major staple of the Pakistani diet and inadequate inventories could cause social unrest. In 1997, wheat shortages led to the collapse of the political system. Such unrest could lead to the ouster of the current government or worse, a military strike at India. We see food as a means to protect the political stability of Pakistan.

Indian is subject to the same sanctions as a result of its nuclear tests, however, it does not participate in the USDA export credit guarantee program nor is it currently a major importer of U.S. wheat. Nevertheless the narrow exemption expressed in the "India-Pakistan Agricultural Credit Sanction Exemption Bill" should be applied equally.

Thank you for your leadership in advancing the view that food should not be used as a weapon of foreign policy. We would also like to express our appreciation for your brave effort to reverse the tide of unilateral economic sanctions. Currently, eleven percent of the world wheat market is off limits to U.S. producers due to the imposition of unilateral economic sanctions. The addition of Pakistan and India to the sanctions list would further disadvantage U.S. wheat farmers and drive down already low wheat prices. It is our experience that most sanctions serve no one but our competitors and do little, if anything, to improve the behavior of the offending government. We pledge to work with you and the bill's co-sponsors to reform our unilateral sanctions policy and exempt food and other humanitarian assistance from the U.S. sanctions arsenal.

Sincerely,

BILL FLORY,  
President.

NATIONAL ASSOCIATION OF STATE  
DEPARTMENTS OF AGRICULTURE,  
Washington, DC, June 11, 1998.

Hon. PATTY MURRAY,  
U.S. Senate, Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR MURRAY: On behalf of the nation's commissioners, secretaries and directors of the state departments of agriculture, I am writing to express our strong support for your amendments to exempt certain Department of Agriculture programs from sanctions under the Arms Export Control Act. Prohibitions against U.S. agricultural exports will only serve to hurt U.S. farmers.

As you know, the GSM-102 credit program is extremely important to U.S. agricultural exporters. It serves as a safety net for reluctant exporters by guaranteeing financing for the sale of U.S. agricultural commodities to certain foreign markets. The recently imposed sanctions against Pakistan do not exempt such programs as the GSM-102 program, virtually cutting off that market to U.S. agricultural products. Many of our nation's farmers rely upon Pakistan as a market for their products under the GSM-102 program.

Given the recent crisis in Asia, which has had a substantial impact on U.S. agricultural exports, now is not the time to cut off another key market for U.S. farm products. Senator Murray, we appreciate your efforts on behalf of U.S. agriculture. NASDA does not believe that foreign policy should serve to ban the export of U.S. agricultural products.

Sincerely,

RICHARD W. KIRCHHOFF,  
Executive Vice President and CEO.

Mrs. MURRAY. Mr. President, agriculture is in crisis. The bottom has fallen out of the agriculture economy. Many of our growers are on the verge of bankruptcy. In fact, many have already gone over the edge.

We are losing family farms and we are losing the rural way of life.

Many in this chamber argue that trade is the answer. Trade is important, critically important. Pacific Northwest agriculture depends upon vigorous trade promotion.

I am a strong proponent of trade. But trade is not enough.

The 1996 farm bill took away the safety net for our growers. The old farm bill needed to be changed. And Freedom to Farm made some important changes. But it went too far and now growers are suffering.

While a market-based approach creates freedoms and opportunities in a competitive global market, some semblance of a safety net is necessary to ensure our growers survive the ups and downs of a volatile market. Congress needs to take action to protect agriculture and preserve rural communities before it is too late.

And this bill is an important step. Maintaining our export markets is essential to our long-term success. I urge the Senate to approve this legislation.

I retain the balance of our time.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. I yield 5 minutes to the distinguished Senator from Montana.

Mr. BURNS. I thank my friend from Kentucky. I also want to thank the

Senator in a couple of other areas, because responding to what we have in the Northwest is, in my regard, an emergency.

Let's back up a little bit and talk about what has happened to farm export, and especially to the Northwest. Last January, we sat down with officials, including the Prime Minister of Australia, and talked about what has been commonly referred to as the Asian flu, the financial crisis in the Pacific rim—the complete, or almost complete collapse of financial conditions in four countries: Indonesia, Malaysia, Thailand and South Korea. And then we talked a little bit about the financial situation that Japan finds herself in, not being able to ride to the rescue of her neighbors in the rim. At that time, there was a consensus that maybe those countries that found themselves in financial difficulty would not impact the GDP of Australia, and little was regarded here in this country. I thought at the time that you cannot let the economies in four major importing countries of agricultural products cave in and it not affect this country. Sadly, I was correct.

So our exports to that part of the world have gone to zero. Now we come along with sanctions. Let me tell you a little bit about sanctions. I have never been convinced that sanctions on food really work. I will tell you in an instant that if we unilaterally sanction a country on American agricultural exports, here is what happens: That country is still capable of buying a supply from somebody else in the world. But the market knows of these sanctions; therefore, the rest of the world maybe puts 1 or 2 cents a bushel on wheat. Now, 1 or 2 cents doesn't sound like a lot for a bushel of wheat that weighs 60 pounds. That is in a short ton anyway. But when you are buying 300,000 metric tons, it is a lot of money. Even to a farmer, it is the difference between making the land payment this year and not making the land payment—that 2 cents a bushel.

Once that sale is made to the country that we have had sanctions on, then the country that did the selling pours the rest of their crop on the world market. So what do we do and what do our farmers do? They compete at a lower level. That is not right. It hasn't worked, as far as denying the country that had the sanctions on it. It didn't deny them of food supply for the people who live there. But it has denied our farmers entry into the marketplace, a place to compete.

To give you an idea, in the last 4 years the United States has imposed 61 unilateral economic sanctions on 35 countries containing 40 percent of the world's population. Now, what does that country do when that sanction is placed? It retaliates: I am not going to buy American products at any price. I am not going to do that.

So, in essence, we have denied our grain producers access to that market to even be considered to compete. I re-

alize that we are talking about food here. I realize that to some folks that is not very important—until it comes suppertime. But to a farmer who only gets one or two paychecks a year, that is how he makes his payment on his operation, his fertilizer, his machinery, his land payment. It contributes to his schools, his community, his church. But under the conditions right now, they cannot do this.

So I ask my colleagues to strongly support this amendment. Yes, I know there are far-reaching implications of sanctions and, yes, there are folks who really understand that maybe national security may be at stake.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MCCONNELL. I yield to the Senator from Montana an additional minute.

Mr. BURNS. Thank you. Mr. President, you tell me where they have worked when it comes to the supply of food. That is the very basic of all of our necessities every day. The Senator from Idaho is exactly right. We have developed export markets by using two methods—it is quality, it is quantity, and it is reliability. We are a reliable customer, and to deny our producers—and you can go all over the world. Our producers compete on an individual basis. We don't pool our wheat like Canada. We don't sell wheat on the international market by a decision made by Government. We do it by individual producers who want to sell their crop at a given time. Given the proper tools of risk management, they could take advantage of the international market.

I urge support of this amendment. I thank my friend from Kentucky for championing it.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. Mr. President, I yield 8 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Mr. President, before I begin, I want to express my appreciation to the Senator from Delaware, who spent about 2½ hours with a group of us this morning, working to make sure that this legislation got to the floor today. I also want to thank our colleague from Kentucky, Senator MCCONNELL, who was equally helpful in our effort to make sure that this bipartisan legislative effort didn't blow up at the last minute. I want to assure my colleagues that it was very close to going by the boards this morning.

Mr. President, the wheat farmers of the Pacific Northwest are 6 days away from a disaster. On July 15, Pakistan is going to initiate a process to purchase 350,000 metric tons of white wheat for August 1 to 20 shipment. Without access to the Government credit guarantees that we are talking about here, U.S. producers are not going to sell a kernel of wheat to Pakistan. The USDA estimates that Pakistan is going to import just under a million metric

tons this year. Now, our prices are at a low. This year's crop is going to be one of the best ever. But the fact is, farmers across this country are staring an economic train wreck in the eye. We have a storage and transportation bottleneck with the imminent wheat harvest. We have a fair amount of the old crop still in the bins. We are facing the prospect of storing a great deal of wheat on the ground this year. Making a sale to Pakistan in the key August shipping period would be an enormous help in dealing with these logistical challenges. A sale might mean the difference between two or three turns of a river barge fleet versus only one turn in August.

Let me touch briefly on what it means to just one county, Umatilla, which I am very pleased that my colleague, Senator SMITH, who has worked so effectively with all of us on a bipartisan basis, calls home, and wheat growers there produce nearly one-third of all the wheat produced in our State. The economy of that county depends on both the direct sales of wheat and on all of the related jobs through suppliers, equipment, fertilizers, warehousing, shipping, and all of the economic base of our regional economy.

The fact is, Mr. President, and colleagues, unilateral sanctions simply do not work. They end up inflicting harm on U.S. producers and shippers. They don't target those specific leaders who are engaged in the most reprehensible activity. They hand market share to our competitors and then put the typical citizen in these countries in a position where they will not be able to secure the humanitarian help they need to survive. Each of these outcomes is not, obviously, a growth of U.S. foreign policy.

I am of the view that we do a lot of things well in our country. But I think what we do best is we grow things, and, at a critical time when we are seeing the United States in a position to play this leadership role in the global economy, it would be a tragedy to make the mistake of not passing this legislation, which, as far as I can tell, has kept about 15 Members of the U.S. Senate on the floor simply to speak for how important this legislation is.

We are, in the Pacific Northwest, 6 days away from a disaster. So it is critical now at the 11th hour that this legislation pass.

I am pleased to have been a part of this bipartisan group that has worked on this legislation over the last few weeks.

Again, I want to express my thanks to Senator MCCONNELL of Kentucky, and Senator BIDEN, for their patience through that 2½-hour exercise this morning that had Sandy Berger of the White House and others involved, because had not Senator MCCONNELL and Senator BIDEN been so patient this morning, we might not have this bipartisan legislation on the floor this afternoon, and our wheat farmers would not have had the help they need.

Mr. President, I yield the floor.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I yield 5 minutes to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 minutes.

Mr. HAGEL. Mr. President, thank you.

I wish to first congratulate the bipartisan leadership in this body, the leadership of our two leaders, Senator LOTT and Senator DASCHLE, for addressing this issue and addressing the more encompassing issue of sanctions in total.

I want to also thank my friends and colleagues, Senators BIDEN and McCONNELL, for their active leadership on this issue.

This is a strong first step. We need a comprehensive trade package, a comprehensive package we will talk about and address. Yes, sanctions; sanction reviews—a number of my colleagues and I have worked on this issue for the last year. We have legislation pending. Senator LUGAR has been a leader in this area. We need to address the IMF issue as a Congress. We will be addressing MFN status with China and fast track. But a complete package.

This is a strong first step. This is the beginning of the larger debate that this Congress will have and must have about the role of the United States in the world and how we intend to engage the world, and trade is a very important part of that.

Our relationships with other nations must not be held captive to one issue. But our relationships with other nations are complicated. They include trade, of course, commerce. They include U.S. interests abroad, national defense, and human rights. But we must not allow one dynamic of our relationship with all our other nations on this globe to be held captive to just one issue.

History has shown, Mr. President, that trade and commerce engagement in reaching out does more to change attitudes and alter behavior than any one thing. Why? It improves diets; it improves standards of living; it opens society; it exposes people who have lived under totalitarian rule, who have had limited exposure to freedom, to liberty, to economic freedom, products, choice, consumerism. That is what trade does. Not one among us believes that just trade alone is all we need. But it is an important, integral part of our relationships around the world.

We live in a very dynamic time. The light of change today in the world is unprecedented in modern history, and maybe all of history. That change is spherical. It is moving. It touches every life in every way. Food, fiber, housing, and trade are common denominators of mutual interests of all the peoples of the world.

We must not isolate ourselves. Unilateral sanctions isolate those who im-

pose unilateral sanctions. We need dynamic policies for dynamic times. The world is not static.

This is a good beginning. This is a significant beginning. Our leadership in this body has seized the moment at a critical time as we have witnessed our President in China for 9 days dealing with many of these issues. We know we have far to go in all dynamics with respect to our relationships with China, Pakistan, with India, all nations. But trade and commerce will play a vital role in building those relationships, enhancing the freedoms and liberties of people throughout the globe. We in the United States must play a full, dynamic leadership role in that process.

Mr. President, I am very proud to join my friends and colleagues who have worked on this diligently, who will continue to provide leadership, not just to this body but to the country, to the world, and to our farmers and our ranchers, our producers, and our citizens. We are all interconnected. We do live in a global village underpinned by a global economy.

I encourage all of my colleagues to vote for this very important amendment. Again, I say to my colleagues that this is an engagement we must all be part of.

I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I yield myself 2 minutes.

Mr. President, I have not spoken. I am not going to take much time because Senators whose States which have very, very important interests in passage of this bill should be given time.

I would like to begin by thanking Senator MURRAY. She has been the spearhead of this effort. I, quite frankly, wish we had done something broader. The Senator from Kentucky and I thought we had worked out something more along the lines that my friend from Nebraska was just talking about, a broader approach to dealing with not just merely agriculture, which is obviously very important, but I just say to my colleagues, hopefully the Senator from Kentucky and I will be back on the floor in the not-too-distant future with a proposal for a more rational policy relating to sanctions generally, not just as they relate to Pakistan and not just as they relate to agriculture.

Mr. President, I am pleased to join the Senator from Kentucky in presenting this legislation.

As our colleagues know, just before the Fourth of July recess, the majority and minority leaders formed a bipartisan Task Force on Sanctions Policy. The Senator from Kentucky was named the chairman, the Senator from Delaware the co-chairman.

The task force was given two tasks; first, to make recommendations to the Senate leadership, by July 15, related to the existing sanctions against India and Pakistan. And second, to make

recommendations, by September 1, on sanctions policy generally.

These are tight deadlines, but with the support of the leadership, the chairman and I are determined to try to meet them.

The situation with regard to Pakistan and India is our first challenge.

Two months ago, the security situation in South Asia changed, and changed utterly, to borrow a phrase from Yeats. The explosion of nuclear devices, first by India, then by Pakistan, brought two nations into the so-called club of countries which acknowledge that they possess nuclear weapons.

The testing by both countries was promptly—and properly—condemned by the United States and the international community. But the United States went further than most countries, because under the Glenn amendment, enacted in 1994, the President was required to impose sanctions on both governments.

The sanctions imposed by the Glenn amendment are as severe as they are sweeping.

They require the termination of all assistance under the Foreign Assistance Act—with certain exceptions such as narcotics assistance and humanitarian aid—the termination of all military sales and financing, the termination of all licenses for the exports of items on the U.S. Munitions List, and the termination of all credits or credit guarantees provided by the U.S. government.

Additionally, the law requires the United States to oppose the extension of loans by international financial institutions like the World Bank, and requires the U.S. government to prohibit private U.S. banks from making loans or credits for the purpose of purchasing food or other agricultural commodities.

The Glenn amendment provides little flexibility. Once imposed, there is no authority for the President to waive the law. His hands are completely tied.

I voted for the Glenn amendment in 1994, which was part of the State Department Authorization Act that year. But when viewed in the context of Pakistan's and India's decision to test, I have to conclude that while our approach worked for many years, it is no longer working. It didn't stop them from testing, and the lack of flexibility in the law provides little incentive for India and Pakistan to take positive steps now.

All this is not to suggest that sanctions should never be applied. I have voted for many sanctions laws in the past, and even authored a few. In this instance, sanctions were clearly appropriate, both as a strong condemnation of the governments in Delhi and Islamabad and to deter other countries which might seek a nuclear weapon.

What I am second-guessing is the decision of Congress not to provide more flexibility to the President.

I am a strong defender of congressional power, and I believe Congress is

well within its constitutional authority to impose sanctions for foreign policy reasons. But the President is charged with the conduct of diplomacy. And any statute which provides little or no discretion for the President necessarily interferes with his ability to perform that task.

The task in this case is already difficult enough: the President faces the considerable challenge of convincing the two governments to constrain their nuclear weapons programs and avoid further escalation of tensions in the region. The inflexibility in the Glenn amendment deprives the President of tools that he might use to advance these objectives.

In imposing sanctions, we must also pause before applying sanctions unilaterally.

The weight of the historical evidence suggests that we are more likely to advance our objectives if we can gain the cooperation of our major allies. Moreover, unilateral sanctions may impose a greater cost on our economic interests than they do on the targeted country.

In the case of India and Pakistan, we are therefore faced with two questions: should we reconsider some of the unilateral sanctions set forth in the Glenn amendment?

And should we give the President some flexibility in order to advance his diplomatic objectives in the region?

I answer both questions in the affirmative and, I believe, so does the chairman.

However, the bill we are now considering is limited only to removing one unilateral sanction:

The bill before us would provide a permanent exemption under the Glenn amendment for U.S. government credits to support the purchase of food or other agriculture commodities.

This provision is identical to the provision sponsored by Senators MURRAY and GORTON which was added to the Agriculture appropriations bill during its consideration by the Committee on Appropriations.

The exemption for Commodity Credit Corporation—or CCC credits—is consistent with the approach of the Glenn amendment, which permits loans by private banks for the purchase of food and other agricultural commodities.

This matter is of some urgency, because there is an important sale offer to be made by Pakistan in the coming days.

Wheat farmers in the Pacific Northwest provide a significant portion of Pakistan's wheat market, and they rightly fear that they could lose that market if the CCC credits are not available.

I have long believed that we should not force U.S. farmers to bear the burden of foreign policy sanctions, so I am pleased to support this measure.

But I remain hopeful that in the coming weeks, we can devise a means to provide the President flexibility with the remaining sanctions now in place against India and Pakistan.

I do not mean to suggest that we should repeal these sanctions.

At this stage, just a few weeks after the nuclear tests in the region, and with the President's diplomatic efforts still at an early stage, it is premature to contemplate a complete repeal or blanket waiver of the provisions in the Glenn amendment.

But we should attempt, before we adjourn for the year, to give the President some latitude in order to assist his efforts to negotiate with the two countries.

We should not underestimate the enormity of the task before the President.

Helping to construct a new security framework in South Asia may take considerable time, given the complexity of the situation and the deep-seated antagonism between the countries of the region. I hope that our colleagues will give the administration the support that it needs in the months ahead.

In closing, I would like to thank the chairman of the task force, Senator McConnell, for his gracious acceptance of the job and for helping point us in this direction. I would also like to thank the majority and minority leaders for their confidence in selecting us to lead the task force, and for their support for this initial legislation.

I urge my colleagues to support it.

Mr. President, with the permission of my friend, may I yield now, even though it will be two Democrats in a row, to my friend from North Dakota, Mr. DORGAN, for 10 minutes.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 10 minutes.

Mr. DORGAN. Mr. President, I thank the Senator from Delaware. I am pleased to speak in support of this legislation. I will ask unanimous consent to be added as a cosponsor.

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

Mr. DORGAN. Mr. President, I was pleased to be a cosponsor of this particular proposal when it was offered by Senator MURRAY in the Senate Appropriations Committee. I know that Senator MURRAY offered it on behalf of herself and Senator ROBERTS from Kansas, and I was pleased then to cosponsor it. It is the right thing to do. I must say, however, it is inching along in the right direction. This is not taking giant steps today. It is inching along in the right direction.

The question of sanctions, especially sanctions in international trade that say to the American farmer, you bear the entire cost of sanctions that we impose for foreign policy reasons; we are upset with Cuba so let's cut Cuba off so they can't get any grain. We are upset with Iran, Iraq, Libya, let's cut them off so they can't buy grain—10 percent of the world's wheat market is off limits to American farmers because, for foreign policy purposes, this country has decided that is what ought to be done. I fundamentally disagree with that.

Hubert Humphrey used to say send them anything they can't shoot back. Translated, he meant we ought not cut off food shipments around the world. I don't think we ought to cut off food shipments. All that does is hurt the poor people and hungry people around the world. But the fact is we do have sanctions in place, and I think in addition to a piece of legislation today that says with respect to the sanctions now dealing with Pakistan and India, that it will not include GSM credits, which therefore would then facilitate the flow of grain from the Northwest in this case. That is a step in the right direction, albeit a small one.

We don't ship grain to Pakistan. They are going to make these purchases largely from the Northwest. But farmers are farmers, and the wheat market is the wheat market.

The fact is the Senator from Washington, Mrs. MURRAY, described very well the crisis that exists in farm country today. Wheat farmers in this country have seen wheat prices on the international marketplace, on the national markets collapse, just drop to the cellar.

In my State, we not only have just rock-bottom wheat prices, we have the worst crop disease in a full century. It is called fusarium head blight. We call it scab. It has devastated the crops. So a farmer takes all the risks. They plant the seed, hope it will grow, hope insects don't come, hope it doesn't get destroyed by hail, hope it doesn't rain too much, hope it rains enough. Finally, all of those things are OK. They hope they raise a crop, and when they raise a crop they hope it isn't devastated by disease. They take the grain to the elevator in their 2-ton truck and discover they get \$2 a bushel less than it cost them to raise it. And they go out of business hand over fist. We have so many auction sales right now they are calling auctioneers out of retirement to handle them.

We have a huge problem. We have to deal with the underlying farm bill. I know some people think it is working just fine. Gee, this is just great. It is not just great. It is not working just fine. We are pulling the rug out from family farmers in price support and calling it freedom to farm. It is like taking the minimum wage to a dollar an hour and calling it freedom to work. It doesn't make any sense.

We need to deal with the underlying problem. We need to deal with the larger trade problems. We can't get wheat to China. Japan isn't buying enough beef. We have had a flood of unfairly subsidized imports come in in durum and spring wheat and barley from Canada. We have a whole range of problems.

This bill deals with one small issue that is urgent and must be dealt with now. It deals with, in GSM, credit issues that will allow us to ship wheat to Pakistan and India. I support that. But we have a lot more to do. We ought to decide as a Congress right now that



sanctions will not include food shipments, period. Let's get that 10 percent of the world wheat market back for American farmers.

Second, we ought to decide if there are those who insist that sanctions include food shipments from American farmers to overseas markets, then farmers ought to be reimbursed for the cost and the loss. Why should farmers be told, here is our new foreign policy and you pay the price. You bear the cost. Why should farmers be sent that bill and told to pay up. If it is our belief that the best foreign policy is to shut off food shipments through sanctions to some part of the world, why not as a part of our foreign policy through the State Department or part of our defense policy through the Defense Department, why not reimburse family farmers who are told now they bear the entire cost of those sanctions.

So I stand today to say again I appreciate this legislation. Senator MURRAY and Senator ROBERTS initiated it, at least on the Senate side, and I was pleased the day that Senator MURRAY introduced it on behalf of her and Senator ROBERTS. I am pleased to be a cosponsor. It is the right thing to do right now. But there is much, much, much more to do if we are going to address in a real and significant way the farm crisis.

This is as tough as I have ever seen it in rural America. I am not going to go further talking about the farm problem and the trade problem because they are abiding and tough and difficult, and we must get about the business of dealing with it. And I expect that in the coming couple of weeks we are going to have a big discussion. I know some people don't have farmers in their areas; they don't have to deal with farm problems every day. I think it is an opportunity to deal with farm problems. Family farmers are the roots of our society. Family values originate on the family farm and they nurture small towns and big cities in this country and always have.

I am pleased to represent a State of family farmers, and I think it is interesting to see people who wouldn't know a razorback hog from a pickup truck tell us here in Washington, DC, all about the theory of family farming. The fact is family farmers don't live on theory. They risk everything they have to try to raise a crop and hope when they have raised a crop to be able to sell it to make a decent living. Today the sad answer is this economy doesn't produce that because we have a whole series of problems, one of which, a small one, is addressed by this bill, and that is the potential cutoff of a foreign market for western wheat. This bill addresses it, and I am pleased to be a cosponsor. But I hope in the coming weeks we will do much, much, much more to address the crisis faced by family farmers.

Mr. President, I reserve the remainder of my time.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. I yield 10 minutes to the distinguished Senator from Kansas.

Mr. ROBERTS. I thank the Senator for yielding.

Mr. President, first let me pay a sincere thanks to Senator McCONNELL and Senator BIDEN, and both Republican and Democratic leaders, and to all of my colleagues who have addressed this most important issue for their help and support. I do really appreciate the opportunity to speak in behalf of what I consider to be a truly emergency agriculture export relief bill.

If we move, if we pass this bill, our U.S. wheat producers may, and I emphasize may, be able to sell Pakistan almost 14 million bushels of wheat. Now, that means about \$40 million in the pockets of American wheat farmers instead of \$40 million in the pockets of our competitors, not to mention the poor people in Pakistan who are suffering from malnutrition and hunger in regards to a very needed commodity.

The deadline for the wheat tender or sale is July 15. That is next week. That is why this is an emergency. That is why the decks are cleared. That is why this legislation is hotlined. Now, if the Congress delays, in this body or in the House, it will be a \$40 million delay at the expense of U.S. agriculture. This bill simply exempts the GSM export credit program from the mandated sanctions now imposed upon Pakistan.

Let's take a look at a list of the positive things that will happen when and if the GSM credits are made available.

First, armed with the credits and facing desperate, desperate economic straits, Pakistan may well buy the wheat from these United States as opposed to our competitors.

Second, as a result of sale, the wheat market will gain strength, as will price recovery, especially in the northwestern part of the United States.

Third, lost U.S. market share due to the sanctions hopefully will be regained, but most important the passage of this legislation will send an immediate strong signal to the world trade community that the U.S. will compete aggressively, aggressively for export markets, and that the Congress is taking steps, finally taking steps, as the Senator from Nebraska has indicated, to correct the current drift in our trade policy. And, yes, it has great implications in regard to farm program policy. I am not going to go into that as of this afternoon, but it does have great implication.

Mr. President, Pakistan is expected to tender for wheat again in a few months, not just next week. So, with our export credit program freed from sanction chains, why, U.S. producers may win that sale as well. I might add again, time is of the essence. Our harvest is just concluded or is in the process of concluding. Now is the time when our U.S. wheat is the most competitive. If we don't sell the wheat now,

the advantage will fall to our competitors.

I am pleased this legislation basically encompasses the legislation that Senator GORTON, Senator MURRAY, myself, and others introduced when we first heard of the sanctions some weeks ago. I also note the presence of the distinguished chairman of the Senate Agriculture Committee. He has a very comprehensive sanctions reform bill that looks ahead. I see Senator HAGEL is still on the floor, and Senator BIDEN. I have joined them in introducing a bill to take a look back in regard to the 115 sanctions that we have now imposed on 75 percent of the world's population. And we have other bills as well. So, I am very pleased to take part in that effort.

That is the good news. But I feel compelled to warn my colleagues, however, that I believe there is some bad news, with potentially more to come. This bill as originally proposed by the bipartisan task force on sanctions, ably led by Senators McCONNELL and BIDEN, took one important step for agriculture, and I think a bigger step towards meaningful sanctions reform as it pertains to our national security and our foreign and our trade policy. It represented, in my view, the first step in providing the President, any President, and his national security team and his foreign policy team, the real-world flexibility to deal with the proliferation and testing of nuclear weapons.

The obvious case in point, and the reason we are here, is the situation in Pakistan and India. More than a month ago, Secretary of State Albright told Members of this body, in a briefing, that she needed a full arsenal of diplomatic tools to help both coerce and possibly positively influence India and Pakistan to cease any further testing and to discuss some kind of mutual strategy for improved relations between the two countries. I would add at this point, my colleague and the senior Senator from Kansas, Senator BROWNBACK, and Senator ROBB from Virginia, have been to India and Pakistan and have taken a hard look at that situation.

As I recall Secretary Albright's words, she wanted the flexibility to use carrots and sticks instead of a sledgehammer. I think that is pretty graphic.

Let me stress, too, that the actions of India and Pakistan were most serious and dangerous. No way did this bill or the original and more comprehensive bill really condone the aggressive and dangerous actions of India and Pakistan. That is not the case. It should go without saying that our national and international security is the foremost concern of everyone in this body, and the President, and, yes, farmers and ranchers, and, yes, everybody in the business community. It is this Senator's foremost concern.

The United States cannot countenance the proliferation and testing of any weapons of mass destruction. We must continue to evaluate and improve

our joint effort with our allies to achieve these mutual goals. But, in the doing of this, I say to my friends, there is a right way and there is a wrong way.

Unfortunately, the best of policies years ago may not serve our best interests as of today. Those who passed legislation 4 years ago could not know—we cannot know—how the world would look in 1998 or 4 years down the road. But as a result of mandatory sanction legislation passed in 1994, the executive has little—little, if any—any flexibility to deal with the extremely sensitive issue of India and Pakistan.

These sanctions are now in place. We have stopped all loans from international lending institutions, all credit programs. India, which is not dependent on World Bank financing, has largely been—somewhat—has been unaffected by the sanctions. But Pakistan is in serious jeopardy of default. How can this serve peace and cooperation?

Under the law of unintended effects, mandatory U.S. sanctions may well increase the suffering in Pakistan, it may well promote further extremism, serve no useful purpose—I might add in farm language, the testing cow is already out of the nuclear barn—and increase the likelihood of war in south Asia. And, in the process, since the United States alone has imposed sanctions, our trade competitors are first in line to seize our U.S. markets.

In the original bill introduced by Senators MCCONNELL and BIDEN, and supported by the great majority of the Senate, we fixed that problem. Step two of the bill would have granted the executive the full authority to impose none, some, or all of the sanctions in the Arms Control Act. It also gave the President authority to lift some or all of the sanctions when appropriate. In other words, the original bill provided an “as you were, 9-month cooling off period,” and gave to Secretary Albright the tools she requested to see if we could not achieve some progress in south Asia.

However, due to the concerns of several Senators—and I do not question their intent, their concern—it will not be possible to enact this more comprehensive bill. But as I said, in terms of the warning I said earlier—here is the warning: My friends, we are passing a very narrow and limited sanctions reform bill that applies to agriculture only, due to the Pakistani wheat tender and problems in farm country and our trade policy and our export policy. But I must warn you, when you deal with sanctions, they become overall embargoes. We saw that in 1980, with the infamous embargo imposed by President Carter. It ended up for 10 years like shattered glass and we had a terrible time putting it back together in regard to contract sanctity for U.S. agriculture.

If our competitors offer the same credit arrangements, and Pakistan has a choice, who do you think they are going to buy from as long as we con-

tinue the overall sanctions? In farm country language, you sanction a country and they get their nose out of joint.

The danger is this: Without section 3, which we originally had in the bill, we are also endangering the agricultural segment. It could happen. I hope it doesn't, but it could happen. As a matter of fact, I think a policy of “we will continue to sanction a whole lot of this but we will sell you some of that only if it suits us” does not do anything for a comprehensive and a clear trade policy.

I have already pointed out that in national security terms the current policy is counterproductive. Let me spell out some economic consequences in striking section 3.

Prior to the imposition of sanctions, the United States accounted for 25 percent of India's international trade. That is remarkable, considering all the miles in between our country and theirs. Also, I say, Senator BROWNBACK just went all the way over and all the way back to try to get an update on this. It has been truly extraordinary. The sanctions are now, however, estimated to cost India and Pakistan \$4 billion in international bank loans. The Boeing aircraft company stands to lose up to \$6 billion over several years in business with 30 airplanes that cannot now be delivered. Enron is building a huge power plant in western India, essential to raise the standard of living of India's near billion population. A foreign competitor could, in fact, actually take over that project. And \$21 million in economic development and housing assistance and \$6 million to combat greenhouse gases in India have been terminated.

Now, if there was any evidence, some evidence, a shred of evidence, that stopping this business activity or assistance would somehow result in Pakistan and India agreeing on a test plan and resolving their differences, I would gladly support sanctions. I would gladly do that. If there is any evidence that trade and foreign policy dominated by trade sanctions would have any practical or positive effect, I would support sanctions. In some rare cases they may be effective. In this case, I think they are making things much worse.

I think we have made a mistake in striking section 3 of this bill. In doing so, we have put grain sale to Pakistan at risk. I hope that is not the case. I am still optimistic. We continue to send signals that out of date and counterproductive sanctions are still the order of the day.

I full well realize, and I respect, the concerns in regard to authorship, jurisdiction, and the agreed-upon goal of a sanctions task force and the committees of jurisdiction achieving meaningful and comprehensive sanction reform. I understand that. I am part of the sanctions task force. That is going to take a considerable amount of time. It probably should, in terms of comprehensive reform. And, as a member of the task force, I look forward to work-

ing with my colleagues. But, Mr. President, in the doing of this, and in striking section 3, if we limp to the meetings it will be because, by delay in striking section 3 from this bill, we will have continued to shoot ourselves in the foot.

I yield the floor.

Mr. BIDEN. Mr. President, I yield 5 minutes to the Senator from South Dakota.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from South Dakota.

Mr. JOHNSON. Mr. President, first, I thank the Senator from Delaware, Senator BIDEN, and the Senator from Kentucky, Senator MCCONNELL, for their work in helping expedite consideration of this very urgent legislation; also, a special commendation to my colleague, Senator PATTY MURRAY of Washington State, for her extraordinary leadership on this legislation, as well as to Senator ROBERTS from Kansas.

Over 10 percent of the world's wheat market is currently boxed out to our country's wheat farmers due to the current economic sanctions. The situation of wheat becomes all the more urgent as we consider sanctions against Pakistan and India, Pakistan being our third largest importer of wheat, at a time when wheat prices have fallen to less than \$3 a bushel.

I have to say, however, that our effort to address this issue today needs to be regarded, I think, as part of a much larger effort to revisit the entire matter of sanctions imposed by the United States, as well as taking a look at other protrade mechanisms available to us.

In my view, it is inexcusable that the 105th Congress has not moved full funding of the International Monetary Fund, the IMF, and fast track continues to languish. I look forward to working with Senator LUGAR and others who are looking at comprehensive reform of our entire sanctions regime.

The fact is, Mr. President, that the United States has slapped economic sanctions on other countries about 120 times in the past 80 years, but over half of those instances have been since the Clinton administration came to power. This month, it is India and Pakistan, but no other country on Earth opts for sanctions as often as has the United States. Currently, our sanctions imposed by our Government affect more than 70 nations in one form or another, home to two-thirds of the world's population. What is worse is that this 105th Congress is considering, as we speak today, an additional 30 sanctions in other pieces of legislation.

Frankly, it is often an emotional and short-term political calculation which drives these sanctions, rather than a longer term, reasoned, logical explanation of what kind of cost benefit would derive and what kind of diplomatic leverage actually is derived from the sanctions.

It vents more outrage, but more often than not backfires, particularly



in the case of food items, particularly in the case of grain where other nations have an opportunity to grow and to take our markets.

It is America all too often, rather than the target nations, that becomes isolated and that becomes victims of our own sanctions. When other nations refuse to join with our sanctions, American business suffers. In 1995 alone, unilateral sanctions cost the U.S. economy an estimated \$15 billion to \$19 billion and up to 260,000 jobs, according to the Institute for International Economics. Sanctions beyond that also give American suppliers a reputation for unreliability and its effects can be long lasting.

There are instances where sanctions, to some degree, have been effective. South Africa comes to mind. Some aspects or sanctions against Iraq come to mind relative to chemical, biological and nuclear weapons. But the successes we have had with sanctions in the United States, I think, points to a general rule, and that is, to be effective, sanctions must have broad international support and must target specific vulnerabilities.

We need to be examining more alternatives to sanctions, whether agricultural or otherwise. The engagement with other nations, rather than isolation, is one that I think is coming upon this Congress and certainly this administration as a direction that we need to pursue.

I am pleased that the Clinton Administration has organized a special State Department team installed to rethink our overall sanctions policy. The premise, I think, of our policy as we move in this direction—first with this bill and then, hopefully, with broader, more far-reaching sanctions legislation—is that it is multilateral sanctions, even if they are weaker in nature, that are usually preferable to unilateral sanctions. And secondly, any sanctions that we do impose should be subject to a cost-benefit analysis. Incredibly, in the past, few sanctions have been evaluated for their consequence on the American economy relative to what it does to the target nations.

The focus, I believe, needs to be on a much more reasoned approach to sanctions in general. This is a good first step in the right direction. It is urgent because of the Pakistani offer to purchase 350,000 net tons of wheat as of July 15, and we have this urgency now. But I support this legislation, and I ask unanimous consent to be listed as a cosponsor and yield back what time I may have.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCONNELL. I yield 5 minutes to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. BROWNBACK. Thank you very much, Mr. President. I thank very much the Senator from Kentucky. I,

too, ask that I be added as a cosponsor of this bill.

I applaud the leadership of Senator McCONNELL, and the leadership of the majority leader, TRENT LOTT, in moving this forward rapidly.

I think the number of people who have spoken on the floor about the issue of food and that it should never, ever be used as a political weapon or tool in foreign policy, speaks clearly with the mind of the Senate that it doesn't work. Food being used as a political tool or as a tool of foreign policy should never, ever occur.

Hopefully, as we move forward on some reforms, that will be a point of agreement, something with which everybody agrees: Food is never, ever to be used. It only hurts the people and hurts our farmers in the United States. So I congratulate my colleagues.

I particularly recognize my colleague from Kansas who has been a leading proponent in agriculture and agricultural trade for many years in the Congress, now in the U.S. Senate. We need to move this legislation, and we need to move it now.

Senator ROBB and I just got back 10 days ago—actually less than that, 7 days ago—from a trip to India and Pakistan. We met with the prime ministers of both countries. We met with the defense and foreign policy leadership in both countries, and we saw areas that they want to engage with the United States, feel they have definite security needs—both India and Pakistan—that they are responding to and are having difficulty in understanding us throwing the book at them.

I think we need to work now, obviously, in lifting this particular sanction on food. It should not be in place, period, anyway. It should be lifted rapidly, and I am glad to see the leadership doing that.

We next need to work on lifting the rest of the sanctions. We need to do it, in my estimation, rapidly. Pakistan is in crisis. They have less than 2 months foreign reserves of funds left to meet their debt loans. They have lost half of the valuation of their stock market. We need to do so rapidly.

We need to move forward in a way that reduces tension in the region, and this is a key point as well. We went to the line of control between Pakistan and India, and tensions are high. At the time we were there, 11 people were bombed and killed on the Pakistani side—just the time we were there. We met with a number of villagers who had been wounded at some point in time in the last 6 to 12 months. They were showing us the wounds they had. We have to act in a way that reduces tension. We have to act in a way that re-engages the United States in the region.

I am convinced we can do all of these things. This is a good first step. We have to further engage. I think we have to engage the United States broadly in the region with India and Pakistan.

There were a number of concerns raised by India while we were there at the same time the President was in China, saying that they were reacting to perceived threats from China that they have stated publicly and they were saying to Senator ROBB and myself as well.

On Monday, Senator ROBB and I will be hosting a hearing in the Foreign Relations subcommittee that deals with the Indian subcontinent on the issue of how can we next move forward with lifting the remainder of these sanctions in a way that we can do so rapidly, that helps the countries involved, that doesn't hurt unequally countries like Pakistan and India, that reduces tension in the region, and works rapidly to move this issue forward. We need to do so.

I am delighted to see that we are dealing with this issue of food. We do need to deal with the rest of the issues, particularly in the economic areas. We do need to deal with the areas of reducing tension in the region. I am convinced we can do all of this. We need to be back up in front of this body quickly, again, with the steps we need to take to further engage the United States in lifting the sanctions in this region.

I congratulate the leadership on moving this forward. I yield back the remainder of my time.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I yield 13 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Thank you, Mr. President.

Mr. President, before I make the rest of my remarks, I want to say I support this legislation and will vote for it. I do want to bring up some points, though, that have not been brought up here today. I support this. It is good legislation that extends the exemption for food assistance already contained in the Glenn Amendment sanctions. This has been worked out with the leadership. And it is basically the language that Senator MURRAY brought out of committee, I believe. I think it is identical language—or close to it. So I want to congratulate her also on this. But let me put a different perspective on sanctions than some of those that have been expressed here today.

The United States currently has in effect some 61 sanctions against different nations around the world. They are not all involved in nuclear non-proliferation. We have sanctions involved with such things as drugs, as terrorism, human rights, sanctions against Cuba.

This legislation today does not address those. I do not think in some of these areas—for instance, on drugs, even if food was involved—we would be lifting these sanctions. But the United States has wanted to prevent nuclear war. Ever since the case of Hiroshima

and Nagasaki, most responsible nations in the world have realized we need to control the threat of nuclear holocaust by sometime, somehow, some way reducing nuclear weapons.

While that remained a long-term objective, it would become even more difficult if more and more nations developed a nuclear weapons capability. It was with that longtime hope that legislation has been passed for more than 20 years—much of it my legislation; that is the reason I feel a special relationship or a special responsibility here today—for more than 20 years trying to stop the spread of nuclear weapons while at the same time holding out hope for eventual weapons control and reduction.

For many years I felt this was a rather futile gesture. I did not feel good about what we had done at all because we were not making much progress. But finally the cold war demise brought new hope for really gaining control of nuclear weaponry, and in a comparatively short period of time there was real optimism that control over these weapons could be gained.

With the end of the cold war and agreement with the Soviet Union, we saw missiles suddenly being taken out of silos, weapons being taken down, cores of fissile material being removed, and real progress was being made. The Lugar-Nunn—Nunn-Lugar—whichever way you want to say it—legislation gave some help in that direction. That has been a big mammoth help. And with U.S. leadership, we have achieved something we would not have even thought possible a few years ago, 185 nations signed the NPT, and progress is being made on the CTBT, the Comprehensive Test Ban Treaty, which now has 149 signatories.

So it was against that backdrop of really making some progress that the Glenn amendment was passed in 1994—which we are altering here today—with the belief that if we were even a little tougher than we had been, that this would really discourage other nations from moving toward nuclear weapons. That hope, of course, went down the drain when India's extreme Hindu nationalism took precedent over what most people around the world thought should have been more rational behavior. It was against that backdrop we passed the legislation.

The sanctions passed in the 1994 legislation were meant to be tough and provided no Presidential waiver largely because of the very spotty performance in nuclear nonproliferation in past administrations. I would remind my colleagues today who are here decrying what has gone on here that this bill passed unanimously in the U.S. Senate. Everyone critical today—most of the people here were here in 1994. And so it passed unanimously in the U.S. Senate.

Some feel that sanctions are just no good in any respect. But sanctions or the threat of sanctions as one of our diplomatic tools, I believe, has been effective in the past in helping to turn

off either actual or incipient nuclear and missile programs. And we can give as examples Argentina and Brazil. Taiwan—I made a trip out there some years ago when we knew what Taiwan was doing in heading toward possible nuclear capability. South Korea was also on that list, and South Africa. And we may even have delayed some of Pakistan's access to the bomb which resulted in nuclear explosions.

What we do today here in the name of our own U.S. economy—I want everyone to realize what we are doing—what we are approving are U.S. loans, taxpayer dollars, to replace the money the Pakistanis spent on developing nuclear weapons instead of on food for their own people.

I also say, does this bring them any closer—with what we are about to do today, will this result in or do we have any under-the-table or tacit agreement that they will go ahead and sign the NPT, that they will sign the Comprehensive Test Ban Treaty? We can say this is a carrot hanging out there, but our carrots to Pakistan in the past have been rebuffed by one falsehood after another for the last 17 or 18 years that I have been experiencing personally, including visits to Pakistan to talk to their top people when they denied having any weapons or any weapons program, clear up until the time they set off the bombs that they claimed they did not have all these years.

So my reaction to this is, yes, for humanitarian reasons, I certainly do not want the Pakistani people themselves and little babies going hungry, and so on. So I am willing to go along with these humanitarian concerns. But we do need definitely to rethink sanctions across the board and what we mean by them.

As time has gone along, and the nations of the world are no longer being forced to choose between the United States and the Soviet Union, the world really has become more multipolar in every respect, with business, industry, banking, economics, and so on. And so the role of sanctions has changed along with that.

It has become increasingly evident through the years that the sanctions only become really effective if they have multilateral support, either from our major allies or preferably at the United Nations. I believe sanctions still have a major role to play in nonproliferation and in our fight against drugs and terrorism and human rights abuses and the situation in Cuba, and so on. I do not think we have to say all sanctions are bad, but they are only effective if they have multilateral support.

Today we have economic arguments here because sanctions are going to hurt our own farmers in this country, and we may have some that will affect the manufacturing of jeeps out of Toledo, for instance, in my home State of Ohio, as well as farming interests there.

So the world situation has changed, and we need, in each one of these cases, to consider the case on its own individual merits. In that regard, I have submitted legislation that was put in just before the last break. The legislation would alter the way sanctions are administered, and would be not only prospective but would be retrospective, also. And it would be basically this: At the time of an event or a determination that triggers a sanction against a given country, the President could, at his discretion, place a hold on the imposition of the sanction for up to 45 calendar days to decide whether to remove or impose the sanction or to say, "Here is a part that will work; here is a part that will not work." Maybe the President would want to say, "None of it will work," so he wants to recommend that we do away with that whole sanction for that particular country at that time.

He would be completely flexible in what he could recommend, but he would have 45 days to either build the multilateral support that I spoke about or come to the Congress and say to the Congress: Here is what I recommend in changing this sanction in this particular situation. And then he would propose that to the Congress, and Congress would have 15 session days to act under expedited procedures—15 days. We would have a limit on what debate could occur, obviously. It would be given preferential treatment here, and we would consider the President's purpose in this and require him to give us his reasons why he wants to change this legislation, alter it, or how he thinks it could be better administered. Congress would have 15 days to approve or disapprove what the President had done. That gives the President ultimate flexibility, it seems to me, and would be a great step forward.

For sanctions that are already in place, the President, on the anniversary of that sanction, would have to come back and say once again to us why it is working, why it is not working, what changes he thinks should be made in the sanction. And he would do that at the 2-year anniversary of the imposition of any sanction, and then would have to give us a report every year thereafter on that sanction as to whether it was working or not working and recommend any changes to make it more effective.

I do not see any other way to make this whole thing work in the multipolar world in which we live now. Sanctions 15 or 20 years ago may have had more of a chance of an effect even though they were unilateral, but rarely in the situation we find ourselves in in the world community today.

So while I am for this legislation today for humanitarian reasons, I do not go along with some people who talk about poor little Pakistan and how they are in the situation that they have brought upon themselves because they have deliberately misled us intentionally—one leader after another for

about the last 15 or 16 years that I have been personally dealing with this. But I do not want to see the Pakistani people go hungry or anything like that, and so I go along with this today.

It was mentioned a moment ago what a sad situation it was that we did not include the other parts that were originally posed in this legislation. If we had kept those proposals on this legislation, I can guarantee you I would probably have participated in my first filibuster in my 24 years in the U.S. Senate. I feel that strongly about it.

I do think we have played a good role in stopping the proliferation of nuclear weapons, and sanctions have helped—but if we take these off today as far as food sales go, maybe it will give us a lever; maybe it will give Pakistan an incentive to sign the NPT, sign the comprehensive test ban treaty, and hopefully that would encourage India.

There is nothing in here for India, so I don't know whether we are unbalancing this situation or not. I don't know what the administration may have planned to sweeten the pie, sweeten the pot for India in this regard; also, to get them to move toward NPT and CTBT status.

Make no mistake, these are not just some international loans we are approving, these are U.S. loans we are approving to Pakistan and will pass in the Senate. It still has to pass the House, obviously, and we hope this can get done in time to take place before the bidding starts on the international sales, as I understand it, by the 15th.

I repeat, I think we need to rethink sanctions. The outline of what I have proposed is in legislation now. It has been filed. I hope we can move in that direction, because I think it would give the President the ultimate flexibility he needs without dumping congressional responsibility at the same time. It would mean whatever the President proposes with regard to sanctions we would have to consider on an expedited, privileged basis. To me, this is the way we should be going in the future.

I know I am part of the task force that will indeed be looking at these options between now and September 1 when we have to have them submitted for the U.S. Senate.

How much time remains?

The PRESIDING OFFICER. The Senator has used his time.

Mr. GLENN. I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. I yield 5 minutes to the distinguished Senator from Washington.

Mr. GORTON. Mr. President, the time has come to pay the piper, and we don't much like the price. For years we have been able to sing the siren song of sanctions on the cheap. Whenever we are concerned about human rights—sanctions. If we are concerned about nuclear proliferation—sanctions. But I think almost always the magic of those sanctions has been that they don't go

into effect when we make the speeches on that subject on the floor; they may happen sometime later. And now they have happened.

All of us in this body and our predecessors are guilty of this song. But now we learn what it really does. At a time in which farm prices, especially in our wheat country and the Pacific Northwest, are already declining precipitously because of the financial crisis in east Asia, we add to our own pain by creating a situation that will almost certainly cause us to lose hundreds of millions of dollars' worth of sales in Pakistan to other countries that don't share our enthusiasm for sanctions, unless we act in a period of time of less than 1 week.

Yes, this is an urgently needed bill, urgently needed for the farm sector of our community, urgently needed for our own ability to operate in a highly competitive world of agriculture. For that purpose, the work of the Senator from Kentucky and the Senator from Delaware and everyone else who has been a part of this is vitally important.

But the Senator from Ohio just said, gosh, this is unbalanced, it does something for Pakistan and it doesn't do anything for India. It did something for India this morning, Mr. President. This morning it did when it also allowed waivers with respect to the Export-Import Bank, where last year we sold almost \$400 million worth of aircraft from my State, with future similar sales greatly threatened by sanctions which now remain because the Senators from California and from Ohio wouldn't permit this bill to come up at all unless that was taken out.

Of course we are going to support the bill in its present form, and of course we will support a task force, and what my seatmate here, the distinguished Senator from Indiana, has been working on for months, to bring a more rational system of sanctions together. But we are finding that the sanctions cost us more than they cost the Nations against whom they are imposed, because you can buy wheat in parts of the world other than the Pacific Northwest. Unfortunately, you can buy jet airliners from other sources than Seattle, WA. In fact, when you impose sanctions on one thing on a country, you give that country an immense incentive to buy other things from other countries, as well as a form of resentment.

In this case, when the India nuclear tests were largely caused by our policies with respect to China, and of course the Pakistani test by what happened in India, the sanctions are particularly bizarre.

The sanctions that we are in part removing today should be removed. But they are an illustration of an even bigger fact—that we should have done what this bill did this morning and does not do now; we should be doing even more. So in that respect, the promise in this bill is dual: First, an opportunity, if we do get it all the way

through and to the President, that we will save a vitally important part of our wheat sales; and, second, the illustration that we are only at the beginning of deciding that maybe that song wasn't worth the price that we are now paying the piper for. And that may be every bit as important a part as the specific sections we are passing this afternoon, as important as they are.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I yield myself 5 minutes, with the permission of the Senator from Delaware who stepped off the floor.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. ROBB. Mr. President, let me say that I think the debate this afternoon has been instructive, particularly with respect to the impact of sanctions, because we are acknowledging, perhaps for the first time in a forum and debate like this, the fact that sanctions clearly have limitations and all too often the target of the sanctions ends up being less impacted by the sanctions that are actually put in place than the country that enacts those particular sanctions.

Senator BROWNBACK spoke a few moments ago of a trip that he and I took to the Asian subcontinent just over a week ago. We had very good meetings with Prime Minister Vajpai and his key officials within his Government, including Interior Minister Advani, Defense Minister Fernandez, and others. We spent another day in Pakistan with Prime Minister Sharif, Foreign Minister Khan, and a number of key officials. We went up to a line of control and not only observed the positions there but did observe the fact that the fighting in the Kashmir area continues to inflict far more casualties on civilians than it does on actual combatants.

But for a very different reason than my good friend and colleague from Ohio, I am pleased that section 3 was removed because it was less than, I believe, we need to do in terms of taking congressional fingers off of the ability to waive sanctions that we currently employ. I believe it is important that we continue to focus on our oversight role and make the administration not only responsible for the conduct of foreign policy, but for defending foreign policy choices. But ultimately, if we prescribe sanctions and act, in effect, as 535 Secretaries of State in too many instances, we make it virtually impossible for the administration to carry out the functions of any administration—whether it be Democratic or Republican—to carry out the functions that we expect an administration to carry out on our behalf. So taking section 3 out of this particular legislation, which would have had a limited waiver authority, and working to provide the kind of complete waiver authority and comprehensive treatment that I believe this subject deserves, in my judgment, it is the right thing to do. Given the statement just made a few minutes

ago by the distinguished Senator from Ohio, it may be that we will have extended debate on that particular topic. But it is important that we do so.

In this particular instance, much like fast-track authority and others, the Congress of the United States can play a role, but frequently its most important role is as the "bad cop" to provide an opportunity for the administration to get concessions and to make progress in areas that, but for the possible effect of sanctions or other activities that the Congress might impose, the President working directly with the other country with singular decisionmaking authority can achieve results that we simply could not obtain if we were reliant solely upon the actions of the Congress of the United States.

So I am pleased to be supportive of this legislation. I think that food is the right place to draw the line in the near term. I support the amendment that will be offered by my distinguished colleague from Virginia, and I believe the Senator from Connecticut, with respect to adding medicine to that list—I think that is an appropriate addition.

Next week, we will begin to consider, in a more comprehensive fashion, the kinds of authority that we ought to provide to the Chief Executive of the United States, whatever party he or she might be in at any given time, the authority to negotiate directly with foreign governments and not have the prospect of having to then bring whatever negotiation that took place back to the Congress, where it might be amended or changed.

With that, again, I salute those who were involved. I thank Senator BROWNBACK for making a very exhaustive 96-hour trip to visit those two countries and to get directly engaged in some of the problems that confront us. I thank all of our colleagues for the effort they have put into trying to find an equitable solution to a very serious problem confronting not only the United States and the South Asian Continent, but the international community and sanctions that we might employ in the future have the kind of effects that we may not have intended them to take.

With that, I yield back whatever time I may have and I yield the floor.

Mr. McCONNELL addressed the Chair.

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

Mr. McCONNELL. Mr. President, I yield 5 minutes to the distinguished Senator from Oregon.

Mr. SMITH of Oregon. Mr. President, Senator McCONNELL and Senator BIDEN, my friends, who have shown leadership on this issue, I thank you publicly for doing that. It's been a remarkable afternoon as we've debated this issue. In fact, the debate has been somewhat limited because I think there's a whole lot of unanimity and that perhaps the Senate may have acted precipitously in the past.

I appreciated Senator GLENN's willingness to share with us some of the

history and motivation that went into the markup of the Arms Export Control Act. I don't think anyone here doubts his sincerity and the accuracy of what he said. However, I think all of us who have risen today to defend wheat farmers recognize how seriously we have failed in some regard. We have not kept a nuclear genie in the bottle on the Indian Subcontinent, and now we see the bizarre spectacle of the American Government poised to wrestle American farmers to the ground because our law does not control arms half a world away.

I am pleased to rise as a defender of Oregon farmers. I suppose the motivation of everyone here is absolutely appropriate. I have additional motivation in that the farmers that we're talking about are my neighbors.

I come from Eastern Oregon, a place of rolling hills of wheat. And so when I consider this issue, I see their faces. And I know how much they're suffering as we speak, because last time I checked, wheat in the Port of Portland was selling at about \$2.75 a bushel. I don't know when it has been that low and to have the threat of sanctions come on top of it is truly—truly a double jeopardy. I am pleased with what the Senate is doing today and I am happy to be an original cosponsor of this amendment. Again, I am thankful to the Republican and Democratic leadership for changing at least a small portion of the Arms Export Control Act.

Let me indicate how important this is as a country issue and a city issue. This year alone about 40 percent of the U.S. soft white wheat comes from the Pacific Northwest. Again, this year alone that crop amounts to about \$255 million. Sales of this magnitude for the rest of the year will simply go to another country if we don't act as we are today.

In addition to that, this will have an effect on the city of Portland. So far this year, wheat sales in the Pacific Northwest have resulted in about \$10 million. So, this is an issue that brings country and city together in a very significant way.

Now, Mr. President, I am pleased to tell you that in a recent conversation with President Clinton, he emphasized his willingness, even his great desire to sign this legislation. So we are doing something here, acting unitedly as Americans and with our president.

I am also pleased to tell you that a couple days ago I met with the Foreign Minister of Pakistan and Special Envoy of the Government of Pakistan. We discussed the need for Pakistan to develop with America a new way of rebuilding our relationship. I indicated to him that I felt it important to keep the door of commerce open as we acted in this Congress on sanctions legislation. I also let him know that they should also act to reach towards us as well. He gave me his assurance that purchasing soft white wheat from the Pacific Northwest would be a priority

over similar purchases from other countries.

Mr. President, it's been a pleasure to stand with so many Senators who care about our farmers. I count myself chief among them. I thank them for their support and ask for their votes in the Senate and for the state of Oregon. I yield the remainder of my time.

Mr. BIDEN. Mr. President, I yield 5 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 5 minutes.

Mr. CONRAD. I thank the Senator from Delaware.

Mr. President, in my home State of North Dakota, we are facing a disaster of stunning proportion. We are losing literally thousands of farm families as a result of what I call a "triple whammy" of bad prices, bad weather and bad policy. One part of the bad policy is the sanctions that we place on foreign countries that locks us out of their markets.

Mr. President, I have just spent 9 days in my State going from town to town. Everywhere I have gone, farmers have taken me aside, bankers have taken me aside, Main Street business people have taken me aside and they have told me that something is radically wrong. Farmers are not cash-flowing. We have the lowest prices in history, coupled with a dramatic reduction in production because of the outbreak of massive disease—scab and other disease—that is reducing yields dramatically. That combination is absolutely devastating to farmers.

In the midst of this, our Asian markets, which are critical to us, are weakening because of a financial collapse there. And on top of it, our own Government is imposing sanctions on countries like Pakistan, which is the third largest buyer of wheat, and we are locking ourselves out of those markets, further weakening prices, creating what is, in effect, a death spiral.

Mr. President, what are the consequences? In my State, there are now 30,000 farm families. We are anticipating losing as many as 10 percent—3,000 farm families—this year. We have auctions that are being offered daily—many of them each and every day, as farm families liquidate, leave the land, because they can't possibly make it. These are some of the very best farmers that North Dakota has.

Mr. President, it is critically important that we pass this legislation to exempt agriculture from these sanctions to give our farmers a fighting chance. I visit farmsteads frequently in North Dakota. I wish I could explain to my colleagues the depth of despair that is being felt there. I had a farmer say to me this last week that he believes farm conditions are worse than the 1930s.

I have had many farmers say to me that conditions are worse than the

1980s. That was an incredibly bad period in North Dakota and, of course, in the rest of the farm country as well.

Mr. President, it is time to act. We can take a first important step today by passing this sanctions legislation.

I want to especially thank my colleague, Senator MURRAY of Washington, for her outstanding leadership on this legislation; Senator MCCONNELL from Kentucky, who has taken a strong interest in getting this legislation passed—my hat is off to Senator MCCONNELL as well; Senator BIDEN, who has played a critical role in advancing this legislation and keeping it together in the difficult hours this morning; and Senator ROBERTS from Kansas, who has also played a leading role. My thanks to each and every one of them.

I can tell you, we face a desperate situation in my State. It is truly a disaster. I just went through six counties, and in every one of them they are literally under water. There are 2 and 3 feet of water on the farm fields. There won't be any crops there this year. Coupled with the very low prices on crops they had last year, we face a deepening of the disaster that is already occurring.

This is an important step. I urge my colleagues to support it.

I yield the remainder of my time.

Mr. MCCONNELL. Mr. President, I yield 5 minutes to the distinguished chairman of the Senate Agriculture Committee, who really, I think, began this debate with his comprehensive sanctions proposal. We are all grateful that it began to stimulate all Senators to certainly rethink where we are at this point with our history of sanctions.

I thank the chairman of the Agriculture Committee and yield him 5 minutes.

Mr. LUGAR. Mr. President, my thanks to the distinguished Senator from Kentucky. I appreciate his leadership, that of Senator BIDEN, and likewise the role of Senator LOTT and Senator DASCHLE in appointing this important task force.

I am eager to speak today as an original sponsor of the legislation before the Senate. This bill is appropriate and a good first step toward comprehensive review of economic sanctions that is sorely needed for our Nation's economic security.

First, the legislation is timely. Executive agencies have debated whether the Agriculture Department's export credit guarantees for Pakistan should be included in the Glenn Amendment prohibitions, or not. The Justice Department concluded the law did prohibit these guarantees.

In fiscal year 1997, Pakistan bought \$347 million worth of U.S. wheat with USDA's export credit guarantees. In fiscal year 1998, Pakistan was allocated \$250 million in export credit guarantees and has used \$162 million of that amount, all for wheat.

On July 15, Pakistan will hold a tender for 350,000 metric tons of wheat.

Without export credit guarantees, the United States will get none of that business. That will mean the loss of about \$37 million in foreign exchange earnings.

The Pakistani government will not draw any lessons from our lack of participation, except that the U.S. has chosen to cede another market to its competitors. Other grain exporters are participating in the tender and will make the sales if we do not. Only our farmers will suffer. Quick action by the Congress, however, can resolve the short-term problem.

Second, the legislation is appropriate. Food should not be a weapon in foreign policy. The history of unilateral agricultural sanctions over several decades adequately demonstrates their futility.

When sanctions are unduly rigid and automatic, they become a roadblock to prudent diplomacy. This is a much more serious issue. In fact, sanctions tend to harm our industries and hamper our foreign policy more than they advance their stated goals.

Mr. President, rarely did we state our goals when we adopted any of the 61 sanctions that are now on the books; nor have we established benchmarks that show whether these sanctions have been successful. Obviously, our policy was not successful with regard to the sanctions we are discussing today. Unilateral sanctions rarely accomplish their objectives in the absence of multilateral cooperation. In fact, scholarship on this subject is replete with almost no instance in which unilateral U.S. sanctions have achieved their intended goals, even when the goals were implicit as opposed to being explicit.

Finally, the legislation is a good first step. This Senate needs a broad debate on economic sanctions and their consequences. The majority and minority leaders have shown strong leadership in naming a bipartisan task force to consider sanctions policy.

The fact that we need to pass this legislation on an emergency basis only illustrates the need for a more comprehensive legislative approach. We need to think through the consequences of unilateral, inflexible sanctions before they are imposed, not after.

In the near future, I will offer a modified version of my bill, S. 1413, for the Senate's consideration. That legislation will establish a framework for the consideration and review of future sanctions, and will broadly exempt food and humanitarian assistance.

I look forward to working closely with the task force headed by Senator MCCONNELL and Senator BIDEN. I appreciate that we must examine not only prospective views on any legislation suggested but likewise retrospective views and those of our Chief Executive and Secretary of State.

For the moment, we need to pass the bill before us. I commend those who brought this important legislation to the floor today.

Mr. President, we will also need to think carefully, as other Senators have suggested, about the overall agriculture situation in our country. As a general rule we ought to be thinking about how we make the sale and move the grain, not about how we store the grain and dismember the farm bill.

Congress should grant the President fast track trade negotiating authority. We must have this in order to successfully move our grain to the rest of the world this year, next year, and for many years to come. Fast track is essential for the World Trade Organization (WTO) negotiations that will be paramount next year. We must also act on International Monetary Fund (IMF) replenishment. This is critical to having any chance of regaining Asian demand. Right now, prices are down because demand is down. It is as clear as that.

Finally, we must have broad sanctions reform. Sanctions inhibit us and cost American jobs and American sales.

For all of these reasons, Mr. President, this is an important moment, an important bill, and I strongly support its passage.

Mr. BIDEN. Mr. President, I yield 5 minutes to the Senator from Montana.

Mr. BAUCUS. Mr. President, I first thank my good friend, the Senator from Delaware.

Mr. President, we are now embarked on a very significant policy change with respect to sanctions. Over the past several years, it was simple for the U.S. Congress to slap sanctions on an offensive country. We could also give the President the authority to grant sanctions. We could do this because we believed this power was free. That is to say, we in Congress freely used sanctions to express our sentiments about issues of particular concern, and we passed several pieces of legislation giving the President sanctions authority because it didn't cost anything. And we made our statements loud and clear by doing so. Good statements, for example, that tried to curb proliferation of weapons of mass destruction. And at that time, these efforts were necessary in steering certain countries away from a course contrary to world public policy.

Unfortunately, despite our best intentions, most of these sanctions bills have been ineffective. Many have not accomplished the purpose for which they were intended. We may ask ourselves why? I believe one important reason is the fact that the world has become so global. In addition, this global marketplace is not conducive to the imposition of unilateral sanctions imposed by the United States. Quite simply, the sanctioned country can very easily avoid the purpose and penalty of our sanctions by going to other countries to get the products that they would otherwise obtain from the United States.

So, by and large, unilateral sanctions have not worked very well. On the

other hand, multilateral sanctions tend to work when a majority of countries in the world join together with the same purpose and to help accomplish the same objective. The legislation that we are considering today, and will pass today, recognizes that phenomenon.

That being said, I believe that there is definitely a role for sanctions—unilateral and multilateral. We just have to work together to determine when and where each sanction is most appropriate and effective.

Over the last couple of weeks, we have seen a demonstrated interest in reforming our sanction's policy. We realize today that it probably makes more sense to pass something narrowly crafted than to use a blanket action to achieve a specific goal. Take for example, the fact that we are considering a waiver with respect to GSM agricultural credits for food shipments to Pakistan. We now believe—and I think I am speaking for almost all Members of Congress—that food shipments should never be used as a foreign policy weapon. Barring a country from a necessary food source is wrong. It is anti-humanitarian. More often it hurts the very people who need it the most. It also tends to inadvertently penalize our producers here in America.

Food as a weapon simply does not work, and the legislation before us today essentially provides a release valve with respect to food shipments and agriculture products. Today we are talking about Pakistan, but we should also rethink our policy toward India and the rest of the sanctioned countries after this particular vote. We must also devise a way to give the President a little more flexibility when targeting a specific result. These results include the reduction of nuclear tests and weapons of mass destruction in Asia.

I believe that it is also important to point out that our agricultural producers are currently blocked out of 10 percent of the global market due to sanctions. This lack of market access obviously hurts our producers. It is almost ironic that in many cases we hurt ourselves far more than we hurt or influence an errant country. This is most often the result when we employ the use of unilateral sanctions. Our producers simply cannot afford to bear the brunt of our failed foreign policy endeavors. We simply must oppose and remove trade sanctions that unfairly inhibit market opportunities for our agricultural producers.

I might also add that I recently accompanied President Clinton on his trip to China. During this trip, I talked to several Chinese officials and tried to encourage them to open up their markets to American products like Pacific Northwest wheat. Unfortunately, the response I received was to the effect that China would be willing to buy if America was a reliable supplier. Their spin on trade was justified by claiming we in America sanction our food ex-

ports too often. Why, then should they depend on us to provide a reliable source of wheat, or beef or any other commodity subject to sanctions?

Now I'm not saying the sole reason China does not take wheat, particularly Pacific Northwest wheat, is due to sanctions. But I do believe our random sanctions policy is a contributing factor. Again it was obvious that if we stop using food as a tool of foreign policy, we will have an easier time in encouraging market access.

Mr. President. It took awhile but sanctions reform is now moving quickly. Many Senators should be recognized for their efforts in bringing the forefront—Senators MCCONNELL, LUGAR, DODD, BIDEN, GLENN, MURRAY, FEINSTEIN and ROBERTS. There are many more and I would like to compliment them for their efforts. I only suggest that, as we work together on a solution, we be a little more thoughtful than we were this morning in rushing to push legislation throughout without thoughtful consideration and foresight.

Discretion is the better part of valor. For that reason, I am pleased that we in the Senate decided to focus on a narrow sanctions reform provision that would pass on its merits in the immediate future. This is much more reasonable than trying to enact broader sanctions reform which we should do, but at a later date in the fall after we have a sufficient amount of time to work together to produce a truly dynamic sanctions package. In the interim, I urge us to think carefully, think thoughtfully. Find a proper role for sanctions and offer a nonpartisan solution. We need to work together as a team. We have to, in fact, as the world becomes more complex with regard to foreign policy and trade policy build a strong coalition. As a team of Americans representing the Democrats, Republicans and Administration we will be able to set forth a policy enabling Americans to be respected as we would like to be.

With that, Mr. President, I compliment those who are involved in this legislation. It is a good first step. Let us continue down this path.

Mr. MCCAIN. Mr. President, I note with some concern the support of some of my colleagues for a weakening of the sanctions currently in place against India and Pakistan under the terms of the Nuclear Proliferation Prevention Act of 1994. Although I do not oppose the Farmers Export Relief Act of 1998, I would encourage members of Congress not to lose sight of the national security considerations which motivate our sanctions against India and Pakistan, and to tread warily along the path of haphazardly lifting those sanctions.

In 1994, the United States Senate voted unanimously in favor of automatic sanctions against any country which "crashed the gates" of the nuclear club. The gravity of counter-proliferation sentiment in the Senate at the time was clearly expressed by the

absence of the standard "national security waiver" that sanctions legislation typically contains. At the time, we believed that such a tough sanctions requirement would serve as an effective deterrent to any country which believed it had more to gain than lose by developing the ability to detonate a nuclear device.

The tenor of the debate in the Senate today indicates that our 1994 sanctions legislation is viewed as a failure. India and Pakistan are now nuclear powers, attesting to the inability of the global non-proliferation regime to constrain their national ambitions.

But can we say with any degree of certainty that our sanctions policy is as powerless as some suggest? The 1994 legislation was intended not only to deter countries from developing a nuclear weapons capability, but to punish countries that flouted the global consensus, embodied in the Nuclear Non-Proliferation Treaty, against developing nuclear weapons as a legitimate instrument of national power. Sanctions against India and Pakistan have been in place for less than two months. It has been widely acknowledged that both countries, particularly Pakistan, have suffered from the cut-off in U.S. trade and investment and the cessation of loan guarantees from the international financial institutions.

An earlier draft of the Farmers Export Relief Act of 1998 would have granted the President the authority to waive all the sanctions mandated by Congress by the Nuclear Proliferation Prevention Act of 1994. I am pleased that this language was removed, as it would have been inconsistent with both the spirit and letter of the 1994 law.

I support American farmer and agribusinesses who wish to export their products to South Asian markets. However, I am not convinced that the campaign to waive U.S. sanctions for agricultural products is driven by concern for American national security interests. What is the basis for singling out agricultural products, rather than any other category of goods, for a sanctions waiver? I am not convinced that the merits of exporting grain, cotton, or even tobacco—all agricultural goods that would be exempt from sanctions should this legislation pass—are such that agriculture should be singled out for a sanctions waiver. What national security logic drives this approach?

Let me stress that I do not oppose this legislation to exempt agricultural goods from the sanctions regime in place against India and Pakistan. I simply wish to caution my colleagues against piecemeal efforts to take the teeth out of sanctions whose credibility and effectiveness hinge on their capacity to hurt countries which defy international norms and undermine American national security. We must approach sanctions policy with an eye for overall strategy rather than taking a more narrow, tactical approach that obscures the larger objectives of our foreign policy.



Mr. LEAHY. Mr. President, I am a member of the Sanctions Taskforce established by the Majority and Minority Leaders, and I support this bill. I want to give the President additional flexibility in his efforts to persuade the Indian and Pakistani Governments to walk back from the nuclear precipice. I think this bill represents an appropriate compromise.

But I also want to emphasize that I am doing so because the President's waiver authority expires on March 1, 1999. I do not favor an open-ended waiver, nor do I want my support for this bill to be interpreted as a signal that the President should immediately use the authority to waive sanctions. I hope he will think long and hard before he does, and do so only if he is convinced that it could bring about a significant change in behavior of these countries.

The United States finds itself in a difficult position. We are, after all, the only country that has ever used nuclear weapons against another country. We have also conducted thousands of nuclear tests, and we have an enormous nuclear arsenal. From the perspective of the Indians and the Pakistanis, our expressions of outrage at their recent nuclear tests may seem hypocritical.

I for one believe the United States could do a great deal more to set an example on nuclear disarmament. We do not need to wait for the Russians before we take further steps of our own. Our overwhelming military power makes it possible for us, indeed I would say we have a responsibility, to do so. We can reduce our arsenal further without risking our own security or the security of our allies.

But having said that, I also believe that the actions of the Indian and Pakistani Governments were at complete variance with the trend of history. Their acts were reckless and unnecessary. They contributed nothing to their defense, and they have only increased tensions and insecurity in South Asia. They have invited similar recklessness by other countries.

It is therefore imperative that the President use whatever diplomatic means he has to encourage the Indians and Pakistanis to join the Comprehensive Nuclear Test Ban Treaty, to enter into serious negotiations on a solution to the Kashmir problem, and to take whatever steps are necessary to ensure that they are not drawn into a nuclear arms race. In that regard, they need only look to the experience of the United States and the former Soviet Union to understand why it is in their interests to not start down that road.

I want the President's diplomacy to succeed, and I support giving him the tools he needs. But I also support the sunset provision in this bill because it gives these countries ample time to demonstrate whether or not they intend to respond to these concerns. If they do not, then sanctions should be reimposed. Any country that detonates

a nuclear device should expect to suffer the consequences. On the other hand, if they do respond positively then I have no doubt that the Congress will reciprocate.

Mr. President, the avoidance of nuclear war is our country's first priority. Ever since the end of World War II we have done our utmost to avoid the use of nuclear weapons, by ourselves or by others. We have made headway with Russia on nuclear disarmament, but that process has stalled. I fully support the President's decision to go to Moscow to try to revive that process. The administration has also made progress in building international support for the Test Ban Treaty. The Indian and Pakistani tests have set that process back. This bill seeks to revive it. If we fail, we can anticipate a future with nuclear weapons bristling on every continent. That is not a legacy we want to leave.

I commend Senators MCCONNELL and BIDEN for their very effective leadership of the Taskforce that produced this legislation.

Mr. KEMPTHORNE. Mr. President, times are tough for Idaho's farmers right now. No one who has read a commodity report in the last few months would disagree. Wheat and barley prices are at record lows as are prices for other important Idaho agricultural products. Growers all over the state are on the verge of bankruptcy. This is an emergency.

In a time when the situation is so desperate, eliminating a market that represents almost half of Idaho's white wheat exports could permanently cripple the grain industry in my state.

That is why sanctions against countries such as India and Pakistan, at least those based on agricultural commodities, don't make sense. In fact, the only loser—the only group that will suffer as a result of the sanctions—will be America's farmers.

While I completely understand the reasons behind sanctioning countries that violate the Arms Export Control Act, I cannot support punishing Idaho wheat farmers for the actions of foreign governments. This body cannot stand by while much of the nation's wheat crop is sitting in grain elevators. Closing an existing market to America's grain producers could have dire consequences. American wheat producers are already shut out of 20 percent of international markets. I believe that we need to expand new markets, not close off existing ones.

It is for that reason that I am an original cosponsor of S. 2282, the Farmer Export Relief Act. This bill would send a strong signal to the international trade community that the United States will aggressively compete for commodity markets.

The fact is, food should not be used as an economic weapon. The people of these countries, two of the world's largest, have to eat. There are 967 million mouths to feed in India, 135 million in Pakistan. That's over 4 times

more mouths than we have here at home.

Pakistan will soon make a \$37 million purchase of white wheat. Our producers should be able to bid on that 13.5 million bushel sale. If they don't get their food from us, that void will quickly be filled by other nations with similar surplus problems. Pakistan is the third largest wheat export market for the United States. We can't allow such a big portion of exports to be handed over to our competitors.

Bill Flory, an Idahoan, is the president of the National Association of Wheat Growers. As a grain producer from Northern Idaho, Bill knows first hand the problems facing growers. Bill recently told me that the prices he is getting for his wheat are almost exactly the same as he was getting in the 1970's—almost thirty years ago.

Mr. President, this is, indeed, an emergency. Idaho's grain farmers should not be punished for the actions of other nations. It is time for this body to come to the aid of American grain producers and lift the sanctions that don't hurt the violators, but instead only hurt our own farmers.

Mr. KERREY. Mr. President, I am pleased to support this important measure to keep our agricultural export markets open.

Beyond the legislation currently under consideration, I am pleased that Congress has begun a serious discussion about the general issue of our sanctions policy. Too often in the past we have been quick to use the blunt instrument of unilateral sanctions without fully evaluating its impact. I believe that when considering sanctions, we in the Congress must take into account not only the likelihood the policy will meet our objectives, but also the effects sanctions will have both domestically and abroad. By acknowledging that our farmers should no longer bear the brunt of our sanctions policy, this legislation is a small but important first step.

More importantly, those of us from rural states know that a crisis is brewing in rural America and I think it is vitally important that the Senate begin to act to preserve family based agriculture. Exports are down, prices are collapsing, and producer incomes are decreasing at an alarming rate. And somehow, this crisis in rural America is growing at a time when the rest of the country enjoys an unprecedented economic boom.

Without action, we are about to see another migration from our family farms. If we don't act to preserve this way of life, we are going to alter forever the face of rural America. And I suspect that the agricultural sector we end up with will not be one we like.

I believe strongly that this Congress should act and will act to preserve family based agriculture. I am pleased that we are taking this first step to support our wheat farmers today and I look forward to the upcoming debate about how best to act to preserve a healthy and prosperous rural economy.

Mr. President, I urge my colleagues to support this important legislation.

Mr. DOMENICI. Mr. President, I rise in strong support of the legislation before us today. This bill touches on matters of great importance to the future of American farmers as well as the direction of foreign policy for the United States.

I agree with many of my colleagues who contend here today that this legislation signals an important first step in reevaluating our sanctions policy. Many of us would agree that we have overused and thereby deadened the sting of sanctions. In addition, unilateral sanctions only hurt U.S. producers, regardless of the sector, and essentially amount to a gift to our foreign competitors.

I would also like to express my agreement with those who have suggested that agricultural sanctions in particular are an ineffective stick and cause substantial damage to already depressed agricultural markets. In a world market where the prices for agricultural commodities continue to decline and almost every major player heavily subsidizes its agricultural sector, curtailing U.S. farmers' access to significant portions of the global market through sanctions only serves to make a difficult situation worse.

I would also like to emphasize the importance of allowing the free market to dictate agricultural production and sales. The wealth of nations—and this is a conscious choice of wording—is not attained by erecting barriers—either through tariffs or embargoes—to the export of our agricultural commodities. Our agricultural surplus must be allowed into markets where there is a demand. Pakistan is only one of those markets.

If left in place, these sanctions will have a devastating immediate impact on American farmers. The pending sale of 15 million tons of wheat to Pakistan hangs in the balance. Our wheat farmers will shoulder the most immediate burden of misguided foreign policy unless we are willing today to take a small, but crucial step, in changing that policy. American farmers desperately need the remaining 10% of global markets that our current sanctions deny them. We already witnessed the impotence of embargoes in 1980. How often do we have to repeat our mistakes to learn?

Between 1993 and 1996, the United States unilaterally imposed sanctions 61 times against 35 countries. The effectiveness of these sanctions in attaining specific foreign policy objectives would have to be evaluated on a case by case basis. However, what requires no detailed examination at all is that we have created a web of walls to U.S. exports that previously did not exist. We have erected, in essence, extensive non-tariff barriers to myriad U.S. exports. We have systematically carved out large pieces of the global market and made them inaccessible to U.S. producers. The competition should

be overwhelmed with gratitude. We are doing more to bolster foreign producers of agricultural goods than their own governments could hope to achieve through subsidies.

The focus of this legislation are the sanctions invoked in reaction to the nuclear tests carried out in India and Pakistan earlier this Spring. The 1994 Glenn amendment not only included agricultural commodities, it also shut off agricultural credit programs that enabled countries like Pakistan to import U.S. wheat and feed its citizens. In sanctioning Pakistan in this manner, we run the risk of further destabilizing the existing regime. I have already voiced my concern about the danger inherent in this approach. Hungry citizens and desperate regimes with nuclear weapons capability could be a formula for disaster.

A further disaster must, however, be noted and has not been adequately emphasized in the discussion of this bill. Allowing international markets to be regulated by supply and demand for agricultural products—as well as other goods, services and capital—is an idea that dates back to the founding of this nation. The wealth of this nation can only be derived from a free market economy and unimpeded international trade. These artificial barriers will spell disaster for U.S. farmers in the immediate term, and they will eventually have negative ramifications for every sector in the U.S. economy.

Mr. President, I am hopeful that this legislation will initiate further changes. It is essential to American farmers that we change the current policy. This is an important first step to removing the barriers we have created to allowing U.S. producers to compete and profit in global markets. The economic lessons published by Adam Smith in 1776 are as pertinent today as they were at this country's birth. U.S. sanctions will serve to crush the invisible hand and hinder our competitiveness. I believe we should keep this foremost in our mind as we evaluate our sanctions policies, MFN and fast track in the coming months.

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

Mr. BIDEN. Mr. President, I believe I have 6 minutes remaining under my control.

The PRESIDING OFFICER. Just under 5.

Mr. BIDEN. Mr. President, I yield just over 4 then to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I thank my colleague.

Let me join in the chorus of praise of our distinguished colleagues from Kentucky and Delaware, who have worked out this arrangement to allow for the adoption of this resolution that will permit the sale of food shipments to go forward in the case of both Pakistan and India.

I also want to take a moment here to commend our colleague from Indiana,

who is no longer in the Chamber, but who went beyond the particular legislation in front of us and suggested that there are a number of things we need to be doing on the international level if we are going to continue to have the kind of success economically at home that we have enjoyed over these past several years.

The critical elements, of ensuring success at home economically over the long term are that we have a sound education policy, an issue which we have been debating today as part of the higher education reauthorization legislation, in addition to the obvious sound monetary and economic policy. Another important component is to also have responsible global economic policies. Certainly enactment of IMF legislation is a critical element of such a policy. I am hopeful that the other body will follow the Senate in passing the IMF legislation before we adjourn this Fall.

Sanctions policy is another part of our global economic policy that certainly demands our attention in this Congress and in this session. I think most Members now have come to the conclusion that our present sanctions policy is not only not working very well, but is actually counter to our own self-interest.

Someone suggested the other day that when we adopt unilateral sanctions, what we ought to do is immediately lay off about 5 percent of the workforce in the affected industries, because that is the ultimate effect and we should be honest about it.

Senator HAGEL, Senator PAT ROBERTS, Senator BIDEN, and I, and others introduced legislation before the July 4 recess would fundamentally change how unilateral sanctions are dealt with in this country. I would restore the appropriate balance of power between the Congress and the Executive in the sanctions area by giving the President the authority to delay, suspend, or terminate a particular sanction if he believes it serves an important national interest to do so. But we are not going to debate that today or bring it up, but I am hopeful that before this session ends we will find the time to do so.

I am fearful that while there is a keen interest in the sanctions issue now because of recent events in Pakistan and India, we will soon move on to other things without fundamentally addressing the problems with sanctions that the India/Pakistan highlighted so vividly. I hope that doesn't happen.

We currently have in place sanctions that effect more than 40% of the world's population. In one year alone, existing sanctions has cost the United States \$20 billion in lost export revenues and affected 200,000 jobs in America. And even if you did not pass one new sanction, that \$20 billion turns into \$100 billion over a five year period, and those 200,000 jobs turn into a million.

So I am hopeful that this interest being expressed today by both Democrats and Republicans on this particular issue—and they have gone beyond it to suggest we need to fundamentally change how we impose unilateral sanctions—will bear fruit in terms of some broader legislative steps before this Congress expires.

## AMENDMENT NO. 3113

(Purpose: To exempt medicines and medical equipment from sanctions)

Mr. DODD. Mr. President, Senator WARNER and I have an amendment, on which we have been joined by Senator HAGEL and Senator ROBB, which I am going to send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Mr. WARNER, Mr. HAGEL, and Mr. ROBB, proposes an amendment numbered 3113.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 1, after line 14, insert:

(c) Section 102(b)(2)(D) of the Arms Export Control Act is further amended in clause (ii) by inserting after the word "to" the following words: "medicines, medical equipment, and,"

Renumber succeeding subsections accordingly.

Mr. DODD. This amendment has been cleared by both sides. What it does is, to exempt the sale of medicines and medical equipment from sanctions that would be imposed under this provision of the Arms Export Control Act. Senator WARNER, Senator HAGEL, Senator ROBB, and I feel that just as food should not be used as a weapon against other countries, neither should medicine or medical equipment.

I have heard it said now countless times over the last hour and a half or 2 hours on this floor that food shipments ought never to be used as an instrument of sanctions policy. Whatever else we may choose to do to sanction a government, we shouldn't be hurting the average person in that country because they aren't responsible for the actions of their leaders. We shouldn't be victimizing innocent men, women and children with our sanctions policy.

I guarantee you that the political leaders who formulate policies of countries get their flu shots, get their medicine; they get their food. It is the general population who are the innocent victims who suffer. So we wanted to add medicine and medical equipment to make a point today, to put them on the same footing as food shipment are treated in this bill, so that we would begin to set the precedent that food shipments and medicine will no longer be used as a tool of our sanctions policy. Our ultimate goal is to lift all sanctions on the sale of food and medicine that currently are included in ex-

isting law, and bar the imposition of any future sanctions of this kind. We hope we will accomplish this broader objective before Congress adjourns later this year. But that goes beyond the parameters of the legislation that is being considered today.

Mr. President, I am pleased to join with my colleagues in correcting what is clearly an unintended consequence of Congressional enacted sanctions—namely preventing American farmers from being able to export their products abroad. This not only hurts American farm families, but it also ends up hurting innocent populations who in many cases are terribly dependent on American food stuffs in order to stay alive. Moreover, it is unlikely to alter the behavior of the sanctioned government.

I do not believe that food should ever be used as a weapon against other governments or people. That is not what the United States should be about. The American people have an enormous humanitarian spirit always reaching to help the weak and defenseless. Surely there are enough weapons in our foreign policy arsenal that we can forswear the use of food as a sanctions tool.

Similarly, I believe that we should also forswear denying life saving medicines and medical equipment to innocent women and children, simply because we don't like something their government officials may have done. Let's not kid ourselves into thinking we are denying any high government officials access to all the food or medicine they need—they'll get it even though there is scarcity with respect to the general public.

I am pleased that the Managers have agreed to accept the Dodd/Warner amendment that amends the Arms Export Control Act to make it explicitly clear that medicines and medical supplies will not be withheld under the sanctions provisions of this act.

When we impose sanctions against other governments we are at the same time sending a signal to the rest of the world about what the United States stands for and believes in. For that reason I believe we should never be telling the world that we believe in starving innocent people or denying them access to medical care. It is important that throughout the planet everyone understands that the United States operates only on the highest moral standards and will never stoop to the kind of behavior that is the hallmark of petty dictatorships who care nothing for the well being of their people.

Mr. President, while I support what we are doing today, I do not believe it goes far enough. It does not resolve the problem that currently confronts the President with respect to sanctions generally and India and Pakistan most immediately. We have done nothing today to give him the flexibility he needs to bring India and Pakistan back within the fold of internationally responsible countries in the realm of nu-

clear nonproliferation. I would hope that we could get agreement to deal with this issue very quickly so that a bad situation does not become a global tragedy.

The PRESIDING OFFICER. All time under the control of the Senator from Delaware has now expired.

Mr. DODD. Mr. President, I ask for an additional 30 seconds.

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

Mr. DODD. I think this proposal is a step in that direction. It makes sense. It deserves our broad-based support. I strongly urge our colleagues to join with us on the broader efforts to fundamentally change sanctions policy.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Kentucky has 2½ minutes.

Mr. MCCONNELL. Mr. President, there is no objection to the amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1313) was agreed to.

Mr. MCCONNELL. Mr. President, I move to reconsider the vote.

Mr. BIDEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCONNELL. Mr. President, the situation is this. We are just about out of time, but I have one more Senator on our side of the aisle who would like a couple of minutes.

Mr. President, I ask unanimous consent that Senator THOMPSON have 2 minutes and Senator HARKIN have 2 minutes, and Senator BIDEN and I have 2 minutes each for a close.

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

Mr. MCCONNELL. So I say to our colleagues, that means the vote will be about 8 minutes from now.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. I thank my colleagues from Kentucky and Delaware.

Mr. President, just a couple of brief points that I think need to be made in order to put what we are doing in context. I think the legislation is good legislation and it is needed. However, I think what we are doing here is taking a step toward Congress intervening in the sanctions process, as we have sometimes, and I think that is good. But I think we need to keep in mind that most of these sanctions have been passed in times past because of concerns of nuclear proliferation. Proliferation has come about because of detonation by countries that have been carried out in their own countries, such as India and Pakistan. Proliferation has also come about because of exports from one country to another, to a troublesome country, to a rogue nation or a nation that we feel might pose some danger to us.

So, while we are fashioning a particular remedy for a particular purpose with regard to these sanctions, we need to keep in mind that it is in a much larger context that we are going to have to address this. Because, while we want to liberalize the administration's discretion with regard to sanctions in this area, we need to keep in mind that what is also going on right now is the situation where Congress, time and time again, has expressed concern that the administration has not used the sanctions that are available to it. We have a situation right now where we have imposed sanctions on India because of detonations, and India's response is that they are doing so in large part because of our relationship with China. China, on the other hand, continues to be the world's greatest distributor of weapons of mass destruction around the world, and as they do so, the President waives sanctions on China.

More recently, the administration has decided to exercise its waiver authority and not to sanction the Russian company Gazprom for energy investments in Iran which violate the Iran-Libya Sanctions Act.

So, while it may be appropriate and needed for Congress to intervene to liberalize the application of sanctions in the area that we are dealing with today, we need to keep in mind that while we are bashing sanctions—and I personally believe that they have been greatly overapplied, are indiscriminate, there has not been sufficient distinction with regard to countries that pose a threat or not—

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. THOMPSON. I ask consent for an additional 30 seconds.

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

Mr. THOMPSON. We have not made that kind of distinction; we have not made a distinction between those countries that pose a threat and countries that do not. We are going to have to address all of those issues and mainly we are going to have to address the question of whether or not we want to also intervene, as a Congress, with regard to those instances where the administration is not imposing sanctions when this Congress believes they should; where this administration is granting waivers to Russia and China time and time again with regard to their activities of proliferation.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I want to make a few comments in favor of the bill and its swift passage. I just want to point out again what the bill accomplishes. What this legislation will do is to establish that the automatic sanctions under the Nuclear Proliferation Prevention Act of 1994 will not include a prohibition against credit, credit guarantees or other financial assistance provided by the Department of Agriculture to support the purchase

of food or other ag commodities. Again, this bill does not deal with the underlying purposes and operation of the Nuclear Proliferation Prevention Act of 1994. It only deals with the question of whether the automatic sanctions will include USDA credit guarantees or other financial assistance for the purchase of food and ag commodities.

My views in this regard are similar to what Hubert Humphrey, a former Member of this body, once said when he wanted to extend more food sales to the then-Soviet Union—which, of course, was our enemy in the cold war—and someone was taking him to task for that. Senator Humphrey replied that he was in favor of selling them anything that they couldn't fire back.

That is essentially my perspective, too. We ought to be willing to sell food with credit guarantees not only for our own purposes here in this country but because a lot of people whose economic circumstances are marginal in other countries need this food for their basic subsistence.

Finally, it is important that the Senate not have the misimpression that this legislation is going to solve what is shaping up to be a very serious crisis in rural America and on our farms. We need to pass this legislation. It will help, but it should not delude us into thinking that now this is going to cure our low wheat prices or corn prices or solve the farm income problem.

With respect to U.S. ag exports, I would point out the net impact of U.S. trade sanctions in six markets—Cuba, Iran, Iraq, North Korea, Libya, and Sudan—amounts to only 1 percent of the total U.S. ag exports. Those six countries purchased only about 2 percent—I ask unanimous consent for 30 seconds.

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

Mr. HARKIN. Those six countries purchased only about 2 percent of the total world ag imports in 1996. When India and Pakistan were added, the result was only 3.2 percent of the total world ag trade subject to U.S. sanctions. That is simply not enough to have caused the tremendous drop we have recently seen in wheat and other commodity prices. So, yes, we need to pass this bill, but we need to come back in this body and do something to help solve the low ag prices that are hurting our farmers all over America. This bill alone won't do it.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, what we are doing here today at the urging of Senator MURRAY and Senator ROBERTS is necessary and important. But I want to make it clear we didn't start this off as an ag bill. This is about foreign policy. This is about sanctions. It does affect us. It is important.

My only regret here today is we are only exempting agriculture. I hear my colleagues from the agricultural States stand up and talk about how farmers

are put at risk. I point out, people who work in a factory at Boeing are put at risk. People who work in the Du Pont Company are put at risk. People who work in every other industry are put at the same risk farmers are put at when we impose these sanctions. So we should go further than we are going today.

That is the task that has been assigned to the task force that is chaired by Senator MCCONNELL and myself. I am hopeful and I am encouraged by the fact that we have been nonpartisan in our approach so far, to try to deal with this. There is going to be a tendency on the part of Democrats to say, "Gosh, if there is a Republican President next, maybe we should not do this." There is a tendency on the part of Republicans to say, "We have a Democratic President for the next 2 years, maybe we should not do this." I hope we continue to rise above that and do what needs to be done and have a rationalized sanctions policy that is fundamentally different than what we have here today.

But that is easier said than done. That is our task. We will attempt to do it. I am just sorry we weren't able to go forward with what was, even the broader version of this, was a modest version of what we had to do. We weren't able to get that done today, but with the leadership of the Senator from Kentucky and the help of our colleagues who have engaged in this, maybe we can come up with something before this session is over that rationalizes our sanctions policy.

I thank my friend from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. I thank my good friend from Delaware. I do look forward to this challenge we have together to try to move forward on this issue.

I ask unanimous consent that Senator GRAMS of Minnesota and Senator BOND of Missouri be added as cosponsors.

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

Mr. MCCONNELL. Mr. President, before we close for the vote on this India-Pakistan bill, let me re-examine our mandate from the leadership.

Senator BIDEN and I and the task force have been asked to focus on the following issues: What constitutes a sanction? Is it a sanction when we withhold or condition U.S. foreign assistance? Is it a sanction when we ban investment? Obviously, it is a sanction to ban commercial activity or investment, but there are other issues of aid conditions that are clearly foggy. What sanctions are in place? What flexibility has been offered? And how are these current sanctions being implemented? Implementation, even after we enact a sanction, has been somewhat haphazard.

Mr. President, as the task force moves forward, let me suggest that we are very likely to have a hearing before the August recess to give people out in the country who are affected by what

we decide an opportunity to have their say. We know the business community, for example, seems to be comfortable with the 301 process, because they know what to expect and when to expect it. We look forward to hearing from them. There are others out in our country who feel the United States is, after all, the beacon of freedom in the world and we should express ourselves about policies in other countries with which we disagree, and we want to hear from them, Mr. President, as well.

It is the intention of Senator BIDEN and myself to meet the September 1 deadline that the leadership has given us. I want to say that we welcome the thoughts and comments of our colleagues both on and off the task force.

Mr. President, I understand that time has expired.

The PRESIDING OFFICER. All time has expired. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. McCONNELL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill, as amended, pass? On this question, the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mrs. HUTCHISON) and the Senator from Arizona (Mr. KYL) are necessarily absent.

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 190 Leg.]

#### YEAS—98

Abraham	Faircloth	Lugar
Akaka	Feingold	Mack
Allard	Feinstein	McCain
Ashcroft	Ford	McConnell
Baucus	Frist	Mikulski
Bennett	Glenn	Moseley-Braun
Biden	Gorton	Moynihan
Bingaman	Graham	Murkowski
Bond	Gramm	Murray
Boxer	Grams	Nickles
Breaux	Grassley	Reed
Brownback	Gregg	Reid
Bryan	Hagel	Robb
Bumpers	Harkin	Roberts
Burns	Hatch	Rockefeller
Byrd	Helms	Roth
Campbell	Hollings	Santorum
Chafee	Hutchinson	Sarbanes
Cleland	Inhofe	Sessions
Coats	Inouye	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kempthorne	Snowe
Coverdell	Kennedy	Specter
Craig	Kerrey	Stevens
D'Amato	Kerry	Thomas
Daschle	Kohl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lautenberg	Torricelli
Domenici	Leahy	Warner
Dorgan	Levin	Wellstone
Durbin	Lieberman	Wyden
Enzi	Lott	

#### NOT VOTING—2

Hutchison      Kyl

The bill (S. 2282), as amended, was passed, as follows:

S. 2282

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Agriculture Export Relief Act of 1998".

#### SEC. 2. SANCTIONS EXEMPTIONS.

(a) Section 102(b)(2)(D) of the Arms Export Control Act (22 U.S.C. 2799aa-1(b)(2)(D)) is amended as follows:

(1) In clause (ii) by striking the period and inserting in lieu thereof "or";

(2) By inserting after clause (ii) the following new clause—

"(iii) any credit, credit guarantee or financial assistance provided by the Department of Agriculture to support the purchase of food or other agriculture commodity."

(b) Section 102(b)(2)(F) is amended by striking the period at the end and inserting "which includes fertilizer."

(c) Section 102(b)(2)(D) of the Arms Export Control Act is further amended in clause (ii) by inserting after the word "to" the following words: "medicines, medical equipment, and,".

(d) Amounts which may be made available by this section 102(b)(2)(D)(iii) are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided*, That such amounts shall be available only to the extent that an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

(e) Any sanction imposed under section 102(b)(2)(D) of the Arms Export Control Act before the date of this Act with respect only to the activity described in section 2(a)(2) of this Act shall cease to apply upon the enactment of this Act.

Mr. CRAIG. Mr. President, I move to reconsider the vote.

Mr. NICKLES. I move to lay it on the table.

The motion to lay on the table was agreed to.

#### HIGHER EDUCATION AMENDMENTS OF 1998

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. The Senate will resume consideration of S. 1882.

The clerk will report.

The legislative clerk read as follows:

A bill (S. 1882) to reauthorize the Higher Education Act of 1965.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I appreciate the fact that the Senate took up this very important issue of agricultural sanctions and has acted on it.

Now, of course, we return to the Higher Education Act. The managers of the legislation have been making progress. We have at least a couple of amendments that will still take some more time. I encourage Senators to speak briefly and just go ahead and get a vote on the issues that are involved. The plan is to stay on the Higher Education Act until we complete it to-

night, so we will need cooperation of all Senators. I understand some Senators may have other events they would like to go to, but you can't say, "I want to offer amendments, but, by the way, I have an event I have to go to."

Please work with the Senator from Vermont and the Senator from Massachusetts. This is important legislation that expired July 1. We need to get it completed so we can get it in conference and get it done before we go out at the end of the year. I believe with a little cooperation, we can complete this very important Higher Education Act tonight. It is my intent for us to stay in until we get it done tonight.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I ask unanimous consent the pending Wellstone amendment be set aside for a period not to exceed 20 minutes.

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

Mr. JEFFORDS. It is my understanding that an amendment will be offered by Senator SANTORUM. He believes he will take 10 minutes or less. I know of no one that wants to speak on the other side.

I ask that Senator SANTORUM be recognized.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I thank the chairman of the committee and also the ranking member, Senator KENNEDY, and other members of the working group, including Senator COATS and Senator DODD, for working with me on this amendment. It is a very important amendment to proprietary schools, career schools, who are doing the real lion's share of the work in educating in the poor communities, with disadvantaged people in our society. They are doing a great job in some of the toughest settings to try to make up the skills deficit that we have heard so much talk about in this country for the working poor and for those, in many cases, coming off of welfare.

We are moving from welfare to work, and we are going to have to have educational institutions in poor communities, in the cities, to be able to educate the poor. As a result, I have worked with the working group. And I will send the amendment to the desk I am offering with Senators DEWINE and COVERDELL.

#### AMENDMENT NO. 3114

(Purpose: To amend the Higher Education Act of 1965 to improve accountability and reform certain programs)

Mr. SANTORUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for himself, Mr. DEWINE and Mr. COVERDELL, proposes an amendment numbered 3114.