

not exist. Taxes in lieu of should instead be deductible to relieve only the portion of the tax borne by the taxpayer. Until section 903 is repealed, more countries may adjust their tax laws in order to take advantage of section 903. In my district, thousands of jobs have been lost when companies moved their operations overseas. It is appalling to think that our tax system gave them incentives to do so.

Mr. Speaker, I urge all Members to cosponsor this important piece of legislation.

GATT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, December 14, 1994 into the CONGRESSIONAL RECORD.

GATT

Congress recently approved one of the most important—and controversial—measures of 1994: the latest expansion of the 47-year old General Agreement on Tariffs and Trade [GATT]. It is the most ambitious trade agreement in history.

The agreement among 124 nations, negotiated over seven years, will lower tariffs (import taxes) by one third, reduce international subsidies for farm exports, strengthen protections for patents and inventions, and take steps toward regulating trade in services and investment. Congress held dozens of hearings on the negotiations and passed numerous measures to guide the Reagan, Bush, and Clinton administrations in their pursuit of U.S. trade interests. Last week both the House and the Senate passed GATT by overwhelming margins. Dozens of Indiana manufacturers and farm groups urged passage of GATT, while many other Hoosiers expressed concern about protecting U.S. interests. The intense debate on GATT focused on three main issues: the impact of GATT on American jobs, on the budget deficit, and on U.S. sovereignty.

JOBS AND ECONOMIC GROWTH

Many people have expressed concern about the impact of GATT on U.S. jobs, yet the case for job growth under GATT is strong. GATT commits 124 countries to reduce tariff taxes for agriculture, services, and manufactured goods, with the global savings totaling \$744 billion over ten years. Since the U.S. economy is already one of the fairest and most open in the world, other countries will be reducing their tariffs and restrictions much more than we will. The U.S. should be the biggest winner under the expanded GATT, and the agreement should give our economy a boost.

Lower trade barriers and tariffs will save U.S. consumers money and also create jobs through more exports and new investment. The Council of Economic Advisors estimates that within a decade GATT will boost U.S. economic output by \$100–200 billion a year. GATT should directly benefit many Hoosier workers. Indiana manufacturers will see a 33% reduction in tariffs on their products. Distillers will benefit from lower tariffs on U.S. spirits, and copyright protections will outlaw counterfeit foreign products. According to the Indiana Farm Bureau, Hoosier farmers can expect an additional \$1.05 billion in income from GATT over ten years. Overall, GATT could add \$1,700 to the annual income of the average U.S. family within a decade.

BUDGET CONCERNS

Because the U.S. has agreed to reduce its tariffs by an average of 1.6%, certain federal revenues will decrease. The Congressional Budget Office estimates this loss will be \$11.9 billion over the next five years. To offset it, the package approved by Congress cuts spending in a number of programs, charges fees for certain customs services and broadcast licenses, and closes some tax loopholes.

More importantly, GATT's impact on the economy—new jobs and more exports—should create new federal income tax revenue that greatly exceeds any reduction in tariff revenue. GATT-related economic activity is estimated to reduce the federal deficit by some \$60 billion over the next ten years. GATT is fiscally responsible.

WORLD TRADE ORGANIZATION

At the direction of Congress in 1988, U.S. negotiators sought a stronger enforcement mechanism against unfair trade practices. Under the new agreement, the World Trade Organization [WTO] would replace the informal negotiating group that has existed for almost fifty years. In the past, a country with unfair trade practices could refuse to obey a ruling and not lose benefits. Now, unfair traders have to obey the rulings or face still consequences.

The WTO would issue rulings on trade disputes concerning goods, services, and intellectual property. For example, Canada could file a complaint against Japan for unfairly restricting Canadian wheat imports. If the WTO agreed with Canada, and Japan refused to change its practices, Japan would have to pay compensation or be subject to Canadian trade penalties.

SOVEREIGNTY

Many Hoosiers believe that any international trade council should not infringe on U.S. sovereignty. I strongly agree, and I worked hard to include strict safeguards in the package to protect our sovereignty.

First, GATT will continue to make nearly all decisions by consensus—there has not been a vote in more than thirty years. Second, the WTO cannot change any U.S. laws or policies. Only Congress and the President can do that, and no WTO ruling has any standing in U.S. courts. Third, we can withdraw from the WTO at any time or pass legislation overriding any part of GATT. With my support, Congress and the President also agreed to create a special U.S. panel to review WTO decisions. If this panel identifies three unfavorable WTO rulings, any Member of Congress can demand an immediate vote on withdrawing from the WTO. Finally, the United States has the world's largest market and most powerful economy. Other countries are not likely to impose trade sanctions in WTO disputes for fear of getting into a trade war with the U.S.

CONSEQUENCES OF REJECTION

Failure by the U.S. to ratify the agreement would have meant an enormous missed opportunity and an abdication of our international leadership. The U.S. dominated the negotiations: how could other countries have confidence in us if we failed to approve an agreement so beneficial to our interests? Without this agreement, countries would erect new trade barriers, and protectionism would rise. All of our economies would suffer. Democratic reforms would slow, shaky financial markets could boost interest rates, and world stability—so closely tied to economic cooperation—could be undermined.

Of course, GATT is not perfect. As a trade agreement it does not directly address important concerns such as child labor or political freedom, but GATT does increase the incentives for other countries to cooperate with us on these issues. Overall compliance

of other countries with GATT will have to be closely monitored.

CONCLUSION

GATT should mean more secure, high-paying jobs for Hoosiers and a better standard of living. The U.S. cannot afford to pass up the economic benefits of GATT. The WTO should be a strong advocate for U.S. interests while protecting our sovereignty, and free and fair trade will continue to promote peace and prosperity around the globe.

INTRODUCTION OF LEGISLATION TO AMEND THE ALASKA NATIVE CLAIMS SETTLEMENT ACT OF 1971

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. YOUNG of Alaska. Mr. Speaker, I am pleased to introduce a bill to amend the Alaska Native Claims Settlement Act of 1971 at the request of Cook Inlet Region, Inc. [CIRI].

Congress enacted the Alaska Native Claims Settlement Act [ANCSA] in 1971 to address claims to lands in Alaska by its Eskimo, Indian, and Aleut native people. Lands and other benefits transferred to Alaska Natives under the act were conveyed to corporations formed under the act. Alaska Natives enrolled to these corporations were issued shares in the corporation. CIRI is one of the corporations formed under ANCSA and has approximately 6,262 Alaska Natives enrolled, each of whom were issued 100 shares of stock in CIRI, as required under ANCSA.

ANCSA stock, unlike most corporate stock, cannot be sold, transferred, or pledged by the owners of the shares. Rather, transfers can only happen through inheritance, or in limited case, by court decree. The ANCSA provisions restricting the sale of stock were put in place to protect Native shareholders from knowledgeable or unscrupulous transactions, and to allow the corporation to grow and mature in order to provide long-lasting benefits to its shareholder.

The drafters of ANCSA initially believed that a period of 20 years would be a sufficient amount of time for the restrictions on sale to remain in place. Therefore, the restrictions were to expire 20 years after passage of ANCSA on December 31, 1991.

As 1991 approached, bringing with it the impending change in the alienability of Native stock, the Alaska Native community grew concerned about the effect of the potential sale of Native stock. The Alaska Federation of Natives, a statewide organization representing the State's 90,000 natives, spearheaded a legislative initiative to address the 1991 stock sale issue. Many of the Native corporations, including CIRI, actively solicited their shareholders' view on this critical matter, through meetings, questionnaires, polling, and formal votes. In 1987, 3 years prior to the 1991 restriction-lifting date, Congress enacted legislation which reformed the mechanism governing stock sale restrictions in a fundamental way under the 1987 amendments, instead of expiring automatically in 1991, the restrictions on alienability continue automatically unless and until the shareholders of a Native corporation vote to remove them. The 1987 amendments provide several procedural mechanisms to