

Liberalization of air service markets on the European continent have created new connecting service options. Evidence already clearly shows connecting traffic is being diverted away from London. Statistics dramatically illustrate this point. Between 1992 and 1994, connecting traffic carried on U.S. airlines grew just 3 percent at Heathrow. During the same period, U.S. connecting traffic grew 24 percent at Frankfurt and an astounding 329 percent at Schiphol! An open skies agreement with Germany will greatly accelerate the rate of this connecting passenger diversion.

These statistics are very interesting but should they matter to a British policymaker? Absolutely. This trend should raise serious concerns considering that last year alone connecting traffic accounted for more than 1 billion pounds of export earnings for the United Kingdom.

A U.S./German open skies agreement will also make U.S. alliances with European carriers even more formidable competitors in the U.S./Europe air service market. This will not be a welcome development for British carriers. If the United and Delta alliances are granted antitrust immunity, in combination with the Northwest alliance, nearly 50 percent of passenger traffic between the United States and Europe will be carried on fully integrated alliances.

Will this pose a competitive challenge for British carriers? Investors in British Airways sure thought so. According to a Financial Times article last week, despite a quarterly pre-tax profit of 30 percent, British Airways shares fell on the news of the "preliminary 'open skies' deal struck between Germany and the U.S." British Airways' public attack on antitrust immunity last month at an ABA conference also is very telling on this point. Privately, British Airways has made no secret they very much covet antitrust immunity for their alliance with USAir.

So where do we go from here? I think U.S./U.K. negotiations should resume, but not on the terms of the October offer which was highly conditioned and essentially allowed the British to pick which U.S. carriers competed against British carriers in what markets. Instead, I encourage the British to come to the table with a "bigger, bolder and braver" approach like Sir Colin Marshall, Chairman of British Airways, called for last November.

First, to help clear the way for more ambitious negotiations, I am announcing today that I plan to introduce legislation to increase to 49 percent the level of permissible foreign investment in U.S. airlines. I am already working with the Administration to determine a formulation to maximize the benefits of this tool. One thing is certain, the limited, highly conditioned October offer would not trigger the benefits of the bill I intend to introduce.

Second, I am also calling today for U.S. carriers to stop being "pennywise and pound foolish" with respect to Fly America traffic. As a taxpayer, I want the U.S. government to pay the most competitive price for government travel. As a policymaker, I find nothing in the legislative history of the Fly America statute even suggesting Congress intended to guarantee U.S. carriers a monopoly profit for government travel. I see no good reason the opportunity for British carriers to competitively bid through their U.S. carrier partners for Fly America traffic should not be on the table if British negotiators pursue a "bigger, bolder and braver" approach.

Third, as far as Heathrow access is concerned, I call on the British to muster up the "political will and vision" Minister Rifkind spoke of to change the runway operations at

Heathrow. On this side of the Atlantic, we are constantly told by the British Ministry of Transport that additional Heathrow access is impossible because there are no additional take-off and landing slots. What the British fail to tell us is a number of U.K. airport capacity studies, including one issued as recently as August 1994, have concluded the British could potentially create an additional 100 daily takeoff slots and an additional 100 daily departure slots at Heathrow if they switched its runways to more efficient mixed-mode operations.

I am keenly aware this is a sensitive political issue for the British government. Not long after I suggested this last July in London, I received a letter from the Heathrow Noise Coalition politely telling me to mind my own business. One thing is clear, however, the British do not have a monopoly on political problems relating to Heathrow. I need not tell this audience that Heathrow access is a hot button political issue in the United States and, quite frankly, an issue that is straining relations between our two countries.

Let me close by saying an open skies agreement with Germany unquestionably would be the product of vision by both countries. I hope the same long-term economic vision will prevail in our aviation relations with the Japanese and the British. Again, thank you for the opportunity to join you today.

EXHIBIT 2

[From the Bangkok Post, Fri, Jan. 26, 1996]
U.S.-THAI AVIATION DEAL A VICTORY FOR
COMMON SENSE

After five years of going eyeball to eyeball, the US and Thailand finally concluded an aviation agreement last January 19. Who blinked first? By all indications, Thailand. It had to, the policy of getting US airlines to reduce their frequencies between Northeast Asia and Thailand was working so brilliantly that it had to be scrapped and reversed. After all, Delta had pulled out of Thailand, both Northwest and United Airlines had reduced their frequencies. Lest anyone forget, that was the original intention for scrapping the agreement in November 1990. When the impact of that hit the tourism industry between the eyes, the backlash was instantaneous. In barely four rounds of informal and formal talks, an agreement materialized where about seven previous rounds had all failed.

There are many reasons for this agreement, and the speed at which it was pursued. But most important among them is that it risked becoming a serious political liability for Thailand's aviation negotiators who were running out of reasons for maintaining their hardline stand. The blast from the Association of Thai Travel Agents and its independent study on the aviation industry was one facet of the mounting pressure. Then there was all this talk of open-skies and aviation liberalization being pursued under the ASEAN and APEC umbrellas.

Thailand was being increasingly isolated as the US patched up its aviation differences, one by one, with other Asian and European countries. On the cargo front, the US-Filipino aviation agreement had opened a window of opportunity for Federal Express to develop Subic Bay as a regional cargo hub, a move that would leave Thailand's own Global Transpak project wallowing in the water. The American Society of Travel Agents annual convention is to be held in Bangkok in November, bringing 10,000 agents who would wonder how they are supposed to promote tourism to Thailand when the tourists can't fly here.

Moreover, the void was preventing the full consummation of the United Airlines-Thai

International alliance. Both of Thailand's key aviation negotiators, the director-general of the aviation department and the permanent secretary of the ministry of communications, sit on THAI's board. By continuing to stall on the agreement, they were effectively hampering the progress of THAI. And soon coming to town as keynote speaker of the PATA conference in April is Garry Greenwald, the chairman of United Airlines who, lest anyone forget, recently tongue-lashed Japan's restrictive aviation policy and who would have no doubt have delivered a similar riposte at Thailand's had an agreement not been reached by then.

There was simply no way that Thailand could have won this battle. But neither is this agreement a victory for the United States. It is a victory for public pressure and the power of the Thai tourism industry, especially groupings like the Association of Thai Travel Agents and people like Anant Sirisant who had the gumption to stand up and be counted, at considerable risk to himself and his own company, the East-West Group. While many other operators serve on committees and use their positions for personal aggrandizement, Mr. Anant stuck his neck out, and won.

Several months ago, this newspaper, too, called Thai aviation policy, "a national outrage." Suddenly, things began moving.

It has been said before, and it needs to be said again, global aviation is administered by archaic and backward 50-year-old rules that governments are having extreme difficulty dismantling. There is no logical explanation for the structure any more; it's just the way it's done, especially in the absence of an alternative. Every country has to take its own course of action. In Thailand's case, every airline that comes here or increases its frequency is investing more in the country, providing more jobs, bringing more tourists. Restricting those operations necessarily has the reverse effect.

Foreign airlines serving Bangkok now need to forge stronger relationships with Thai hotels and tour operators, work with them, and use their political and economic strength to get what they want. This approach must, under no circumstances, be adversarial or aggressive, but always rational and constructive. If THAI is in the dumps, and likely to remain there for at least a few years as it seeks to regain its erstwhile prestige, there is no reason why other airlines should be hampered from raising their frequencies and bringing more tourists to spend their money in Thailand.

The U.S.-Thai deal is a clear victory for the concept of conducting the aviation business in an open and competitive manner. Because no matter what happens, it should always be the public that should benefit.

TRIBUTE TO EDMUND S. MUSKIE

Ms. MIKULSKI. Mr. President, I rise to pay tribute to the remarkable life of Edmund S. Muskie.

He was a great American, a true statesman, and I'm proud to say, a good friend.

Mr. President, I am the first woman of Polish heritage ever elected to the Senate. Ed Muskie took great pride in my election, since we shared a common heritage and a common set of values. He was gracious in helping me to learn the ways of the Senate. He was a

strong mentor, and I have always been appreciative of the sound advice and concrete suggestions he offered to me.

He offered all of us a model of what a Senator should be. He stuck to principles, never afraid to take on the powers that be. He fought hard for what he believed in, but he bore no grudges. Edmund Muskie believed, as I do, that programs must deliver what they promise.

He made change his ally, and was never wedded to the past. If what we had been doing wasn't working, he fought to fix it. And he sought always to build consensus, to serve as a voice of moderation and practicality—in keeping with his New England roots.

I was proud to be a national co-chair of his campaign for the Presidency in 1972. It still strikes me as a great injustice that this good and decent man never had the opportunity to hold the highest office in the land. What a wonderful President he would have been.

Although he never realized his dream of becoming President, his contributions to our Nation were immense.

Edmund Muskie deserves the thanks of all Americans for his decades of public service. All of us who cherish our wilderness areas owe him a debt of gratitude for his steadfast defense of our environment as a distinguished Senator for 21 years. He was the father of the Clean Air Act and the Clean Water Act. The air we breathe is cleaner and the water we drink more pure because of Senator Muskie's dedication to environmental protection.

Those of us who care about fiscal responsibility—about making sure that America's hardworking taxpayers get a dollar's worth of services for a dollar's worth of taxes—owe him thanks for his stewardship of the Senate Budget Committee. As Chairman of the Committee, Senator Muskie fought to curb excessive Federal spending, while also ensuring that the Government did not turn its back on those seeking a helping hand.

We owe him thanks for his service as Secretary of State under President Carter. He undertook that important responsibility at a difficult and sensitive time—while the President was working to free American hostages being held in Iran. And he fulfilled his duties with honor and wisdom.

Those of us who are Democrats also owe him a special debt. Virtually single-handedly he revitalized a dormant Democratic party in his beloved state of Maine. He became Maine's first Democratic Governor in 20 years.

Without him, the Senate might never had been honored by the service of our former Majority Leader, George Mitchell, and the United Nations might never had benefitted from the enormous contributions of Madeline Albright. He mentored them both, providing them with some of their first experiences in government.

Mr. President, America is a better place because of the dedicated public service over many decades of Edmund

S. Muskie. I thank him and honor him for his service to our country.

My thoughts and prayers go out to his wife, Jane, his children and the entire Muskie family.

THE PASSING OF WILLIAM JENNINGS DYESS

Mr. HEFLIN. Mr. President, William Jennings Dyess, a long-time Foreign Service officer and State Department official, passed away recently at his home here in Washington. He was buried in his hometown of Troy, AL. An alumnus of the University of Alabama, where he received his B.A. and M.A. degrees and earned a Phi Beta Kappa key, Bill Dyess served for 25 years in the Foreign Service.

The University of Alabama National Alumni Association recently announced that a scholarship endowment had been established in his memory. I ask unanimous consent that the text of the announcement be printed in the RECORD. It tells the story of a remarkable public servant whose achievements in his field will long serve as benchmarks for those who follow him into diplomatic service.

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

WILLIAM JENNINGS DYESS MEMORIAL SCHOLARSHIP ENDOWMENT FUND

Adopted and raised by a local barber and his wife, Tommie J. and Leota Mae Dyess, Billy—as he was affectionately known to his friends—started a ten-year career at The Troy Messenger, at age nine. He began first as a newspaper carrier and progressed through the ranks, to sports editor, and finally, city editor. Educated in the public schools of Troy, his senior year in 1947 he edited the Troy High School newspaper, which took five national honors.

Bill's passion for journalism found him at the University of Missouri, making Phi Eta Sigma honors, but an out-of-state tuition increase forced a return to his home state. Enrolling at the University of Alabama to train as a political scientist, he earned Phi Beta Kappa honors and graduated with a B.A. in 1950 and an M.A. in 1951. Although poor eyesight precluded his playing football, Bill's time at the University fueled his love for the sport. A Rotary International Scholarship, awarded by the Troy Chapter, took him to post-graduate work at Oxford University (St. Catherine's College). Later, he studied at Syracuse University's Maxwell School.

After college, Bill began a career that would take him far away from his hometown roots in Troy. One of his first stops would be a tour with U.S. Army Intelligence in Berlin from 1953-1956. In 1958, Bill left his Ph.D. studies at Syracuse to enter the foreign service of the U.S. Department of State. Serving primarily as a political officer in Belgrade, Copenhagen, and Moscow, and as chief of liaison in Berlin, he soon became a European specialist. In Washington, DC, he served tours as both the Czech and Soviet desk officer.

No matter where Bill was based, his central mission was meeting the Soviet challenge confronting the United States and its allies. He grappled with the Soviets mostly over bilateral affairs, maritime matters, and the status of a divided Berlin. *Persona non grata* in Moscow, Foreign Minister Gromyko attacked him by name before a group of U.S.

Senators; Moscow denied him a visa and they seriously harassed him inside the Soviet Union, claiming he was an intelligence agent, which was false. Bill acknowledged, "Their real gripe was that as Soviet desk officer, I knew how to make life in Washington difficult for the KGB, and I did." In November 1974, Bill escorted Lithuanian-American Seaman Simus Kudirka and his family to freedom.

Bill left Soviet affairs in late 1975, "partly in order to lift my nose from the US-USSR bilateral grindstone and to see better the issues worldwide," he said. He then served as Deputy Assistant Secretary for Public Affairs, and in 1980, was appointed by President Carter as Assistant Secretary of State and later as interim spokesman. Drawing on his Soviet expertise, Dyess delivered dozens of talks before diverse audiences, using these occasions not merely to present Department views on such issues as nuclear deterrents, the grain embargo, and SALT (Strategic Arms Limitations Treaty) but also "to listen closely to what American citizens were saying. The State Department has learned that any foreign policy that lacks broad public support cannot be long sustained."

Over the years, Bill's duties frequently brought him into contact with the U.S. Congress, where his work on inter-agency committees made him well-known in the executive levels of government. He received the State Department's Superior Honor Award and Meritorious Honor Award. White House contacts extended over several Republican and Democratic administrations and in 1981, President Reagan appointed Bill as Ambassador to The Netherlands.

As Ambassador, Bill was responsible for every phase of U.S.-Dutch relations, including military installations. He was credited with persuading Dutch officials and Parliamentarians to reexamine their positions on fulfilling NATO goals after the peace movement's protests stirred strong public anti-American sentiment. Bill enjoyed strong ties with the Dutch business community, then the largest direct investor in the U.S. from abroad. Before his retirement in 1983, The Netherlands awarded him the Grand Cross in the Order of Orange-Nassau, the highest decoration given to foreigners.

For Bill, retirement from government service meant another exciting beginning as he started his own consulting business, WmDyess Associates, Inc., in Washington, DC. Clients—he did not work for foreign governments—were in publishing, manufacturing, shipping and oil explorations.

Aside from running his own business, Bill was able to devote much of his time to the alumni activities of both Oxford University and the University of Alabama. He was particularly active with his local Alabama alumni chapter, the National Capital Chapter, where he promoted scholarship fundraising events. Serving as honorary scholarship chairman, on one such occasion, he organized a scholarship dinner for former University of Alabama President Dr. Frank Rose. On another occasion, Bill brought in Pulitzer Prize winner, Dr. Edward O. Wilson. Bill was a generous contributor of his time and money to the Alumni Associations' efforts.

An avid college football fan, Bill was a loyal supporter of the Alabama Crimson Tide. He read a book a week and was devoted to the subject of astrophysics. Bill was fluent in German, Russian, and Serbo-Croatian.

After a long bout with prostate cancer, at 66, Bill passed away on January 6, 1996 at his home in Washington, DC, and was buried with full military honors at Green Hills Cemetery in Troy, Alabama, next to his parents. His son, Chandler, and his beloved Jack Russell terrier, Pistol Ball, live in Washington, DC.