Second, our tax code should encourage savings and investment. The current code distorts investment by creating incentives for Americans to use tax loopholes, rather than invest their money in more profitable ways.

We should provide greater tax relief to the overburdened American taxpayers. Tax cuts would provide American workers with more incentives to produce, because workers would be able to keep more of their earnings.

In closing, Mr. President, I want to urge my colleagues to support the Tax Code Termination Act.

Mr. President, I yield the floor.

Mr. GRAMS. I thank my colleague from New Hampshire for talking about the creative ways of taxing. This Congress has been so creative in figuring out new ways to tax; I hope we can be creative in figuring out ways to get rid of the tax.

Mr. President, I know we are out of time. I thank you very much. I yield back the remainder of our time.

The PRESIDING OFFICER. The Senator from Ohio.

WE OWE IT TO OUR CHILDREN

Mr. VOINOVICH. Mr. President, I have devoted more than 30 years of my life to public service. I have held elected office as mayor of the city of Cleveland, and I served as Governor of the State of Ohio. Now I am privileged to serve the citizens of Ohio as one of their U.S. Senators. I am deeply honored by the confidence they have bestowed upon me.

They have placed their faith in my ability and my judgment to consider and vote upon and bring to the forefront issues of national significance. It is for this reason that I have come to the Senate floor to discuss what I consider to be the most serious financial and economic threat facing our Nation today.

Through the tough choices made by Congress in passing the 1997 Balanced Budget Act, and through our continued strong economy, the days of escalating, crushing budget deficits appear to be coming to an end. In Washington, politicians are saying we have turned the corner, and for the first time in 30 years, we have a budget that shows a surplus.

If it is true, it would be brand new territory for many Americans. Tens of millions were not even born yet when we had our last surplus. However, it is my contention that we do not yet have honest budget surpluses, and unless we take bold steps, our actions will continue to leave our younger citizens and future generations liable for three decades of massive deficits and a national debt that has made us the greatest debtor nation in the world.

Prior to 1968, surpluses were not uncommon. But through President Lyndon Johnson's expansion of the Vietnam war and the implementation of the Great Society, we started to lose fiscal restraint.

A budget trick was implemented by the Johnson administration. It took the off-budget Social Security trust funds, which were in true surplus, and commingled them with the regular budget which at that time was showing a deficit. In this manner, Congress and subsequent Presidents were able to mask annual budget deficits that contributed to a rising national debt.

I would just like to point out, however, the years Social Security has masked the true budget deficit that we have had and how it has improved our budget situation.

If you go back to 1995, we reported that we had a budget deficit of $164 billion. The fact of the matter is we had a budget deficit of $226 billion. And what we did was we reduced it by using the Social Security surplus of $62 billion.

In 1996, we reported that we had a deficit of $107 billion. The fact is our budget deficit was $174 billion, and again we used Social Security to reduce that deficit.

Then, in 1997, we reported, oh, it is wonderful news, we had just a minus $22 billion deficit. The fact of the matter is we had a $103 billion deficit, and we plastered it over with $81 billion of Social Security money.

Then, in 1998, we had the great celebration, the great surplus that we talked about. The fact of the matter is that even in 1998, when we reported the first unified budget surplus, we still had a real deficit of $30 billion. Again, we used the $99 billion Social Security budget surplus to hide the fact that we had a $30 billion deficit.

Again, this year, we are reporting we will have a $111 billion surplus. The fact of the matter is, even this year, we will have a $16 billion deficit; and again that has been covered over by the using of Social Security.

And for the year 2000—the budget we are working on right now—we are reporting we will have a $133 billion surplus. The fact of the matter is, even this year, we are going to have a $5 billion deficit on budget. We have covered that $5 billion up with $138 billion of surplus in the Social Security trust fund.

And next year we are celebrating the idea that maybe we are going to have our first real honest to goodness on-budget surplus of $11 billion. The fact of the matter is—and we will report a unified budget surplus of $156 billion—but the truth is that we only have a real—real—surplus of $11 billion.

Rather than attempting to enact policies that would bring us back to surpluses, 30 years of financial gimmicks have ensued, so much that we ran up a debt of $5.6 trillion in those intervening years from the time of Lyndon Johnson. Since the time my wife and I got married in 1962, interest payments on the debt have gone from 6 cents on the dollar to 14 cents on the dollar this past year. If we had had the same 6-percent interest payment when we got married in 1962, Americans would have saved $140 billion this year.

As the debt grew during the 1970s and 1980s, attempts were made to bring it under control. In 1985, Congress passed the Gramm-Rudman-Hollings Act which required the unified budget to be split and the Social Security trust funds kept separate. When Gramm-Rudman passed, I was encouraged that finally we were going to get some truth in budgeting.

At that time, I was mayor of Cleveland and I was serving as president of the National League of Cities. In 1985, the debt was $1.8 trillion. We mayors felt the need to do our part to help reduce the debt. We did our share when we lost the CETA program, revenue sharing, one half of our community development block grant, and a complete loss of the Urban Development Action Grant Program. When I left office after 10 years as mayor of the City of Cleveland, we had $79 million less a year from the Federal Government than we had when I came into office in 1979.

In order to make up that difference, first of all we did everything we could to reduce costs. In many instances, cities across this country had to increase their local income taxes or local taxes by over 50 percent to compensate for the loss of these Federal dollars. Much to our chagrin, our sacrifice did little to help reduce our annual deficits or shrink our national debt. Indeed, the debt was $1.8 trillion in 1985; today it is $5.6 trillion. If you go back to when I became mayor in 1979, the national debt was $780 billion; today, 20 years later, it is $5.6 trillion. Listen to this: A 700-percent increase in the country's national debt in a 20-year period.

We have a law that says Social Security trust funds are supposed to be off budget, and we have the Budget Enforcement Act of 1990 that removes Social Security from deficit targets and other enforcement calculations. But it was another law, the Balanced Budget Act of 1997, that forced tough spending choices on Congress and on the administration, making them live within their means for the first time in decades.

I congratulate the Members of Congress, those who supported the balanced budget agreement of 1997. It is this law more than any other that has given us the tools to help us now put our financial house in order. As a result, we are seeing a decrease in the on-budget deficit, we are cutting down on spending, people are projecting surpluses, and the Social Security trust funds are growing. There is a light at the end of the tunnel. But to get there, we must maintain our discipline and continue doing those things that will bring down our debt and honor our commitments to our citizens.

As this chart shows, if we stick to our guns, if we honor the caps in the 1997 budget agreement, we might have an on-budget surplus starting in the year 2001 and a growing surplus thereafter. Here is what it looks like: In 1999, if we stick to the balanced budget agreement, if we don't invade the budget caps we have for the first time in 30

years, we can begin the new century by having a true, real budget surplus that will continue to grow.

But along comes the President with his fiscal year 2000 budget and projections for 15 years into the future. In one fell swoop, he proposes a continuation of the ill-conceived policies that got us in trouble in the first place. Under his budget, we still have unified budget totals and the President has proposed to continue to use Social Security to pay for other government programs for at least the next 15 years. We can't even show the 5 years beyond 2009 because there are no hard numbers from the administration so the Congressional Budget Office can make projections. This is not truth in budgeting that the American people expect or deserve, and I think it will lead to disastrous consequences.

This chart shows what will happen if we follow the President's proposal to deal with the unified budget. In 1999, we will start developing annual budget deficits that will take us down this crimson path to where we have been for the last 5 or 6 years.

Let me point out where we are going: The red line on the chart is the deficit; this is the real deficit. Because we have had self-discipline, because we are honoring the budget agreement, we are seeing these red deficit numbers get smaller. If the President's proposal goes into effect, we are going to go back to the old days. Instead of having this scenario at the beginning of the next decade, this scenario will be had under the President's program.

Why is this important? First, the President says we have a budget surplus in fiscal year 2000. This is simply not true. If you look at the chart titled ''Real Budget Surplus,'' you will see again that fiscal year 2000 shows a real budget deficit of $5 billion. In fact, if you look at the chart, we don't have a surplus this year—rather, a $16 billion deficit.

What the President does is take the off-budget Social Security trust funds and continue to use them to mask the deficit while saying he is saving Social Security. It is a fraud. The President's surplus for this fiscal year, the next fiscal year, in fact, and for 14 fiscal years after that, continues the gimmick of using the unified budget. It is disingenuous. It continues to use billions of dollars of the Social Security trust fund to mask the true size of the budget and allows the President to put off making those tough budget decisions that we must make. If we allow this to happen—the tough budget choices we have to make today—we are in deep trouble.

We have a growing economy and we have the lowest unemployment we have seen at any time. If we can't as a nation make the tough decisions that we need to make to turn things around and to have an on-budget surplus, if we can't do it now, we will never do it.

Second, the President not only busts the spending caps agreed upon in the 1997 budget deal, he destroys them. These targeted caps are meant to keep our spending in check. But even before we debate a budget resolution for the coming fiscal year, we learn from Congressional Budget Office Director Dan Crippen that the President proposes to increase, or ''blast,'' the caps by $30 billion—$30 billion. In fiscal year 2000, we are supposed to face budget caps that will force us to cut $28 billion. It will take tough choices to meet these caps, but we must show restraint if we are ever to bring our finances in order.

This is why I am pleased that the Republican leadership has given their assurance to maintain the caps so that we may demonstrate to the American people that we are serious about the commitment. The Republicans have also—this is really important, folks—committed to restoring truth in budgeting by ensuring that 100 percent of Social Security trust funds are protected and not used for additional spending or tax cuts. In other words, the Social Security trust fund is off, it is off. We are locking it up. There will not be any tax reductions or new spending with Social Security surpluses.

Third, the President is skirting a moral obligation that has been made to our seniors and all future generations to fully preserve the sanctity of the Social Security system. Social Security is a sacred trust between the Federal Government and every American.

That is why I firmly believe we need to get away from treating Social Security funds as part of the budget and wall it off from any temptation to use it for purposes other than Social Security. As I say, we need to ''put it in a lockbox.''

The President, on the other hand, wants to use the Social Security trust funds to show that he has a budget surplus. As I said, there are billions and billions of dollars meant for the Social Security trust fund that are supposed to be off budget. But he can't resist trying to make those funds a part of the budget so he can mask the size of the deficit and use any so-called surplus to pay for his agenda.

We have been playing games with Social Security for far too long. Do you know what? It is time to stop.

Under the President's plan, only 62 percent of the unified surplus would be devoted to Social Security. In fact, recently, the head of the Senate Budget Committee said only 58 percent of the unified surplus is going to be used to protect Social Security. This represents an actual decrease from what we would allocate to Social Security if we were to treat it as an off-budget item.

This is budgetary sleight of hand, and the President knows it. It is unconscionable for him to say that he is ''protecting and preserving'' Social Security, when in reality he is taking money away from it and using it to pay for other programs. No matter how well intentioned those programs are, it is not the right thing to do.

Fourth, the President hinges his plan on budget surpluses that are calculated far into the future.

As our Nation's premier economist, Federal Reserve Chairman Alan Greenspan, testified before the Senate Budget Committee:

> We cannot confidently project large surpluses in our unified budget over the next 15 years, given the inherent uncertainties of budget forecasting.

Greenspan goes on to say:

> How can we ignore the fact that virtually all forecasts of the budget balance have been wide of the mark in recent years?

In a January 1999 report to Congress, the Congressional Budget Office wrote that an error on the projection of the budget surplus in 2009, and based on previous averages, could be ''equal to 13 percent of projected outlays [and] would produce a swing of $300 billion.''

The Cincinnati Post, in an editorial on February 10, said: ''There's one thing wrong with budget forecasts: they are inevitably wrong.''

Is it prudent to take that kind of risk with our children's future? I don't think so. If we go along with these four points, we will have no credibility with the American people. And to regain credibility, we must put an end to the game playing and restore truth in budgeting.

When we—the Congress and the administration—are forced to make the hard choices that we were sent here to make, we often try to do what we believe our constituents want us to do. However, what they want, I think, is quite simple; they want us to tell the truth. They want us to stop using smoke and mirrors to say that the Nation's financial house is in order. They want us to give them enough credit to know the distinction between what we do and what we say. The American people want us to make the tough choices.

Two weeks ago, I was faced with one of those tough choices. The Senate debated legislation that would expand the pay and retirement benefits of our men and women in uniform. I want you to know that there is nobody who supports our Armed Forces more than I, and no one believes more than I that we should provide as many incentives as possible to retain these quality troops in our military.

However, we cannot continue to pass legislation without first dealing with its consequences. That bill would have authorized an increase in our country's financial liabilities by approximately $55 billion over the next 10 years. Because we had no idea how to pay for it or if it would fall within the budget caps, I felt it necessary to vote ''no.'' It was a tough choice, but I felt it was necessary.

When I became mayor of Cleveland, the city was in default. It was the first city in America to go into default since the depression. To get the city out of its financial abyss, I had to make tough choices. As a result of our actions, we were able to turn the city's default into a surplus, and Cleveland

now enjoys an economic renaissance it has not seen in generations.

As Governor, I again had to make hard choices in each and every budget in order to meet our constitutional obligation to balance our budget. When I became Governor of Ohio in 1991, our State faced an over $1 billion budget deficit. In order to balance the budget, I had to make four cuts over 2 years totaling $711 million. I was picketed by college students—5,000 of them outside the State House, who were told by the university people that I was cutting higher education and their tuition costs were going to go up. And I was picketed, at the same time, by welfare recipients who marched on the capitol because we cut out general assistance for able-bodied people. But we had to get our financial house in order. Somebody had to make the tough decisions.

As a result, today Ohio is spending a record amount of money on programs to help children. In addition, we have been able to cut State income taxes for 3 straight years, including an almost 10-percent across-the-board tax cut this year. In other words, when the taxpayers of Ohio, this year, file their 1998 returns, their income tax will be almost 10 percent less than it would have been without our good management.

Ohio has a general revenue rainy day fund of over $935 million and a Medicaid rainy day fund of $100 million, so in the future we can avoid deep cuts in vital services or tax increases just in case there is a downturn in the economy. Ohio is in better shape today because we were able to make the hard choices.

Every day, millions of Americans have to make hard spending choices, too. They have to pay their bills, pay their mortgages, put food on the table, and buy clothes for their children. They have budgets and they know they have to live within their means. Unlike the administration, when most people have extra money, they don't go out and start to spend it wildly. They tend to their finances, they save, they pay off their credit cards and loans, and they invest in homes and businesses.

That brings us back to what we would do with whatever on-budget surplus we achieve. What are we going to do with it if we get it? The first thing is, I will believe it when I see it. I am a ''doubting Thomas'' about whether we really will see it. But if we do get an on-budget surplus, what we need to do is be wise and leave it alone. Why the rush to spend it? Why the rush to lower taxes? We don't even know if we have it. If we do get it, we should leave it alone and give it a chance to accumulate.

If we cannot guarantee—and we cannot—that we are going to have an on-budget surplus, then we have no right to start committing dollars that we don't have.

If and when we get an on-budget, or ''real,'' surplus, it is our moral obligation to our children to pay them back by using any such surplus to pay down our current debt. We have stuck these pages who are standing in front of me with a big bill. We have an obligation to pay that debt down so part of the income taxes they pay in the future aren't to pay off the interest on debts they had nothing to do with during their time of growing up.

I want you to know that this isn't just my opinion about paying down the debt. It is the opinion of experts like Federal Reserve Chairman Alan Greenspan, CBO Director Dan Crippen, and GAO Comptroller David Walker. They agree that it is the best use of these funds—pay down the national debt.

Not only is it a moral obligation, but this course of action makes great economic sense for four reasons. I think this is really important because a lot of people say: ''Reduce the taxes'' and ''This is really going to be the thing that is going to make a big difference.'' I say: Reduce the deficit, bring it down, and here are the reasons why.

First of all, it will decrease the overall interest paid on the debt, and that is important because paying off the debt lowers the interest. When you lower the interest, what do you do? You lower the cost of Government, and that makes more money available for other purposes.

No. 2, Alan Greenspan will tell you that it helps allow the economy to expand.

No. 3, it lowers the interest rate for individual citizens, which is a big deal. According to Alan Greenspan, it lets people afford to buy homes or refinance their mortgages, and it puts real money into the pockets of tens of millions of Americans.

Just think about it. As we got our house in order and interest rates came down, think of the millions of Americans who have refinanced their homes, and those who are able to buy automobiles today because interest rates are down. If we bring the national debt down and don't follow what the President wants to do, to use the unified surplus, we will keep those interest rates down. That is real money in your pocket.

Last but not least, paying down the debt lowers the amount of taxes the Government would need from the American people, according to the Business Roundtable.

Using only on-budget surplus funds for debt reduction prevents us from making false promises to the American people. One of the biggest assumptions associated with the treatment of surplus funds is an indefinite continuation of our current period of economic growth.

Blending that assumption with the use of a unified budget surplus is a volatile mix since no one can predict how long this period of growth will last. Optimistic surplus estimates could fluctuate wildly over the next few years, with unknown consequences.

As most of my colleagues know, within ten years, the ''baby-boomers'' will start to become eligible for Social Security and the sheer size of their numbers will present a challenge to maintain the viability of the Social Security system. In order to honor the contract we entered into with these individuals, it is our obligation to ensure that we have the necessary funds.

A unified budget surplus raids the ''offbudget'' Social Security funds and replaces them with hundreds of billions of dollars worth of IOU's for our children and grandchildren. This is not the legacy we should leave.

We are bankrupting the futures of generations yet unborn because we have a hard time saying no. Well, it is time to start owning-up to our obligations and meeting our responsibilities, because ladies and gentlemen, Social Security is a sacred trust.

Unfortunately, too many people have become cynical that we don't have a commitment to Social Security. For example, citizens like my son, George—people in their 20's, their 30's and even their 40's—don't ever expect to see a dime of Social Security in their lifetime.

What they know is that Uncle Sam has been taking money out of one pocket via payroll taxes, and taking money out of the other pocket via income taxes and the Government just puts it all together and uses it for what it wants.

They've been told that their money is ''in there'' for them when they retire, but when Congress and the Administration play shell games with the trust funds, no one believes it.

It is a sad commentary that there is such little faith in the promises made by our government. However, this cynicism is given credence when we continue to use Social Security trust funds to hide our excesses.

I firmly believe that it is our moral obligation to honor the commitments we have made to our citizens on Social Security, instill truth-in-budgeting, clean up the financial messes we have made and provide for all of the generations that follow, a nation that is better than we received.

Behind my desk on my computer, I have a screen-saver picture of my 2-year-old granddaughter, Mary Faith. She is the joy of our lives. She is a wonderful little girl. We have lots of hope and promise for her. But she has no idea the decisions we are making now are going to affect her financial future. And those decisions are being made by her grandfather, other Members of the Senate and Congress and the administration.

She has no idea that on the day she was born—Mary Faith was born on December 29, 1996—she immediately became responsible for a whopping $187,000 bill from the Federal Government on interest that she is going to have to pay over her lifetime. And that is on a debt her grandfather's generation ran up for our own benefit.

I prefer the picture of Mary Faith on my screen saver, this picture right here, which says ''Sentenced to

Repay.'' That is the next generation of Americans—''Sentence to Repay'' the debt we didn't have the guts to pay for during our lifetime.

Any day this week Mary Faith is going to have a new brother or sister. And, Mr. President, we are actually expecting her brother or sister on Friday of this week, and I want to let you know that for sure I will not be here if we have any rollcall votes on Friday.

While nothing can surpass the joy our family will feel on this special day, I can't help but think that like my granddaughter, Mary Faith, he or she is going to receive a bill from this Government for the interest on the debt that he or she had nothing to do with. And that bill is going to be even larger than the one we gave to Mary Faith 2 years ago.

We have been reaping all the benefits and putting the future of all our children and grandchildren in jeopardy through a ''we buy now, you pay later'' philosophy. I cannot convey how wrong I think it is to saddle them with such an excessive financial burden that we now, this Congress, have the ability to correct.

That is why I feel debt repayment is the wisest use of any on-budget surplus. It is plain common sense, and it would be the greatest gift we could ever give to our future generations.

Mr. President, each year, on the anniversary of President George Washington's birthday, a U.S. Senator is given the privilege of reading Washington's Farewell Address on the floor of this Senate. It is a tradition that dates back nearly 100 years. This year, I had the distinct honor to read this wonderful document, the first Ohioan who has had the privilege of reading that farewell address since Bob Taft gave it back in 1939, 60 years ago.

As I prepared for the speech and I read through his words, Washington's words, I was particularly taken by the relevance today of one of President Washington's admonitions to a young United States of America. Here is what he said 200 years ago.

> [avoid] the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions in time of peace to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear.

Those were very, very wise words of President Washington, and they ring true today as well as they rang true during his day. I believe it is our duty to heed them. We owe that to all our Nation's children and our grandchildren.

Thank you, Mr. President.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KYL). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. I ask unanimous consent to speak for about 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

THE INTERNATIONAL CHILD WELFARE PROTECTION ACT

Mr. GRASSLEY. Mr. President, last Friday, on behalf of Senator BOB KERREY and myself, I introduced legislation that will chart a new United States approach to the terrible problem of child exploitation in overseas labor markets.

This legislation, S. 553, the International Child Welfare Protection Act, will target new, additional trade benefits to countries that comply with the provisions of the International Labor Organization's Convention No. 138 concerning the minimum age for admission to employment, also known as the Minimum Age Convention.

The aim of the Minimum Age Convention is to abolish child labor throughout the world by establishing a minimum age at which children may be employed.

Our legislation will do two things:

It will give the President the authority to grant a country that complies with the Minimum Age Convention up to a 50-percent tariff rate cut on items produced in that country that would not otherwise be eligible for preferential tariff rates.

It will also permit the President to waive current limitations on the amounts of additional goods that countries complying with the Minimum Age Convention may export to the United States.

In the unlikely event the President finds that domestic industries are hurt because of these special, targeted trade benefits, the President also has the authority to suspend, limit, or withdraw the benefits.

This legislation is important for three reasons.

First, it is a tragic fact that child labor is rampant in many places in the world, despite more laws aimed at stopping this inhumane practice. International Labor Organization statistics show that between 100 and 200 million children worldwide are engaged in providing goods and services. Ninety-five percent of these children, according to the ILO, work in developing countries. Why are children pressed into service as low-paid or unpaid workers? Because, according to the ILO, children are ''generally less demanding, more obedient, and less likely to object to their treatment or conditions of work.'' It is very obvious that we must all do what we can to stop this unconscionable practice.

The second reason we need this legislation is because it is clear that regulation and enforcement alone will not work. Incentives are needed as well. The reason that it is so tough to enforce child labor standards is that it is often very difficult to trace specific products to specific plants in specific countries. The Department of Labor's Bureau of International Labor Affairs says that quantifying the extent of child labor in a particular country's export industry ''can seldom be done with specificity.'' If you can't even trace the goods or services with certainty, you can't expect enforcement alone to be the answer. Hence the incentives that are in our legislation.

Finally, we need this legislation because even though the ILO Minimum Age Convention was adopted in 1973, only 21 developing country member states out of 173 ILO member states have ratified the Convention to stop child labor. Out of the 21 developing country member states that have ratified the Convention, none is from Asia, where over half of all working children are to be found. If even one additional ILO member state ratifies the Convention because of the trade incentives this legislation offers, we will have achieved a great deal.

I am on the floor today stating again what is obvious but also to remind my colleagues, with the introduction of this bill by Senator KERREY of Nebraska and myself on Friday, you have an opportunity to cosponsor this bill, and I hope you will do so. I hope then that we have results from legislation which we have already on the books to enforce regulation, but we also have results from these efforts that are presented in our legislation for a more market-oriented approach to helping solve this bad economic situation of very young child labor.

I ask unanimous consent that S. 553 be printed in the RECORD.

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

S. 553

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 ''International Child Welfare Protection Act''.

SEC. 2. ADDITIONAL BENEFITS FOR CERTAIN BENEFICIARY COUNTRIES.

(a) IN GENERAL.—Section 503(a)(1) of the Trade Act of 1974 (19 U.S.C. 2463(a)(1)) is amended by adding at the end the following new subparagraph:

''(D) ADDITIONAL BENEFITS FOR ILO ELIGIBLE BENEFICIARY COUNTRIES.—Notwithstanding any other provision of this title, the President may proclaim a rate of duty that is equal to 50 percent of the rate of duty that would otherwise apply under this title with respect to any article referred to in subsection (b)(1) (A), (C), (E), (F), or (G), if the article is an article originating in an ILO eligible beneficiary country.

(b) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of such Act (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

''(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRY; ILO ELIGIBLE BENEFICIARY COUNTRY.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary developing country that is an ILO eligible beneficiary country.''.