to benefit. If we do not have this legislation, other countries will be able to have access to our market with no requirements on using U.S. fabric at all. I think we owe it to the workers of this country who are still engaged in some aspect of this industry to come up with a fair product and fair package like this is.

I intend to support this legislation. I think it is the right thing to do. I hope my colleagues will join me in that effort.

I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak as in morning business.

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

IMPACT AID PAYMENTS FOR SCHOOL CONSTRUCTION

Mr. BAUCUS. Mr. President, I am going to speak a few minutes about an issue that is very important to me; that is, the condition of school buildings with the federal impact aid, particularly on the school buildings on Indian reservations which are in very dire condition. I hope there is something we can do about it.

As you know, there have been many bills introduced in this Congress to try to help school districts and make sure school districts have enough funds for school construction and renovation, modernization, and so forth. But as you also know, when schools try to raise money, basically they do so by bonding, which is paid for by local property taxes. That is essentially the way schools in our country are financed; it is a time-honored approach to school construction.

The problem is, in this heated debate, one group of children is continually left out in the cold; that is, students who live on federally owned land, usually on an Indian reservation or a military installation.

In my State of Montana, there are about 12,000 children who fall into this category; that is, children who live on a military installation or on an Indian reservation, where there is either none or there is very little private property to support school funding, particularly school construction. These schools are located in areas where much of the local property just cannot be taxed. Why is that? Because it is Federal property.

In many cases, the local schools have to educate the children of the families who live on the property, and these are so-called Federal students who could come from military families, from civilian families, or could come from Native American families. Some schools are off reservations, but a lot of the kids live on reservations, and vice versa. This causes a tremendous problem in financing school construction.

I believe we have a responsibility. After all, the Federal Government has a trustee responsibility with respect to Indian reservations. More than that, more fundamentally, we have a moral obligation to be sure all children in our country have not only equal access to education but generally have the same accessibility to good schools and relatively up-to-date schools. We are not asking for the Taj Mahal but just basic solid construction.

Congress has recognized its responsibility in many respects for these schools through payments authorized under title VIII of the Elementary and Secondary Education Act. That is the impact aid provision. These districts are supposed to receive impact aid to compensate school districts for the burden of educating children whose parents do not have to pay local property taxes due to Federal activities; namely, because they live on an installation or an Indian reservation.

The bulk of the impact aid payments do help with salaries and utilities and other day-to-day costs of running the schools, but this is the catch: When it comes to replacement or renovation of buildings, these schools still have an additional problem; that is, impact aid cannot begin to pay both the salaries and utility bills and the day-to-day costs, and also pay for the modernization of schools because they just cannot issue the construction bonds to pay for them.

There have been several bills introduced in this body dealing with school construction, but none of them deal with this problem; that is, the problem of impact aid on reservations and installations.

I am asking for something that is pretty simple. I am asking for a slight increase, from the present $7 million that goes to impact aid school construction to $50 million. That is all. That is not very much money. Mr. President, $7 million is currently spent on impact aid school construction, and I am asking that it be raised to $50 million. Very simple.

I can give lots of stories, lots of examples, of just the dire conditions these school districts face. For example, I talked to the superintendent of the Harlem school district. Harlem is in north central Montana. He says his district is so crowded that his students are now using a closet. Guess what was in that closet. In that closet was a snowblower that they hauled out whenever there was a bad snowstorm.

So that closet is now a classroom. The snowblower is out in the hall. The students are in the closet. I think this is not right. It is no place to put kids. There is no place to put kids in the closet of a school and put the equipment out in the hallway. In addition, if they try to bring in a portable classroom, then there would be no playground. That is just not right.

A few days ago, I received a letter from the principal of the elementary school in Box Elder, MT. His student population is growing very rapidly because there is new housing on the nearby Rocky Boy Indian Reservation. In fact, virtually all of the 300 or so students in his school are Federal students.

He has classrooms in portable buildings and in basement rooms with no windows and only one exit door. He tells me he would be afraid to send his own small children to that school, but he has to. This is a disgrace.

Last year, the Box Elder school received—get this—$13,000 in Federal impact aid construction funding; $13,000, that is all.

That is about the average for schools in this situation. I might say, $13,000 is a pittance. That is not even enough for half of a paint job in the school, let alone for reasonable reconstruction or renovation.

I have some photos I would like to display. These photos are representative of not only my State but could represent almost any State in the Nation that has Federal impact aid. This is a picture of an out-of-code electric installation at Babb Elementary School in Browning. There are no fire sprinklers in the basement where the insulation is located. Over in the left corner, we see a socket and wiring dangling. It is uncovered. It is obviously a fire hazard. This is all they can do.

Now I have another photograph of a doorway at Babb. This is a doorway in the school. This photo doesn't begin to represent how bad the situation is. Sometimes pictures overstate something. In this case, the photograph understates.

The next photo is that of a lunchroom. This is down in the basement of the school. Again, it doesn't look all that bad; but I have been there; it is worse. Then there is a photo taken in the local high school in the same community. There is a leaky ceiling. Things are starting to fall apart. Again, this school can't find the money to pay for it.

Imagine for a moment that we in the Senate met in a facility that looked like this or our offices were in rooms such as this or we had electrical equipment so obviously out of code. We would change it. We would do something very quickly because we wouldn't stand for it.

What kind of message does this send to children throughout our country—the message that we don't have enough respect for them, enough respect for their parents, enough respect for education to do something about this. We have a huge Federal surplus and the biggest, most wealthy country in the world. Yet we turn our back on a lot of kids in our country. Obviously, it is to their peril but even more to the peril of our country.

The bill I will introduce will raise the authorization from $7 million to $50 million—not very much but a first step that is needed. We also make a change in the eligibility rules. Right now schools with populations made up of 70, 80, or even 100 percent Federal students cannot ask for impact aid construction

funds if the percentage of the federally impacted population for the whole district is less than 50 percent. That is, obviously, a standard that is much too high.

The bill introduced by me and Senator HAGEL will decrease the district minimum to 25 percent. That will affect a lot of schools in this district.

I have a chart that shows how many States would be affected by changing the eligibility standard from 50 percent to 25 percent. You can see that virtually every State in the Nation would be affected, which means every State gets a little bit, if it is enacted at the $43 million increase from the current $7 to $50 million.

This is obviously a problem in our State. It is obviously a problem in other heavy Federal impact aid States, such as Nebraska, Senator HAGEL's State. But this isn't a parochial problem. This isn't a partisan problem. This is a national problem.

I ask that we step up to the plate, exercise our responsibility and, when we take up the Elementary and Secondary Education Act, make this change so that a needy portion of our school population gets a modicum of assistance. Then after that, I hope we can go further.

The PRESIDING OFFICER. The Senator from Ohio.

AFRICAN GROWTH AND OPPORTUNITY ACT—Continued

Mr. VOINOVICH. Mr. President, I rise in strong support of the trade legislation package which constitutes the manager's amendment to H.R. 434, the African Growth and Opportunity Act. This trade legislation will provide economic opportunity to millions of people in the United States and throughout the world.

Under this package, African and Caribbean nations will be able to use trade as a tool to spur economic development where foreign aid and other means clearly have not worked. Stronger economies in these two regions of the world will, in turn, lead to bigger markets for U.S. exports, and consequently more and better paying jobs for American workers.

On the issue of open foreign markets for U.S. products, I would like to express my support for an amendment on carousel retaliation being offered by my colleague from Ohio, Senator DEWINE. If the newly formed World Trade Organization and the promise of a rules-based system of international trade is to survive, then we cannot—and should not—tolerate flagrant disregard for internationally agreed trading rules by other WTO members such as the European Union. We need to use the tools that are now available to us to ensure that our trading partners comply with WTO decisions. And its important to those of us who believe in free trade that the U.S. Trade Representative and the Department of Commerce use all the tools available to them to guarantee that we have fair trade. Too often we have amendments like Senator DEWINE's amendment—which I have co-sponsored—because the U.S. trade representative has not been as aggressive as they should be and they do not use the tools they have been given by Congress.

This is very important, because trade is the economic lifeblood of the United States. Twelve million American jobs depend directly on exports. And exports are a major reason why our economy continues to do so well. In fact, one-third of our economic growth since 1992 can be attributed directly to exports.

Ohio is a textbook example of why international trade is good for America. When I was Governor, I had four goals in the area of economic development—agribusiness, science and technology, tourism and international trade. We pursued each of these aggressively in order to maximize Ohio's business potential, especially in the trade arena.

For example, Ohio has outperformed the nation in terms of the growth of exports to our NAFTA trading partners. Since 1993, U.S. exports to Canada have grown 54 percent and U.S. exports to Mexico have grown 90 percent, while Ohio exports to Canada have grown 64 percent and Ohio exports to Mexico have grown 101 percent.

Thanks in part to such trade-liberalizing agreements as NAFTA and the Uruguay Round of GATT, overall Ohio exports have risen 103 percent in just the last decade.

And because export-related jobs tend to require higher-skilled workers and provide higher-paying salaries, when America's exports of goods and services increase, so do the number and quality of American jobs. Just in Ohio, the increase in exports has created 182,000 jobs over the past ten years. And these export-related jobs tend to pay, on average, 15% more than a typical private sector job.

Eliminating trade barriers has not only helped Ohio companies sell more overseas, but it has also allowed more foreign companies to invest in Ohio, creating more, good paying jobs for Ohioans. According to Site Selection magazine, from 1991–1997, Ohio had more growth in non-U.S. owned firms than any other state—some 300 new manufacturing facilities and plant expansions took place during that time.

In addition to creating more, better-paying jobs, trade openness has an enormous impact on the earnings for average Americans who invest in companies that increase their international trade presence. These earnings help increase the amount of money people have to reinvest in the growth of our economy or to invest in their savings, retirement and education funds.

This chart lists 35 of the biggest U.S. corporations as measured in market value. None of these companies is majority-owned by a family or individual. In other words, they are all in the stock market. For 25 of these 35 companies, trade makes up more than one-third of their global operations, and for 12 of these companies, international trade accounts for more than half of global sales or revenues—including Cincinnati-based Procter and Gamble, which can attribute about 51 percent of its global sales to international operations. Thus, in the case of Procter and Gamble, there is a genuine interest on the part of thousands of employees, and even more thousands of individual shareholders, in the ability to expand internationally.

In my State of Ohio, there are many more companies that understand that robust two-way trade is the key to creating more jobs and increased investment. These are companies like—Cincinnati Milacron, Federated, American Electric Power, The Limited, Inc. and Intimate Brands, TRW Inc., Chiquita Brands, The Andersons, Battelle, ElectraForm, General Electric Jet Engines, Lincoln Electric, NCR, R.G. Barry Corporation and hundreds of other small businesses, many of which traveled with me when I was governor, on nine trade missions around the world.

In Ohio and across America, the future of companies like these is a crucial link to the vitality of our communities because of the jobs they support and their contribution to the local tax base. In addition, these companies provide philanthropic support to local hospitals, schools and colleges and universities as well as countless charities and institutions.

The support these companies provide is linked directly to the overall quality of life in many of our communities. For example, Atlanta would be a much different city without the civic and charitable contributions of a company like Coca-Cola. Companies like Coca Cola—their workers, their stockholders—know that 95% of their potential customers for their products live outside the United States, and that's why trade expansion is so fundamental to the economic future of all Americans.

Many of my colleagues may ask why the average American should care about the importance of trade and the expansion of markets overseas. The reason they should care is because it's average Americans who are the stakeholders—the millions upon millions of individual investors.

Indeed, according to a survey in this past Sunday's Washington Post, nearly half of all Americans are invested in the stock market. Twenty-two million American households, or roughly 22%, are invested in corporate America through employer-sponsored retirement plans. And those Americans referred to as ''Generation X''—individuals in their 20s—reportedly hold 80 percent of their assets in stocks. Baby boomers, who own about half of all outstanding stock, have about 57 percent of their assets in equities.