

as well, since the U.S. government through USAID has provided over \$20 million in fiscal year 2001 and fiscal year 2002 in ESF for economic development in Mindanao, and the fiscal year 2003 budget request includes a further \$20 million; ATPA would seriously compromise those investments.

It will of course be argued that the ATPA provision will strengthen the Andean economies and enable them better to resist terrorist encroachments. But our efforts to strengthen these economies should not come at the cost of making anti-terrorist efforts in the Philippines more difficult. Surely that is not the intent, but it could well be an unintentional but highly regrettable consequence of the legislation.

Given the likelihood of grave, harmful consequences for the Philippines, I urge my colleagues to work toward a constructive solution to the problem posed by the ATPA provision that would give duty-free entry to canned tuna from the Andean countries. I ask unanimous consent to have printed in the RECORD the discussion of this issue which appears in today's New York Times.

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

[From the New York Times via Dow Jones,  
May 21, 2002]

QUANDARY ON TRADE  
(By Keith Bradsher)

GENERAL SANTOS CITY, THE PHILIPPINES, May 16, 2002—How should the United States set its tariffs and trade rules, globally or country-by-country?

It is no arid academic debate to the tuna fishermen of this knockabout port city on the south coast of Mindanao, nor to sugar cutters in the Caribbean or garment workers in Pakistan. Faraway changes in American fine print can have very real, sometimes unintended consequences.

A move in Congress to extend trade preferences to Andean nations, in part to help wean their economies off coca production, could lead to the layoff of thousands of Muslim workers in the tuna industry here, even as American troops help the Philippine army fight Abu Sayyaf Muslim insurgents in this region.

In Pakistan, officials have struggled to win a larger quota for textile shipments to the United States as a reward for Islamabad's help during the conflict in Afghanistan. And in the Caribbean, the emergence of any especially pro-American government brings a request for a larger quota to ship sugar to the high-priced, highly protected American market.

By returning to the pre-1922 practice of awarding preferential trade treatment to certain countries and regions, often for political rather than economic reasons, Washington now finds itself constantly badgered for trade concessions by whatever friendly nation is in the news at any given moment.

This is the problem that most 'favored nation' status was supposed to solve. When countries won that status—as nearly all of America's trading partners did in recent decades—they were assured that their exports would get the same tariff treatment as any other, and that generally, concessions awarded to one would be awarded to all.

After the ruinous bilateral trade competition in Europe in the 1930's, the United

States backed a global adoption of the same approach, leading in the decades after World War II to the international trade rules enshrined in the General Agreement on Tariffs and Trade and later to the creation of the World Trade Organization.

'The history of trade negotiations basically was that, because of the bilateral special deals that inevitably made other nations unhappy, we came around to most-favored-nation treatment and GATT negotiations,' said William Cline, a senior economist at the Institute for International Economics in Washington.

Up through the 1980's, most economists criticized regional trade agreements as just as bad as bilateral deals. Beyond making winners of some countries and losers of others, regional blocs can be bad for global efficiency, by prompting importers to favor a higher-cost producer within the bloc over a lower-cost producer outside whose goods are still subject to high tariffs and quotas.

Global trade agreements minimize such drawbacks, because these days very few countries remain outside them. But global treaties are becoming increasingly difficult to conclude. The last was wrapped up in Geneva in 1993; talks meant to produce the next one did not get under way until last November in Doha, Qatar, and are expected to take years.

But the regional free trade concept has become fashionable again, in great part because of the success of the European Union, which hugely increased trade among its 15 members by eliminating tariffs and trade barriers. It helped inspire the 1992 North American Free Trade Agreement—joining the United States, Canada and Mexico—as well as several other regional groupings.

One provision of the Nafta treaty helped set off the dispute now roiling American efforts to retain the support of the Philippines in the war on terrorism.

Among the tariffs to be eliminated within North America by the treaty is the American duty on canned tuna imported from Mexico. It will not disappear until 2008, and for the moment it means little because Mexico, well north of the equatorial waters where the best fishing grounds are found, has a tiny tuna industry. But tuna from other countries is subject to duty of up to 35 percent, creating a big incentive for Mexico to build up its tuna fleet, despite the high labor and fuel costs for the long journeys to where the tuna swim.

Several smaller Central American and Caribbean nations also have small tuna fleets; three years ago, Congress agreed to phase out tuna duties for them on the same timetable.

To the Andean nations of South America, these concessions posed a serious threat—that preferential access to the United States would soon make big new competitors out of Mexico and Central America. The United States had lowered tariffs on many products from Andean nations like Ecuador and Colombia in 1991, but canned tuna was not among them. When the 1991 concessions came up for renewal last year, the Andean nations, supported by Starkist, demanded that they be expanded to include canned tuna.

Ecuador has a huge tuna fishing fleet, and Colombia a smaller one; both countries are eager to create jobs that do not depend on narcotics trafficking. That persuaded the House of Representatives to approve a bill earlier this year that would immediately eliminate duty on Andean tuna.

A more limited bill that would phase out duty on about a third of current shipments is before the Senate as part of a broader trade bill. If it passes, differences between the provisions would be worked out in a conference of senators and representatives.

Now it is the Philippines' turn to feel threatened. Letting Ecuador and Colombia, but not the Philippines, ship tuna to the United States duty free would be both unfair and unwise, officials in Manila are warning, because of the hardship it would create in this poor, Muslim and sometimes rebellious part of the country, where terrorists are believed to be active. "We understand you want to do this because of narcotics," said Manuel A. Roxas II, the country's secretary of trade and industry, "but terrorism is just as important."

Washington has been on notice for some time that this kind of chain reaction of anger and demands for relief was likely to develop. An influential report by the United States Tariff Commission foresaw that special deals for some countries would "lead to claims from states outside the agreement which, if granted, defeat the purpose of the treaties, and which, if not granted, occasion the preferring of a charge of disloyalty to treaty obligations."

#### VOTE EXPLANATION

Mr. TORRICELLI. Mr. President, I inform the Senate that because of an unavoidable delay, I was unable to arrive in the Senate for a morning vote held on May 22, 2002. Had I been present, I would have voted as set forth below. My vote would not have affected the outcome.

On the motion to invoke cloture on the Baucus Substitute Amendment 3401 to H.R. 3009, the Andean Trade Act, I would have voted against cloture. The amendment on which the cloture vote occurred included Trade Promotion Authority, also known as Fast Track Authority, which I oppose because it fails to require strong, enforceable provisions regarding labor rights and environmental protection in future U.S. trade agreements.

#### LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred February 13, 1992 in Davenport, IA. Two gay men and two of their friends were beaten with baseball bats and metal pipes. The assailants, a group of six men and two women, yelled anti-gay slurs during the attack.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.