

Whereas on December 12, 1995, counsel for Mr. Kennedy notified the Special Committee that, based upon the instructions of the White House Counsel's Office and personal counsel for President and Mrs. Clinton, Mr. Kennedy would not comply with the subpoena;

Whereas, having considered the legal objections that had been submitted by the White House, personal counsel for President and Mrs. Clinton, and Mr. Kennedy, on December 14, 1995, the Special Committee overruled those objections in their entirety and ordered and directed that Mr. Kennedy comply with the Special Committee's subpoena by 9:00 a.m. on December 15, 1995;

Whereas Mr. Kennedy has refused to comply with the Special Committee's subpoena as ordered and directed by the Special Committee;

Whereas, pursuant to the authority of section 5(b) of Senate Resolution 120, including the reporting provisions of section 5(b)(10), the Special Committee is authorized to report to the Senate recommendations for civil enforcement with respect to the willful failure or refusal of any person to produce before the Special Committee any document or other material in compliance with any subpoena or order;

Whereas under sections 703(b) and 705 of the Ethics in Government Act of 1978, title 2, United States Code, sections 288b(b) and 288d, the Senate Legal Counsel shall bring a civil action under title 28, United States Code, section 1365 to enforce a subpoena or order of a Senate committee when directed to do so by a resolution of the Senate: Now, therefore, be it

*Resolved*, That the Senate Legal Counsel shall bring a civil action in the name of the Special Committee to Investigate Whitewater Development Corporation and Related Matters to enforce the Special Committee's subpoena and order to William H. Kennedy, III, and the Senate Legal Counsel shall conduct all related civil contempt proceedings.

#### SENATE RESOLUTION 200—RELATIVE TO TRINIDAD AND TOBAGO

Mr. LUGAR submitted the following resolution; which was referred to the Committee on Finance:

##### S. RES. 200

Whereas the Republic of Trinidad and Tobago meets the requirements for accession to the North American Free Trade Agreement (hereafter referred to as the "NAFTA");

Whereas the Republic of Trinidad and Tobago has successfully implemented programs to liberalize the country's economy and trade regime, particularly by lowering tariffs, divesting its holdings in the production sector, and promoting private sector development;

Whereas the Republic of Trinidad and Tobago has entered into a Bilateral Investment Treaty and an Intellectual Property Rights Agreement with the United States;

Whereas the Republic of Trinidad and Tobago has expressed an active interest in entering into negotiations for accession to the NAFTA;

Whereas the Republic of Trinidad and Tobago seeks to ensure that the markets of North America and the markets of Trinidad and Tobago are open to each other; products and services on a reciprocal basis;

Whereas major United States-based multinational companies and successfully operating in the Republic of Trinidad and Tobago and access to the NAFTA would afford these companies enhanced investment security as

well as a more comprehensive legal framework for their operations in Trinidad and Tobago;

Whereas the Republic of Trinidad and Tobago is a small but significant non-OPEC producer of oil and gas and has continually and significantly contributed to the energy security of the Western Hemisphere;

Whereas several United States energy companies have substantial investments in the petrochemical and hydrocarbon sectors of the economy of Trinidad and Tobago; and

Whereas many members of the Congress and the Administration have applauded the fiscal discipline which has led to the continued liberalization of the economy of the Republic of Trinidad and Tobago and have expressed interest in including the Republic of Trinidad and Tobago in the NAFTA: Now, therefore, be it.

*Resolved*, That it is the sense of the Senate that the Republic of Trinidad and Tobago should be deemed ready, willing, and able to undertake all of the general obligations imposed by the North American Free Trade Agreement and that the President should consider favorably the request of the Republic of Trinidad and Tobago to commence negotiations for accession to the NAFTA as soon as comparable negotiations with the Government of Chile are concluded.

Mr. LUGAR. Mr. President, I submit a sense-of-the-Senate resolution urging Trinidad and Tobago's accession to the North American Free Trade Agreement [NAFTA]. Trinidad and Tobago's admission to the NAFTA between the United States, Mexico and Canada is essential to ensuring continued growth and prosperity. Participation in the NAFTA and the contemplated Free Trade Agreement of the Americas will promote sustained economic development and increased commercial activity between Trinidad and Tobago and its hemisphere neighbors. Indeed, free trade in the western hemisphere would be in the common economic interest because it would be wealth-maximizing for all members.

Trinidad and Tobago is well prepared to undertake the obligations of NAFTA. As one of the most advanced economies in the Caribbean, the island nation has successfully implemented economic reforms that have deregulated industry, lowered tariff barriers, and promoted investment. Its achievements are in keeping with criteria for NAFTA eligibility that the Administration has laid out in negotiations with Chile.

Trinidad and Tobago has enjoyed good relations with the United States through the years. The two countries share a fundamental commitment to civil liberties and human rights. In recent years cooperation has included working to curtail illegal drug shipments and money laundering in the hemisphere and sharing information relating to customs modernization and reorganization. Trinidad and Tobago and the United States have long enjoyed cordial diplomatic relations as well as strong economic ties arising from the investment of United States companies in the energy sector of Trinidad and Tobago. Both countries have dedicated significant resources to the full restoration of democracy and free

market development in nearby Haiti and Cuba.

The end of the cold war has altered the nature of the U.S. interest in the Caribbean. Apart from geographic proximity, the flow of people, commodities, culture, and a shared interest in combatting drug trafficking, protection of economic interests and fragile ecosystems have bound the hemisphere together as never before. As with United States-Mexico relations, United States-Caribbean relations dramatically demonstrate the inseparability of foreign and domestic issues.

The opportunities for growth and investment for U.S. companies are increasing. The Trinidad and Tobago oil and gas industry is growing steadily, spurring growth in an increasingly diversified economy. This presents excellent opportunities for United States companies interested in conducting operations in the Caribbean as a nexus for trade with South America and the Pacific Rim through the Panama canal.

Sustainable growth can be most readily achieved in Trinidad and Tobago by its integration into the regional trade framework. Trade between Caribbean countries accounts for a mere 4 percent of their exports, and investment between the countries of the region is negligible. Trinidad and Tobago is an economic leader within CARICOM, provides most of the current investment and is major creditor in the region. The economies are small; domestic markets and intra-Caribbean markets cannot absorb production and therefore cannot foster meaningful trade expansion. Future economic prosperity for Trinidad and Tobago lies in its rapid integration into the North American market.

Economic Reform. Over the past several years, Trinidad and Tobago has created a solid macroeconomic climate through a strong governmental commitment to private-sector-led expansion and export growth. Trinidad and Tobago has had an aggressive program of divestment of public holdings in commercial companies. Fifteen companies have been divested over the past 3 years, including the generation division of the national electric company, the national airline and the iron and steel company. Divestment procedures are in progress for another 13 companies.

Trinidad and Tobago's aggressive economic reform policy decisions, rigorously implemented, have yielded positive results and created allies out of many skeptics in the business community. Despite the support for high labor standards and protection of workers' rights and despite actual reductions in unemployment—currently about 18 percent—the macro-economic reforms cannot by themselves reduce unemployment to acceptable levels.

Trinidad and Tobago's Government accounts are now tractable. The fiscal deficit, which averaged 7.2 percent in 1986-88, has been reduced to 1.7 percent over the last 5 years. In 1994, the government closed the year with a small

fiscal surplus and expects a similar result again in 1995.

The balance of payments in Trinidad and Tobago has also begun to demonstrate a new robustness. Following 11 years of continuous deficit, for the past 2 years the external accounts were in surplus. A supportive monetary policy is in place, aimed at restraining exchange reserves. As a result, inflation is moderate and falling. The inflation rate from September 1993 to September 1994 was only 6.4 percent. The government floated the Trinidad dollar in 1993 and has now fully absorbed the devaluation occasioned by that flotation. The exchange rate has held remarkably firm. Consequently, the inflation rate is expected to fall under 5 percent this year.

The external debt service payments have been onerous—well over a half a billion U.S. dollars last year. Nevertheless, the government has reduced the debt significantly and it now represents barely 30 percent of GDP—this down from 42 percent in 1992.

Trinidad and Tobago has instituted a major structural adjustment away from import substitution and is vigorously pursuing a policy of export led growth. Almost overnight, the old tariff structure has been dismantled. In 1991, 40 percent of the items were removed from the import negative list. In 1995, the temporary surcharge imposed subsequent to the removal of items from the negative list, was reduced to zero.

In 1994, the majority of agricultural items were removed from the negative list. Nevertheless, total output in this sector increased by almost 12 percent. Consistent with the obligations within CARICOM, the existing maximum tariff of 30 percent will be phased down to 20 percent by 1998. It is important to note, however, that a more accurate reflection of the openness of the trade regime is that average tariff rates are now less than 6 percent for imports from the United States.

Favorable Investment Climate. The best proof of the success in creating a favorable investment climate is evidenced by the surge of direct investment. In 1995, the Government of Trinidad and Tobago reduced the corporate tax rate for foreign investors from 45 to 38 percent. In 1994, investment flows from the U.S. reached almost \$700 million and for 1995, the country has commitments for \$1.2 billion. Trinidad and Tobago will easily surpass all other countries in the hemisphere in attracting foreign investment.

Trinidad and Tobago will, as a member of the NAFTA, maintain United States environmental, health and safety workplace standards. Trinidad and Tobago's Government procurement provisions guarantee United States firms the ability to compete for government contracts. Tariffs on most U.S. exports have been eliminated in the computer, oil refining equipment, special industrial machinery, pharmaceutical, telecommunications and photographic equipment and sectors. In addition, Trinidad and Tobago has

signed both a Bilateral Investment Treaty [BIT] and Agreement on Intellectual Property Rights with the United States.

Hemispheric Energy Security. Trinidad and Tobago is a major oil-producing country. Trinidad's 10.6 trillion cubic feet of natural gas reserves represents a 45-year reserves life index. The economy is based largely on its plentiful reserves of petroleum and natural gas. As a result, Trinidad and Tobago has developed good relationships with United States oil companies involved in oil and gas development and extraction. The strategic geographic location of the islands has favored the establishment of large oil refineries and other facilities designed to promote energy research and to produce natural gas and petroleum by-products such as methanol and ammonia fertilizer.

Trinidad and Tobago is the world's second largest exporter of nitrogenous ammonia fertilizer, a natural gas by-product. One-third of the United States 3 million tons of ammonia imports come from Trinidad and Tobago annually, valued at \$240 million in 1994, according to U.S. Commerce Department figures. This is equal to about 5 percent of U.S. ammonia fertilizer usage annually.

The United States currently imports 80 MBD of crude oil and petroleum products from Trinidad and Tobago valued at over \$500 million a year in 1994, or 1 percent of the Nation's oil imports.

Cooperation on Drug Trafficking. Trinidad and Tobago has modernized its customs operations. It has introduced the automated system for the collection of customs data, which is now operational in most of the country. Officials expect that this critical element in the administrative reform of the Customs department will be extended to Tobago and to the industrial estate at Point Lisas during 1995.

Trinidad and Tobago is not a major producer, consumer or trafficker of illegal drugs, precursor chemicals, or money laundering. The Government and the people of Trinidad and Tobago recognize that illegal drugs are disruptive to public health, safety, and the social fabric. Business people contend that money laundering undermines legitimate economic activities. The effects of illegal drug related activity are likely to increase, particularly if economies suffer and drug related work is seen as one of the few income producing opportunities available.

Passage of the Dangerous Drugs Amendment in November 1994 brought the laws of Trinidad and Tobago into conformity with the requirements of the 1988 United Nations Convention. The new law prohibits activities regarding the manufacture of precursor chemicals, money laundering activities, assets forfeiture, and removal of impediments to effective prosecution.

Since 1992, local Trinidad and Tobago banks have voluntarily reported large deposits to the police department's Office of Strategic Services [OSS], a spe-

cial unit built to diminish the availability of banking services to traffickers. OSS collects intelligence on financial transactions and in 1994 published a money laundering information pamphlet for local financial institutions.

Conclusion. Mr. President, the Republic of Trinidad and Tobago deserves consideration as the next country to accede to NAFTA, following Chile. It has successfully undertaken economic reforms that have attracted foreign investment, reduced debt, and expanded the private sector. In order to further expand its economy, Trinidad and Tobago needs greater access to the larger markets of the hemisphere. The reality is that Caribbean economies are small. Domestic markets and intra-Caribbean markets alone, cannot absorb production and therefore cannot foster meaningful trade expansion. Future economic prosperity for Trinidad and Tobago—as well as for other eligible countries—lies in its rapid integration into the North American market. In submitting this resolution, I hope Trinidad and Tobago can soon be considered for membership in the NAFTA.

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#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. LOTT. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet to consider pending business Tuesday, December 19, 1995, at 2:30 p.m., hearing room SD-406.

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

##### COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, December 19, 1995, at 10:30 a.m. to hold a hearing on "Trends in Youthful Drug Use."

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

##### SELECT COMMITTEE ON INTELLIGENCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, December 19, 1995 at 3:00 p.m. to hold a conference with the House Intelligence Committee regarding the fiscal year 1996 intelligence authorization.

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

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#### ADDITIONAL STATEMENTS

#### THE 40TH ANNIVERSARY OF THE DEDICATION OF THE U.S. AIR FORCE ACADEMY

• Mr. CAMPBELL. Mr. President, I rise today on behalf of myself and my