And I encourage my colleagues to join me in voting for this legislation.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent there be a period of morning business with Senators permitted to speak for up to 10 minutes each between now and 12:30 p.m., with the time equally divided between the two leaders. And I ask consent, in order to get some fair debate, that the distinguished ranking member of the Finance Committee be recognized for the first 10 minutes, Senator WELLSTONE for the second 10 minutes, Senator GRAMM for the third 10 minutes, and Senator DURBIN for the fourth 10 minutes.

Mr. DASCHLE. Mr. President, reserving the right to object, I just do so to inquire of the majority leader about the schedule for the remainder of the day. It appears that the only remaining legislative item to be taken up today may be the continuing resolution.

Mr. LOTT. Correct.

Mr. DASCHLE. As I understand it, we do not have an objection to taking up the continuing resolution under a voice vote.

Mr. BUNNING. Yes, we do.

Mr. DASCHLE. We do have an objection?

Mr. BUNNING. Yes, we do.

Mr. LOTT. Mr. President, if the Senator would yield, as we had discussed, we hope when the House does act within the next, hopefully, 20 or 30 minutes, we would talk further and make some decisions about whether or not we would want to modify that continuing resolution in any way.

If we couldn't, of course, then we would see if we could clear it by a voice vote. We don't have it done yet, but we haven't gotten to that point yet. Within 30 minutes, we hope to get a clarification of when a vote would occur or if any modification might be forthcoming.

I don't want to go too far beyond just saying that right now. Senator DASCHLE and I are exchanging ideas. I do think we have reached a point where we need to make some decisions. Senators as well as House Members and the administration need to know what to expect. I think, to be perfectly honest, nobody wants to step up and say we have to look at an alternative. I am prepared to do that. I believe Senator DASCHLE is prepared to join me in that. We ask your indulgence for at east 30 minutes, and then we will see what we can do at that point.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Mr. President, I amend my request that after Senator DURBIN, Senator HUTCHISON be included in the queue.

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

Mr. LOTT. I thank my colleagues and yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

TRADE ISSUES

Mr. MOYNIHAN. Mr. President, the majority leader has, on several occasions, noted that this Congress, particularly this session of this Congress, has been singular in the number of major trade measures that have been enacted.

With the cooperation of the minority leader, with the full support of the chairman of the Finance Committee, Senator ROTH—who was here just a moment ago but whose schedule required that he leave as soon as the unanimous consent measure was adopted—we have agreed to major trade legislation with sub-Saharan Africa —that entire part of the continent; to expand the Caribbean Basin Initiative, which is hugely important in the aftermath of the North American Free Trade Agreement—which suddenly put island nations and nations on the isthmus below Mexico at a disadvantage, which no one intended and which we have now been able to redress in some considerable measure. The permanent normal trade relations with China was one of the most important pieces of legislation we have dealt with in a half century in the Congress. And we passed the Tariff Suspension and Trade Act of 2000, granting, among other things, permanent normal trade relations to Georgia, just last week.

Now as the closing days are at hand, or may be at hand—in any event, it is the first of November—we have taken this action by unanimous consent to adopt an amended version of the FSC Repeal and Extraterritorial Income Exclusion Act of 2000. That is a long title for a simple proposition. The World Trade Organization ruled that a measure in our Tax Code which has been in place for many years now, the Foreign Sales Corporation, which gave a tax benefit for income earned overseas—it was to encourage overseas sales—was contrary to the World Trade Organization rules.

I think we do not disagree; when we look at the rules, look at the law, the ruling was correct. But we had to then change our laws in order to give equivalent treatment to American corporations working overseas so that they would remain competitive in those markets, but would not be in violation of the WTO rules. If we were not to do that, sir, and do it today, we would be subject to $4 billion a year in tariff retaliation from the European Union. It had the potential of a ruinous trade war. We have seen the animosity that arises over bananas. How the United States ever got into the business of exporting bananas, I do not know. I think I understand some of the politics involved, but that was unfortunate. But look at how quickly reactions occurred in Europe. Just wait, if $4 billion in retaliatory tariffs were to close off American access to European markets selectively—the more sensitive items chosen, the greatest damage doable—if that were the disposition of the ministers in Brussels, and it might well be.

Well, it is not going to happen. We have done this properly. It is no coincidence that the Finance Committee, under the chairmanship of my revered friend from Delaware, Senator ROTH, adopted this measure—it is a House measure, of course—on the same day we passed out the bill to grant China permanent normal trade relations. These are trade matters of great importance.

We did it. The House and Senate subsequently agreed to a slightly different version, which we have adopted today. It will have to go back to the House. There will be no problem. The House conferees have already agreed, in the comprehensive tax bill and the Balanced Budget Refinement bill, to the exchanges.

So it is a good day and a good morning's work. Not every morning do we avoid a trade war. This morning we did. We did not have an hour to lose. The deadline was November 1. We often do things at the last minute around here. But we often do things well also.

I see my friend from Texas is on the floor. I know he would agree that avoiding a trade war over the Foreign Sales Corporation is a very good thing indeed. We have done it this morning with not a moment to lose. My friend from Texas will recall the deadline of November 1. And it is now November 1. We have done well.

I thank Senator DURBIN and others who had amendments they wanted to offer—Senator WELLSTONE, Senator BRYAN. They had every right to do so, and they could have done so. They chose not in the larger interest of the United States. I think we should express our particular gratitude to them for their forbearance.

I have said my piece. I thank all on behalf of Senator ROTH and the Finance Committee, which acted unanimously in this regard. We have dodged a big bullet. We did it usefully and quickly in the spirit of cooperation about trade matters, which will mark this Congress. Perhaps we might even get that fact reported in the press somewhere. If not, we can maybe start a web site of our own. It would be worth it.

Mr. President, I thank you for your courtesy. I see the assistant majority leader on the floor, and I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I ask unanimous consent to address the Senate for 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I thank my colleague from New York for his leadership, as well as Senator ROTH.

This is an area where we have worked in a bipartisan way with the administration. It is important on international trade work. It is important that we avoid countertariffs that could possibly be enacted. I think it is good

news. I am glad we were able to get it passed. I am glad we could have some bipartisan cooperation. I think in many respects that is due to the leadership of the Senator from New York and the Senator from Delaware. I compliment both for their leadership, and I am pleased we are able to pass this legislation today.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I am actually going to take about 2 minutes. I know Senator DURBIN wants to speak.

I say to Senator MOYNIHAN from New York that it is an important bill. There were a number of us, however, who objected. I know how strongly Senator MOYNIHAN feels about this legislation. I know that this is an important issue in our trade policy. I want him to know, given the tremendous respect I have for him—I think the tremendous respect that every Senator has for him—that for my own part my standing objection was focused not so much on the substance of this legislation. It was what some of us have been talking about over and over again, which is that the Senate cannot function as a great institution when Senators are not allowed to bring amendments to the floor.

There are some aspects of this bill that bother me. One of them has to do with hundreds of millions of dollars of subsidy for the tobacco industry to peddle tobacco in poor countries and in developing countries, which I think has the consequence of killing children. We don't need to be subsidizing this. Senator DURBIN is far more the expert. He can speak more about the substance of it.

I wanted to offer an amendment. I wanted to join Senator DURBIN with an amendment to knock this corporate welfare subsidy to tobacco companies out.

I am also concerned about additional subsidies that go to the pharmaceutical industry, and, frankly, the doubling of the subsidy that goes to arms exports.

The point is that it is hard to be a good Senator and it is hard for the Senate to be a good Senate when we don't have the opportunity to come to the floor with amendments and try to improve a piece of legislation. Senators can vote up or down. I know that Senator MOYNIHAN is in favor of this process.

I take exception with the majority leader over the way we are doing this. Now we are at the very end of the process, and we certainly don't want to see harsh consequences as a result of this not going through. That is why I won't object.

I will listen to the counsel of the Senator from New York. I find his counsel usually to be wise counsel.

I hope the Senate will operate differently and that there will be an opportunity for Senators to come to the floor with amendments and to be legislators to try to improve policy.

I find it outrageous, unconscionable, and egregious that we still have corporate welfare for the tobacco industry to peddle its death products to other nations and ultimately end up killing young people and children. That to me is outrageous.

I yield the floor. I yield my time to Senator DURBIN.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Minnesota. He feels strongly. And he is right. But there are moments when we just have to get something done and go on to the next measure.

The PRESIDING OFFICER. Under the previous order, the Senator from Texas is recognized.

Mr. DURBIN. Mr. President, it is my understanding that Senator WELLSTONE yielded to me the remainder of his time.

The PRESIDING OFFICER. He did, but the order was for the Senator from Texas to proceed.

The Senator from Texas.

Mr. GRAMM. Mr. President, if the Senator from Illinois is going to talk about the issue before us, I would like to grant him the courtesy of letting him go ahead and speak. I am going to thank the Senator from New York, as I always do. But I want to speak about another subject. If he wants to talk about this subject, let me yield to him, and if the Chair will come back to me when he finishes his 10 minutes.

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

The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank my colleague from the State of Texas. We disagree on substance but we have a cordial relationship on the Senate floor. I thank him for his courtesy.

I also congratulate Senator MOYNIHAN for his leadership in the closing months of this session. Senator MOYNIHAN, as he is facing retirement, has really been a leader on issues that will have a lasting impact on this world. It has been the hallmark of his congressional and public career. I note in personal conversations with him that he takes great pride in these accomplishments. I believe they will inure to the benefit of this country for generations to come. I thank him for his great service to the State of New York and to our Nation throughout his public life.

This morning I had an opportunity to object and could have been one, I guess, to stop this effort to enact at the last minute this Foreign Sales Corporation provision. I did not. The decision not to object was made after a lot of deliberation and consideration.

I would like to describe the reason why I was prepared to object and offer an amendment, and to assure my colleague that they have not heard the end of this debate.

This Foreign Sales Corporation provision is a $4 billion annual subsidy to over 7,000 companies in America which export overseas. Between 15 and 30 percent of their income from sales overseas will not be subject to taxes in the United States.

That is a windfall to these companies. It is a windfall which gives them an opportunity for more profits and, I argue as well, to create more jobs.

In many instances, in my State this Foreign Sales Corporation provision means that some of the major exporters from Illinois and across the United States have a chance to thrive and grow.

I am one who is a Democrat and proud of it and proud of my labor support. But I also believe very passionately that globalization and free trade are the future.

If they in fact are the future, we should do everything legally possible to encourage export that creates good paying jobs in the United States. And for that reason, I don't stand in general objection to the Foreign Sales Corporation. I believe that what we are talking about in this provision can be good for our economy and our workers, and in that respect I can support it. But I do have an objection to one element of it. When you look at the over 7,000 corporations that are going to benefit from this tax subsidy, you will find on that list names of three corporations which I would like to call to your attention: Philip Morris, R.J. Reynolds, and Brown & Williamson.

To make it clear, we are saying that the companies that make tobacco products can now continue to sell them overseas with a subsidy from the Federal Treasury to the tune of over $100 million a year. We are saying to these purveyors of these deadly tobacco products that we, in fact, are going to help you in selling your product overseas.

Allow me to put this in perspective. The tobacco companies I have named will have domestic profits in the U.S. of $7.2 billion, and we are giving them $100 million to subsidize the sale of tobacco products overseas. Some would stand up and say, well, Senator, why would you pick out the tobacco companies? If you are going to go after companies and the products they make, why wouldn't you go after a lot of other companies, too?

Perhaps some arguments can be made along those lines. But let me tell you why I think we should deal with tobacco exports in a different manner than other products being exported. I will use for my evidence on this the statements of Philip Morris, self-published on their website as of 10 days ago. You see all these soft, little gauzy commercials about Philip Morris feeding poor people, helping the elderly, providing scholarships. My friends and those who are witnessing this debate, this is just eyewash. This is an effort by the tobacco companies to tell you they are warm and loving people.

Well, these warm and loving people sell a product that kills 400,000 Americans a year. The No. 1 preventable cause of death in America today continues to be tobacco. We have just enacted legislation giving a Federal tax

subsidy to these same tobacco companies to sell this deadly product overseas. Is there any doubt that it is deadly? Well, for decades, the tobacco companies said: You can't prove it; there is no science behind it. We can prove that tobacco may not be harmful.

Well, they finally gave up on that sad and disgraceful claim. This is what their web site started publishing 10 days ago. This is Philip Morris. I will read it into the RECORD:

Cigarette smoking and disease in smokers: We agree with the overwhelming medical and scientific consensus that cigarette smoke causes lung cancer, heart disease, emphysema, and other serious diseases in smokers. Smokers are far more likely to develop serious diseases like lung cancer than nonsmokers. There is no safe cigarette. These are and have been the messages of public health authorities world-wide. Smokers and potential smokers should rely on these messages in making all smoking-related decisions.

Having said that, we have just awarded to the companies that make this deadly product, and want to sell it overseas, a $100 million-a-year tax subsidy. Do you know what that means? It means that the United States of America, which for over a century has been a leader in public health causes around the world, is now going to be a leader in purveying this deadly cigarette and tobacco product in Third World countries.

Visit any country that you choose overseas and look at what you see. With the exception of countries such as Poland which, surprisingly, has enacted good legislation to stop tobacco advertising that appeals to children, in country after country, you find the most outrageous, disgraceful activity by American tobacco companies subsidized by American taxpayers selling their deadly product overseas.

In the Philippines, a very Catholic country, they give away these calendars showing religious images with American tobacco products. These are the things which American tobacco companies will now be doing with the help of this tax subsidy from Federal taxpayers.

Allow me to tell you what we face here. Since 1990, Philip Morris sales have grown by 80 percent overseas. Smoking currently causes more than 3½ million deaths each year throughout the world. Within 20 years, the number is expected to rise to 10 million, with 70 percent of all deaths from smoking in developing countries. Listen to this statistic. This ought to tell you how important this issue is to the world. Tobacco will soon be the leading cause of disease and premature death worldwide, surpassing AIDS, malaria, and tuberculosis.

Do you take any pride as an American citizen that it is our tobacco companies selling these products to children and to unsuspecting people around the world, which will soon be the public health scourge of our globe? Do you take any comfort or satisfaction in the decision we have just made within a few minutes to give a $100 million subsidy each year to these tobacco companies so they can peddle this deadly product to kids and unsuspecting people in countries around the world? Can you hold your head up high as an American, proud that we are now subsidizing this deadly product? Can you visit these countries and see the Marlboro Man and all of the logos we have seen disappearing in America re-emerging in these Third World countries as more and more people are lured into tobacco addiction? Can you be proud as an American of that fact?

I am not. I am saddened by it. I am saddened that this leadership refused to allow this bill to even be considered on the floor for an amendment. But that has been the story of the Senate for month after month. We have been afraid to face the reality of debate, afraid to face the tough votes. And for some members from those States that produce tobacco or happen to be friendly to tobacco companies, it would have been a tough vote. But these Senators have been protected from even facing this issue. It is a tax subsidy to tobacco companies that will literally kill people around the world.

This country, of which I am so proud to be part, and the State I represent—I am so proud to be their Senator here—will become known to people around the world as the source of death and disease. People now are worried about death from malaria and tuberculosis and AIDS. Sit tight because in a few years you will see other deadly diseases coming across your land—emphysema, lung cancer, heart disease—from America's tobacco products. Marlboros, Camels, all of these products will be overseas.

After they put on these sweet little commercials about how much they just love these children and they love these elderly people—they put on these sweet little commercials and spend a lot of money to tell you how lovable Philip Morris is—go to the Philip Morris web site and see what this lovable company sells to make the profits to take Meals on Wheels to an elderly lady.

They sell a product which they now readily concede causes death and disease. After 40 years of denial, they finally admitted it. We have decided that we want to subsidize their efforts. It is a sad day in the Senate. I can certainly support this tax effort for the many corporations that will use it responsibly to sell good products overseas, but to think that this Senate will be party to this decision, it is a sad day.

It is no surprise. A few years ago when we wanted to hold the tobacco companies accountable for their solicitation of children, it was stopped by the Republican leadership in the Senate. When the Clinton-Gore administration said these tobacco companies owe Federal taxpayers for what they have done to them over the years as they settled, and pay the States for what they had done to their citizens as well, the Republican leadership said, no, stop the lawsuit; don't sue the tobacco companies; leave them alone. These poor tobacco companies, leave them alone. They only have $7.2 billion annually in profits.

Well, I believe the Clinton-Gore administration is right. I believe the American people deserve this lawsuit. They deserve the tobacco companies being held accountable and they deserve that these companies finally stop soliciting our children, addicting our children, aggressively stop selling their products to our children. I have been in Congress for 18 years. For the last 12 years, I guess I have fought on this issue more than any other. I can assure my friends in the Senate it is not the end of the debate. To those who want to give this gift to the tobacco companies, they can expect this fight to continue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

CONGRATULATING SENATOR MOYNIHAN

Mr. GRAMM. Mr. President, I congratulate our dear colleague from New York. I thank him for his leadership in defense of trade. We had these running debates, most of them related to the Presidential campaign. Most have nothing to do with the business of the Senate in these waning hours of the session. Instead they are about who deserves or what deserves credit for the golden economic era in which we live. I think the plain answer is, more than anything else, the creation of a wealth-generating machine through world trade is responsible for this economic golden age in which we live.

Our colleague is what I think of as an ''old-timey'' Democrat. There used to be a lot more of them here than there are now. Unfortunately, there is going to be one fewer. Some might think the number would be zero after Senator MOYNIHAN. But there was a time when there was a bipartisan consensus in favor of world trade. Unfortunately, now it is so easy to demagog against trade because you can identify a potential loser. If a company shuts down, whether it was inefficient or ''moved off to Mexico,'' the claim is, ''They moved off to Mexico.'' Everybody who loses a job there knows it. But the 10 or 100 jobs we create for every 1 we lose, people do not know why they were created. So it is hard, politically, to stand up for economic freedom. But what is a more basic economic freedom than the right to produce things and sell them all around the world?

I would also like to say, in an era where a lot of people are running away and hiding on the issue of Social Security or pretending the problem is somehow going to go away, I again congratulate our colleague from New York for being willing to stand up on that issue. He has made it clear that unless we do something about Social Security, unless we create a wealth source