

1 EXECUTIVE COMMITTEE MEETING

2 FRIDAY, JUNE 23, 1989

3 U.S. Senate

4 Committee on Finance

5 Washington, D.C.

6 The meeting was convened, pursuant to recess, at 1:40 p.m.
7 in room S. 224, the Capitol, Hon. Lloyd Bentsen (chairman)
8 presiding.

9 Also present: Senators Matsunaga, Moynihan, Boren, Bradley,
10 Mitchell, Pryor, Rockefeller, Daschle, Packwood, Roth, and
11 Durenberger.

12 Also present: Vanda McMurtry, Staff Director and Chief
13 Counsel; Ed Mihalski, Chief of Staff, Minority; Jeff Lang,
14 Chief Trade Council

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1 The Chairman. Gentlemen, let me tell you what we have
2 here, and I will call upon Jeff Lang to speak to the details
3 in a much more knowledgeable subject, but what we have is
4 the Administration asking that we move expeditiously in order
5 to make make Poland eligible for the Generalized System of
6 Preferences. That does not mean that we bring it about just
7 by our action here today, but that we make it then eligible
8 for the President to make that kind of a decision.

9 I think that probably in addition to that we have some
10 other things that have to be done by the Congress later in
11 that regard. I am not sure of that.

12 But here you have a country, Poland, where the per capita
13 income is really extremely low, where they need what
14 assistance they can get, and they are trying their best to
15 move towards democracy. And you can even see some sharing of
16 power, which is almost unprecedented under a communist
17 government.

18 And the President will be visiting there, and, of course,
19 I would assume at that point he wants to make that gesture to
20 Poland to try to encourage their move toward democracy. And
21 I personally am sympathetic to the President in his efforts to
22 do that.

23 Jeff, would you speak to this issue in more detail?

24 Mr. Lang. Yes, sir.

25 Under current law, there is a list of countries which are

1 ineligible for GSP under any circumstances: the basically
2 developed countries, certain communist countries, and countries
3 that are for foreign policy reasons not designated, like
4 South Africa. Poland is on that list. And all this bill
5 does is delete Poland from the list, which means that it is
6 eligible for designation. The President still has to go
7 through a series of criteria in order to designate the
8 countries to the list. For example, he has to determine if
9 they do not deny workers' rights, or that he should waive that
10 condition because they are making progress in that area, that
11 sort of thing.

12 Also it is important to recongize that when he designates
13 the country he also designates the products. Only about a
14 quarter of the U.S. tariff schedule is eligible for GSP and he
15 does not need to designate all of those products, but that is
16 not under the program.

17 So that is the basic situation.

18 The Chairman. Let me interrupt here. Let's scour that
19 floor and get us another member to make this a quorum.

20 Senator Rockefeller. I will move it, Mr. Chairman.

21 The Chairman. Now wait a minute. We need one more.

22 Senator Moynihan. Mr. Chairman, while we are waiting, can
23 I just say that over on the House side--and Mr. Frenzo on
24 this side--I have introduced a measure that would give Hungary
25 five years in that instead of one year at a time as it renews.

1 The President is going to Poland the Moongrade--and it's
2 time they did that--and it is hoped that there was something he
3 could say now to that government. But the State Department
4 has found that this is correct.

5 And so I would like the committee to know that at one
6 point we were prepared. I think the committee would have been
7 prepared, except that the State Department was not ready. We
8 have heard that before though.

9 The Chairman. All right. We can do that, we can hold
10 that in abeyance.

11 Do you want to make your motion?

12 Senator Rockefeller. I will move it, Mr. Chairman.

13 Senator Roth. I second the motion.

14 The Chairman. All right. We will have a roll call on
15 it.

16 The Clerk: Mr. Matsunaga?

17 Senator Matsunaga. Aye.

18 The Clerk. Mr. Moynihan?

19 Senator Moynihan. Aye.

20 The Chairman. Listen, it is the Republican Administration
21 that wants this. Let's get a Republican in here. Let's see
22 if we can't find one.

23 The Clerk. Mr. Baucus?

24 The Chairman. Aye by proxy.

25 The Clerk. Mr. Boren?

1 Senator Boren. Aye.

2 The Clerk. Mr. Mitchell?

3 Senator Mitchell. Aye.

4 The Clerk. Mr. Pryor?

5 Senator Pryor. Aye.

6 The Clerk. Mr. Riegle?

7 (No response)

8 The Clerk. Mr. Rockefeller?

9 Senator Rockefeller. Aye.

10 The Clerk. Mr. Daschle?

11 Senator Daschle. Aye.

12 The Clerk. Mr. Packwood?

13 Senator Packwood. Aye.

14 The Clerk. Mr. Dole?

15 (No response)

16 The Clerk. Mr. Roth?

17 Senator Roth. Aye.

18 The Clerk. Mr. Danforth?

19 (No response)

20 The Clerk. Mr. Chafee?

21 (No response)

22 The Chairman. Somebody go down to the Senate dining
23 room and see if there is someone down there. The Senate
24 dining room, the small one.

25 The Clerk. Mr. Heinz?

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(No response)

The Clerk. Mr. Wallop?

(No response)

The Clerk. Mr. Durenberger?

Senator Durenberger. Aye.

The Clerk. Mr. Armstrong?

(No response)

The Clerk. Mr. Symms?

Senator Packwood. Aye by proxy.

The Clerk. Mr. Chairman?

The Chairman. Aye.

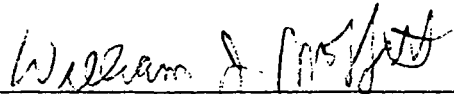
The Clerk. The count is 14 ayes; zero nays.

The Chairman. All right. The motion carries.

(Whereupon, at 1:43 p.m., the meeting was concluded.)

C E R T I F I C A T E

This is to certify that the foregoing proceedings of an Executive Committee Meeting of the Committee on Finance, held on Friday, June 23, 1989, were transcribed as herein appears and that this is the original transcript thereof.



WILLIAM J. MOFFITT
Official Court Reporter

My Commission expires April 14, 1994.