

1 EXECUTIVE COMMITTEE MEETING

2 THURSDAY, JULY 30, 1987

3 Committee on Finance

4 Washington, D.C.

5 The meeting was convened, pursuant to notice, at 12:40  
6 p.m. in room SD-215, Dirksen Senate Office Building, the  
7 Honorable Lloyd Bentsen (chairman) presiding.

8 Present: Senators Bentsen, Moynihan, Bradley, Mitchell,  
9 Riegle, Rockefeller, Daschle, Packwood, Roth, Chafee, and  
10 Heinz.

11 Also present: Bill Wilkins, Staff Director and Chief  
12 Counsel; Jeff Lang and Marcia Miller, Trade Counsel, Majority;  
13 Mary McAuliffe, Staff Director, Minority; Joshua Bolten,  
14 Trade Counsel, Minority; and Karon Phillips, Chief Economist,  
15 Minority.

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1           The Chairman. It was the agreement of the Chairman and  
2 the ranking member for the Minority that we would propose to  
3 report this bill to the floor without recommendation. And I  
4 will take such a motion.

5           Senator Packwood. I think I should probably make the  
6 motion, Mr. Chairman, fully intending to oppose this bill on  
7 the floor. But I think everyone has played square with  
8 everybody. There were 50 cosponsors of this bill. I think  
9 it would have been offered, and probably added to the trade  
10 bill and would have ended up messing up the whole situation.  
11 So I would move to report it without recommendation.

12           The Chairman. Thank you.

13           And I think that is a correct statement and I had spoken  
14 to it earlier on, that had it been added to the trade bill  
15 it would have helped neither this particular bill nor the  
16 trade bill.

17           Senator Chafee. Mr. Chairman, may I make one brief  
18 comment?

19           The Chairman. Yes.

20           Senator Chafee. Mr. Chairman, I was anxious to divide  
21 this bill, separating footwear and textiles into two separate  
22 sections. However, in view of the fact that -- first of all, I  
23 agree with you that if this had been on the trade bill we would  
24 have had a lot of trouble, or more troubles than we have had.  
25 And recognizing that you and the ranking member made an

1 agreement in order to not have it on the trade bill, I am  
2 going to withhold my motion to divide.

3 The Chairman. The motion has been made. All in favor of  
4 the motion, as stated, make it known by saying "aye".

5 (Chorus of "ayes")

6 The Chairman. Opposed?

7 (No response)

8 The Chairman. The "ayes" have it. The motion is passed.

9 Mr. Wilkins. Mr. Chairman, we have a second brief  
10 agenda item to clear up a Budget Act problem on our  
11 catastrophic bill on the floor. That material was  
12 distributed to staff yesterday. If that can be approved.

13 The Chairman. All right.

14 Senator Packwood. Do you need a motion to report that?

15 The Chairman. Yes. May we have a motion on that?

16 Senator Moynihan. Mr. Chairman, I move that we do make  
17 that correction.

18 The Chairman. The motion has been made and seconded. All  
19 in favor of the motion, as stated, make it known by saying  
20 "aye".

21 (Chorus of "ayes")

22 The Chairman. Opposed?

23 (No response)

24 The Chairman. The motion is carried.

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1           The Chairman. Gentlemen, a quorum is a tenuous thing  
2 and difficult to hold; and we have the nomination of Mr.  
3 McPherson, whom we have reported out before, and we did not  
4 have permission to meet.

5           So, we have now rescheduled it this morning. We have  
6 been through this; we have reported him out.

7           If there is no objection, I would like to bring his name  
8 up now.

9           Senator Packwood. We have a quorum; and I would like to  
10 move that we send his nomination to the floor.

11          The Chairman. Is there any objection?

12          (No response)

13          The Chairman. We had a quorum a moment ago, and I  
14 turned my back.

15          (Laughter)

16          The Chairman. There is a problem with attendance at  
17 all the other meetings. It makes it very difficult to get  
18 a quorum; and I understand that.

19          All right. There has been a motion made and seconded  
20 that we report out the nomination of Mr. Peter McPherson to  
21 be Deputy Secretary of the Treasury. Are there further  
22 questions?

23          (No response)

24          The Chairman. We have done this previously. For those  
25 who were not here a moment ago, we had not received permission

1 from the floor to meet; an objection was made.

2 We are now going through the process again.

3 Are there objections?

4 (No response)

5 The Chairman. If not, all in favor of reporting out the  
6 nomination of Mr. McPherson, indicate so by saying "Aye."

7 (Chorus of ayes)

8 The Chairman. Opposed?

9 (No response)

10 The Chairman. The nomination is reported out.

11 (Whereupon, at 12:43 p.m., the meeting was concluded.)

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## C E R T I F I C A T E

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2 This is to certify that the foregoing proceedings of an  
3 Executive Committee Meeting of the United States Senate  
4 Finance Committee, held on July 30, 1987, were transcribed as  
5 herein appears and that this is the original transcript  
6 thereof.

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9 WILLIAM J. MOFFITT  
10 Official Court Reporter

11 My Commission expires April 14, 1989.  
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UNITED STATES SENATE  
COMMITTEE ON FINANCE

EXECUTIVE SESSION

THURSDAY, JULY 30, 1987, 9:15 A.M.  
Room SD-215, Dirksen Senate Office Building

R E V I S E D   A G E N D A

1. S. 549, the Textile and Apparel Trade Act of 1987
2. Modification, for purposes of compliance with the Budget Act, of the Committee amendment to S. 1127, the Medicare Catastrophic Loss Prevention Act and approval of Committee allocation report under Section 302 of the Budget Act

STATEMENT OF THE HONORABLE LLOYD M. BENTSEN  
FOR TEXTILE BILL HEARING AND MARKUP  
JULY 30, 1987

TODAY THE COMMITTEE WILL BE HEARING TESTIMONY REGARDING THE TEXTILE AND APPAREL TRADE ACT OF 1987, A BILL THAT WOULD LIMIT U.S. IMPORTS OF TEXTILES, APPAREL AND NON-RUBBER FOOTWEAR.

THIS BILL HAS SUBSTANTIAL SUPPORT IN CONGRESS. FIFTY SENATORS ARE COSPONSORS OF THE LEGISLATION, INCLUDING SEVEN ON THIS COMMITTEE. IN THE HOUSE, SIMILAR LEGISLATION HAS 244 COSPONSORS. IN 1985, A MAJORITY OF BOTH HOUSES APPROVED ANOTHER TEXTILE TRADE BILL, WHICH WAS VETOED BY THE PRESIDENT.

THE UNITED STATES IS A PARTNER TO AN INTERNATIONAL AGREEMENT -- THE MULTIFIBER ARRANGEMENT -- THAT IS SUPPOSED TO PROMOTE ORDERLY TRADE GROWTH WHILE AVOIDING DISRUPTION TO DOMESTIC INDUSTRIES. IN SPITE OF THAT AGREEMENT, AND IN SPITE OF PRESIDENT REAGAN'S PLEDGE TO HOLD IMPORT GROWTH IN LINE WITH THE GROWTH OF THE DOMESTIC MARKET, U.S. IMPORTS OF TEXTILES AND APPAREL MORE THAN DOUBLED BETWEEN 1982 AND 1986. THAT IS WHY THIS LEGISLATION HAS SUCH WIDE SUPPORT IN THE CONGRESS.

IN THE CASE OF NON-RUBBER FOOTWEAR, YOU HAVE AN INDUSTRY THAT SOUGHT RELIEF FROM IMPORT COMPETITION THROUGH U.S. TRADE LAWS -- THROUGH SECTION 201 OF THE TRADE ACT OF 1974. THE INTERNATIONAL TRADE COMMISSION FOUND THAT THE INDUSTRY HAD BEEN SERIOUSLY INJURED BY GROWING IMPORTS AND RECOMMENDED IMPORT QUOTAS FOR FIVE YEARS. PRESIDENT REAGAN REFUSED TO PUT IT INTO PLACE, EVEN THOUGH THE ITC FELT IT WAS JUSTIFIED. THAT IS WHY THE INDUSTRY HAS COME TO CONGRESS.



THE TRADE WOES EXPERIENCED BY DOMESTIC INDUSTRIES LIKE TEXTILES, APPAREL AND FOOTWEAR ARE EXACTLY WHAT PROMPTED THE FINANCE COMMITTEE TO WRITE MAJOR TRADE LEGISLATION THIS YEAR. JUST TEN DAYS AGO, THE SENATE APPROVED AN OMNIBUS TRADE BILL BY A STRONG BIPARTISAN VOTE. AND WE DID IT OVER SOME LAST MINUTE LOBBYING BY THE ADMINISTRATION.

AS WE CONSIDERED THAT TRADE BILL, IT WOULD HAVE BEEN FULLY WITHIN THE RIGHTS OF THE SENATE SPONSORS OF THE TEXTILE BILL TO OFFER THEIR LEGISLATION AS AN AMENDMENT. BUT THERE WERE TWO THINGS TO CONSIDER. FIRST, THAT TEXTILE TRADE LEGISLATION HAD ALREADY BEEN VETOED BY THE PRESIDENT. AND SECOND, THAT THE PROSPECTS FOR PASSING THE TEXTILE BILL THIS YEAR WOULD NOT BE IMPROVED BY INCLUDING IT IN THE OMNIBUS TRADE BILL. WITH THOSE THINGS IN MIND, THE SPONSORS OF THE TEXTILE TRADE BILL DID NOT ATTEMPT TO ADD IT TO THE OVERALL TRADE BILL. IN RETURN, I COMMITTED TO THEM THAT I WOULD MAKE MY BEST EFFORTS TO REPORT THE TEXTILE BILL FROM THE FINANCE COMMITTEE SO THAT IT COULD BE DEBATED AND CONSIDERED BY THE FULL SENATE.

THAT IS WHY I SCHEDULED THIS HEARING TODAY ON THE TEXTILE TRADE BILL. IMMEDIATELY FOLLOWING THE LAST PANEL OF WITNESSES, THE COMMITTEE WILL MEET TO MARKUP THE LEGISLATION. AT THAT TIME, I WILL MOVE THAT THE FINANCE COMMITTEE REPORT THE BILL TO THE FULL SENATE WITHOUT RECOMMENDATION.

TODAY WE WILL FIRST HEAR FROM FOUR OF OUR DISTINGUISHED COLLEAGUES WHO SPONSORED THIS LEGISLATION -- SENATORS THURMOND, HOLLINGS, PELL, AND SASSER.