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Senate

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. BYRD].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, source of all our blessings, we are amazed as we check the balance in our spiritual bank account. We begin this new week realizing that You have made an immense deposit of grace, strength, wisdom, and courage in our hearts. And what's exciting is that You constantly will replenish our depleted resources throughout this week. Your love has no limits, Your spiritual resiliency has no energy crisis, Your hope has no restrictions, and Your power has no ending.

Free us from the false assumption that we are adequate for life's challenges on our own. You promise to go before us. We will encounter no problem for which You have not prepared a solution; we will deal with no person whom You have not prepared to receive a blessing from You through us; we will face no challenge for which You will not make us capable for courageous leadership.

Now, dear God, help the Senators use the abundant blessings You have lavished on them because You have placed them in leadership to get Your work done for our beloved Nation and the welfare of the world. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Nevada is recognized.

SCHEDULE

Mr. REID. Mr. President, today there will be 2 hours of debate on the Jordan Free Trade Area Implementation Act. We are going to have our first rollcall vote at or near 2 p.m. today on the nomination of Kirk Van Tine to be the general counsel at the Department of Transportation.

Following that, the Senate is going to resume consideration of the Department of Defense authorization bill. I have had a number of conversations this morning with the chairman of the committee and the majority leader, Senator DASCHLE and Senator LEVIN. Although I have not spoken to Senator WARNER, I am confident he also believes we should complete this legislation as quickly as possible. It is the intent of the leader to finish this legislation tomorrow. There are a number of amendments that need to be brought forward, one of which deals with base closings, and we would hope that could be done as quickly as possible.

Also, Mr. President, the two managers of the bill will ask for a time for disposing of the amendments, either a finite list or something that would give the managers of the bill some idea of what amendments Members are wanting to offer. Also, because of this very short week which is going to end Wednesday at 2 o'clock because of the Jewish holiday, Yom Kippur, it is important we complete the continuing resolution to get us through the first couple weeks of next month so we can go forward working on appropriations bills.

I am happy to report to the membership that the House has appointed a number of conference committees on the appropriations bills, and that is a good sign that we can move forward in the usual process. I hope by the time we have run out of time on the continuing resolution, we will have made great progress in our appropriations bills. We would ask cooperation of all Members. This is going to be a very jampacked week. The leader has indicated there may be other things he wishes to bring up in addition to the CR and the Defense bill.

MEASURE PLACED ON CALENDAR—S. 1447

Mr. REID. Mr. President, I understand that S. 1447 is now at the desk and due for its second reading.

The PRESIDENT pro tempore. The Senator is correct.

Mr. REID. I would ask that S. 1447 be read for a second time and then, Mr. President, I would object to any further proceedings on the legislation at this time.

The PRESIDENT pro tempore. The clerk will read the title for the second time.

The assistant legislative clerk read as follows:

A bill [S. 1447] to improve aviation security, and for other purposes.

The PRESIDENT pro tempore. There being no objection to any further proceedings, the bill will go on the calendar.

UNITED STATES-JORDAN FREE TRADE AREA IMPLEMENTATION ACT

The PRESIDENT pro tempore. Under the previous order, the Finance Committee will now be discharged from further consideration of H.R. 2603, and the Senate will now proceed to its consideration.

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill [H.R. 2603] to implement the agreement establishing a United States-Jordan free trade area.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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The PRESIDENT pro tempore. Under the previous order, there will now be 2 hours of debate on the bill with 1 hour under the control of the Senator from Texas, Mr. GRAMM, and 1 hour under the control of the Senator from Montana, Mr. BAUCUS, or his designee.

What is the will of the Senate? Time is running.

The Senator from Montana, Mr. BAUCUS.

Mr. BAUCUS. Mr. President, I rise to urge the adoption of H.R. 2603. That is a bill to implement the United States-Jordan Free Trade Agreement. The House passed the bill by a voice vote just before the August recess. The Finance Committee reported a virtually identical bill, also immediately before the August recess. Only two Members dissented when the Finance Committee reported that bill out.

I have advocated the approval of this agreement since it was negotiated by the Clinton administration last year. Finally, after a number of hitches, a number of setbacks, the administration and Congress appear poised to give final approval to the United States-Jordan Free Trade Agreement.

This implementing bill sends an unmistakable signal of support for an important friend, an important ally in the Middle East. That signal was important when the agreement was signed last October. It is even more important now. Jordan has been a steadfast friend in its support for the United States' efforts to bring peace to the Middle East. We all remember the critical role played by King Hussein a few years ago. King Abdullah has maintained that support.

As we all know, Jordan has been steadfast in its support for America in the wake of the terrorist attacks against us. In a September 12 letter to President Bush, the King condemned the attacks and pledged Jordan's support in our fight against terrorism. As he put it, Jordan is committed to work with the United States, ''to ensure that the enemies of peace and freedom do not prevail.''

This is precisely the kind of commitment we now need from our friends and our allies. Accordingly, we should do whatever we can to reinforce Jordan's support. By implementing the free trade agreement, we will do just that.

But that is not the only reason we should pass the implementing bill. To put it simply, it is a solid agreement that is not only good for Jordan but it is also good for the United States and good for the world trading system. The agreement itself is closely modeled upon the United States-Israel Free Trade Agreement. It provides for the staged elimination of tariffs and other trade barriers, provides for extensive intellectual property protection, and extends trading rules to new issues such as electronic commerce.

The United States-Jordan Free Trade Agreement is truly a 21st century free trade agreement. But I do not just mean it addresses high-technology trade issues. Our free trade agreement with Jordan also demonstrates a commitment to a progressive trade agenda, an agenda that recognizes the links between trade and environmental standards and between trade and labor standards, an agenda that puts these important matters on the same plane as market access, the protection of intellectual property rights, and other matters.

Some Senators have criticized the labor and environmental provisions in the Jordan agreement. Let me respond and explain why these provisions are, in fact, positive developments that point the way toward further progress.

In the areas of labor and environment, the United States and Jordan have undertaken a straightforward, common-sense obligation. Both countries have strong labor and environmental laws. Recognizing this, both countries agree to effectively enforce their own laws.

This simple obligation reflects a recognition that as the more glaring tariff and nontariff barriers come down, measures such as a lowering of labor and environmental standards can have a trade distorting effect as well.

Some have charged that the labor and environmental provisions in the Jordan agreement encroach on the sovereignty of the United States. That charge is basically—in fact, it is plainly—wrong.

The provisions of the agreement do not in any way prevent us from enacting and enforcing the laws and regulations that we decide are appropriate to protect our environment and the health and safety of our own workers. This is a critical issue, so I want to be specific. For a labor or environmental measure to be challenged under the agreement, it must meet each of three conditions. Remember, this is for a labor or environmental measure to be challenged under the agreement. I will now briefly go over the three conditions that must be met.

First, it must constitute a sustained or recurring course of action or inaction—a sustained or recurring course of action or inaction. Second, it must affect trade. It cannot be something that does not affect trade. It must affect trade. Third, it must be beyond the bounds of the reasonable exercise of discretion in such matters.

Further, no arbitrator can order the United States to change its practices pursuant to the agreement. Let me repeat that. No arbitrator can order the United States to change its practices pursuant to the agreement.

Under the agreement, dispute settlement will be based on nonbinding mediation—not arbitration but nonbinding mediation. That is very important. In other words, even in the unlikely event that the three conditions are met, and a mediator—not an arbitrator—and a mediator finds against the United States, that determination is purely advisory, intended only to guide the parties in resolving any disputes through consultation.

To my mind, the approach to labor and environment in the Jordan agreement makes perfect sense. Consider the alternative. Would we really want to enter into a trade agreement with a country intent on weakening enforcement of its labor and environmental laws in order to gain a trade advantage? I don't think so. Yet the opponents of the labor and environmental provisions would permit precisely that result. That is not just bad policy, it is bad environmental policy, it is bad labor policy, and bad trade policy. Indeed, I hope that by including labor and environmental provisions in the Jordan agreement we will set a precedent for future trade agreements.

In conclusion, let me stress that getting the United States-Jordan agreement off the ground would be essential even if we were not currently mobilizing support for a global campaign against terrorism. The agreement represents an important expression of American support for a key partner in the Middle East as well as a model of a progressive free trade agreement. I hope the President will sign it immediately so the benefits to both the United States and Jordan can begin to flow.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Montana, Mr. BAUCUS.

Mr. BAUCUS. Mr. President, in order to avoid dead time in the Senate while we are waiting for other Senators to speak, I would like to read into the RECORD two letters. One by our United States Trade Representative, Ambassador Robert Zoellick, to Jordan's Ambassador to the United States, and the other by Ambassador Muasher to USTR Zoellick. The letters are identical. They were exchanged on July 23 of this year in order to demonstrate common agreement on a critical point.

Should any differences arise under the Agreement, my Government will make every effort to resolve them without recourse to formal dispute settlement procedures.

In particular, my Government would not expect or intend to apply the Agreement's dispute settlement enforcement procedures to secure its rights under the Agreement in a manner that results in blocking trade. In light of the wide range of our bilateral ties and the spirit of collaboration that characterizes our relations, my government considers that appropriate measures for resolving any differences that may arise regarding the Agreement would be bilateral consultations and other procedures, particularly alternative mechanisms, that will help to secure compliance without recourse to traditional trade sanctions.

Mr. President, again, this is an exchange of letters between Ambassador Zoellick and the Ambassador representing Jordan.

I ask unanimous consent to have those letters printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, 20508, July 23, 2001.

His Excellency MARWAN MUASHER,
Ambassador of the Hashemite Kingdom of Jordan to the United States.

DEAR MR. AMBASSADOR: I wish to share my Government's views on implementation of the dispute settlement provisions included in the Agreement between the United States of America and the Hashemite Kingdom of Jordan in the Establishment of a Free Trade Area, signed on October 24, 2000.

Given the close working relationship between our two Governments, the volume of trade between our two countries, and the clear rules of the Agreement, I would expect few if any differences to arise between our two Governments over the interpretation or application of the Agreement. Should any differences arise under the Agreement, my Government will make every effort to resolve them without recourse to formal dispute settlement procedures.

In particular, my Government would not expect or intend to apply the Agreement's dispute settlement enforcement procedures to secure its rights under the Agreement in a manner that results in blocking trade. In light of the wide range of our bilateral ties and the spirit of collaboration that characterizes our relations, my Government considers that appropriate measures for resolving any differences that may arise regarding the Agreement would be bilateral consultations and other procedures, particularly alternative mechanisms, that will help to secure compliance without recourse to traditional trade sanctions.

Sincerely,

ROBERT B. ZOELLICK,
U.S. Trade Representative.

EMBASSY OF THE H. K. OF JORDAN,
Washington, DC, July 23, 2001.

Hon. ROBERT B. ZOELLICK,
U.S. Trade Representative,
United States of America.

DEAR MR. AMBASSADOR: I wish to share my Government's views on implementation of the dispute settlement provisions included in the Agreement between the Hashemite Kingdom of Jordan and the United States of America on the Establishment of a Free Trade Area, signed on October 24, 2000.

Given the close working relationship between our two Governments, the volume of trade between our two countries, and the clear rules of the Agreement, I would expect few if any differences to arise between our two Governments over the interpretation or application of the Agreement. Should any differences arise under the Agreement, my Government will make every effort to resolve them without recourse to formal dispute settlement procedures.

In particular, my Government would not expect or intend to apply the Agreement's dispute settlement enforcement procedures to secure its rights under the Agreement in a manner that results in blocking trade. In light of the wide range of our bilateral ties and the spirit of collaboration that characterizes our relations, my Government considers that appropriate measures for resolving any differences that may arise regarding the Agreement would be bilateral consultations and other procedures, particularly alternative mechanisms, that will help to secure compliance without recourse to traditional trade sanctions.

Sincerely,

MARWAN MUASHER,
Ambassador of the Hashemite Kingdom of Jordan.

Mr. BAUCUS. Mr. President, I want to say a few words about these letters, since many have referred to them as the U.S.-Jordan Agreement has moved through the Congress.

First, this exchange of letters should not have been necessary. We should have passed this legislation months ago, without the exchange of letters.

Second, the exchange of letters does not change the U.S.-Jordan Agreement one jot. It simply reflects the views of the current Administration and the Government of Jordan. It is not an amendment to the Agreement. Indeed, it is not even binding on future Administrations.

Clearly, the number of disputes between our two countries will be few, if any. In the unlikely event we do go to formal dispute settlement, we should avoid resorting to sanctions, whatever the subject of the dispute. The exchange of letters expresses that view.

However, if in a particular case a future Administration should decide that sanctions are appropriate, it will be free to act accordingly. Nothing in this exchange of letters changes that.

Mr. President, I now would like to read into the RECORD article 5 of the agreement, pertaining to the environment.

1. The Parties recognize that it is inappropriate to encourage trade by relaxing domestic environmental laws. Accordingly, each Party shall strive to ensure that it does not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such laws as an encouragement for trade with the other Party.

2. Recognizing the right of each Party to establish its own levels of domestic environmental protection and environmental development policies and priorities, and to adopt or modify accordingly its environmental laws, each Party shall strive to ensure that its laws provide for high levels of environmental protection and shall strive to continue to improve those laws.

3. (a) A Party shall not fail to effectively enforce its environmental laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the Parties, after the date of entry into force of this Agreement.

(b) The Parties recognize that each Party retains the right to exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other environmental matters determined to have higher priorities. Accordingly, the Parties understand that a Party is in compliance with subparagraph (a) where a course of action or inaction reflects a reasonable exercise of such discretion, or results from a bona fide decision regarding the allocation of resources.

4. for purposes of this Article, ''environmental laws'' mean any statutes or regulations of a Party, or provision thereof, the primary purpose of which is the protection of the environment, or the prevention of a danger to human, animal, or plant life or health, through:

(a) the prevention, abatement or control of the release, discharge, or emission of pollutants or environmental contaminants;

(b) the control of environmentally hazardous or toxic chemicals, substances, materials and wastes, and the dissemination of information related thereto; or

(c) the protection or conservation of wild flora or fauna, including endangered species, their habitat, and specially protected natural areas in the Party's territory, but does not include any statutes or regulations, or provision thereof, directly related to worker safety or health.

Again, to summarize, Mr. President, the labor and environmental provisions are somewhat contentious. They are framed in such a way that I think it helps labor and the environment in both the United States and Jordan, and in a way that does not in any way intrude upon American sovereignty.

Let me repeat: The simple obligation that the United States and Jordan make reflects a recognition that as the more glaring tariff and non-tariff barriers come down, measures such as labor and environmental standards may have an effect on trade. Measures that may have a trade-distorting effect have been dealt with in past trade agreements. Since a lowering or a suppression of labor and environmental standards may distort trade, these too should be dealt with in trade agreements.

The idea here is to encourage countries to protect labor and labor rights and to protect the environment in ways that do not distort trade.

The provisions of this agreement do not in any way prevent us from enacting and enforcing the laws and regulations that we decide are appropriate to protect our environment and the health and safety of our workers.

For a labor or environmental measure to be challenged under the agreement, it must meet three conditions. I think it is important to re-state what those three conditions are.

First, a measure must constitute a sustained or recurring action or inaction. It can't be just a single act by the President or by the Congress. It has to be a sustained or recurring action in order for a labor or environmental provision to be deemed trade distorting.

Second, it must affect trade. An environmental action or labor action which may have a significant effect on the United States but does not affect trade is not actionable.

Third, it must be beyond the bounds of a reasonable exercise of discretion.

There are certainly matters that may slightly distort trade, and may arguably be sustained or recurring. But if the action is within the bounds of a reasonable exercise of discretion by the United States, then no action is permissible.

Even if those tests are met, we move to the question of what sort of dispute settlement is provided for in this agreement. In this agreement there is no binding dispute settlement. There is consultation, but that is it. There is no arbitration in this agreement. There is no arbitration panel, no judge, and no

tribunal. Rather, under this agreement, if one country thinks each of the three conditions is met, it may request non-binding mediation, and not arbitration. If a mediator finds that an action is inappropriate under this agreement, that finding is non-binding. And the parties will then move toward consultation, trying to work out what seems to make the most sense. Even if the mediator finds against the United States, the United States cannot be forced to follow the recommendation of the mediator.

The argument against this provision is that it intrudes upon American sovereignty, that it commits the United States to at least listen to a mediator, and at least consult with Jordan on labor and environmental matters.

I think that is not much of an argument against the agreement, because I think we want to encourage labor and environmental standards that are non-trade-distorting between the two countries.

Let's say in this case that Jordan implements a labor or environmental action that is trade distorting. Absent the provisions of the agreement, it would be totally within bounds of Jordan to do so. But at least here we would have the opportunity to discuss the matter with Jordan. Consider what would happen if there were no labor or environment provisions in this agreement. In that case, could enact a trade-distorting labor law or an environmental law that hurts American trade and workers, and that hurts our economy, and we would have no recourse whatsoever. I think we want some recourse.

The provisions in this agreement allow some recourse, in that both sides obligate themselves not to enact trade-distorting measures on labor and the environment. If one country does, there is at least a process whereby the countries can discuss it. The action by the mediator, if he takes any action, is not binding upon either party.

So I think these are very good provisions. I think they are wise, and therefore, the agreement is something our country should approve and the President should sign very quickly.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BAYH). Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I see my good friend from North Dakota is ready to speak. But before he does speak, I would like to reemphasize and underline the point that trade agreements properly include not only the very traditional trade matters, such as tariffs, quotas, and subsidies, but they also include other matters which do have an effect on trade. I would like to suggest what a few of them are.

For example, the length of product patents and copyrights on music has only recently been addressed in trade agreements. These are not tariffs, quotas, or subsidies, but they certainly affect trade. Thus, these issues were addressed in the Uruguay Round.

What about the use of names, such as ''champagne,'' on a product label? Some suggest that the use of the word ''champagne'' is not generic because it means a particular region of the world—in France, Champagne. That was an issue brought up and included in the Uruguay Round.

What about payments to farmers to promote conservation practices, such as land set-asides, or low till agriculture? These are not tariffs, quotas, or subsidies, but they definitely affect trade. In fact, this is a current trade issue with the Europeans. They are very concerned about the actions of the United States in that area.

What about the placement of products on store shelves, just putting products on store shelves? For example, we had a dispute with Canada over distribution of beer and other alcoholic beverages. The point is, obviously, that trade agreements do include matters, and should include matters, which could have the effect of distorting trade. And if a country enacts environmental laws or labor laws that have the effect of distorting trade, I think most Americans would think that, if properly worded, in a common-sense way, they, too, should be addressed in trade agreements. That is what we are trying to do with this legislation. This is not a huge leap. This is not unreasonable. This is not radical. This is very modest, if you will, but very important.

I urge Senators to look at this legislation closely and look at it in that light. When they do, I think they will recognize this is an agreement that should pass and be approved by the Senate and signed by the President very quickly, particularly in light of the current situation in the Mideast. But apart from the Mideast situation, on its merits only, this is a very good agreement.

Mr. President, I yield to my friend from North Dakota for—how many minutes?

Mr. DORGAN. Ten minutes.

Mr. BAUCUS. Ten minutes.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have come to this Senate Chamber to support the trade agreement that is brought to the floor today. I believe it will be approved by the Senate by unanimous consent. Perhaps not, but I am told that it will be approved by the Senate, in any event.

I have been a critic of our trade policies. I have been a critic and have voted against a fair number of trade agreements. This trade agreement, it seems to me, is a reasonable agreement. It is with an abiding friend, Jordan, that has been a very helpful country to us. We have had a long and good friendship with the country of Jordan. This trade agreement includes in it some provisions dealing with the environment and labor. I think this is a breakthrough and a step in the right direction.

While trade relations between the United States and Jordan are important, the size of our trade is not very extensive. As a trading partner, Jordan ranks 98th.

While I do not think the U.S.-Jordan Free Trade Agreement is going to, in one way or another, affect our country's trade balance, I want to say that at this time and place our country needs to worry about its trade policies on a much broader context.

I have brought a chart with me that shows our country's ballooning trade deficit. For years, we have seen relentless growth in it. At the same time, there has been a systematic lack of concern among policymakers about it. It's as if they say: Well, it is happening, so let it happen.

It injures this country to have this kind of relentlessly growing trade deficit. Last year the merchandise deficit was $452 billion. Our deficit with China was $84 billion; with Japan, $81 billion; and with the European Union, $55 billion. That is almost $1.25 billion a day. Every single day, 7 days a week, we are buying more from abroad than we are exporting.

Now, what does that have to do with the current circumstances in the United States? Given the issues of national security, it is important for us to understand that no country can long remain a strong country unless it has a strong, vibrant manufacturing base. We are eroding the manufacturing base of this country.

One thing that is not in this trade agreement—and it has never been in any trade agreement that I am aware of—is something that deals with currency fluctuations.

Our manufacturing sector has now discovered that when it tries to sell abroad, it is much more difficult. Due to currency fluctuations, it 30 percent more expensive to sell a product abroad than it was 5 years ago. This increase has nothing at all to do with the cost of manufacturing the product. It is solely due to the value of our currency.

Because of currency fluctuation, our manufacturing base in this country is being hurt very substantially. There are some who say: Well, the doctrine of comparative advantage ought to determine how we trade, and we ought not worry about whether we retain a strong manufacturing sector in this country. I strongly disagree with that belief.

No country can remain strong unless it has a very vibrant manufacturing base. Yet, due to currency fluctuations that have not been accounted for in our trade agreements, our manufacturing base has been undercut.

We need to negotiate currency fluctuation mechanisms into our trade agreements. We may sign trade agreements that lead to reductions in tariffs. But if the currency fluctuates, and we don't have any mechanisms in place, U.S. exports may end up being more expensive, and U.S. imports may be less expensive.

Our currency has fluctuated dramatically over the last few years. The U.S. dollar has risen about 40 percent against the Canadian dollar in the last 10 years. Generally speaking, the U.S. dollar has had a 30-percent increase in value versus 5 years ago. It is worth 10 percent more just a year ago.

On the television news people talk about the ''strong dollar.'' That is the wrong term. They should be saying, the ''Expensive dollar''. The dollar is more expensive today relative to other currencies. When our dollar is more expensive relative to other currencies, it means our manufacturers are at a disadvantage when competing against the rest of the world.

My point is very simple: In these days, we are all very concerned about national security. And we should be. We are concerned about what is going to happen around the world with respect to terrorism and our aggressive approach in trying to deal with it. All of us want to speak as one; we want America to have one voice. With relentless determination, we want to take on terrorists and do what is necessary.

Part of national security is in the area of international trade. It is important that we straighten out the problems that have assisted in eroding our manufacturing base and have, at the same time, weakened our country from the inside.

I met with the president of one of the Nation's large manufacturers this morning. It was coincidental and had nothing to do with speaking on this bill. The products that this country manufactures have been named, several times, by Fortune magazine as all-American products, the best in the world. The products are made in the finest manufacturing plant in the world; a plant that uses the finest state-of-the-art robotics. There is no manufacturing plant that is more high tech or more modern than the one used by this company.

Yet, the company has discovered that, when trying to sell their product around the rest of the world, it has become more and more difficult. It is not because their product can't compete, but, rather, it is because the fluctuation of currency has made their product more expensive relative to the similar products manufactured in other countries. The president of this company said: The value of the dollar is hurting our company badly. And it is not just his company. It is true all over America.

Jerry Jasinowski, president of the National Association of Manufacturers, recently remarked that the dollar is overvalued and that its strong value has led U.S. manufacturers to have little pricing power. In its annual report, the Association noted that: ''The dollar has reached a point at which it is pricing many U.S. goods out of world markets and making it harder to compete against imports here at home.''

That was from the National Association of Manufacturers.

My only point is this: I am going to support this trade agreement with Jordan because at this point in time it is the right thing to do. Right now, we are not talking about trade policy. With respect to trade policy, I have been a constant critic and will remain so. I voted against the North American Free Trade Agreement. I voted against GATT. Had I had a chance to vote against the bilateral agreement with China, I would have voted against it in an instant.

If I might, as an aside, just point out, our negotiators, after long negotiations, agreed to allow China to have a tariff on U.S. automobiles that is 10 times higher than our tariff on Chinese automobiles sold in the United States. We agreed to a 2.5-percent tariff on Chinese automobiles, while they have a 25-percent tariff on U.S. automobiles. This is just a small example of what has happened to us in every trade agreement of consequence.

It is long past time for our country to pay attention. The trade deficit is injuring the United States. Our trade agreement with Jordan will have almost nothing to do with the deficit and I will support it. It is the first agreement I have supported in a long time.

The job in international trade is to bring NAFTA back and renegotiate it. We need to get rid of those bilateral trade agreements in which our country has a major disadvantage. We recently lost in the Chinese bilateral agreement. And we lost in the agreements we have had on GATT. People say: That is just the way things are. I say: It is not the way things are. It is the way we allow them to be. We don't have the backbone, the nerve, or the will to stand up and begin to say: We negotiate on behalf of the United States of America and we demand fair trade.

If I could have just another minute, let me go through a couple of examples, lest people think this is all rhetoric.

How much time do I have remaining?

The PRESIDING OFFICER. Thirty-five seconds.

Mr. DORGAN. I assume the Senator from Montana is delighted I am supporting the bill and probably not happy that I would talk about other trade problems.

Mr. BAUCUS. I might ask how much time remains on our side?

The PRESIDING OFFICER. Twenty minutes.

Mr. BAUCUS. Mr. President, I will let the Senator speak for a few more minutes. Progress is progress. This is the first time the Senator has supported a trade agreement. I know in the future he will support others. I very much appreciate his taking the time to support this agreement. I yield the Senator another couple minutes.

Mr. DORGAN. Mr. President, I am overwhelmed by the additional minutes.

I have a couple of examples, if I might, on trade issues. Ask those who are working on these issues in the U.S. Trade Representative's office, in the Commerce Department, and those in Congress to try to address these issues with us.

Motor Vehicles in Korea. Last year, we had about 570,000 vehicles shipped into the United States from Korea. Do you know how many vehicles we shipped to Korea? Seventeen hundred. Five hundred seventy thousand vehicles this way, 1,700 that way. Why? Because of the tariff and taxes, it raises substantially the price of American cars sold in Korea. It is not just price. There are other difficulties too in selling foreign vehicles in Korea. Standards and perceptions also play roles. The result is, we are not shipping cars to Korea. They are flooding our markets with theirs.

Canada and Stuffed Molasses. Go to Canada and watch them load up Brazilian sugar on top of liquid molasses so they can ship it down here in the form of stuffed molasses. Then they take the sugar out and send the molasses back. Why? To violate U.S. trade laws.

Japan and Steak. Go to Tokyo and have a T-bone steak and understand, if it came from the United States, it had a 38.5-percent tariff on it, 12 years after the last beef agreement.

People think this is all humorous and interesting. The fact is, it all represents the failure of this country to stand up for its producers. This country ought not be bashful about standing up for its producers, its manufacturers, American men and women and American businesses, who only demand the opportunity to compete fairly. It is not fair when currency fluctuations make our products 40 percent more expensive in foreign countries. We say that doesn't matter, but it does matter. It is not fair. Unfairness matters. We should and must be willing to compete in international trade, but the competition ought to be fair.

I thank my colleague from Montana. I will support this trade agreement. It is a small one, not much of a trade consequence to us, in my judgment. It is written marginally better than previous agreements because it has labor and environmental issues in it.

There is a big job ahead of us. We need to try and deal with the ballooning trade deficit. We need to try to convince the American people that what we are doing represents their best interests. We need to expand trade but it must be done in a manner that is fair to them.

I will have more to say about international trade at some future point in time. I yield the floor.

Mr. BAUCUS. Mr. President, I thank my good friend from North Dakota. He raises a very good point. Clearly, currency fluctuation certainly in the short term distorts trade almost to the magnitude which he suggested, a 30 to 40 percent differential.

It is also true that, as imperfect as markets are in the long-term, the relative economic strength of countries tends to reflect the value of a country's currency—not entirely but tends to. There have been times when the dollar is low; there are times when the dollar is high. It is very difficult to write into an agreement how to manage currency fluctuations, extremely difficult, particularly with larger countries such as the United States, Japan, the EU, with a single-currency market.

If the United States were to peg exchange rates vis-a-vis those other countries, it would be difficult for those countries to agree. I doubt that they would. Japan tends to like a low yen. It kind of likes the United States having a high dollar. I doubt that Japan would want to address exchange rates in a trade agreement. Could we force them to in a trade agreement? I don't know. It would be difficult. The same applies to the EU.

Let's say we were able to peg an exchange rate. Let's say it happened that the countries all agreed. Let's say that one of the country's economies deteriorates, for example, the United States or Japan or some other one. If the currencies are pegged, then it is going to be harder for that country to retain its economic strength, at least with respect to trade.

There will be other distortions. It is like a balloon. If we stop natural competitive pressures worldwide from operating through exchange rates, the problem is going to pop up someplace else. I don't know that we have fully thought through where the ''someplace else'' might be in any rational discussion of exchange rates to include an attempt to address that consideration.

I might add that, to some degree, this is an external-internal matter. It is much more complicated than what meets the eye. The U.S. Government, in many administrations, tends not to discourage a high dollar policy. Why is that? The reason is because the U.S. Government tends to be worried about inflation, as well as other considerations, in addition to the trade imbalance, the current imbalances.

As my friend from North Dakota said—and he is right—trade deficits have been burgeoning, and it is a problem. To say that currency exchange provisions will solve the problem, I think, doesn't quite do it. The U.S. tends to be a country with a favored currency. We are perceived to be strong and to be dynamic, even in the wake of the events in the last several weeks. Investors worldwide tend to like dollars as opposed to other currencies. That tends to drive up the value of the dollar.

There are a lot of factors to be considered here. Having said all that, I do agree with the Senator that at least an attempt should be made. We should at least have a more open discussion of these issues. I don't think our Treasury Secretary, or our President, or anybody else of stature in the executive branch, or the Chairman of the Federal Reserve should have an open discussion of these matters, for fear of people misinterpreting what they may be saying. But I do think it is important for the Congress, in the appropriate setting and in the appropriate situation, to begin to examine all the ramifications of exchange rates. It is extremely complicated. In smaller countries we can deal with it, but in larger countries, as in Japan, and with the EU beginning next January, it is going to be difficult.

Mr. DORGAN. Will the Senator yield for a question?

Mr. BAUCUS. I am happy to yield.

Mr. DORGAN. Let me say that it was not my intent to say that solving the issue of fluctuating currencies would solve the trade problem. You cannot solve the trade problem without addressing the fluctuation of currency values. There are many other issues—although the fluctuating value of currencies is a 500-pound gorilla issue, it is not the only issue. I don't mean to suggest that if you solve that, you solve the problems. There are more.

Mr. BAUCUS. Mr. President, I reserve 10 minutes. How much time is remaining?

The PRESIDING OFFICER. Twelve minutes.

Mr. BAUCUS. Mr. President, I reserve myself 5 minutes. I reserve the majority leader 5 minutes when he wishes to speak on the bill.

I yield to my good friend from Virginia who I think wants to speak on the bill. Can the Senator take 5 minutes?

Mr. ALLEN. I say to the Senator from Montana that I will try to say what I want to say in support of this measure in 5 minutes.

Mr. BAUCUS. I yield the Senator from Virginia, Mr. ALLEN, 5 minutes.

Mr. ALLEN. Mr. President, I rise in support of the United States-Jordan Free Trade Agreement. First, I congratulate Chairman BAUCUS and Senator GRASSLEY for their work in producing this very important legislation, which is a significant step forward in making Jordan a world partner with the United States.

Most of the debate on this matter is centered on the new ground which this measure makes in including multiple worker rights provisions in the body of the U.S. trade agreement, rather than as a side agreement, for the first time.

The volume of the bilateral trade between the United States and Jordan throughout the 1990s was consistently modest. Therefore, it is thought, this agreement is unlikely to have any great immediate or dramatic impact on the volume of bilateral trade.

However, I wish to share with my colleagues what this agreement means to the Commonwealth of Virginia and, particularly, to the Albemarle Corporation, headquartered in Richmond, VA.

Albemarle is a worldwide manufacturer and marketer of specialty chemicals, such as bulk ibuprofen, biocide products, and flame retardants. Nearly 50 percent of the corporation's revenues are derived from products that are sold outside the United States.

Several years ago, Albemarle Corporation began negotiations with the Arab Potash Company to create a joint venture company that will process bromine and bromine derivatives from the Dead Sea in Safi, Jordan. This agreement will allow Albemarle to bring the bromine into the United States tariff free. It will be actually shipped to Albemarle's facility in Magnolia, AR, for final processing.

This will represent a multimillion-dollar investment and it will be used for a variety of products, such as flame retardants for TVs and computers, and other products, and it obviously will provide Albemarle with increased marketing opportunities globally for these lines of products.

It is anticipated that the capital outlay for this joint venture will be $150 million. This outlay makes this joint venture the largest U.S.-Jordanian private venture in Jordan to date. At full operation, they will be creating over 200 new jobs at the plant near Safi and its main Amman office.

I congratulate King Abdullah and his government for their efforts leading to Jordan's accession to the World Trade Organization. Acceptance by the World Trade Organization, combined with Jordan's economic reforms, are significant steps forward to making Jordan a world partner with the United States.

These developments also made Albemarle more excited about conducting business with its Jordanian partners. This free trade agreement is another step toward solidifying our relationship and placing Virginia products on the same tariff footing as products from other countries.

I believe fair and free trade is the best way to increase trade, encourage economic development, and improve investment opportunities for all involved. It is important that the achievements made by King Abdullah and the signing of this free trade agreement be recognized and ratified by the Senate. For that reason, I urge my colleagues to support this measure.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, how much time do I have?

The PRESIDING OFFICER. One hour.

Mr. GRAMM. Mr. President, I rise today to support the Jordanian free trade agreement, but I support it with reservations. I am determined that the adoption of this agreement not set a precedent for the future. What I would like to try to do, even though I know it

may take a little time to do so, is explain to my colleagues the problems with this agreement, the problem that we have when we bring non-trade matters into fast track, and the very real sovereignty questions that are raised by this small and seemingly insignificant trade agreement.

I would like to try to explain the logic of fast track and its history and, within that context, make it clear that, in the current international crisis in which we find ourselves, I have decided to withdraw my opposition to this agreement and, in the process, see it become law. In withdrawing that opposition in a moment of crisis where we need to reconfirm our bond of friendship with Jordan, I wish to make it very clear that in doing this we are not setting a precedent for the future.

Now, having outlined all that, let me start at the beginning and try to explain the logic of fast track and the problems we are going to have to address. The plain truth is that no one wants to address these issues, but they are there whether we like them or not. Therefore, at some point, we are going to have to come to grips with them when we adopt a bill that will provide what we used to call fast-track authority and now call trade promotion authority.

Let me begin at the beginning. America, in the postwar period, immediately following World War II, recognized that world trade was a powerful engine for creating wealth and democracy and, in essence, remaking the world in our image.

We had an incredible bipartisan consensus on trade: that neither party would try to use trade to politically benefit itself in the American electoral process because trade was too important in promoting prosperity and democracy and in fighting communism in the postwar period.

In that context, we adopted what was then called fast-track trade authority, which gave the Executive some remarkable powers. Under fast track, a President could negotiate a trade agreement which, when it came before Congress, would be unamendable, and all of the Senate rules related to unlimited debate and unlimited amendment would be waived; further, there would be a time limit for consideration, and Congress would then simply have the ability to vote yes or no.

That made sense in the following context: No. 1, Presidents argued, and I believe persuasively, that if you are going to negotiate a trade agreement where both sides give and take, you cannot then have that agreement be subject to further change, by Congress, after the fact. That is a persuasive argument, in my opinion.

The second argument was that we were talking about a limitation of the constitutional prerogatives of Congress under article I of the Constitution, and we had agreed to limit those powers because we were talking about only external matters, such as protective tariffs. We were not making domestic law, but were simply setting out trade agreements that involved external pricing of American and foreign products but did not make law in America that would govern the well-being of our people.

With those two very strong arguments, we adopted fast-track authority, and let me say, the evidence is overwhelming that we were successful.

When the Berlin Wall came down, it came down in part because we had the resolve to keep Ivan back from the gate, we were strong enough to deter a war, and our program of peace through strength worked. But what happened that really tore the wall down was that the growth of world trade generated a wealth-creating engine that created massive economies in places such as South Korea and Taiwan where those economic engines had never existed. It rebuilt Japan. It rebuilt Europe. The sheer power of that wealth-creating machine destroyed the Soviet Union.

If there is one principle I am committed to, it is free trade. I take a back seat to no one in Congress in my defense of trade, and I make no excuses, such as talk about ''fair trade.'' I do not engage in fair trade with a grocery store; I buy food from them and sell them nothing. But what I am in favor of is trade. Not going to the grocery store might eliminate unfair trade with them, but it would mean I might go hungry, so I choose to go to the grocery store.

One might wonder what is it about the Jordanian ''free trade'' agreement that I am unhappy about, especially my colleagues who have listened to me before talk about trade, knowing I am committed to it and have defended it under all circumstances against all opponents everywhere. What is wrong with the Jordanian free trade agreement?

What is wrong is, for the first time, it brings into a trade agreement items that have to do with domestic law. It brings into a free trade agreement provisions that relate to labor law and labor standards, and environmental law and environmental standards, in America. And in the process, we are literally transferring a degree of American sovereignty in labor and environmental areas to decision-making entities that will be beyond the control of the United States. This is a very serious matter.

Let me talk generically about trade agreements that embody labor and environmental standards and then talk about this one in particular.

When we built a consensus on fast-track authority, the consensus was based in part on the fact that the President was negotiating trade agreements, tariffs. It was clear that the intent of the negotiation was to lower tariffs on foreign goods coming into our economy and lower tariffs on American goods going into the economy of the country with which we entered these trade agreements. That was the understanding. It was clearly understood that, within that context, we were simply negotiating tariffs but not making domestic law.

Someone who was going to debate this would immediately point out that in the last 10 years we have injected another issue: patent and copyright. They would say: We were already a little bit pregnant when we did that because that had a binding effect on America in terms of respecting patents and copyrights.

I think that might score you a point in some debating class in high school or college, but the plain truth is, America is in the patent and copyright business. We own 90 percent of all the patents and copyrights in the world, and so when we negotiated to put into free trade agreements that countries would respect patent and copyright, that basically was a provision that had no effect on us because we owned the patents and copyrights, but it had an effect on our trading partners by committing them, at least through moral suasion, if not retaliation, to respecting patent rights and copyrights.

I would argue that element in free trade agreements was pretty much like Britain being for freedom of the seas when they controlled the seas because they had the world's greatest navy. They were for British seas, just as we should be for freedom of the seas today.

Two substantial problems arise when labor and environmental issues, or any other issue related to the laws under which we live and function every day in the United States, are brought into this fast-track process. One is a loss of power by Congress in ceding its rights under article I of the Constitution, and the other is a loss of American sovereignty, and they are both bad things.

When you allow the President to negotiate labor and environmental laws, and labor and environmental standards, under fast-track authority, where the agreement cannot be debated and cannot be amended, what you are literally doing is giving the President of the United States a unilateral power to write domestic law under fast-track authority.

Under fast-track authority, where the President has this power to write labor and environmental standards into trade agreements, which then become the law of the land when we adopt them, President Clinton, for instance, in a free trade agreement, could literally have included the Kyoto Environmental Treaty. It would have come to the Senate. It would have been unamendable and undebatable, and we would have had a dramatic loss in our law-making powers, and a substantial diminution in the effectiveness of fast-track had the Senate been forced to reject the agreement because non-trade matters been included.

If we had a President who wanted to change environmental or labor law, and do it in a way to limit congressional power and authority, he could do it unilaterally through fast track,

through negotiations of trade agreements. We never, ever contemplated such an extension of power when we wrote fast track. Never did we contemplate the Executive would make domestic law in these trade agreements. They were about tariffs. They were not about laws that would govern America and Americans in our daily lives.

The second problem with allowing labor and environmental provisions in trade agreements that have expedited consideration is they represent a ceding of American sovereignty. In my opinion, they are unconstitutional.

Let me explain how this would work in the context of a bilateral agreement and then in the context of GATT. I'll start with GATT. Using fast-track authority where labor and environmental issues can be included, let us say that we entered into a GATT agreement where we agreed—as we do in this agreement, and I will talk about it in particular in a minute—on labor and environment provisions. Now, while we have to give the Clinton administration some credit for writing all kinds of boilerplate protections for congressional authority, in the end they could not protect what the provision is about.

Under this bill, we agree with Jordan that we will not take any actions with regard to our labor or environmental laws that would advantage us in our trading with Jordan. Now, let me take those provisions and apply it to GATT and the World Trade Organization. Let us say this became the norm for trade agreements. Who decides whether a change in environmental law affects our competitive position with our trading partner? Who decides whether a change in regulation was made to benefit us in trade or because it was made through the Executive power of the President basically to promote the general well-being of the country? Is it not true, at least to a small degree, every change in environmental law and every change in labor law or regulation has a trade effect, making us more or less competitive?

If we had the Jordanian free trade agreement as part of GATT, it is literally true, if we decided under the Clean Air Act to grant a clean air waiver to Atlanta, GA, which we have done in the past, and to Dallas, TX, which we are doing today, or Houston, which we are doing today, literally if this agreement were in existence as part of GATT a question would arise as to whether granting this waiver under the Clean Air Act benefited us in trade. In the case of GATT the judgment would be made by the World Trade Organization—a third party, a world organization, determining whether or not we are enforcing the Clean Air Act to benefit us in trade and, therefore, whether we should be penalized with protective tariffs against American products that put Americans out of work.

If we had the provisions of this Jordanian free trade agreement in effect through GATT, and we then opened up ANWR to produce oil, the World Trade Organization and its decisionmaking body, which we are minority members of, could determine that by opening ANWR we have had degradation in environmental standards that benefit us in terms of trade and we could literally have protective tariffs imposed against American products on the world market and put Americans out of work.

If we repealed Davis-Bacon, a special interest law that requires the Government to pay the highest prevailing wage for labor, it could be ruled by the World Trade Organization, if these provisions were in force worldwide, that we had violated the trade agreement, and we would then be subject to reprisal and punishment imposed on the American economy.

If we adopted provisions that gave workers flexibility to work 60 hours one week and 20 hours the next week by changing our antiquated wage and hour laws so that a working mom could go see her son play football on Friday afternoon, something that is eminently reasonable and long overdue, if the provisions of this bill were in effect worldwide through the World Trade Organization, we could have a judgment by a world decisionmaking body that we have violated our trade agreements by giving flexibility under the wage and hour laws, flex-time/comp-time we call it; that we have benefited in trade and, therefore, we are subject to reprisal.

My point is, as we go beyond the Jordanian free trade agreement, and as we go to fast-track authority and as this becomes part of our world trading system, I ask my colleagues, are we ready to give to the President of the United States unilateral authority to write domestic law we cannot amend and cannot debate? I am not ready to do that. I love our President. I do not think any Member of the Senate feels closer to our current President than I do, but I am not willing to give that authority to anybody. I do not know who is going to be President in the future. Are we willing, through a free trade agreement and through trade promotion authority, to put ourselves in a situation where the World Trade Organization can determine that by giving a waiver to Atlanta, GA, under the Clean Air Act, we are violating our international trade agreements and, therefore, protective tariffs can be imposed on American products to punish us for exercising our power under articles I and III of the Constitution?

Is that not a loss of sovereignty that would be virtually unimaginable by the Founding Fathers? I think the answer is clearly yes.

So the first point I wanted to make today is I have decided, just as one Member, to step aside and allow this Jordanian free trade agreement to become law, but not because I think these are good provisions. I think inclusion of these matters is one of the most dangerous actions we have taken since I have been a Member of the Senate. I am doing this today because we have a crisis in the world. We need to reaffirm our relationship with Jordan, a critical country in a very important part of the world, when we are at the very moment beginning to look toward a war with terrorism. So our relationship with Jordan is important.

I do it also because our trade with Jordan is relatively insignificant. It is important to Jordan, of course, and we are grateful for it. We want to trade 1,000 times as much with them, but relatively speaking, we are not talking about any significant amount of trade.

Finally, I am willing to do it, making it clear that this sets no precedent for the future. If it were not for this current crisis, this trade agreement negotiated by the Clinton administration would never have become the law of the land. I am willing, today, to step aside and vote for it because it sets no precedent, and it is clearly important internationally at this critical moment in a very important part of the world.

However, I want my colleagues to understand that any efforts to take this process forward would entail giving the President unilateral powers to make domestic law in the labor and the environmental area without Congress having the ability to amend it or to extensively debate it. I am adamantly opposed to that, and I believe the American people would be opposed to it if they understood it.

Second, if we go forward and embody the same provisions in major trade agreements, we are ceding sovereignty to the World Trade Organization and to dispute resolution organizations where we will literally have third parties casting the deciding votes as to whether we can grant waivers under the Clean Air Act, or open up ANWR, or change our wage and hour standards, or repeal Davis-Bacon, or do other things that make eminently good public policy. That is a ceding of sovereignty that has no popular support in this country, and it cannot be allowed to go forward.

I turn to the Jordanian free trade agreement. First, if I could pick up this pen today and sign a free trade agreement with the world, I would do it. I am in favor of free trade. I believe free trade promotes freedom; I am for freedom. It promotes prosperity; I am for prosperity. My concern about the Jordanian agreement is the nontrade provisions. It has two provisions that may very well never be used in our trade with Jordan but they are extraordinarily dangerous.

The first provision is related to the environment. It says, despite all the boilerplate efforts of the Clinton administration, that if either country—Jordan or the United States—did anything to change its environmental laws that improved its competitiveness with the other country, that would violate the trade agreement. Under the rules of world trade, there would then be a dispute resolution that would ultimately include a United States representative,

a Jordanian representative, and a third party, which would determine whether a violation had occurred and, if so, whether the ''violating party'' would be subject to penalties.

I understand the dollar value of our trade with Jordan is less than the combined budgets of the two great universities in my State. It is not significant in terms of the global picture. But principles are significant. And bad principles are set often in little, insignificant bills. This provision literally puts us in a position where an international dispute resolution could determine, in the name of the environment, that opening ANWR or granting waivers, which we do routinely under the Clean Air Act, violate this agreement, and we could have trade reprisals imposed against us as a result of it.

If we didn't sell anything to Jordan, it would obviously matter to the companies involved. It would be a terrible thing, but economically it would not be a catastrophe. My objection to including these labor and environmental provisions is based on principle, and if inclusion of these issues goes any further and is established worldwide, it is going to have a profound impact on the lawmaking authority of the U.S. Congress.

Now, granted the Clinton administration puts nice boilerplate language that says to Jordan, you make your own laws; and it says to the United States, you make your own laws. But it also says, if those laws are judged to improve your competitiveness as a result of a reduction in your level of environmental protection, then there can be reprisals.

Who makes that determination? The problem is, the United States does not make that determination. That determination is made by an international dispute resolution system. The same is true in this bill with regard to labor law. Under this bill, you have an obvious question: When have you changed labor standards to benefit yourself in terms of competition? With Jordan, who makes the determination?

I would have no objection if the determination of whether we were meeting our agreement were made by Americans. I think it would be foolish to get into this area, because everyone who is the least bit objective about trade understands, if you care about labor standards, you are for trade, because trading countries are rich, and they have high wages, and they have good working conditions. If you care about the environment, you are for trade, because trading countries are rich and they can protect their environment, and they do.

I know we have people talking about a race to the bottom in labor and environmental standards, but the truth is, trade is a race to the top, not to the bottom. But these are the problems with this bill.

Now people do not want to deal with this issue. It was clear in the Finance Committee, people were not ready to come to grips with this issue. What is appealing about putting labor and environmental provisions into the bill is that it lets us be on three sides of a two-sided issue. It lets us be with the people who want to have international labor and environmental standards, and yet be for trade. The problem is, you are either for trade or you are against it. When we write these provisions into our trade agreement, we are setting ourselves up for loss of sovereignty and we are ceding power to the executive branch of government. I think those are two extraordinarily dangerous things.

This agreement will be approved today. I am going to support it. But I am going to support it as a matter of foreign policy. The President wants this agreement to show to Jordan we are committed to our friendship and our partnership. We need Jordan's support in this war on terrorism, and as a result, I, for one, intend to step aside and allow this agreement to be adopted. But in doing so, I want to make it clear that this sets no precedent in terms of our willingness to cede sovereignty over America's right to set its own environmental and labor laws and to interpret and enforce those laws without being penalized in world trade because some international decisionmaking body decides, in doing so, we benefited ourselves in terms of trade.

I submit, why would you change these laws, if you were not in some way trying to benefit yourself, either by improving the environment or improving your competitiveness?

Look at the application that Atlanta, GA, or Dallas, TX, or Houston, TX, submitted, asking for a waiver of the Clean Air Act. That application is full of the dire impacts that are going to be had if they stop building highways in Atlanta or Houston and if they have to shut down those refineries from Corpus Christi to Beaumont that produce 50 percent of the petrochemicals in the world in the Houston area.

Their application for a waiver of the Clean Air Act is full of exactly the argument that, if we don't grant this waiver and give them more time to meet these requirements, we are going to destroy hundreds of thousands of jobs and are going to adversely affect the ability of America to compete on the world market.

If we expand this logic into the World Trade Organization, does anybody doubt that our competitors will take the application for a waiver of the Clean Air Act from Atlanta or Houston that is full of arguments, as it should be, about American competitiveness and say ''not only did they not enforce their law by granting this waiver, but if you read the application from Houston, TX, it is full of the logic that is going to hurt them competitively if they don't grant a waiver?''

Do we really want the World Trade Organization or an international dispute resolution putting our people out of work in Georgia or Montana or Texas because they believe when we changed our law, or when we changed the enforcement of it, that it benefited us in world trade? I do not think we signed on to do that.

So that is where we are today. We have a trade agreement before us that was negotiated in the previous administration that has a very severe problem. If this agreement were with another country at another time, I do not believe it would be adopted. But today, facing a war with terrorism and given that this is with Jordan and given that the amount of trade involved is insignificant, from the United States point of view, I for one am willing to step aside and to support this bill. But I want to make it clear that any fast track or trade promotion authority legislation that would transfer the making of domestic law to the President, limiting—in this case eliminating—our power to amend or debate, or any future trade promotion agreement that would grant to a world decisionmaking authority the right to determine whether we have exercised our article I rights under the Constitution of the United States properly, where a world organization is making a determination as to whether our people are going to be put out of work because we amended labor and environmental laws in conformity with our rights under article I of the Constitution, that is something that I never, ever intend to support and never, ever within the ability to debate it and to fight it intend to see it accepted.

We have to come to grips with these issues. We are putting them off today because this bill needs to pass. But these are matters that are going to have to be understood. They are going to have to be debated as we deal with fast-track authority, or as we now call it, trade promotion authority. To this point, everybody has tried to hide from these issues. But they are very real. They represent an assault on our separation of powers, they represent an assault on national sovereignty, and they do not belong in a fast-track or trade promotion agreement.

With that, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Texas has 24 minutes and the Senator from Montana has 8.

Mr. BAUCUS. Mr. President, I yield to the Senator from Nebraska, 4 or 5 minutes?

Mr. HAGEL. Let's try 5 minutes. I appreciate that.

Mr. BAUCUS. I yield 5 minutes with the recognition there is only 3 minutes left after the 5 minutes are used.

Mr. HAGEL. Mr. President, I rise today to support the Jordanian free trade agreement. I wish also to strongly support the remarks just given by the distinguished senior Senator from Texas, Mr. GRAMM. In my opinion, he

has calibrated this exactly right. He has framed it right. He has made poignant remarks about issues that are most important to this debate this day but a continued debate on trade this body must have, a debate which will take us, I hope, at some point in the near future, to the question of granting to the President of the United States what has been referred to as fast-track authority but now is referred to as trade promotion authority.

September 11 highlighted why we need to strengthen our relations with the rest of the world. Tools that will be required to combat terrorism include more than just military power. I think most of us recognize that terrorism is not about human destruction; it is about holding nations and societies and peoples captive, hostage to the fear of terror.

Terrorists are best able to harness the fears and prejudices of impoverished people to gain support for terrorist acts such as those that occurred on September 11. These areas are the breeding grounds of terrorism: the impoverished, the downtrodden, those people of the world with little or no hope.

To combat terrorism and the support of terrorists, we need to broaden the understanding of what America stands for and to continue to help improve the lives of these impoverished people around the world. I believe trade helps do that. Trade also helps develop market economies and strengthens democracies. What does that mean? It is not an end unto itself but to stabilize regions of the world, stabilize governments, and help maintain responsible governments and relationships and standards of living and accountability and responsible action. That is what trade can do and has done.

At our Banking Committee hearing last week, Chairman Greenspan stated that global economics relies on the movement of people and goods. The openness of economies is critical to that growth. We are talking about one small part of that larger universe of trade today. But nonetheless, it is an important part of this debate.

The New York Times article by Tom Friedman last week pointed out that through all of the instability in the Middle East, Jordan last year grew in real numbers at about 4 percent. And as we are able to encourage and participate with Jordan through these bilateral trade agreements, we will continue to help Jordan grow, which helps, again, stabilize a very important region of the world.

As Senator GRAMM has pointed out, this agreement is far from perfect. In my opinion, sanctions should never be part of a market-opening trade agreement for many of the same reasons Senator GRAMM enunciated and delineated with precision. Sanctions do not address the root of environmental or labor problems or other such problems. These are currently much better handled at other international organizations such as the United Nations and international labor organizations in other areas. I shall not go back and deal with the same area about which Senator Gramm talked. But sanctions will actually harm countries and will limit the much-needed capital they receive from exporting to the United States.

For the reasons that have been stated before, the economy is a fundamental dynamic influencing a country's political stability, hence world peace.

Trade contributes to a country's security for two reasons: It establishes relationships and understandings between two nations, and it raises the standard of living for nations and encourages that stability.

In my opinion, this debate today is a good beginning to address a comprehensive trade agenda this Congress must have.

This Congress must ultimately grant President Bush trade promotion authority. TPA is in the clear and vital interests of this country, and security and economic interests are interconnected and dependent on each other.

Today, I encourage my colleagues to vote for this agreement, as flawed as it may be. But I consider it a good opening for the bigger trade debate issues that must come from this Congress. It is a good beginning. But we are far from the kind of finish that will be required not only for the trade interests of this country but the security interests of America and the world.

I yield the floor.

The PRESIDING OFFICER (Mr. MILLER). Who yields time?

Mr. BAUCUS. Mr. President, I understand that we only have 2½ minutes.

Mr. GRAMM. I yield the distinguished ranking member 15 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I am not going to bring up the same issues the Senator from Texas brought up. But I had a chance to listen to his remarks. I share many of the concerns that he has.

Although I have been an enthusiastic supporter of this agreement from day 1 and have not found all of the considerations that he has to specific parts of it, I have reservations about those parts, particularly as they deal with labor and the environment, but to appeal to some extent through an exchange of letters that these issues have been taken care of at least enough to satisfy my concerns to move forward with this legislation.

I speak in favor of the United States-Jordan Free Trade Agreement. I urge my colleagues to support it. But before we move forward, I would like to put this agreement in context—not a context different than other speakers have but to emphasize some things that have already been said.

First of all, this agreement is very important between two countries that have been friends for a long time and that want to maintain that friendship.

It has been almost a year since President Clinton and King Abdulla signed the U.S.-Jordan Free Trade Agreement. By all accounts the agreement should have passed Congress with little controversy.

The Kingdom of Jordan and King Abdullah are good friends of the United States. The agreement itself is a good agreement. It opens up new markets for U.S. exports to Jordan. And it enhances Jordan's access to our markets. But there is one part of the agreement that caused problems.

These are controversial labor and environment provisions that were put in the U.S.-Jordan Free Trade Agreement. It is these labor and environment provisions which slowed passage of an agreement that should have passed both Houses of Congress quickly.

In the Senate legislation was introduced by MAX BAUCUS on March 28, 2001 to implement the agreement. On July 17 the Finance Committee began to debate the bill.

During debate many Members expressed concern about the labor and environment provisions in the Jordan agreement.

Many others pushed hard for an amendment to the agreement which would give the President trade negotiating authority, which was supported very eloquently by the Senator from Nebraska.

Unfortunately, this amendment was withdrawn because of the chairman's opposition.

To help move the agreement forward the U.S. Government and the Government of Jordan exchanged official letters on July 23, 2001.

These important letters clarified that neither government intends to apply the labor and environment provisions in a way which blocks trade.

The exchange of letters was an important development.

After all, the purpose of a free trade agreement is to facilitate trade.

After all, we are talking about an agreement that has the purpose of facilitating trade. That is pretty clear with the term ''free trade agreement''—not to deal with a bunch of social and environmental issues.

While these commitments did not resolve every Senator's concern with the agreement, it was an important step forward.

And because of these letters the Finance Committee was able to complete consideration of the bill on July 26, 2001.

Unfortunately, some tend to characterize the labor and environment provisions in the Jordan FTA as a precedent for future trade legislation.

I want it understood very clearly that I do not accept that, and I want to say that loudly and clearly. This should not be considered as a precedent.

It does not mean that the Jordan free trade agreement in other ways does not

set a precedent. It is the first free trade agreement we have entered into with a Muslim country. I hope it is not the last.

I also hope this sends a loud signal to our Muslim friends and our friends around the world. The United States wants close trading relationships with these countries and their people.

We want to help your economies grow through trade.

I think it was President Kennedy who said ''trade, not aid.''

It enhances the prosperity throughout the world generally. But as the Jordan agreement is precedent setting with a Muslim country, we would surely expect it to enhance prosperity throughout the Middle East as well as the entire world benefitting because we all know that free trade is a very powerful engine of growth. It can lift millions out of poverty, as we have seen in the development of this regime since 1947 when these free trade agreements started—and under the GATT process the revitalization of Japan and all of Western Europe. Countries that were poverty stricken 50 years ago are very prosperous today—Japan, Taiwan, South Korea, to name a few.

Their prosperity depends a great deal upon trade. Lifting millions out of poverty also in the process opens the door to new hope for people. It offers opportunity to people who have only known despair.

Trade can help undermine terrorism by taking away the fertile ground of poverty and hopelessness from which that terrorism is sown.

It can broaden horizons and lift human spirits to greatness.

Our friends and allies must know that we share their hope in the future. But trade and the regime for arriving at free trade agreements and further negotiations within the World Trade Organization are a way to show that we put our actions where our mouth is.

It also shows that we have history on our side—that there has been progress made in the past. It can predict the good future that lies ahead as a result of freeing up trade. They must know we will open up our arms and embrace them through trade. Just as trade lifted Germany and Japan from the ashes of World War II, it will lift nations today.

However, we have to have the tools to make it work. One of those tools, as you keep hearing in this debate—and a lot of other places—is the need to give the President of the United States trade promotion authority. We ought to do this in the same apolitical or bipartisan way that it has been done over a long period of time. And this is done because we do not put a lot of preconditions on these negotiations. People of good will sit down to work out their differences, each respecting their own national interests. The President of the United States will not negotiate away the interests of the United States of America and its people.

So it is time to give the President the power to negotiate trade agreements with our friends and our allies, and even with countries that we might not consider our friends and allies, if they are in the World Trade Organization.

The Finance Committee has quite a history of bipartisanship in this area, to give the President what used to be called fast-track trade negotiating authority, now called trade promotion authority.

This type of legislation, over a long period of time, has passed with broad bipartisan support. We in the Senate generally have not waited for others to act. We have seized the reins of leadership and have moved ahead. Today, we need to be doing that as well. I hope I can help move that process along. I hope this bill today helps do that as well. There is bipartisan legislation that is already introduced that would be a good bill for this committee to consider.

At a time when the world economy is slowing, we must act. We must put aside our partisan preconditions and excuses to trade and show the world that the United States is ready, willing, and able to lead.

I thank the Chair and reserve the remainder of what time I did not use for Senator GRAMM.

Mr. BINGAMAN. Mr. President, I rise today in very strong support of H.R. 2603, the United States-Jordan Free Trade Area implementing bill. There is a very limited time for debate available to my colleagues today on this legislation, so I will keep my comments short.

First, let me say that the timing for the consideration of this legislation could not be more propitious given the horrific events that have just occurred in our country. As we consider this bill, let us not lose sight of the geo-political context within which we now conduct international affairs. Trade negotiations between the U.S. and Jordan were initiated for one reason alone, that being that government officials felt it would substantially increase economic interaction between the two countries and thus significantly enhance political stability in the Middle East as a whole. Although the immediate economic gains from the agreement will, no doubt, be modest, the long-term political benefits will be considerable. Of particular importance are the opportunities the agreement potentially provides Palestinians living in Jordan and operating in qualified industrial zones. For these individuals, nearly all of whom at present live in poverty and have little chance to improve their lives, this agreement changes the equation and offers real hope. Significantly, it offers a tangible alternative to violence, and I need not emphasize how important a different path like this might be to young individuals, and the strategic interests of the United States, at this time.

I understand the concern of certain colleagues about national sovereignty as it relates to the dispute resolution provisions in the agreement. But clearly this concern comes not because this agreement in particular threatens our sovereignty—from my perspective it does not and it will not, but rather because of the apprehension that this agreement establishes a precedent for future negotiations. The concern relates to this trade agreement being a ''model,'' and once this trade agreement is passed, others will certainly look much the same.

To this criticism I respond by saying that each agreement negotiated by our country is unique and based on the issues that concern the parties at the time. There is no reason to assume that every agreement will contain similar language to that which is contained in this agreement. Indeed, there is much reason to doubt that they will. Clearly, there is a balance that must be found between having an agreement and having ways to ensure that the provisions that are in an agreement are implemented. In this particular case, I think a very appropriate arrangement has been created.

But I want to emphasize today that I do intend to be very cognizant of how we establish dispute resolution mechanisms down the road. And I say this simply because we have reached a point in international trade relations where we have to ask if we are prepared to change the ideas and institutions that form the foundation of our political economic system to attain a trade agreement. That is the essence of the debate at hand, and if we have learned anything at all from NAFTA, it is that this is not something to be taken lightly.

All this said, this legislation must be passed today, and it deserves to be passed today. It sends a signal to the people of Jordan that while they are already our political friend and ally, the time has come that they also become our economic partner. I look forward to the benefits, short and long-term, that will come as a result of this historic free trade area agreement. I would like to take this opportunity to compliment the Clinton and Bush Administrations for recognizing its significance and pushing the agreement forward.

Mr. DURBIN. Mr. President, I rise today in support of this trade agreement between the U.S. and Jordan. It is important in terms of national security. Jordan is important in the quest for peace and security in the Middle East, which couldn't come at a more appropriate time. It is important economically—without a healthy Jordanian economy, they will not be able to play a constructive role in the Middle East.

For me, it is important because it recognizes that included in the economic relationship between the U.S. and Jordan are labor and environmental standards. It goes without saying that domestic labor markets and environmental standards are relevant

to competition within a nation and between nations. Both the U.S. and Jordan have strong practices in the areas of labor and the environment.

Some critics of this historic legislation counsel us that if either country fails to meet their commitments to enforce these or other provision of the agreement, they do not expect or intend to use traditional enforcement mechanisms to enforce them. This kind of talk is unfortunate. To say that regardless of the violations in a trade agreement, enforcement mechanisms will not be used is irresponsible. Trade sanctions are always a last resort. But to set a precedent in any agreement that under no circumstances is there an expectation they may have to be used is a mistake an unwise precedent.

I should remind critics of this legislation that the agreement carefully sets up a framework for various consultations and mediation over a long period of time before either party could use sanctions only after recurring violations affecting trade and only with appropriate and commensurate measures. This is clear. Cutting corners on the important issues of labor and environmental standards in trade agreements is a step backwards for future constructive action on trade.

I support this agreement because of the importance of our relationship and because the timing couldn't be more important. I support this agreement because we need to support our friends in the Middle East. By passing this legislation today, the United States Senate sends a clear signal of support to our many allies in the Middle East and a clear signal to Osama Bin Laden that we stand united with his neighbors to do whatever we can to promote the economies between civilized nations.

Mr. HATCH. Mr. President, I rise to urge support of the free trade agreement between the United States and Jordan.

As ranking Republican member of the Trade Subcommittee of the Finance Committee, I am pleased that the Jordanian Free Trade Agreement was approved by the full committee and now is receiving floor consideration.

While some would say that this agreement amounts to nothing more than a garden variety trade agreement, they would be wrong. From a strict U.S. economic perspective, it is not a major agreement. However, as King Abdullah has made clear, from the standpoint of the Jordanians, it is an important precedent for his country and for other nations in the region. This was true before the tragic events of September, and may be more true today as our country wages a campaign to reach out to moderate Arab states.

Bilateral free trade agreements between the U.S. and other countries help establish a mutual understanding of the norms and expectations of trade. I think when foreign business interests enter into trading partnerships with American firms under a free trade agreement, both parties can benefit economically, and the U.S. and our trading partner will almost inevitably grow closer together due to this type of joint enterprise.

I must commend Chairman Baucus and Ranking Republican Member Grassley for their work on this agreement.

Anyone who has followed the debate on this agreement knows that progress was slowed by a vigorous discussion of how the ambiguous language pertaining to labor and the environment in the Jordanian agreement might, or might not, serve as a precedent in any trade promotion authority legislation adopted by Congress.

It is clear that the biggest stumbling block to passage of TPA legislation is how labor and the environment are handled. As a proponent of free trade, I have serious reservations about any move that would make labor and environmental concerns central concerns of trade negotiations.

While I know that there may be some in the Senate who would like, for proper but misguided motivations, to attempt to raise the standard of living in the developing world through the implementation of non-trade aspects in trade legislation. But we must not confuse trade negotiations with social engineering. Our chief goal in trade negotiations must focus on benefitting American consumers and American workers.

We must remember that what is good for the goose is good for the gander. If we try to impose our views on labor and environment on our trading partners, we should not be surprised if one day these trading partners complain that our food safety laws are insufficient, our air pollution levels too high, and our minimum wage too low.

Even prior to the terrorist attacks two weeks ago, the economy was losing steam. It seems to me and I am sure to many other members of the Senate, that one good way to help revive and stimulate our economy is to pass trade promotion authority legislation. Fast track can help put our country back on the right path to economic recovery and growth.

While it is my hope that we can work on a bi-partisan basis to pass TPA legislation before we adjourn for the year, the Jordanian agreement is not the vehicle to resolve all these issues. Today, we can accomplish a significant achievement by adopting the Jordanian agreement.

On balance, this is a good agreement with a good partner, Jordan. It is not a model for how labor and environmental concerns should be addressed in trade promotion authority legislation. It is a statement to those in the MidEast and around the world that the United States is a good partner. King Abdullah and other world leaders need to know that partnering with the United States can result in tangible benefits to their citizens.

I urge my colleagues to vote for this measure.

Mr. MURKOWSKI. Mr. President, the U.S.-Jordan Free Trade Agreement is an important acknowledgment of our long-standing friendship with the Hashemite Kingdom of Jordan, which has been a stalwart ally in pursuing peace and prosperity in the Middle East. Opening our markets to free trade with one another is appropriate, not simply in order to foster the opportunities free trade can bring between our two economies, but to draw our countries closer together in the struggle for peace.

I have been an advocate of this free trade agreement since the prospect of its negotiation was first raised some years ago. I believe strongly in the power of trade to eliminate poverty, encourage political transparency and draw nations closer together. I also believe that free trade is one of the best manifestations of mutual understanding, trust and congruent interests two like-minded countries as the United States and Jordan can have. So I have strongly supported the negotiation and implementation of this agreement on the essential policy grounds on which it is founded.

I do not, however, support the inclusion in this agreement of politically charged provisions linking trade remedies to environmental and labor standards. We have learned over the years that as a means to enforce expressions of U.S. political will on other nations, trade sanctions are ineffective at best. Quite often, they do more harm to American interests, including the very interests they are invoked to serve, than doing nothing at all. Those that champion the linkage of trade with non-trade interests understand this basic fact quite well. Sanctions do not work. Sanctions are nothing more than thinly-veiled proxies for economic protectionism.

The effort to link trade and environmental and labor standards are largely championed by those whose primary interest is in limiting the growth of trade. The labor movement is understandably interested in limiting the impact of trade on entrenched labor interests. Their desire is to maintain the economic status quo, not to promote growth through competition. Likewise, the American environmental movement perceives economic growth as inherently counter to their interests in preserving the environmental status quo. The evidence is overwhelming that the long-term benefits of trade are vastly more positive for labor and environmental interests. However, labor and enviromental groups serve only narrow, short-term interests.

Those of us who understand the overwhelming economic and social benefits of expanded trade are rightly concerned, therefore, with the inclusion of environmental and labor provisions in trade agreements. Even seemingly innocuous provisions such as those slipped in, almost mischievously, by the previous Administration into the U.S.-Jordan Free Trade Agreement are

designed as poison pills by the interest groups which championed them. They are invitations for mischief-making on a grand scale.

There is no doubt that opening markets to new economic activity places new pressures on labor and environmental concerns. Attention to easing such impacts is thoroughly appropriate in implementing new trade agreements. To condition trade on prescribed labor and environmental standards is, however, to do the work of the opponents of trade. When, as in the case of the Jordan Free Trade Agreement, we establish an open-ended and vague linkage between trade and non-trade standards, we ransom our long-term policy interests for short-term political gain.

Jordan is not, happily, a model for future trade agreements. Our interests in pursuing a free trade agreement with Jordan are unparalleled and unique. An attempt to draw parallels between the negotiated Jordan agreement and negotiations toward a new WTO Round, a Free Trade Agreement with the Americas, or even new bi-lateral agreements with other countries is fool's errand. The reasons pro-trade Americans support the agreement with Jordan have few echoes in our support for other more clearly economically-based trade negotiations. Jordan is the exception that proves the rule: trade agreements must stand on their own, or they will not stand.

Mr. McCAIN. Mr. President, I am pleased to support passage of S. 643, the U.S.-Jordan Free Trade Area Implementation Act. Two weeks ago, a proud symbol of global free trade was destroyed by terrorists in New York City. The terrorists who struck the World Trade Center meant harm not only to the United States, but to the entire civilized world. In this new era, our attention turns increasingly to defending against this catastrophic threat, and to pursuing policies that advance our interests overseas and reflect the values of our people.

Strengthening our strategic relations with our friends in the Middle East has become an urgent priority of American policy. This free trade agreement marks an important benchmark in U.S. relations with Jordan, an island of moderation and stability in a volatile region. U.S.-Jordanian intelligence cooperation will be helpful to our efforts to crack down on terrorism at its source. That Congress has made ratification of this bilateral trade agreement a priority as we wind down the current session while sorting through the pressing obligations ahead reflects its meaning to our people, and our mutual interests.

The U.S.-Jordan Free Trade Area represents the first free trade agreement the United States has negotiated with an Arab nation. Liberalized trade with Jordan will benefit both our economies. Although various Jordanian and American goods already enjoy duty-free status or low tariff rates, this free trade area will ensure that Jordanian and American consumers enjoy an expansion of commercial choice and value. Both nations will also benefit from greater foreign direct investment and trade-related job creation.

I remain concerned about the hostility this Congress has shown towards free trade. Many important new trade bills enabling the expansion of bilateral and multilateral trade have not moved through the legislative process this year. Existing laws, such as the Andean Trade Preference Act and the Generalized System of Preferences, are set to expire shortly but have received little if any attention from Congress. This summer, we struggled as a body to determine whether or not we would honor our Nation's solemn commitments to NAFTA, an invaluable trade agreement with our neighbors and largest trading partners.

Indeed, it has seemed as though free trade is no longer a priority of this body. In addition to the strategic significance of this legislation to U.S.-Jordanian relations, it is my hope that passage of this bill represents a change in the direction this Congress will take toward a policy of free trade that has upheld our prosperity and advanced our values around the world.

Mr. LEVIN. Mr. President, the U.S.-Jordan Free Trade Agreement is an important agreement and I am pleased the Senate has agreed to pass it by unanimous consent today. The agreement will provide a closer economic relationship with the Hashemite Kingdom of Jordan, which has proven itself to be an important strategic ally in the Middle East. Importantly, this agreement also represents the first free trade agreement to include in the core text, binding provisions recognizing the trade impacts of labor and environmental standards. The agreement sets a precedent that future trade agreements should follow.

Some in the Senate have opposed the agreement because of the labor and environmental provisions. The Administration responded to this opposition by exchanging side letters with the Government of Jordan indicating that neither country expected or intended to use trade sanctions to enforce the agreement. These letters do not specifically mention the labor and environmental provisions of the agreement. The exchange of letters was, however, clearly aimed at the labor and environmental provisions. I think that this exchange of letters was unfortunate. I continue to support the agreement, though, because the letters did not affect the text of the agreement. I believe in the need to have meaningful and binding labor and environmental provisions in trade agreements, provisions that are fully enforceable and can be implemented through the same mechanisms as any other part of the agreement.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

The Senator from Nevada.

Mr. REID. Mr. President, there are a number of Senators wishing to speak. The unanimous consent agreement indicated that this debate would be for 2 hours, which would end at about 2:08. I ask unanimous consent that the time be extended an additional 4 minutes on each side and that the vote occur thereafter.

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

Mr. REID. Just to alert everyone, the two leaders may wish to speak on this legislation. If they do, they will use leader time and extend the time until we vote a little more. If that is the case, they can come and take care of that themselves. So the vote, as I understand it, will occur at approximately 2:15, 2:16, something like that.

The PRESIDING OFFICER. The Senator is correct.

Who yields time?

The Senator from Montana.

Mr. BAUCUS. Mr. President, as a consequence of the recent change in time, will the Presiding Officer indicate how much time is available to each side?

The PRESIDING OFFICER. The Senator from Montana has 5 minutes 20 seconds, and the Senator from Texas has 17 minutes.

Mr. BAUCUS. I thank the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, it may very well be that the distinguished chairman of the Finance Committee would like to end the debate. I will afford him that courtesy.

Let me just try to sum up very briefly by saying I am hopeful we can work together on a bipartisan basis to have trade promotion authority. There is no temporal issue that I have stronger feelings about than trade. I see it as an extension of freedom. I see it as the great promoter of economic opportunity and prosperity and happiness in the world. I am in favor of world free trade. Obviously, I am in favor of free trade with any individual nation.

There are very real problems when you bring domestic law into these trade agreements, and I have outlined today the two problems you have in trying to inject, in this case, domestic labor law, domestic environmental law, and then the enforcement of those laws through regulation. When you bring them into trade agreements, you create two very real problems: First, you give an extraordinary grant of power to the executive branch of Government to

write domestic laws in a context where Congress' powers to debate and amend are severely limited; and, second, you pass decisionmaking authority, as to America's intent and as to the impact of the making of domestic law, to an international decisionmaking unit. And you create a situation where literally, with strong popular support, with the best of intentions, with the goal of promoting the well-being of our people—and the only legitimate objective of American Government is to promote the well-being of its people—we could find ourselves in a situation where a change in a labor or an environmental law was judged by an international decisionmaking body or dispute resolution mechanism to benefit us in trade, and I would hope that would be one of our objectives in passing law. But by judging it in those terms, we could literally have tariffs imposed on any American product sold on the world market, and the net result would be severe limits on our national sovereignty.

These are very real issues. They are not easy to fix. If you are going to extend trade promotion authority into the area of domestic law—in this case, labor and environment—my own preference would be, knowing that trade promotes the environment, knowing that trade promotes labor rights by promoting competition, the ultimate right of a worker comes down to their ability to quit and go get another job. That is the ultimate worker right: I do not have to worry about somebody protecting my rights and treating me well when I can go across the street.

Trade promotes that kind of competition. But there are two sides to every story. I know the distinguished chairman has very different views, at least on what he hopes to achieve with labor and environmental provisions.

I conclude by saying I am willing to try to work with him to come up with a way of finding a solution to this problem so that we can give the President trade promotion authority at a time when we desperately need it, at a time when we need to be promoting world prosperity, and at a time when we need to be promoting democracy and capitalism, because democracy and capitalism do not give rise to the kind of hate that endangers us and our people and our future and our happiness. I do think it is important that we work this out. But these are very real issues, very tough issues.

Let me conclude by saying that in having this bill go forward, from my own viewpoint, this is a decision that was made based on the necessity of approving this agreement now as we are looking at a long and difficult war on terrorism, a trade agreement that in the big scheme of economics is not very important, but the country with which we are entering into this agreement is a critical country, critical for American interests in the Middle East. And it is in the Middle East that many of our problems with world terrorism are focused. Without setting a precedent for this labor and environmental extension into trade or loss of sovereignty or violating the separation of powers, I intend to support the agreement.

I reiterate, in conclusion, that I am willing to work with anybody to try to find a way to get trade promotion authority for the President. It would be a great tragedy if we adjourn this year without the President having this authority. It is an arrow in his quiver that he needs to fight this war. We are not going to win this war just with bullets, though we need some bullets and we need them properly delivered. However many we need, I am willing to buy. That alone will not win this war. Trade and the mutual respect it creates will be important tools, as important as bullets in winning this war.

This trade promotion authority is very important, but to deal with it, we have to come to grips with these issues.

I yield the floor.

The PRESIDING OFFICER (Mr. BAYH). The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield myself the remainder of the time.

I first wish to congratulate Charlene Barshefsky, the very able U.S. Trade Representative who negotiated this agreement, and also President Bush and his administration. They have been very far-sighted in urging the Congress to pass this legislation for all the reasons I and others have mentioned.

I also thank my colleague and good friend from Iowa, Senator GRASSLEY, ranking member of the committee, for his steadfast support for this agreement.

This agreement was signed by both countries last October. The implementing legislation was passed by the House before the August recess. A virtually identical bill was reported out of the Finance Committee with only two dissenting votes, again before the August recess.

The point being, there was immense support for this agreement even before the disastrous events of September 11. Certainly, the events of September 11 make it all the more important now that we pass the bill to implement this agreement.

I also thank Senator GRAMM for allowing this bill to come to the floor. He had earlier expressed his disagreement with the bill to the point where its passage was a little bit uncertain. I very much thank the Senator for allowing this bill to come up and pass and for his support of the bill at this time.

I respectfully disagree with some of his concerns. First, the distinctions he suggests between trade and non-trade issues are just not valid. We have a whole plethora of domestic issues routinely included in trade agreements, whether patents or copyrights or trademarks, uses of geographical names on labels, farm tilling practices. That gets pretty domestic. You can't get more domestic than farming. We address farm tilling practices in our discussions of trade. They are now very much in discussion between the European Union and ourselves with respect to which practices are included as trade-distorting subsidies and which are not. There are a lot of domestic issues that are included in trade agreements.

Second, the statement has been made that this agreement impinges upon American sovereignty. It is important to remind ourselves that any agreement the U.S. Government enters into with another country to some degree has sovereignty consequences. Arms control, for example, the Montreal Protocol restricting chloroflorocarbons, tax treaties, all have consequences for American sovereignty. International agreements are not a free lunch. They are bargained-for agreements that have consequences and have effects on each country's sovereignty.

Also, it is important to remember that a lot of traditional economic provisions included in trade agreements have some effect on our sovereignty. For example, in the GATT, we have mutually agreed to reduce tariffs. If we didn't agree to reduce our tariffs, we would never get other countries to reduce theirs. The issue of intellectual property rights is another example. Agreements in this area have consequences to one degree or another on actions that this country may or may not take.

The main point I wish to make is that the agreement before us does not infringe upon U.S. sovereignty because, under the agreement, neither country is required to change its laws. And there has been a lot of talk about international dispute settlement mechanisms. There is no binding international dispute settlement mechanism in this agreement. If there is a dispute, as I mentioned previously, three conditions have to be met for either side to request consultations. I won't go through those conditions again, because time is limited. But even if a party claims that the three conditions are met, the next step is to go to mediation, not arbitration. There is mediation, and it is non-binding.

A mediator might suggest to the United States or to Jordan, let's say the United States, that the United States has done something untoward. The United States can accept it or not accept it. There is no requirement whatsoever for the United States to accept what a non-binding mediation panel—one panelist named by the United States, the other by Jordan, a third selected between them—might suggest. Again, it is non-binding.

Finally, I might say that I do believe this agreement does set a precedent, by definition, because it is the first of its kind. That is a precedent. I hope that all future trade agreements will now, after the passage of this agreement, include proper, reasonable labor and environmental provisions, because that is where we are in the world today.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time? The Senator from Texas.

Mr. GRAMM. Mr. President, I think I have pretty well said everything I came to say. Let me yield back my time and then if someone else wants to speak, they can come speak. If not, we can just remain in a quorum call until we are ready to vote. With that, let me yield back the remainder of my time, seeing the distinguished majority leader.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Mr. President, I thank the distinguished Senator from Texas. Especially I thank the chair of the Senate Finance Committee and the ranking member for their work in getting us to this point.

I simply wanted to come to the floor before the end of the debate to express my strong support for the Jordan Free Trade Area Implementation Act. This is the first-ever U.S. free trade agreement with an Arab country. I think at these very tenuous and challenging times, there could be no stronger statement for us to make than to pass this legislation. I appreciate very much the work by all of those involved to see that it is done.

I note this agreement was negotiated before the events of September 11. We are moving ahead today because forging this agreement is the right thing to do for the people of the United States. It is also the right thing to do for the people of Jordan. It serves as a statement that our enemy is terrorism, not the Muslim world.

More than a year ago, President Clinton and King Abdullah began discussions about how we could more closely link the United States and Jordan, which, as everyone knows, is an increasingly important and strategic friend in the Middle East. This act is the result of those efforts, an important step in deepening that bond. When President Clinton and King Abdullah signed the United States-Jordan Free Trade Agreement a year ago, they expressed their concern about the impact of trade on workers and the environment. I share that concern today.

I am pleased that written into the text for the first time ever are several provisions to protect the environment and the rights of workers.

I see this as not only an important bilateral agreement but hopefully a template for future trade agreements as well.

I recognize, as others have noted, that several of my colleagues have concerns about how this agreement is structured, and I thank them for saving this debate for another day and allowing us to move forward on this important legislation.

Our disagreements on this bill are far outweighed by our areas of agreement. We all agree on the strategic importance and good friendship of the Kingdom of Jordan.

Bordering Israel, Syria, Iraq, and Saudi Arabia, Jordan sits in the middle of a wide range of critical U.S. national interests—geographically and politically.

This centrality has been bolstered by Jordan's supportive orientation toward U.S. interests. This agreement should stand as a strong symbol of the importance we attach to our relations with Jordan.

The Jordanians have taken admirable steps to improve relations with Israel, including the 1994 peace treaty that helped to advance the Middle East peace process.

This trade agreement, as the foreign assistance and debt relief before it, is a signal to Jordan that we appreciate its efforts at peace in the Middle East and that we hope for more.

That view is held by Israeli Prime Minister Sharon, who, on his first visit to Washington as Prime Minister, urged Congress to pass this historic trade agreement.

This trade agreement is also a signal to King Abdullah that we support his efforts at economic modernization. He and his team have instituted a series of significant economic reforms in order to restore growth.

We understand those reforms, while necessary, are painful. With this vote today, we are telling the Jordanians their reform and austerity will pay dividends.

Lastly, and most importantly, this agreement signals that the United States is not the enemy of the Arab and Muslim world.

Osama bin Laden and his associate extremists argue that the West is waging a war on Islam. Nothing could be further from the truth. We are waging a war on terrorism.

Jordan's participation in this international coalition against terror will only hasten our triumph and isolate the extremists and criminals who attacked America 2 weeks ago.

By further solidifying our important relationship at this critical time, the United States-Jordan Free Trade Area Implementation Act will give further impetus to the international coalition against terrorism and advance vital U.S. national security interests as well.

For these reasons, I come to the floor in support of H.R. 2603 and hope that all my colleagues will do the same.

I yield the floor.

The PRESIDING OFFICER. All time has expired. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 2603) was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (H.R. 2603) was passed.

Mr. BOND. Mr. President, I move to reconsider the vote.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

NOMINATION OF KIRK VAN TINE, OF VIRGINIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF TRANSPORTATION

The PRESIDING OFFICER. The Senate will now go into executive session and proceed to vote on Executive Calendar No. 385, which the clerk will report.

The assistant legislative clerk read the nomination of Kirk Van Tine, of Virginia, to be General Counsel of the Department of Transportation.

The PRESIDING OFFICER. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Vermont (Mr. JEFFORDS) is necessarily absent.

Mr. NICKLES. I announce that the Senator from Pennsylvania (Mr. SANTORUM and the Senator from Nevada (Mr. ENSIGN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 285 Ex.]

YEAS—97

Akaka	Dorgan	McCain
Allard	Durbin	McConnell
Allen	Edwards	Mikulski
Baucus	Enzi	Miller
Bayh	Feingold	Murkowski
Bennett	Feinstein	Murray
Biden	Fitzgerald	Nelson (FL)
Bingaman	Frist	Nelson (NE)
Bond	Graham	Nickles
Boxer	Gramm	Reed
Breaux	Grassley	Reid
Brownback	Gregg	Roberts
Bunning	Hagel	Rockefeller
Burns	Harkin	Sarbanes
Byrd	Hatch	Schumer
Campbell	Helms	Sessions
Cantwell	Hollings	Shelby
Carnahan	Hutchinson	Smith (NH)
Carper	Hutchison	Smith (OR)
Chafee	Inhofe	Snowe
Cleland	Inouye	Specter
Clinton	Johnson	Stabenow
Cochran	Kennedy	Stevens
Collins	Kerry	Thomas
Conrad	Kohl	Thompson
Corzine	Kyl	Thurmond
Craig	Landrieu	Torricelli
Crapo	Leahy	Voinovich
Daschle	Levin	Warner
Dayton	Lieberman	Wellstone
DeWine	Lincoln	Wyden
Dodd	Lott	
Domenici	Lugar	

NOT VOTING—3

Ensign	Jeffords	Santorum

Mr. LEVIN. Mr. President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.