RESERVATION OF LEADER TIME

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

TRADE ACT OF 2002—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the conference report accompanying H.R. 3009, which the clerk will report.

The bill clerk read as follows:

A conference report to accompany the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 10:30 a.m. shall be equally divided between the Senator from Montana, Mr. BAUCUS, or the Senator from Iowa, Mr. GRASSLEY, and the Senator from North Dakota, Mr. DORGAN, or his designee.

The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I rise today to urge my colleagues to vote yes on the motion to invoke cloture on the trade bill. Three months ago, the Senate passed its version of the Trade Act of 2002. It was a strong bill, it was a progressive bill, and it passed overwhelmingly with strong bipartisan support.

We now have completed our conference with Representatives of the House. I am pleased to present the Senate with a conference report that retains and builds upon key elements of the Senate bill.

Let me begin by discussing the reestablishment of the President's fast-track trade negotiating authority. This authority will make it easier for the President to negotiate strong trade agreements, but we do not give the President a blank check. Far from it. The bill makes Congress a full partner in trade by laying out negotiating objectives on a number of topics and creating a structure for consultations—I might add, much stronger than previous fast-track bills.

Most of the debate on fast track has focused on three trouble spots in trade negotiations: Labor rights and environmental standards; so-called chapter 11 provisions; and U.S. trade laws.

Let me turn to them. First, labor and environmental standards. Most importantly, this bill adopts the standards set forth in the United States-Jordan Free Trade Agreement; that is, as a floor. No standards in future trade agreements can go below the floor set in the United States-Jordan Free Trade Agreement, which is a pretty high floor, but certainly agreements can be higher.

In that agreement, in the United States-Jordan Free Trade Agreement, both parties agreed to strive for labor standards articulated by the ILO and for similar improvement in environmental protection. Both countries also agreed to faithfully enforce their environmental and labor laws and not to waive them to gain a trade advantage.

The conference bill's fast-track provisions fully adopt the Jordan provisions, and the bill makes it clear that Jordan is the model for every free-trade agreement we negotiate; that is, the bottom floor is Jordan. Again, agreements can go higher. That is a big step forward.

In addition, the conference report obtains negotiating objectives seeking to eliminate the worst forms of child labor. Senator HARKIN has been a tireless advocate on this issue, and I am proud the conference report includes this important objective.

Another contentious issue pertains to investor-state dispute settlement, also known as chapter 11, in reference to provisions on this topic in NAFTA, the North American Free Trade Agreement.

The conference report attempts to balance the legitimate needs of U.S. investors with the legitimate needs of Federal, State, and local regulators, and the concerns of environmental and public interest groups.

The bill directs trade negotiators to seek provisions that keep Chapter XI-type standards in line with the standards articulated by U.S. courts on similar matters.

It urges the creation of a mechanism to rapidly dispose of frivolous complaints and to deter their filing in the first place.

And it urges the creation of an appellate body to correct legal errors and ensure consistent interpretation of key provisions by Chapter XI arbitration panels. That is a level playing field.

So neither country has an advantage, and neither investors on the one hand, nor municipalities nor environmental groups on the other hand, have an advantage. It is a totally level playing field.

I am pleased that, on the whole, we were able to retain the Senate objectives on investment.

The second difficult issue within fast track is how we ensure fair trade.

To battle unfair trade practices, the United States and most other developed countries maintain antidumping and countervailing duty laws. Another critical U.S. trade law—Section 201—aims to give industries that are seriously injured by import surges some time to adapt.

Rather than being protectionist these laws are the remedy to protectionism. And importantly, these laws are completely consistent with U.S. obligations under the WTO.

On a political level, these laws also serve as a guarantee to U.S. industries and U.S. workers.

Without those critical reassurances, I suspect that the already sagging public support for free trade would evaporate, and new trade agreements would simply become impossible.

Now, the Senate overwhelmingly supported an amendment by Senators DAYTON and CRAIG. That amendment provided a process for raising a point of order against a bill that changes trade remedy laws.

The House bill did not include this provision—although I expect the House might support such a provision if put to a vote.

That said, in the conference process we needed to come up with an alternative if we were going to move forward. I believe the provisions that have come out of that process are very strong—and give Congress an important role before an agreement is finalized. Let me explain.

First, this legislation raises concerns regarding recent dispute settlement panels under the WTO that have ruled against U.S. trade laws and limited their operation in unreasonable ways. These decisions clearly go beyond the obligations agreed to in the WTO and undermine the credibility of the world trading system. We must correct these erroneous decisions.

That is why our concern regarding WTO dispute settlement is identified at the very outset of the bill—as findings—and why the Administration is directed to develop a strategy to counter or reverse this problem, or lose fast track.

This bill also contains a principal negotiating objective directing negotiators not to undermine U.S. trade laws. This fully expresses Congress's view that maintaining trade laws is among the highest priorities in our trade negotiations.

Finally—and most importantly, I believe—this bill directs the President to send a report to Congress, 6 months before he signs an agreement, that lays out what he plans to do with respect to our trade laws.

This is important. This provision provides that the President—before he reports on any other issue—must lay out any changes that would have to be made to U.S. trade laws. This will give Congress a chance to affect the outcome of the negotiations well before they occur.

In fact, to buttress that point, the bill provides for a resolution process where Congress can specifically find that the proposed changes are ''inconsistent'' with the negotiating objectives. I suspect that if either House of Congress were to pass such a resolution—by the way, it is privileged. I mean it is nondebatable. It cannot be filibustered. So the relevant committees—House Ways and Means and Senate Finance—report this out, and it starts with a resolution offered by any Member of Congress in the respective bodies. I suspect that resolution—again, privileged, not filibustered, not amendable—would be very much listened to by the President.

If they don't get that message, there are ways that either House of Congress can derail a trade agreement. But I don't think it would come to that. I think the agreement would be renegotiated in that circumstance—and that is the point.

This is a solid fast track bill. If passed, this will be the most progressive fast track bill we have ever had.

Let me turn to the portion of the bill that I believe is the most historic. We now have a unique opportunity to expand and improve a program that is a critical part of moving toward a consensus on trade—that program is Trade Adjustment Assistance.

TAA is a program with a simple, but critical, objective: To assist workers injured by imports to adjust and find new jobs.

TAA was created back in 1962 as part of an effort to implement the results of the so-called Kennedy Round agreement to expand world trade.

President Kennedy and the Congress agreed that there were significant benefits to the country as a whole from expanded trade. They also recognized, however, that some workers and firms would inevitably lose out to increased import competition.

TAA was created as part of a new social compact that obliged the Nation to attend to the legitimate needs of those that lose from trade as part of the price for enjoying the benefits of increased trade.

Unfortunately, we have not always upheld that bargain in pursuing new trade agreements.

This legislation aims to fulfill the bargain struck in 1962.

It makes several important changes in the TAA program to make it more effective:

First, the conference bill expands the number of workers eligible for benefits.

Like the Senate bill, the conference bill covers secondary workers.

The conference bill also expands coverage to workers affected by shifts in production. Workers are automatically covered if their plant moves to a country with which the United States has a free trade agreement, or to a country that is part of a preferential trade arrangement.

For workers whose plant moves to any other country, benefits are available if the Secretary of Labor determines that imports have increased or are likely to increase.

''Or are likely to increase'' is very important because obviously if a plant moves to another country, imports are likely to increase. Since companies that move offshore typically ship back to the United States, I can think of no circumstances in which relocating production abroad would not be accompanied by or lead to an increase in imports of the product.

Moreover, I would note here that the workers do not have to prove that the increase in imports will come from the country to which production relocated. This is a standard that is easily satisfied.

In addition, the conference agreement also includes a new program for farmers, ranchers, fishermen, and other agricultural producers.

Taken together, these expansions in eligibility are likely to result in a program that would cover under 200,000 workers per year.

Moreover, TAA benefits are substantially improved.

For the first time in the history, we provide health care coverage for displaced TAA workers.

Who would have thought—when we started this process 2 years ago—that we would be able to achieve such an important and laudable goal?

But that is exactly what we accomplished. Workers eligible for TAA will now receive a 65 percent advanceable, refundable tax credit that can be used to pay for COBRA coverage, that is, coverage related to lost health insurance on account of lost jobs or a number of other group coverage options through the States. This assistance is available to workers for as long as they are participating in the TAA program.

I am pleased with the health care provisions in the conference report, and I hope that we can bring the same willingness to work together and compromise to other important health care issues before us.

The conference report also extends income support from 52 to 78 weeks to allow workers to complete training. And thanks to the efforts of Senator EDWARDS, it adds a further 26 weeks of training and income support for workers who must begin with remedial education such as English as a second language. To pay for this additional training, the annual training budget is doubled from $110 million to $220 million.

For older workers, the conference report offers wage insurance as an alternative to traditional TAA. Workers who qualify and who take lower-paying jobs can receive a wage subsidy of up to 50 percent of the difference between the old and new salary—up to $10,000 over 2 years. The goal is to encourage on-the-job raining and faster re-employment of older workers who generally find it difficult to change careers.

The bill included a 2-year wage insurance pilot program. The conference report improves on the Senate bill in two ways—by making the program permanent, and by providing TAA health benefits to workers under the program if the new employer does not provide health insurance.

Finally, in addition to expanding benefits and eligibility, the conference agreement makes a number of improvements that streamline the program. It eliminates bureaucracy. It makes the program fairer, more efficient, and more user friendly. And I believe it will meet the ultimate goal of TAA—getting workers back to work more quickly.

All told, this bill amounts to a major expansion and a historic re-tooling of TAA—a step that is long overdue.

Forty years ago, President Kennedy asked Congress for trade liberalizing legislation. It was a much simpler bill at that time, when trade issues were more narrowly defined, but it was still controversial. For many of the same reasons, that remains controversial today.

President Kennedy emphasized the importance of trade for our economy, for our workers, for American leadership, and the world. He also recognized, even then, that trade also creates dislocation and that a new program, trade adjust assistance, was needed to help workers left behind by trade. Congress seized that opportunity and passed the Trade Expansion Act of 1962.

Today, we, too, can show the world and America what we stand for. Building not only on the vision of President Kennedy but also on the efforts of the Presidents who followed him, we can show the world that America will lead the way in building a new consensus on international trade. We, too, must seize that opportunity.

I urge my colleagues to vote to invoke cloture and to pass the conference report.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Mr. President, first of all, this debate, if it is like most debates on fast track, will not be a very thoughtful debate. There is a relentless chanting about free trade and the global economy, but no discussion about what is really happening in trade.

I believe in expanded trade. I believe expanded trade helps our economy and helps economies around the world. I am not someone who believes we should put walls around our country and try to keep other goods out of our country. I do believe, however, our country has a right to be a leader in demanding and insisting on fair trade. That has not been the case for several decades. I will talk a bit about that.

In October 2001, our trade Ambassador, Mr. Zoellick—a man I like—speaking to a business group in Chicago, described opponents of trade promotion authority as ''xenophobes and isolationists.''

That is fairly typical of the prevailing view on trade. There is a perception that this debate has two camps: The camp that is able to see over the horizon, they get it, they understand it, they understand the global economy, and they understand all of the issues; and then there are the others, xenophobic, isolationist stooges who cannot and will not understand.

The Senate is preparing to give the administration the power to negotiate trade agreements in secret, and bring them back to Congress for very limited debate. Congress will have in place a procedure that will prevent the Senate from ever changing even one word of the agreement. In other words, Congress signs itself up to say: Handcuff us. Handcuff us so we cannot change a word in the next trade agreement you bring back. We understand we will not be part of the negotiation, we understand we will not be in the room, we will not even know where they take place, but we agree beforehand that whatever you bring back to us, we will not change a word.

Had I been able to change a word of the United States-Canada Free Trade

Agreement, we would not have the problem with grain trade with Canada we have had for a decade. When that trade agreement came back to the Senate, I could not change one word because Congress passed fast track.

Trade promotion authority is a euphemism for what used to be known as fast track. It is Congress handcuffing itself, saying: Whatever you negotiate, wherever you negotiate it, we promise not to offer one amendment to change one word of the trade agreement.

There are people who will sign up for almost anything. I saw in the paper a while back that the Oscar Meyer Weinermobile was advertising for a driver. The Oscar Meyer Weinermobile, which we have seen in clips, needed a driver, and 900 college graduates applied. I thought to myself, people will sign up for almost anything, won't they? Nine hundred college graduates aspire to drive the Weinermobile.

Then I see people signing up for the proposition that the Congress ought to handcuff itself, in advance, before a trade agreement is negotiated in secret in some location we do not yet know, and I see people say: Sign me up, I think that is a good deal.

Let me describe the circumstances in which we find ourselves after a barrelful of this trade strategy. This chart represents red ink, trade deficits. Today is Thursday. Today, the American people and our Government, our country, will incur a $1.4 billion deficit—just in this one day. Today, every day, 7 days a week, our trade deficit is relentless, and it increases at a relentless pace. The deficit for this year will go off the chart, by the way. That is a trade deficit we owe not to ourselves, as we do with the budget deficit, it is a trade deficit we owe to other countries.

We have people who think this strategy works. Would this be malpractice in medicine if a doctor prescribed medicine and it did not work, and he prescribed it again and it did not work, and he said, let's keep prescribing the same medicine that does not work? How about a football team that calls the same plays despite the fact it does not work?

That is exactly what we are doing in international trade. The same people made the same promises then that they are making now: If we can just do more of the same, our country will be better off. Total nonsense.

The last big debate we had was NAFTA—United States, Canada and Mexico. Prior to that debate, we had a very small trade surplus with Mexico. We had a surplus with Mexico and a reasonably modest trade deficit with Canada. We had people promising the Moon: If we just do this, if we sign up for the NAFTA agreement, if you let us negotiate it in secret—if you allow us to do that, we will add 300,000 new jobs in the United States of America. Total nonsense.

Here is what happened after NAFTA: A trade surplus with Mexico turned into a very large deficit; a modest trade deficit with Canada turned into a huge trade deficit with Canada. People said: Well, if you just sign up to this, we will import the skills of low-skill labor from Mexico; that is what we intend to have happen. Do you know what the three largest imports from Mexico are? Electronics, automobiles, and automobile parts—all the product of high-skill labor. So the deficit explodes. Now we have a very large combined deficit with our two trading partners on the south and north of us, and we have people in the Senate who said: Boy, this is really working. What a great deal for our country.

I graduated from a small school, a high school class of nine in my senior class. I know we did not have all the advanced mathematics some other people had, but this surely must be the only venue in America where grown men and women add 2 and 2 and get 5 and compliment each other on their math skills.

In this morning's newspaper, there are reports about anemic economic growth, and worries about a double dip recession. According to economists, the trade deficit has done a lot to reduce our economic growth to just 1.8 percent.

The fact is, this trade deficit matters, and we are getting clobbered by it. It ties an anvil to the neck of this country's economy. And we have people coming to the floor of the Senate saying: let's do more of the same; let's do much more of what is not working. I, for the life of me, cannot understand that.

Postcloture, I am going to give a speech that describes the details of all of this and ask the question: Why are we all so interested in having the next treaty negotiated, or the next trade agreement negotiated, before even one problem is fixed? Let me give you some examples of problems, even if I do not describe them all now.

How about eggs to Europe, high-fructose corn syrup to Mexico, automobiles to China, automobiles to Korea, potato flakes to Korea, unfairly subsidized grain from Canada, beef to Japan, flour to Europe? I can go on, and I will go, on at some length about each of those. How about stuffed molasses from Canada? That is an interesting one, stuffed molasses. Brazilian sugar is sent to Canada and then mixed with liquid molasses, put in a container, and shipped into this country in contravention of our trade laws. They take the sugar out of the molasses, send the molasses back to Canada, and everything is as it was before, except we now have Brazilian sugar in our market in contravention of our trade laws and you cannot do a blessed thing about it. When the trade bill left the Senate, it contained a provision that fixed this problem. The bill that came back out of conference essentially dropped this provision. But that is typical of virtually everything in this bill that left the Senate with some decent provisions and came back here washed clean of those provisions.

There is a company in Canada. It is called Methanex. It is a company that makes MTBE, a fuel additive. California has decided it is going to discontinue the use of MTBE in fuel because it ends up in the ground water. The fact is, it poisons people. You have to get it out of the ground water, so you have to stop using it in fuel. So when California decides on behalf of the safety of its citizens to stop using MTBE, a fuel additive that is now showing up in their water supply, guess what. The Canadian manufacturer of that product takes action in the WTO against the United States for violating trade laws. So a State that tries to protect its citizens from a poison going into the water supply is now being sued, under our trade agreement, by a Canadian company.

Guess what. The NAFTA dispute tribunal is secret. They are going to shut the door, lock the door, and in a closed room somewhere—where we will not be told—they make a decision about whether we have the right to protect our citizens.

I offered an amendment on this bill here in the Senate. A wide bipartisan majority of Senators voted for it. It said: Those dispute resolutions must be opened to the public. America needs to see them. Let's have the disinfectant of sunlight on those trade disputes.

That makes sense, doesn't it? Except the trade bill came back from conference with that stripped out.

The bill also came back from conference without the Dayton-Craig amendment, which I cosponsored. The Dayton-Craig amendment said if you are going to negotiate a trade treaty and weaken the laws that protect us against unfair trade, then we deserve to have a separate vote on it. Do you know what they did? They stripped that out and they said: What you can do is you can have a sense-of-the-Senate resolution.

We can have a sense-of-the-Senate resolution right now. That doesn't mean anything. To offer this kind of placebo is an insult. You are either going to stand up for this country's interests or you are not. If you decide you are not going to stand up for this country's interests, just say so. Don't play a game with it.

The Dayton-Craig amendment ought to be in this piece of legislation. The amendment I offered on transparency ought to be in this piece of legislation. Amendments dealing with child protection and child labor issues ought to be in this legislation—and it is not, despite the fact that at its roots it is bad legislation.

We ought not handcuff ourselves. We should not preclude ourselves from offering one amendment to a treaty that has not yet been negotiated at a time and place not yet described; a treaty in which the negotiations are not open to the public. We in the Senate agree we will not offer one amendment; in fact, we will prohibit it. Has anybody read the Constitution lately? That is not what the Constitution says.

People refuse to stand up on the floor of the Senate and say: On behalf of our producers we demand fair trade. On behalf of farmers, steelworkers, textile workers, we are willing to compete. Yes, we want competition, absolutely. Bring them on. We are willing to compete. But we demand fair competition. If it is not fair, we say to those who want to ship their trousers and shirts and shoes and trinkets to us, ship them to Nigeria or Zambia and see how fast they sell. Say to Korea, that sent 630,000 cars into our marketplace and we are allowed only 2,800 cars into Korea: Korea, ship your cars to Zambia. See how many you sell. If you want to keep shipping Hyundais and Daewoos to the American marketplace, then open your market to American automobiles. It is very simple.

I am going to talk more about this during the postcloture period. But my question is very simple: When will the House and Senate stand up for American producers? No, not for an advantage for them, just to demand basic fairness for workers and producers in this country. Just to demand basic fairness. When will we take action?

I said before, maybe if there is a fast track urge around here, maybe if deep in the breasts of people around here they have some urge to do something on fast track, we should pass a piece of legislation that says the only fast track you have, Mr. Ambassador, is to put on fast track the solution to our trade problems. Fix a few problems before you negotiate a new trade agreement, just fix a few problems, then come back here and tell us you have fixed a few, and then we will work with you.

Understand what is going to happen today. We will have a debate that is never at the center of the issue. We will have a vote. We will vote cloture. Then tomorrow, after the bill is passed, the President will talk about how wonderful it is that he has this trade promotion authority, which is fast track. People in Congress will talk about how wonderful it is because they understand the global economy and how important this is. It is all sheer nonsense, and they know it.

I hope tomorrow morning someone will address this question: Why is it when things are not working, you want to do more of it? Why is it you want to do more of that which does not work? Just describe for one moment why you think something that hurts this country is something that we ought to continue.

Let me finish as I started. My speech, especially the speech I will give later where I will go into a lot of specifics, will be misinterpreted, because it always is, as someone who is a xenophobe isolationist who doesn't believe in free trade. I believe in expanded trade. I believe trade promotes opportunity for our country and for others. But I, by God, insist on fair trade for American workers and producers, and I do not believe that after fighting for 100 years in this country for the right to organize, for people dying in the streets for the right to organize in a labor force, for the right to have a safe workplace, for the right not to employ children, 10- and 12-year-old children in coal mines and in factories, for the right to a decent wage—after fighting for those things for a century, I do not believe we ought to construct an economic system where companies can pole-vault over all of that in just a nanosecond and say, ''I renounce my American citizenship, let me become a citizen of Bermuda and put my jobs in Sri Lanka and Bangladesh,'' and not have to worry about all the things we fought about for a century.

Fair is fair. There is a price for admission to the American marketplace. You cannot have a 12-year-old kid, pay him 12 cents an hour, work 12 him hours a day, and ship the product to Pittsburgh or Fargo or Los Angeles and call that fair trade. It not fair to America's workers and or producers. This fast-track trade authority for a trade agreement that has not yet been negotiated is, in my judgment, an aberration.

It ignores the precepts of the consultation about international trade. In my judgment, because of what has happened in recent years, the evidence is clear that it also hurts our country.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. EDWARDS). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume, but I would like to be informed if I have reached the 7-minute mark.

Mr. President, I hope people on the other side of the aisle will take into consideration the statements of the previous President of the United States, President Clinton, on the importance of trade. President Clinton rightly bragged about one-third of the new jobs during his administration being directly related to trade emphasizing the importance of trade. John Deere, Waterloo, IA—one-fifth of the jobs there are related to trade: 3M in Oakville, IA—40 percent of production is related to trade.

We want to remember that trade creates jobs. It creates jobs that pay 15 percent above the national average. According to President Clinton, and according to the economic facts of life, trade is good for American workers—creation of jobs, and creation of good jobs.

I would also like to say that those who have been criticizing President Bush saying he does not have a strong economic team must, in fact, have their heads in the sand.

Compare that criticism to what I just said about the importance of trade as emphasized by President Clinton. Then you will see the strong economic leadership of Ambassador Zoellick and Secretary Evans as they have worked on trade issues generally, and particularly their leadership on trade promotion authority.

Two things about the economic policy of this administration: They have strong leaders in place to talk about the importance of the economy and to carry out policy important to the economy. And particularly they are considering continuing the trend that President Clinton emphasized—the importance of trade to creating jobs, and good jobs.

I think it is bunk that this administration has no strong economic voice, particularly if you look at the strong leadership of Ambassador Zoellick and Secretary Evans on promoting good trade policy, and their very successful work on bringing this legislation to where it is now.

Make no doubt in anybody's mind that I rise in strong support of the conference report accompanying H.R. 3009, the Trade Act of 2002, and urge my colleagues to support cloture and final passage.

This bill is the product of over a year and a half of intense negotiations, discussion, and debate from both Republicans and Democrats in both Houses of Congress—and particularly strong bipartisan support here in the Senate.

Because of these efforts, the Trade Act strikes a solid and balanced compromise among a number of key issues and competing priorities in the tradition of bipartisanship in the Senate. It is a product that should receive broad support here in the Senate today.

The Trade Act of 2002 renews trade promotion authority for the President for the first time in almost a decade.

Through a spirit of compromise, Democrats and Republicans were able to break the deadlock on trade promotion authority that was the environment during the last term of President Clinton, and we were able to reach a balanced compromise on a number of key issues.

At the same time, we were able to provide the President with the flexibility that he needs to negotiate strong international trade agreements while maintaining Congress's constitutional role over U.S. trade policy.

It represents a thoughtful approach to addressing the complex relationships between international trade, workers' rights, and the environment. And it does so without undermining the fundamental purpose and proven effectiveness of this process now called trade promotion authority.

It is an extremely solid bill. The Trade Act also reauthorizes and improves trade adjustment assistance for America's workers whose jobs may be displaced by trade. I think the trade adjustment provisions in the act are a vast improvement over the legislation that passed the Senate.

Our provisions—which I voted for but wasn't entirely in tune with—would have completely rewritten existing law of trade adjustment assistance.

In doing so, the Senate bill added a number of new, costly definitions, time lines, and ambiguous administrative obligations.

This conference report removes these burdensome and ill-advised changes. Unlike the Senate bill, the conference report simply amends and builds upon existing trade adjustment assistance law.

It adds new provisions which help to actually improve trade adjustment assistance while maintaining a linkage to trade.

In short, the Trade Act improves the Senate-passed trade adjustment bill and represents a balanced approach to ensuring that workers displaced by trade will get the necessary assistance in trading to reenter the workplace.

I also mention the good provisions of the Andean pact because this will help create new employment opportunities in the countries of Bolivia, Ecuador, Colombia, and Peru. It will help us, too, in our efforts there to fight drug trafficking.

I will be the first to admit that this bill is not a perfect piece of legislation. But, all in all, it is fair and balanced. It deserves strong support.

International trade has long been one of our most important foreign policy and economic tools. It was a key component for the last 50 years for enhancing international economic strategy. This bill will make a difference.

Nations around the world are waiting for our call and the usual U.S. leadership of the last 50 years. Trade ministers and cabinets all over the world are looking to the Senate now for the United States to reestablish its leadership that we haven't had for 9 years. I hope we will not let them down.

I urge support for the conference report, vote for cloture and passage of the bill.

I yield the floor.

Mr. BAUCUS. Mr. President, before the Senator from Idaho speaks, I want to thank him for all his hard work on trade remedies. And I thank him, too, for the support and for being a very strong advocate of checking American trade laws. I thank him for all that he has done.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank the chairman of the Finance Committee, and also the ranking member.

Mr. President, I rise in support of the trade promotion authority legislation. I will speak briefly about the strong provisions contained within the conference bill that will help the United States preserve the effectiveness of our trade laws.

As many of you know, these laws are going to be critical to the ability of U.S. companies, farmers, and workers to combat trading practices that harm our economic interests. As barriers to trade come down around the world, it becomes critically important to uphold the rules that combat government subsidies and predatory pricing practices.

As many of you know, and many of you participated with Senator DAYTON and I in crafting an amendment aimed at preserving the ability of Congress to have a significant role in shaping our laws, it was not done in an isolationist or xenophobic attitude—not at all. That amendment had overwhelming, bipartisan support, and spoke directly to TPA and the role of the Senate.

I tell you, I was disappointed the conference did not deal with the Craig-Dayton provision, but I do believe the conference bill does contain several strong provisions that require the administration to consult with us every step of the way during trade negotiations.

First, the bill makes trade law preservation a principal negotiating objective.

Secondly, it requires the administration to report to Congress a full 6 months before a trade agreement is initialed regarding any trade law changes that trade agreement would require. In other words, the U.S. Trade Representative must come to the Senate and explain to each of us what will be changed in our laws, and how those changes meet the objectives of trade and also the rights of this Congress. We have gained transparency in the process of negotiation. I think that is critical.

And third, if those changes do not satisfy our requirements of preserving U.S. trade law, well, we can vote on a resolution of disagreement. And I will help write it.

Make no mistake, our trade laws are under attack at the WTO.

First, several countries have put forth proposals that would fire a number of rounds into our trade laws with every intent of sinking them.

Our trade laws are also unraveling, on a monthly basis, before the WTO dispute settlement process where bureaucrats in Geneva sit back and tell our trade law agencies how to make their decisions, completely ignoring the standard of review that was agreed to in the last trade round.

These are some of the issues. So Ambassador Zoellick, Secretary Evans, hear us loud: Do it right or bring it back here and we defeat it.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. CRAIG. Sixty-two Senators said: Do not negotiate away our trade laws, or suffer the consequence.

I yield the floor.

Mr. GRASSLEY. I yield the remainder of the time to Senator NICKLES.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, how much time remains?

The PRESIDING OFFICER. Forty-one seconds.

Mr. NICKLES. Mr. President, I ask unanimous consent to speak for 3 minutes.

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

Mr. NICKLES. Mr. President, I urge my colleagues to vote in favor of the conference report that is before us today and the cloture motion.

Let me just make a couple very quick comments. I do not agree with everything that is in this bill. And I do not agree with the way it was put together. We had three bills together. The Andean trade bill should have been passed a year ago. It expired in December.

You have Colombia, Ecuador, Bolivia, and Peru that have been needing us to pass this bill. Those are all allies of ours, but they were held hostage by it being put in a package. But the only way we can help them is by passing this bill today. It is better late than never. We need to do it. I apologize to those four countries for us taking so long.

We have been collecting duties against our allies when, for years—for over 10 years—we have not done it. So we are long overdue. Senator MCCAIN has brought this to our attention on the floor. They were held hostage because these three bills were put together.

Also, trade adjustment assistance—which the Congress has always passed and the Senate has always passed, but not as part of trade promotion authority, or not as part of fast track—we need to do it, but it should not be in the same package.

I disagree strongly, very strongly, with a couple of elements that are in the trade adjustment assistance package, particularly the expansion of health benefits or the health tax credits. It is 65 percent for people who now are between the ages of 55 and 65. Those now receiving Pension Benefit Guaranty Corporation benefits are now going to get health benefits. It is almost like an incentive to dump your pension liabilities into the PBGC, which is going to have enormous financial problems in the future. Now that is an obligation for taxpayers.

That being said, I think it would be a disastrous thing if this Senate did not pass trade promotion authority. And now all three bills are tied together. So while I do not like the trade adjustment assistance—and if it was separate, I would be voting against it—when taken together, the good of the trade promotion authority far outweighs the entire package. We have to pass it.

I would shutter to think what would happen if we did not pass it. I will even guess what would happen. I remember Chairman Greenspan was asked: What can we do to help the economy? And he said: You need to show fiscal discipline. We have not in many cases. And you need to promote trade. Well, if we did not pass this, there would be a big economic shock wave that would not only resonate in Wall Street but all across the world: The United States defeats trade promotion authority. The United States, the world leader in trade, really defeated trade, defeated trade promotion—taking us out of our active leadership role which we have had since at least the 1970s, which we have had for decades, really since the conclusion of World War II. We would be

saying: No, we don't want to be a leader in trade. I think that would be a disastrous result.

So I think the stock market would have a precipitous decline. Our leadership role in free trade would suffer an enormous defeat.

So I urge my colleagues to support the cloture motion on TPA.

The PRESIDING OFFICER. The time of the proponents has expired.

The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent to add 3 minutes to my time.

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

The Senator from North Dakota.

Mr. DORGAN. Mr. President, first of all, I appreciate that both sides should have equal time. I enjoyed listening to my colleague from Oklahoma. I might say, however, I do not believe that Chairman Greenspan would suggest we should promote trade deficits. I think he suggests we promote international trade. I am all for that. Sign me up. Count me as one who believes we ought to expand international trade. I think that is healthy. Good for our economy and good for the economies of those with whom we trade, provided the trade is fair and reasonably balanced.

We have a trade deficit with China that is $60 billion to $70 billion, and headed south. We have a trade deficit with Japan that is between $50 billion and $60 billion—slightly more than that, as a matter of fact. We have a trade deficit with Mexico and Canada that is becoming significant. And we have a trade deficit with Europe.

It is interesting how all of the discussion this morning has carefully avoided the fact that the current trade policy they espouse isn't working. The current trade policy, last month, produced a $41.5 billion trade deficit—just last month. That is a deficit that will be a yoke on the shoulders of every American. It is relentless, it is increasing, and everyone who speaks in favor of this trade policy carefully and studiously ignores it. They just do not want to talk about the fact that it isn't working.

Let me, once again, put up a chart that shows what is happening in international trade. Our country is drowning in trade deficits. The next line would be up here off the chart. The merchandise trade deficit is exploding. Everyone in the Senate knows that. It emanates from a trade strategy that is, in my judgment, weak kneed, a trade strategy in which we lack backbone and will.

Our country refuses—refuses—to say to China or Japan or Europe or Canada or Mexico that we demand some reciprocity and fair trade. We just refuse to do it.

We have this huge trade deficit with China. So China wants to buy airplanes, and goes over and buys airplanes from Airbus, which is heavily subsidized by the European governments. Is that fair? It is fair to an American producer of airplanes? It is fair to Boeing? You know it is not fair.

We ought to say to China: Look, you want to sell us all of your trousers and shirts and shoes and trinkets, and all the things you manufacture in our marketplace; good for you. Our marketplace is open to you, by all means. But understand this: When you need something we produce, you ought to be buying from us. That is the way trade ought to work.

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

Mr. DORGAN. Of course. I have very limited time. You have used all your time.

Mr. GREGG. Mr. President, I ask unanimous consent the Senator be granted an additional 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. And that 5 minutes be granted also on this side.

Mr. DORGAN. No. We have a vote.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Mr. President, we have a vote scheduled. I will yield on my time for a very brief question.

Mr. GREGG. Well, the vote is scheduled to start at 10:30. It would be just an additional 5 minutes and 5 minutes.

Mr. REID. What was the request?

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. GREGG. I asked unanimous consent the Senator be granted an additional 5 minutes, and also 5 minutes for this side.

Mr. REID. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. DORGAN. I was willing to yield ever so slightly because I have such limited time.

Let me say this: I am going to speak postcloture, and I would be happy to engage in the debate. No one in the Senate really wants to debate trade very much. They want to simply say there are those of us who support fast track, and those of us who get it, who understand it, who see over the horizon, and who have a broader view of the world. And then there are, as Ambassador Zoellick suggests, the xenophobes and isolationists, the stooges who just don't see it. That is the thoughtless debate that occurs every time we talk about trade.

But I will, in the postcloture period, ask a series of questions. I hope perhaps some colleagues will be here.

I will ask, for example, about the issue of washed versus unwashed eggs with Europe, corn syrup with Mexico, and automobiles with China. We will see if there are people on the floor of the Senate who agree with the circumstances of our trade relationships. The problems are relentless, they are pervasive, and they continue.

What we want to do is rush off and negotiate the next trade treaty before we solve any problems in the previous treaties. How can we tell the farmers of North Dakota that it is all right? That it doesn't matter that they have had a problem for 10 years of a monopoly in Canada shipping unfairly subsidized grain south? We want to do another treaty. The folks who produce America's beef, who 12 years after the beef agreement with Japan now have a 38.5-percent tariff on every pound of beef sent to Japan—how can we tell these people that it just doesn't matter?

Yes, we are a leader in trade. Regrettably, we have been a leader without a backbone. We have refused to say to our trading partners, there is an admission price to the American marketplace, and that admission price is fair trade with respect to labor standards and a range of other issues.

Most especially, from my standpoint, I am concerned about the issue of fundamental fairness. I mentioned that I did not support fast-track trade authority for President Clinton, didn't think he should have it. I don't think President Bush should have it.

I also mentioned earlier, the last two experiences we have had with fast track, both NAFTA and GATT, have not turned out well for America. The agreement that went into conference came out of conference in much worse shape than it left the Senate. They essentially got rid of the Dayton-Craig amendment and put a placebo in place. They got rid of the transparency issue I raised.

I want to talk about what they boast about with respect to this conference agreement. It provides assistance with health insurance. What that means is for those Americans who lose their jobs because of the next incompetently negotiated trade agreements, we will help pay their health insurance. That is going to be great news to people who will lose their jobs. It is safe to say not one man or woman in the Senate will lose their job because of this vote. Fast track will not cost any jobs here in the Senate. No Senator's job is threatened by this. It is also safe to say that those Americans who are working for companies that will be subject to unfair trade, because our trade negotiators want to negotiate the next agreement rather than fix the problems they have created in the past, are going to have little consolation with these provisions. If you lose your job, we give you health insurance. Well, maybe it would be better if they didn't lose their job.

We expand coverage for secondary workers. If you are a secondary worker and you lose your job, we help you a bit. There is wage insurance for the older workers who lose their jobs: We will help you a bit. New benefits for farmers and ranchers: If you lose the farm and the ranch because of trade negotiations, we are willing to help you. It might be better just to negotiate trade agreements that are fair to our producers and say to our producers: This represents fair competition. You have to go compete. If you don't win, that is tough luck. But we have made the rules fair for you. You have to compete and win.

That is not what we do here. Our trade negotiators don't do that. In negotiation after negotiation, we discover we don't have much of a backbone.

Will Rogers once said that the United States of America has never lost a war and never won a conference. He surely was talking about our trade negotiators. They usually manage to lose in a week or two; sometimes it takes longer. I can't think of a trade negotiation in recent years that has enhanced this country's economic interests.

How much time do I have?

The PRESIDING OFFICER. The Senator has 2½ minutes.

Mr. DORGAN. We will have a cloture vote this morning, and my expectation is that sufficient votes exist to have cloture. We will then have a postcloture period in which I will speak at greater length about the specifics of unfair trade.

Let me say this: The only bright spot for me for some long while in international trade was Mickey Kantor, trade ambassador some while ago, who in 1 year took action against Canada for engaging in horribly unfair trade against American farmers. I happen to like current trade ambassador Zoellick. I think he is a charming fellow. This is not about personalities, it is about strategy.

The fact is, this Senate is going to make a serious mistake by deciding it will tie its hands and it will agree to tie its hands prior to negotiation of a new trade agreement so that if and when a trade agreement comes here for approval by the Senate, we agree not to change a word.

Think of the difference that would have existed had we been able to change a few words in the United States-Canada trade agreement; think of what it would have meant for tens of thousands of American farmers if we had been able to say: We demand fairness in this agreement. But we couldn't. That trade agreement was negotiated, as all of them are, in secret. The next trade agreement will be negotiated the same way. We will come back 5 years from now, and I will be back on the floor of the Senate, if I am here, showing with another chart that we are drowning in red ink and jobs are leaving and opportunity is lost. We will have people saying: We ought to do the same thing. We ought to repeat the same failures.

It is hard for me to understand how repeating something that doesn't work advances America's interests. This must be the only body in the world that has grown men and women adding 2 and 2 and getting 5 and complimenting each other on their math skills. It defies logic, in my judgment, to believe that this strategy enhances America's economic interests.

I yield the floor.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close the debate on the conference report to accompany H.R. 3009, the Andean Trade bill.

Harry Reid, Max Baucus, Dianne Feinstein, Ron Wyden, Robert G. Torricelli, John B. Breaux, Thomas A. Daschle, Thomas R. Carper, Blanche L. Lincoln, Zell Miller, Charles E. Grassley, Larry E. Craig, Phil Gramm, Jon Kyl, Frank H. Murkowski, Trent Lott.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call under the rule is waived.

The question is, Is it the sense of the Senate that the debate on the conference report accompanying H.R. 3009, the Andean Trade Promotion and Drug Eradication Act, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The senior assistant bill clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA), the Senator from Vermont (Mr. JEFFORDS), and the Senator from Vermont (Mr. LEAHY) are necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

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

The yeas and nays resulted—yeas 64, nays 32, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—64

Allard	Ensign	McCain
Allen	Enzi	McConnell
Baucus	Feinstein	Miller
Bayh	Fitzgerald	Murkowski
Bennett	Frist	Murray
Biden	Graham	Nelson (FL)
Bingaman	Gramm	Nelson (NE)
Bond	Grassley	Nickles
Breaux	Gregg	Roberts
Brownback	Hagel	Santorum
Bunning	Hatch	Smith (NH)
Cantwell	Hutchinson	Smith (OR)
Carper	Hutchison	Snowe
Chafee	Inhofe	Specter
Cleland	Kerry	Stevens
Cochran	Kohl	Thomas
Collins	Kyl	Thompson
Craig	Landrieu	Voinovich
Crapo	Lieberman	Warner
Daschle	Lincoln	Wyden
DeWine	Lott	
Domenici	Lugar	

NAYS—32

Boxer	Durbin	Reid
Burns	Edwards	Rockefeller
Byrd	Feingold	Sarbanes
Campbell	Harkin	Schumer
Carnahan	Hollings	Sessions
Clinton	Inouye	Shelby
Conrad	Johnson	Stabenow
Corzine	Kennedy	Thurmond
Dayton	Levin	Torricelli
Dodd	Mikulski	Wellstone
Dorgan	Reed	

NOT VOTING—4

Akaka	Jeffords
Helms	Leahy

The PRESIDING OFFICER. On this question, the yeas are 64, the nays are 32. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The Senator from Arizona.

Mr. MCCAIN. Madam President, could the Chair inform me as to the parliamentary situation as it exists?

The PRESIDING OFFICER. Cloture has been invoked on the conference report. The Senator has a maximum of 1 hour of debate. The amendments must be germane or the debate must be germane to the conference report.

Mr. MCCAIN. I understand.

Madam President, I do not intend to take very long. I do want to speak for a relatively brief period of time on the importance of the Andean Trade Preference Act.

I think it is very important we recognize that in our hemisphere today we have a number of very serious situations—the possibility of a breakdown of democracy. Institutions which were regarded as relatively strong and stable a short time ago, in many of the countries throughout our hemisphere, are in danger or in some cases near a crisis situation. That is why I think the Andean Trade Preference Act, although maybe not of major impact, is certainly one that is important and an important signal to send to these countries in the region. That, coupled with our overall approval of trade authority for the President of the United States, I hope will be an encouragement to nations in our hemisphere that are now in varying degrees of duress.

Argentina is in a serious financial crisis. A country that was once the fifth most wealthy nation in the world is now in such a period of financial difficulty that their economy could be close to collapse. Venezuela is a country whose democracy is under severe strain. Hundreds of thousands of Venezuelans took to the streets recently to demonstrate against their elected President, and, as we all know, there was an attempted, briefly successful, coup which was antidemocratic in nature.

In Bolivia, one of the countries that is directly affected by the Andean Trade Preference Act, there is now a candidate for President of that country who is running on one of his commitments to the people of Bolivia, which is that they will resume the growth of coca—a remarkable turnaround, particularly given that Bolivia had an incredibly successful cocaine eradication program.

Peru is in such difficulties that the President, President Toledo, has gotten rid of the reform economists in his Cabinet and his popularity and approval have plummeted to almost historic lows.

As we prepare to vote on this trade package, our country is precariously positioned in the international trade arena. Many of our friends and allies no longer see the United States as a nation that champions global free trade but, rather, as a nation that increasingly fears foreign competition

and seeks to erect barriers to trade in order to protect domestic industries and advance narrow political agendas.

A series of shortsighted protectionist actions in recent years has jeopardized our relationships with our most important trading partners. Given our recent double standards on trade, it is not surprising that the United States is quickly losing its credibility and leadership in championing free trade principles around the world.

Our staunchest allies and most important trading partners are now doubting our dedication to the free trade principles we have long championed.

Many of the nations that engage in the free exchange of commerce are also our staunchest allies in the war on terrorism. Over the past eight months, those countries have joined in our worthy cause, some making substantial sacrifices to advance our shared values. During that time, even as our allies have deployed their forces to stand alongside our own in Central Asia, we have pursued protectionist policies on steel and lumber, and passed into law a regressive, trade-distorting farm bill. We are already fighting one war on a global scale. We cannot simultaneously fight a trade war.

The United States simply cannot afford to follow the dangerous path of protectionism. I hope that the passage of trade promotion authority and the Andean Trade Preference Expansion Act, both of which are included in this package, will represent a turning point. Now is our chance to put a stop to our short-sighted protectionism and recognize that such behavior has consequences.

Mr. President, this package of trade bills, including the Andean Trade Promotion and Drug Eradication Act, trade promotion authority, and trade adjustment assistance (TAA), demonstrates what I hope is the beginning of a renewed commitment to negotiating and expediting strong trade agreements. Enactment of this legislation will go a long way toward re-establishing faith and trust in the United States as a trading partner.

The Andean Trade Preferences Act, a measure that would be expanded by this bill, is a trade-related success story that has not only strengthened our economy, but our national security as well. ATPA was designed to reduce the Andean region's drug trade and spur economic development. That Act has proven effective, and benefitted not only Bolivia, Colombia, Ecuador, and Peru, but also the United States. Its extension is long past due.

Originally enacted in 1991, entire export industries have been created through ATPA. The cut flowers industry alone has created more than 80,000 new jobs in Ecuador, and over 150,000 new jobs in Colombia. In Peru, the benefits of the Andean trade act encouraged farmers to cultivate asparagus, making it that country's largest export crop to the United States, creating 50,000 new jobs in the process. No longer are people in these countries confined to producing the raw materials that go into the production of cocaine; They have the ever increasing options afforded them under ATPA.

Unlike other forms of assistance, ATPA costs the U.S. nothing. In fact, American workers and consumers benefit through reduced prices on goods and services.

Despite such success, it has taken Congress well over a year to extend this non-controversial measure. Legislation was introduced in the Senate in March 2001 to extend and expand ATPA, which was set to expire December 2001. Along with this history, a long delay in the appointment of conferees and partisan disagreements, all unrelated to ATPA, prevented final Congressional action on this critical legislation until now. Fast-track authority for the President expired 8 years ago. By empowering the President to negotiate bilateral and multilateral trade agreements, TPA will enable the President to eliminate trade barriers, reduce tariffs, and open foreign markets to American goods and services. American workers, farmers, businessmen, and consumers will benefit from the regional free trade areas such as the Free Trade Area of the Americas, and bilateral trade agreements such as those currently being negotiated with Singapore and Chile.

I repeat, a man is running for President of this country of Bolivia. One of his most popular themes is to reinitiate the cultivation and growth of coca. If that man wins—and I do not question the will of the people of Bolivia, but it is clear that it would be a dramatic setback to our efforts to eradicate the growth of coca in that country.

In Peru, there are civil disturbances and the President of Peru, who is a good and decent man from all I can tell, is suffering enormously in popularity in polls.

Colombia is a nation with its very existence at risk due to civil war, a lot of that fueled by the cocaine trafficking, the growth of which begins in the country of Colombia.

Ecuador, next to Colombia, has felt many very devastating side effects of the war in Colombia and the effects on its own economy.

I mentioned Argentina, Venezuela, Guatemala are having difficulties; Honduras, Nicaragua; and even Mexico is having some difficulties because of the failure, in the view of many of the Mexican people, of President Fox in delivering on many promises he made when he ran for President of Mexico.

I cannot believe all of the troubles in our hemisphere, which in my view are more serious than they have been since the 1980s, on the absence of trade and the absence of renewal of the Andean Trade Preference Act. But in the words of the Presidents of these countries who visited my office, they said one thing: We do not want aid; we want trade. We want trade.

Now, I have heard many of the arguments about how the lumber industry or the steel industry or the textile industry, or any other, is being harmed because some of the imports are lower priced goods. Well, I am not a trained economist, but I know these cut flowers are less expensive. I know it costs less to build a house for the average citizens when the lumber is cheaper. It is easier to clothe people when the apparel is cheaper.

This protectionism which has characterized many of the actions of this body and the other body, and of the President of the United States, is harmful to average American citizens, many of whom do not make large campaign contributions, many of whom do not make huge contributions to the fundraisers. But they will pay more for the price of a house if we continue to protect lumber. They will pay more for an automobile if we continue to protect steel. They will pay more for clothes if we continue to protect the textile industry.

Are there people who are hurt by this free and open trade? Absolutely. That is why I have steadfastly supported insurance, job training, and outright assistance to any dislocated worker if the case can be made that that worker was dislocated or removed from their job because of a direct impact of trade.

I am worried about our hemisphere. There was a front page story in the New York Times a couple weeks ago about the failure of free market economies in our hemisphere and how average citizens of these poor countries have enjoyed the benefits of the increased economic benefits of free trade and a great discontent and unrest that exists in these nations. We should pay attention to the difficulties in our own hemisphere. There is no stronger supporter of the war on terror than this Senator and all of the American people.

We are going to have great difficulties because of one thing we have learned from the 1980s: That if governments are unable to satisfy the people, the people turn to other means to satisfy their legitimate yearnings and desires. We saw that manifested in guerilla movements and armed insurrections in Central America and in Latin America in the 1980s, movements such as the Shining Path, the Sandinistas, and others. And the United States then expended a great deal of American treasure to try to prevent these movements from overthrowing legitimately elected governments.

I rise in strong support today of the Andean Trade Preference Act. I want to make it very clear that along with my support for free trade, I also am strongly supportive of and will continue to commit to any worker and his or her family who are dislocated by free trade. But to argue that we should not have free trade as a result of this is ignoring the larger picture, and that is goods and services ranging from flowers to apparel to many other products

are less expensive for average American citizens, thereby allowing American citizens to enjoy many of the things wealthier Americans are able to enjoy.

I want to warn my colleagues. We have a serious situation in our hemisphere. Enactment of trade authority for the President in the Andean Trade Preference Act will not turn that around immediately. But there is no doubt in my mind that we are on a path in our hemisphere that could lead to enormous challenges and difficulties in the months and years ahead. By passing the Andean Trade Preference Act and giving the President trade authority, I think we can at least start on a path to reversing some of the terrible misfortunes that have beset so many innocent people in our own hemisphere.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

UNANIMOUS CONSENT AGREEMENT—H.R. 5005

Mr. REID. I ask unanimous consent the cloture vote on the motion to proceed to H.R. 5005 be vitiated, there be a time limitation of 7 hours on the motion to proceed on H.R. 5005, the homeland defense bill, equally divided between Senators LIEBERMAN and THOMPSON for the proponents, and Senator BYRD for the opponents, or their designees; that the time begin on Tuesday, September 3, at 9:30 a.m., and the motion to proceed be the pending business at that time. I further ask unanimous consent that at the conclusion or yielding back of time, the Senate, without any intervening action or debate, vote on the motion to proceed to H.R. 5005.

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

Mr. DORGAN. Madam President, I listened intently to my colleague and friend from Arizona. There is no disagreement on the proposition that I want the benefits of international trade to accrue to American citizens, consumers who go to the store and want to buy the best possible product at the best possible price. There is no question about the doctrine of comparative advantage, in which each country, doing that which it does best and trading with other countries, promotes efficiency. There is no question about that, and that should not be the subject of this debate.

It is not that those of us who oppose fast track do not support free trade. But I want to tell you about the kind of trade I do not support. The most recent agreement that we negotiated in this country was with China. It was a bilateral agreement, prior to their membership in the WTO. Let me just take one small piece of that bilateral agreement with China and ask a question.

Our negotiators negotiated with the Chinese in this bilateral agreement, and they agreed to the following: After a phase-in period, the United States would impose a 2.5-percent tariff on any automobiles manufactured in China shipped to the United States, and China would impose a 25-percent tariff on any United States automobiles shipped to China.

I am wondering, who in this Chamber would think that is a reasonable deal? We say to China: China, you have a $70 billion trade surplus with us. We have a $70 billion trade deficit with you. And by the way, here are some new terms on automobile trade. If you decide to build automobiles and ship them to our country, and we want to ship cars to your country—you have 1.3 billion people—we agree you can charge 10 times the tariff on United States cars going into China. Who thinks that makes sense? Where do these negotiators come from? Do they go to a school somewhere, a school that fails to teach them the basics of how you negotiate and what a fair trade agreement is about?

No one wants to discuss this. One of my colleagues said: I have half a notion to stay here and debate you.

I said: Gosh, I wish you would.

No one is interested in debating the issue of trade. There is the simplistic and thoughtless debate saying we are for free trade, we understand it, we see over the horizon, we understand the economy, and the rest of you are xenophobic stooges, and you don't know what you are talking about. That is the way the debate rages on the floor and in the Washington Post, with the same thoughtless drivel.

I come from a State that has a lot of family farmers. We have to find a foreign home for over half of what we produce. I am the last person in the world who wants to retard the movement of goods around the world. I believe in trade. I believe in expanded trade. But on behalf of our farmers, I demand the trade relationships with other countries be fair. It doesn't matter to me whether it is wheat or corn or soybeans, if we are going to have a trade relationship with someone, and we are going to connect with somebody, I want it to be fair. So let me describe a bit what I mean about fairness.

I mentioned Japanese beef. We ship a lot of Japanese cars into this country and good for us. If consumers want to buy them, that is good. They want access to that product. So I represent a lot of ranchers in North Dakota. They have a lot of beef to sell. Japan needs beef. So we negotiated a beef agreement with the country of Japan.

Madam President, 12 years after the agreement was completed, every pound of hamburger, every pound of T-bone steak that goes into Japan now has a 38.5-percent tariff on it; 12 years after our agreement, we have a 38.5-percent tariff. Should we be shipping more T-bones to Tokyo? You bet your life we should. Why can't we? The tariff is too high. That is after our negotiators reached an agreement with them. Do our ranchers have a complaint? I think so; I believe so because the trade circumstances with respect to beef to Japan are not fair, and everybody knows it.

Let me show a chart that shows the EU's import barrier to U.S. eggs. If you are an egg producer in this country, in the United States, it is standard to wash eggs before shipment. So if you go to the store and buy a carton of eggs and open the carton, that is what it is going to look like. It is something you might want to crack and eat.

The European Union requires that imported eggs be unwashed, supposedly because their farmers are not in the habit of washing eggs. Therefore United States eggs cannot be sold in Europe at the retail level, because we wash our eggs. Is that a fair trade deal? If you were involved in selling eggs, do you think you would like what Europe is doing to us? I don't think so.

I mentioned yesterday the issue of $100 million in United States beef that is banned in the European Union. We have a fairly significant trade deficit with Europe. You read the European press, they make it sound as if all of our cows have two heads—this grotesque creature we are trying to sell that is going to injure their consumers.

So we took the Europeans to the WTO court, the tribunal, and we said it is unfair, the $100 million of United States beef we cannot get into Europe, and the WTO said: Yes, you are right.

So they said: Europe, you are going to have to allow that United States beef in.

Europe said: Go fly a kite. We don't intend to let United States beef into Europe.

So our trade negotiators got real gutsy for once. Our trade negotiators screwed up all of their courage and they said: Look Europe, if you don't play fair with us, we are taking tough action against you.

What did we do? We took action against them, by imposing tariffs on selected products. Do you know what EU products our negotiators chose to retaliate against? Our retaliation is on truffles, goose liver, and Roquefort cheese. That will scare the devil out of a trade adversary, won't it? If you have a trade relationship in which someone is unfair, you better watch out or we might take action against your goose liver or Roquefort cheese. Maybe I come from a small town and don't understand that, but I don't think that is going to strike fear in the heart of a trading partner who is being unfair to America.

Let's talk about the issue of potato flakes to Korea. What if you are a potato grower in the Red River Valley and you want to get potato flakes to Korea from which they make snack food? There is a 70 percent tariff trying to get potato flakes into Korea.

While we are on the subject of Korea, how about automobiles going into Korea? Last year, this country brought 618,000 Korean automobiles into our

marketplace to be sold to the American consumer. That is good for Korea. Korea produces a pretty good car, and they ship them into the United States, and United States consumers buy them.

Guess how many United States-manufactured cars got into Korea last year? It wasn't 618,000. It was 2,008. Why? Try to sell a Ford Mustang in Korea. They use all kinds of non-tariff trade barriers. This is trade in which the Koreans sell us 217 cars for every car we can sell in Korea—618,000 sold here, and 2,008 in Korea.

Is that because we don't make good cars? No. Is it because Koreans don't want American cars sold in Korea? Yes. It is that simple.

I mentioned stuffed molasses, which are used to evade U.S. tariffs on sugar. Brazilian sugar is sent to Canada. Then a Canadian company combines the sugar with the molasses. Then it comes into this country, and the sugar is unloaded. They get another load of sugar and bring it down with stuffed molasses in contravention of our trade law. It has been going on for a long period of time. We can't do a thing about it.

Trade problem? Sure, it is. If you are a sugar beet grower, is that a problem? You bet. Is anybody about to fix it? No. Nobody cares. Actually, the Senate version of the trade bill had a provision that aimed to fix this problem. But, like most other things of value in the trade bill, it was dropped out in conference. There is instead a placebo provision that means virtually nothing.

I mentioned a bit ago that China has this huge trade surplus with us, or we have a huge trade deficit with them. I noticed in the newspaper the other day that China is buying Airbuses from Europe. China has a lot of people. They need a lot of airplanes. The Airbus is deeply subsidized by the European governments. It is unfair competition for the Boeing Company, for example.

What is the remedy for a United States airplane manufacturer when the European company that is deeply subsidized by the European governments goes to China and sells them Airbuses, at the same time that China has this huge trade surplus with us?

We had a situation recently because of NAFTA. The administration says we must allow long-haul Mexican trucks into our country. Of course, the fact is that long-haul Mexican trucks are not inspected the way we inspect our trucks. Their drivers are not required to carry logbooks the way our drivers do. There is a lot of concern about safety when they come in and move around our country. They have been limited to a 20-mile distance from the border. Mexico said, apparently, that if we didn't allow long-haul Mexican trucks into our country, they were going to take action against us with respect to high-fructose corn syrup. I have news for the Mexicans. They have already taken action. We can't get high-fructose corn syrup into Mexico with any reasonable tariff because they are acting in contravention of our trade laws and agreements.

The list is endless. I could go on for a long period.

We have a trade agreement with Canada. Clayton Yeutter went to Canada and negotiated a trade agreement with Canada. This agreement essentially sold out the interests of our American farmers. I am sure he received something from Canada—perhaps greater access by the financial service community, or something. In any event, immediately after the trade agreement was negotiated with Canada, our farmers saw an avalanche of Canadian grain being sold in our country at unfairly subsidized prices by a monopoly controlled by what they call the Canadian Wheat Board. We can't do a thing about it. We sent investigators to Canada to get information about the prices at which they were selling the grain. They thumbed their noses at us and said: We don't intend to give you any information about the prices at which we are selling it in the United States.

I rode up to the Canadian border with a farmer named Earl Jensen in a 12-year-old orange truck with a couple hundred bushels of durum wheat on the back, and we were stopped at the border despite the fact that all the way to the border we saw 18-wheel Canadian trucks coming into the country hauling Canadian wheat.

That is the kind of thing that angers the American people about trade.

We have a circumstance where we have this huge trade deficit. It is interesting. We talked about this in the debate. No one really wants to talk about this deficit at all. People just act as if it doesn't exist. People come out here and dance around for a while, talk about the wonders of global trade and how terrific it is, but they want to pretend it doesn't exist. There is this relentless griping about the trade deficit that is increasing year after year and that is hurting our country. We don't owe this money to ourselves as we do the budget deficit, we owe this money to other countries. This is a claim on our assets by other countries.

In May, the trade deficit was $41.5 billion—just last month. And the trade ambassador has said that he is going to put our antidumping laws on the negotiating table. We have antidumping rules. They are not very well enforced. But we have them nonetheless. They are one of the few tools we have to fight unfair trade. And they are now on the negotiating table. There are discussions about their elimination. We are willing to get rid of them in future trade negotiations—in secret, because all these trade negotiations are in secret—willing to consider getting rid of our antidumping rules. We will be defenseless. We have a weakened 301, no section 22, and now we have antidumping rules on the table.

So where is the remedy for unfair trade? Under this trade bill, the only remedy for those who lose their jobs because of these trade agreements is that we are willing to give you some health insurance—not all of a it, but we are willing to pay 65 percent for some health insurance for you. Lose your jobs, and you'll get some trade adjustment assistance. You can go home and say to your spouse: Honey, I have lost my job. They are moving into Indonesia. They can find someone who works for 40 cents an hour. They don't have to have a manufacturing plant that is safe because they are not subject to all those darned OSHA rules. And they can dump the chemicals right in the streets, and they can pollute the air. They don't have to worry with that because there is no enforcement. And they can work 12-year-old kids for 12 hours a day, and nobody is going to say anything. Honey, I have lost my job, and it is going overseas. But, honey, there is good news here because the bill the Senate has been considering is going to get us a little health insurance.

They have even extended it now to farmers and ranchers who lost their farms and ranches. They get a little trade adjustment assistance as well, when they lose their farms.

Incidentally, they are also going to expand the training budget because they know we are going to lose some of these jobs. We are going to give some training to all the people forced out of their jobs. Just don't expect their new jobs to amount to much. Because good jobs are being driven out of this country by all these trade agreements.

It is interesting to me that there is no one in the debate who wants to defend the practices I have just described. All they want to do is chant. You can go to the street corners and hear chanting as well. Normally they have drum rolls and symbols, and they chant. We have the same exercise when we talk about trade—this relentless chant: ''Free trade, global economy, free trade, global economy.''

Is there anyone in the Senate who wants to say: Yes, let us have expanded trade, but let us demand on behalf of this country that we have tried rules that are fair?

This country got into a bad habit after the Second World War. We did it necessarily, and it was something which I would have supported if I had been here at that point. Just after the Second World War, we had a lot of countries flat on their backs. Trade policy for us was foreign policy. We said with all of these countries: Let us make concessions. Let us help them. We can do almost anything. We are the biggest, the best, the strongest, and we have the most. We can beat anybody in international trade competition with one hand tied behind our backs. So trade policy was then foreign policy. And that is fine.

For a quarter of a century, our trade policy was foreign policy. But then, those who were flat on their back became shrewd, tough international competitors: Japan, Europe, and others. Yet our trade policy did not become

trade policy or economic policy, it remained foreign policy.

For the second 25 years after the Second World War, we began to see this problem, a problem of gripping, relentless trade deficits. With Japan, it has been a trade deficit that has continued virtually forever—year after year after year after year—because they want to protect their economy and keep United States goods out, to the extent they can, and they want access to our marketplace with their manufactured goods.

And this country has said: Fine; that's a relationship that's fine with us.

It is not fine with me, and should not be fine with others, whose principal interest ought to be the economic future of this country, whose principal interest ought to be to have trade agreements that are mutually beneficial to both trading partners.

When I started talking, I talked about this Byzantine, twisted, perverted provision with China on automobiles. I did it for a reason.

I recognize that we do not have a lot of automobile trade with China. China has 1.3 billion-plus people. One would expect, as the Chinese economy advances, that the opportunities to sell automobiles in China could be significant. But our negotiators, for reasons I could never understand, said: Oh, by the way, let's make a little deal. Just as one part, one paragraph, in a big, long trade agreement, here is what we will decide on automobiles: China, you have a big trade surplus with us, and we have a big deficit with you, but if we ever have any automobile trade between us, you can go ahead and impose a tariff that is 10 times higher on United States cars than we would impose on Chinese cars.

We ought to find the person who agreed to that, and somehow put him out here on the Senate steps, and get a chair and sit beside him, and ask him to explain to us what school you go to, to learn that kind of nonsense, that kind of perverted sense of fairness.

I could describe paragraphs in every trade agreement in the last 25 years that have the same absurdities, the same unwillingness to stand up for American producers and American jobs, not at the expense of others, but just for the benefit of ours.

Somehow there is an embarrassment in this Chamber about standing up for this country's economic interests. Yes, it is in our economic interest to have a system in which U.S. consumers have access to lower priced goods from around the world. But it is not, and never will be, in our economic interest, if those consumers are out of work, if the jobs that provided the income that used to allow the consumers to take the goods off the shelf through their purchases have now gone to other countries because corporations, that at this point are no longer American citizens but international citizens, have decided they ought to produce where it is very inexpensive to produce and ship their goods to the established marketplace.

That, inevitably, and, in my judgment, more significantly as the years go on, will erode our job base of good jobs. I am talking about manufacturing-sector jobs. No country will long remain a strong economic power, a world economic power, if it decimates its manufacturing base. Manufacturing is critical to our country's economy and to our long-term economic health.

There is a fellow in North Dakota who goes to county fairs and performs for money, and his name is John Smith. He has an act that he takes to county fairs, and they pay him for it. He takes old cars—gets some old wreck—and then he gins up the engine somehow, and then he goes and he jumps four or five other cars in front of the bandstand, wherever the county fair is. He calls himself the Flying Farmer from Makoti. He lives in Makoti, ND, and he farms.

So he has this act where he travels with these old cars and he calls himself the Flying Farmer. He is an interesting guy. He wanted to set the Guinness record in the ''Guinness Book of World Records.'' And he is now in the ''Guinness Book of World Records'' for driving in reverse for 500 miles, averaging 38 miles an hour.

Now, you might wonder why I thought about the Flying Farmer from Makoti. I was thinking about going in reverse this morning, and I thought what better example of going in reverse than the Flying Farmer from Makoti and the Senate on international trade.

Year after year after year, we go deeper and deeper and deeper in debt. The current account deficit is somewhere around $2 trillion at this point this year. When the year ends, we will be somewhere around $450 to $480 billion in merchandise trade deficit. And we have to pay somebody that, somebody living outside of our country. It injures our economy, it injures future economic activity, and yet no one really wants to talk much about it.

We are going in reverse. We are not making progress. Despite all of the protests by those who think this is a wonderful thing, the evidence is in.

With NAFTA, the last trade agreement with Canada and Mexico, we turned a small surplus with Mexico into a big deficit; we turned a moderate deficit with Canada into a big deficit. NAFTA was a disaster. We were promised that there would be 300,000 new American jobs coming from this trade agreement with Mexico and Canada. The fact is, we have lost somewhere around 700,000 jobs.

We were told by the economists, who thought they knew what would happen with Mexico, that we would simply get the products of low-skilled jobs coming into this country as a result of NAFTA. The three largest imports from Mexico are automobiles, automobile parts, and electronics—all products of high-skilled jobs that used to exist in major centers of manufacturing in our country but now exist in Mexico.

We are not making progress. We are losing ground. That is the reason I oppose giving fast-track trade authority to this President. To suggest that we ought to ignore the Constitution—and, yes, we ignore the Constitution when we do this. The Constitution says that the regulation of trade with other countries is the province of the Congress—the Congress. And a majority of the Senate says: we have not seen your next trade agreement yet. We know you will negotiate it without us. We know it will be negotiated in secret somewhere. But we agree in advance, so whatever you do, whenever you do it, wherever you do it, we will handcuff ourselves so we are unable to offer even one amendment to change one word when it comes back to the Senate.

I think that is one of the goofiest propositions I have ever heard. It just makes no sense at all. Yet a pretty broad majority of the Senate agrees to it.

Well, let me make a final point.

The business community in this country and in this world have become international citizens. Multinational corporations do business all around the world. They do not get up in the morning and say: Look, my principal interest is the economy of the United States of America. That is not their principal interest. Their principal interest is to their shareholders. And their interest to their shareholders is to do, in international economic circumstances, the best they can to improve profits. If that means moving jobs from Pittsburgh to Indonesia, in order to take advantage of lower labor rates, and to avoid OSHA, and to avoid all the other things you have to comply with in this country, then that is what they do.

The problem is, this country, as a leader in international trade, has not described what fair competition is. We have never described, in the new global economy, what is fair competition. The global economy has galloped forward, but the rules have not kept pace.

It begs the question, for all of us, as a leader in world trade: What are the rules? What are the conditions? What is the admission price for the American economy?

I said earlier, if a company decides that it wishes to access the lowest possible labor rate anywhere in the world, and takes its corporate jet, and circles the globe, and looks down to see where they can possibly do that, and discovers a place where they can hire 12-year-olds, and they can work them 12 hours a day, and they can pay them 14 cents an hour, is that fair?

Then they ship the product of that labor to Fargo or to Denver or Fresno and put on it the store shelf, and someone says: Isn't that a wonderful thing? What a wonderful thing; you actually have a lower price for that product. In fact, some studies suggest that is not the case. The difference is made up in

profit for the corporation, not lower prices for the consumer. But setting that aside, people say: Isn't that a wonderful thing? That is lower priced than I expected.

Yes, that is good for the consumer, but it is also the case that the would-be consumer may well have lost his job because the production of that item no longer exists here.

I am not suggesting we should have the manufacturing advantage or capability for all products. I believe the doctrine of comparative advantage makes sense. If there is a country that can do it better, more effectively, has the natural resources more available than we do, one would expect they would do that which they do best. We do that which represents a natural advantage for us, and we trade back and forth.

But that is not the circumstance today. The natural economic advantage these days is instead a natural political advantage. A country says, our political advantage is we will allow you to hire kids. We will allow you to pay 20 cents an hour. We will allow you to dump your chemicals into the streams and into the air, and we will allow you to do this in a workplace that is not required to be safe. Those aren't economic advantages that somehow relate to natural advantages. Those are political advantages created by a government that says: We will not allow people to form unions or labor to collectively bargain or rules against children put in factories. Those are political judgments and political circumstances. There is no natural economic advantage there. My point is, we have to come to grips with this galloping globalism. We must do that in fairness to the American worker and to the American businesses. To do less than that means that we consign our economy to unfair competition in a dozen different areas.

Americans depend on us to represent our best economic interests, not some notion of what the economic interest is for a corporation that does business in every country and has no special interest or recognition in our economy or our economic growth or our workers.

I know we have a 30-hour postcloture period. Several of my colleagues will want to speak on this issue. I expect they will have significant votes for it today and those who vote for it will be back on the floor. I will be back on the floor of the Senate again with another chart, and we will talk about whether it is wise for the Senate, when it discovers that doing something isn't working, to continue doing it over and over and over again.

Most people learn by repetition. When you repeat something that has failed, most people understand that they want to do it differently. That is not the case with fast track and with our current trade policy.

I believe in expanded trade. I believe economies are strengthened by expanded trade. I believe our economy and other economies of the world are strengthened by expanded trade. I don't want to put up a wall around our country. I am not an isolationist. But I believe very strongly there needs to be voices raised demanding fair trade rules. Whether it is China, Japan, Europe, Canada, Mexico, Korea, or others with whom we have very large trade deficits, we have a right as Americans, as producers and as workers, to expect our Government will represent our economic interests in demanding fair trade rules.

That has not been the case to date. I hope soon after this vote today, we will begin to see some effort on behalf of our country in demanding the rules of trade keep pace with the galloping pace of global trade. That is the only thing that will be fair to American workers and American companies.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. WELLSTONE. Madam President, if the Senator will yield for a second, I ask unanimous consent that I be allowed to follow the Senator.

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

Mr. HOLLINGS. Madam President, I thank my colleague from North Dakota. If the Senate had been in session listening and heard the persuasive argument made by the distinguished Senator from North Dakota and we had a vote, we would vote his way immediately because he has presented the case.

The only thing is, he has not presented the case in the stark reality that it really is. We are talking to a fixed jury. As an old trial lawyer for some 20 years, where I made enough to afford the luxury of serving here, I know how to talk to a fixed jury. Specifically, the contention in the trial of this case is that we have to give the President negotiating authority that cannot be amended; it is on a take-it-or-leave-it basis; and that the trading nations, some, let's say, 160, 170 trading countries, just will not enter into an agreement unless the President has fast track.

He doesn't want to go through the negotiation period and then find that his particular trade agreement has been amended on the floor of the Congress.

If you refer to the 2001 Trade Policy Agenda and 2000 Annual Report, which is the most recent, issued by the U.S. Trade Representative, turn to page 1 of the list of trade agreements. You will find, in essence, five trade agreements as a result of fast track, and thereafter some 200 agreements without fast track. The contention that you can't get an agreement unless you have fast track is totally absurd.

We have had the Tokyo round, and the United States-Canada Free Trade Agreement. Incidentally, this Senator voted for that because we have relatively the same standard of living. We have the labor protections. We have the environmental protections. When you have a level playing field, I am delighted to vote for trade, and so-called free trade. But now, we have fixed trade.

That is what we are debating. This jury is fixed. We also had the United States-Israel trade agreement, which I also supported; NAFTA, which I opposed; and the Uruguay Round with WTO. Those are the five so-called trade agreements under fast track. But then turn the pages and continue turning, and there are some 200 trade agreements without fast track.

When I first got here, we had SALT I, and it was very complex. We had reservations and amendments on the floor of the Congress. We had a vote on that. We didn't have fast track for SALT I and fast track for SALT II and fast track for the chemical weapons treaty. The contention of the White House is you can't get trade agreements, but the President needs to look at his own book.

Mr. BYRD. Will the Senator yield?

Mr. HOLLINGS. I am delighted to yield.

Mr. BYRD. Is he telling me that trade agreements can be negotiated without this fast-track mechanism?

Mr. HOLLINGS. Yes, sir.

Mr. BYRD. Is that what he is saying?

Mr. HOLLINGS. I tell the distinguished Senator from West Virginia, they literally have almost a dozen and a half pages of all of these agreements, right here in the President's report, that were obtained without fast track.

Mr. BYRD. I thought the President was saying to the country that he has to have this fast-track thing that we will vote on today in order to negotiate trade agreements. Is the Senator from South Carolina telling me he doesn't have to have that?

Mr. HOLLINGS. No, sir, he doesn't. I can tell you now he wants the fast track for the fix.

That is the point I want to make. I can tell you right now. Let's look at the result of the so-called trade agreements. Look at 1992, and you find that the Foreign Trade Barriers of the Office of the U.S. Trade Representative is 267 pages long. Oh, we had WTO, we had GATT, we had NAFTA, and we did away with all the barriers. Why then is this year's Foreign Trade Barriers—458 pages long?

Like the monkey making love to the skunk, I cannot stand any more of this. I can tell you that right now. For Heaven's sake, don't give me any more free trade agreements or fast tracks. This would be the end of the argument, if you didn't have a fixed jury. What is better proof? I am using the President's proof. No. 1, he doesn't need fast track and, with fast track, we are actually going out of business.

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

Mr. HOLLINGS. Yes.

Mr. BYRD. What I have been hearing the administration say is that this is trade promotion authority. Does the

Senator mean to tell me here in front of the eyes of the Nation, the ears of the people, that the President doesn't need fast-track in order to negotiate trade agreements for the United States? Is that what the Senator is saying?

Mr. HOLLINGS. There is no question, Senator——

Mr. BYRD. That is not what the President has been saying, is it?

Mr. HOLLINGS. No. You bring out the point that this is bipartisan. President Clinton said he had to have fast track for NAFTA.

Mr. BYRD. We didn't give it, did we?

Mr. HOLLINGS. That is right. They said if we pass NAFTA we would get 200,000 jobs, but we lost 700,000 textile jobs. In the State of South Carolina, since NAFTA, we have lost more than 54,000 jobs.

Now, this farm crowd, they get their $70 billion bill, and they come here blinking their eyes and talking about free trade, free trade. They get all the subsidies and protection—the Export-Import Bank, support payments, and everything else of that kind—and they run away with some $80 billion. The poor, hard-working people, such as your mine workers and my textile workers—

Mr. BYRD. Yes.

(Mrs. CARNAHAN assumed the Chair.)

Mr. HOLLINGS. As the distinguished Senator from Texas always says, they are pulling the wagon, paying the taxes, keeping the country strong. We have removed 700,000 textile jobs alone. Akio Morita and I went to a seminar in Chicago almost 20 years ago, and they were lecturing about the Third World countries, the emerging nations trying to become nation states.

Morita, then head of Sony, said: Wait a minute, in order to become a nation state, you have to develop a strong manufacturing capacity.

Then later, he turned and said to this Senator: Senator, the world power that loses its manufacturing strength will cease to be a world power.

I am worried about this country. I tell you, we have over a $412 billion deficit in fiscal year 2002.

Madam President, I ask unanimous consent that page 1 and page 60 of the Mid-Session review on the budget just issued be printed in the RECORD.

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

SUMMARY

When this report was published last year, the nation was in the midst of a recession that, predictably, was already having detrimental effects on the government's finances. What no one could predict was that just 20 days later, a lethal attack on America would exacerbate the recession and trigger extraordinary military, homeland defense, and repair expenditures that would at least temporarily make an enormous difference in the fiscal outlook.

By the February 2002 submission of the Budget for fiscal year 2003, the budgetary effects of the recession and the war on terror were well understood. It was also becoming apparent that the flood of revenue that produced record surpluses in the late 1990s was driven both by underlying economic growth, the traditionally decisive factor, and, in ways no yet fully grasped, by the extraordinary boom in the stock market. The markedly greater dependence of revenues on stock market developments was not yet understood by experts either inside or outside the government.

The economic recovery appears to be underway, the one-time costs of recovery are being paid, and the expense of war-fighting abroad and new protective resources at home have been incorporated in budget plans. Taking all these changes into account, the federal government is now projected to spend $165 billion more than it receives in revenues in 2002, up from the $106 billion projected nearly six months ago. Table 1 below comparing February and July estimates shows a return to the pre-recession pattern of surpluses in 2005, and growing surpluses thereafter. Future improvements, however, depend to a significant extent on two key factors: (1) restraint of the recent rapid growth in federal spending; and (2) a resumption of growth in tax payments produced by a stronger economy and a stronger stock market.

MOVING FORWARD AMID THE BACKDROP OF WAR

President Bush placed two purposes above all others in his 2003 Budget: Winning the war on terror and restoring the economy to health. On both fronts, initial progress has been encouraging. Military action in Afghanistan has depleted the ranks and greatly weakened the operational capabilities of the terrorists. On the economic front, the nation's gross domestic product (GDP) grew at an impressive 6.1 percent annual rate in the first quarter of 2002, making the recession both shorter and shallower than most and the early recovery far stronger than assumed in February's budget.

For the future, we can be certain only of the intentions of our adversaries and our own resolve to defeat them. We know neither the length of the conflict nor the budgetary expense of victory. Nor can we be certain the economy will not be weakened by further shocks. To preserve the flexibility to respond to future events while maintaining a fiscal framework that will return the budget to surplus, it is imperative that spending, . . .

TABLE 1.—CHANGES FROM 2003 BUDGET

[In billions of dollars]

	2002	2003	2004	2005	2006	2007	2003–2007
2003 Budget policy surplus	−106	−80	−14	61	86	104	157
Enacted legislation	34	33	17	33	4	2	89
Supplemental and other adjustments to Administration policy	−13	−7	−6	−3	−4	−3	−25
Economic and technical reestimates	−80	−54	−45	−37	−26	−18	−181
Total changes	−59	−29	−34	−8	−26	−20	−117
Mid-Session Review policy surplus	−165	−109	−48	53	60	84	41

TABLE 20. FEDERAL GOVERNMENT FINANCING AND DEBT

[In billions of dollars]

	2001 Actual	Estimate					
		2002	2003	2004	2005	2006	2007
Financing:							
Unified budget surplus (+)/ deficit (−)	127	−165	−109	−48	53	60	84
Financing other than the change in debt held by the public:							
Premiums paid (−) on buybacks of Treasury securities[1]	−11	−4					
Net purchases (−) on non-Federal securities by the National Railroad Retirement Investment Trust	.....	−6	−11	−*	*	*	*
Changes in:[2]							
Treasury operating cash balance	8	−6	−5	.....	.....	−5	.....
Checks outstanding, deposit funds, etc.[3]	−13	−12	10	.....	.....	.....	.....
Seigniorage on coins	1	1	1	1	1	1	1
Less: Net financing disbursements:							
Direct loan financing accounts:	−19	−15	−15	−15	−15	−15	−15
Guaranteed loan financing accounts	−4	−2	3	3	4	5	5
Total, financing other than the change in debt held by the public	−37	−44	−17	−11	−9	−14	−8
Total amount available to repay debt held by the public	90	−209	−126	−58	44	47	76
Change in debt held by the public	−90	209	126	58	−44	−47	−76
Debt Subject to Statutory Limitation, End of Year:							
Debt issued by Treasury	5,743	6,155	6,535	6,897	7,195	7,506	7,805
Adjustment for Treasury debt not subject to limitation and agency debt subject to limitation[4]	−15	−15	−15	−15	−15	−15	−15
Adjustment for discount and premium[5]	5	5	5	5	5	5	5
Total, debt subject to statutory limitation[6]	5,733	6,145	6,524	6,887	7,184	7,496	7,795
Debt Outstanding, End of Year:							
Gross Federal Debt:[7]							
Debt issued by Treasury	5,743	6,155	6,535	6,897	7,195	7,506	7,805

TABLE 20. FEDERAL GOVERNMENT FINANCING AND DEBT—Continued

[In billions of dollars]

	2001 Actual	Estimate					
		2002	2003	2004	2005	2006	2007
Debt issued by other agencies	27	27	26	26	24	24	23
Total, gross Federal debt	5,770	6,182	6,561	6,923	7,219	7,530	7,828
Held by:							
Debt securities held by Government accounts	2,450	2,654	2,906	3,210	3,550	3,908	4,282
Debt securities held by the public[8]	3,320	3,529	3,655	3,713	3,669	3,622	3,546

* $500 million or less

[1] Includes only premiums paid on buybacks through April 2002. Estimates are not made for subsequent buybacks.

[2] A decrease in the Treasury operating cash balance (which is an asset) would be a means of financing a deficit and therefore has a positive sign. An increase in checks outstanding or deposit fund balances (which are liabilities) would also be a means of financing a deficit and therefore would also have a positive sign.

[3] Besides checks outstanding and deposit funds, includes accrued interest payable on Treasury debt, miscellaneous liability accounts, allocations of special drawing rights, and, as an offset, cash and monetary assets other than the Treasury operating cash balance, miscellaneous asset accounts, and profit on sale of gold.

[4] Consists primarily of Federal Financing Bank debt.

[5] Consists of unamortized discount (less premium) on public issues of Treasury notes and bonds (other than zero-coupon bonds) and unrealized discount on Government account series securities.

[6] The statutory debt limit is $6,400 billion.

[7] Treasury securities held by the public and zero-coupon bonds held by Government accounts are almost all measured at sales price plus amortized discount or less amortized premium. Agency debt securities are almost all measured at face value. Treasury securities in the Government account series are measured at face value less unrealized discount (if any).

[8] At the end of 2001, the Federal Reserve Banks held $534.1 billion of Federal securities and the rest of the public held $2,785.9 billion. Debt held by the Federal Reserve Banks is not estimated for future years.

Mr. HOLLINGS. Now you begin to see what I started to talk about—the corruption, not of Senators, but of the process. You and I saw the corruption of the process when they brought TV cameras in here. I first got here 35 years ago. If you wanted to know what was going on down on the floor, you had to go down on the floor. So you always had 20, 25 Senators in this cloakroom, 20 Senators over in that cloakroom; and a point was made that you could immediately go out and contest that point. Now I stay back in my office looking at my TV. I know that is wrong, and I should run over to the floor. But when I get here, two other Senators have been waiting for an hour as the next speakers. So there is no debate. The process has been corrupted, as the budget process has been corrupted.

Let me tell you exactly how it happened because I was chairman of the Budget Committee. I went over with Alan Greenspan in January of 1981 to brief President Reagan on the budget. He had pledged to balance the budget. He pledged, of course, tax cuts. He also pledged to balance the budget in 1 year. After the briefing, he said: Oops, this is way worse than I thought. It is going to take 3 years.

That is how we got into the 3-year budgets. And with Gramm-Rudman-Hollings, we got the 5-year budget, and now we have 10-year budgets. Whoopee, let's have a 20-year budget and make all kinds of happy projections and reelect ourselves. That is the corruption that has gone on.

After President Reagan came in, the Greenspan Commission issued their report on Social Security, making it fiscally sound. Section 21 of the Greenspan Commission report said: Put Social Security off budget.

As a former chairman of the Budget Committee and an old-timer, I worked with John Heinz from Pennsylvania, and we finally got it passed. On November 5, 1990, George Herbert Walker Bush—President senior Bush—signed into law, section 13.301 that says you shall not use Social Security in your budget. But we do. The President violates it, the Congress violates it, and, more particularly, the media does.

The distinguished Senator from West Virginia is so terrific on historical reference, and I must think at this moment of President Thomas Jefferson. When he was asked: Between a free government and a free press, which would you choose? He said: I choose the latter. So long as the free press tells the truth to the American people, the Government will remain free.

Why do they say on page 1, which we have just put into the RECORD, the deficit is $165 billion? But on page 60, the deficit, the real debt we will spend in this fiscal year, Madam President, is $412 billion more than we take in. Why? Because Mitch Daniels, our Enron accountant—wants to fool Americans. He is more interested in rolling out hundreds of millions of dollars in tax breaks for Kenny-Boy Lay.

Now, President Reagan, in trying to get both tax cuts and his pledge to balance the budget, got what he called ''unified.'' That was the biggest bunch of nonsense and charade I ever saw because it was all but unified. He just separated out the trust funds, including Social Security, and the civil service retirement and military retirees funds. He factored them out, and the next thing you know, we had unified.

Then, under President Clinton, we went to on-budget, off-budget, on-budget, off-budget. Then to continue the charade, under President Bush, we refer to it as public debt and Government debt, Government debt and public debt. They confuse the public in order to get reelected. They tell everybody Social Security is not spent. That is exactly what the Secretary of the Treasury said this last Sunday. He said that under no circumstance would we spend Social Security.

I almost went through the TV set when I heard him say:

> Social Security moneys are never spent for anything except Social Security. It's a red herring.

CBO has already said we will owe not $1.170 trillion, but $1.333 trillion to Social Security. In fact, on page 44 of the Mid-Session Review you will see Mitch Daniels hides that fact. I ask unanimous consent that page 44 be printed in the RECORD.

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

TABLE 7.—BUDGET SUMMARY BY CATEGORY

[In billions of dollars]

	2002	2003	2004	2005	2006	2007	2003–2007
Outlays:							
Discretionary							
Defense	332	371	388	408	423	437	2,028
Nondefense	379	399	413	418	424	432	2.086
Subtotal, discretionary	711	771	801	826	847	870	4,114
Emergency response fund	36	17	8	3	2	1	30
Mandatory:							
Social Security	453	473	494	515	538	566	2,587
Medicare	223	232	242	260	282	307	1,324
Medicaid	147	161	173	188	205	223	950
Other mandatory	291	305	302	307	319	323	1,556
Subtotal, mandatory	1,114	1,171	1,212	1,270	1,345	1,419	6,417
Net interest	171	180	196	198	197	194	965
Total Outlays	2,032	2,138	2,217	2,298	2,390	2,483	11,526
Receipts	1,867	2,029	2,169	2,351	2,451	2,567	11,567
Surplus	-165	-109	-48	53	60	84	41
On-budget surplus	-322	-282	-236	-165	-176	-171	-1,031
Off-budget surplus	157	173	189	219	237	255	1,072

Mr. HOLLINGS. Madam President, you will see on page 44 that the Social Security moneys, to the tune of $157 billion, is spent. It shows it in his own document. We need to catch these fellows. That is why I say the budget is corrupt.

Robert Kennedy, who used to sit at this desk, wrote a famous book, ''The Enemy Within.'' I could write a book called ''Your Best Friends and My Best Friends.'' The best friends are the Chamber of Commerce, the Business Roundtable, the National Manufacturers Association, and the National Federation of Independent Business. They are the enemy within for fixed trade. Yes, they want to export—export our jobs. That is what this is all about. Senator BYRD, over half of what we consume in this country is imported. Does the Senator realize that?

We import 56 percent of our optical goods; 80 percent of our watches; and 42 percent of our semiconductors. I thought we were in the age of high tech, high tech, high tech—that motor of growth, high tech, high tech. But we import 42 percent of our semiconductors.

By the way, out in Silicon Valley, they do not have health care, and I say to Senator BYRD, they do not have medical care. They are part-time workers. My friends at Microsoft had to sue to get health care. I would rather have a GE plant where they are making turbines and employee make $24 an hour, than to have high tech, high tech plants, where people make $12 or $14 an hour. Don't give me this high-tech stuff.

This is all catching up with corporate America on the front pages. Corrupt executives are going to be indicted. The Justice Department has charged some executives already, but not Kenny Boy Lay, of Enron. You do not even hear about him.

The Commerce Committee brought the Enron and WorldCom crowds in for hearings. We also heard from David Freeman, of the California Power Authority. I wanted to know how Kenny Boy Lay could not have heard about the fraudulent pricing structure Enron had out there. I saw his wife on TV, who said Mr. Lay did not know anything. Mr. Freeman said he knew everything going on out in California, I can tell you that.

We have enough to bring charges. But that said, I am wondering and worrying about this because the fellow in charge of this, Deputy Attorney General Larry Thompson, used to worked at a law firm that represented Enron. And if you think we cleaned up corporate America the other day with the new accounting bill, we did not, because it did not include expensing stock options. We also need companies to change auditors every 5 years. If they do, then every 5 years you will have the auditors auditing the auditors. When you know that another audit group is going to come in behind you, you do not start any tricky stuff. You are on trial. That is the quickest way to clean up the books.

I wanted to offer an amendment for that, but the leadership on both sides had it tabled. We have not solved that problem, but I will be back.

Back to the task at hand, we import 46 percent of our camera equipment; 93 percent of electrical capacitors; 55 percent of printing and related machinery; and already 36 percent of motor vehicles. That is a third of the vehicles Americans drive. Imported cars keep taking over the market here, they keep taking over the market. Also we import 62 percent of our motorcycles; over 50 percent of our office machines; 70 percent of our television sets; and 50 percent of our crude petroleum.

I ask unanimous consent to print this list in the RECORD.

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

Commodity	*Import percentage*
Optical Goods	56.5
Ball and Roller Bearing	28.4
Watches	80.8
Household Appliances	31.5
Air Conditioning Equip.	23.0
Semiconductors	51.2
Computers, Peripherals, Parts	56.5
Cameras and Equipment	46.8
Electrical Capacitors	93.5
Metal Forming Machine Tools	46.9
Mechanical Power Transmission Equip.	36.2
Printing and Related Machinery	55.2
Textile Machinery	58.3
Electrical Transformers	51.8
Motor Vehicles	35.6
Motorcycles	62.1
Office Machines	50.7
Televisions	69.2
Crude Petroleum	49.8
Steel Mill Products	21.3
Electric Motors	29.8
Consumer Electronics	95.5
TV and Radio Broadcasting	86.7
Printed Circuits	24.6

Mr. BYRD. Madam President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. BYRD. But don't we need this trade promotion authority? Don't we need this trade promotion authority to wipe out those deficits so we can start moving our goods, other than farm products and along with them, too, don't we need this trade promotion authority, I say to the Senator? ''Trade promotion authority,'' that tells me it promotes trade.

Mr. HOLLINGS. I just read a list of products, showing how the fix is on with respect to trade. What they do is fix us. In other words, House members are elected every two years, so they have to explain their votes every 2 years. In the Senate, we just have to explain our votes every 6 years. So we do not have to explain too much.

On our side, the Finance Committee is either a bunch of oil people or farmers—and that is a fix. When you get that crowd in there, they will accept anything with regards to trade, which they did with this particular conference report.

Here is how they have fixed it in the past. In November of 1993, under fast track, Rep. PETER KING helped President Clinton organize the GOP supporters of NAFTA. When Rep. KING went home and found the Army Corps of Engineers was reneging on a deal to dredge, President Clinton fixed the problem for him.

Lynn Martin, President Bush's Labor secretary, said that ''If the president didn't make deals, they'd be saying he doesn't understand Washington.''

Article I, section 8 of the U.S. Constitution, which the Senator from West Virginia carries in his breast pocket, says the Congress—not the President, not the Supreme Court—but the Congress shall regulate foreign trade.

Mr. BYRD. Right.

Mr. HOLLINGS. But here is how it is regulated. The President comes over and he gets this so-called fast track, which is fixed trade. So he gets a peanut butter deal, Durham wheat deal, orange juice deal, sugar deal, cucumber deal, beef deal, winter vegetable deal, frozen food deal, wine deal, and Honda auto parts deal.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From USA Today, November 18, 1993]

WHEELING, DEALING, TO ASSURE A VICTORY

(By Steve Komarow)

President Clinton couldn't get Rep. Clay Shaw's vote with a highway overpass, water project or federal courthouse. Shaw's demand was more personal: extradition from Mexico of the man accused of raping a 4-year old girl.

''I am now confident that the Mexican authorities will do everything in their power to see him brought to justice,'' said Shaw, R–Fla., as he announced his vote for the North American Free Trade Agreement.

The California child, now 5, is the niece of Shaw's secretary and ''just a beautiful little girl,'' he said. Until NAFTA, it appeared unlikely her suspected attacker would be tried.

Mexico doesn't send its citizens to the United States for trial, despite the existence of an extradition treaty between the two countries.

But not Mexican Attorney General Jorge Carpizo has personally assured Shaw that they'll pursue Serapio Zuniga Rios and, if he's captured, extradite him.

Shaw's deal stood out among the flurry of bargains the White House struck to secure passage of NAFTA. But at least ''it had something to do with Mexico,'' unlike many, said colleague Jim Bacchus, D–Fla.

More often, they fell in the traditional category of favors a president can bestow within limits of the budget.

The White House offered everything from presidential jogging dates to road projects during its final push.

Opponents screamed foul.

''It's obscene, this horse-trading of votes,'' said Rep. John Lewis, D–Ga., a ''no'' vote.

''We knew we couldn't compete. . . . We didn't have any bridges to give away,'' said former representative Jim Jontz, head of the anti-NAFTA Citizens Trade Campaign.

But the administration said it was just using whatever legitimate influence it had, at a time when it might do some good.

''I think when we end up, there's no cost to the Treasury,'' said Treasury Secretary Lloyd Bentsen.

A sheaf of last-minute side agreements was added, and promises were made to help the

wine, citrus, glass, sugar, peanut and textile industries.

Not only fence-sitters won concessions. The White House also took care of allies.

Rep. Peter King, R–N.Y., who helped Clinton organize GOP supporters of NAFTA, had gone home last weekend to find the Army Corps of Engineers was reneging on a deal to dredge an inlet in his Long Island district.

''I was endorsing him . . . and getting screwed by the administration,'' he said. ''It was a bureaucratic foul-up, but it was putting me in a very awkward spot.''

Not for long. King called the White House, explaining his predicament. ''And yesterday they faxed us a signed copy of the agreement,'' he said.

Clinton's signature was all over Capitol Hill.

''I know that peanut growers are concerned about imports of peanut butter and peanut paste as well as quality,'' the president intoned in a typical letter to lawmakers with goober-growers in their districts.

Better to risk looking like a wheeler-dealer than to risk losing the critical NAFTA vote. And what's so bad about a little give-and-take?

Said Lynn Martin, President Bush's Labor secretary, on Larry King Live: ''If the president didn't make deals, they'd be saying he doesn't understand Washington.''

Quid pro quo: Who got what to win votes for the North American Free Trade Agreement, President Clinton has made side deals with members of Congress, promising benefits for their districts—mainly protecting the prices farmers and manufacturers get for their products. Some examples:

Peanut Butter the Deal: U.S. peanut growers claim Canada, with 25% of the U.S. market, evades trade barriers by processing peanuts from China and Africa. Clinton will seek limits on peanut butter and paste shipments to the USA if Canada doesn't cut back within 60 days.

Durum Wheat the Deal: U.S. producers of durum wheat, used in spaghetti and macaroni, complain Canadian growers get transportation subsidies. President Clinton promised talks with Canada and, if talks fail, said he'd seek limits on imports from Canada. Either way, the price would go up.

Orange Juice the Deal: Clinton would impose pre-NAFTA tariffs on frozen orange juice concentrate if Mexican shipments rise, pushing prices below a five-year average for five straight days. Also, he'll limit tariff reductions the administration would accept in free-trade talks with other countries.

Sugar the Deal: Mexico agreed to tighten controls on sugar and high fructose corn syrup exports to the USA. If the ceiling is exceeded, Clinton could impose tariffs. Also, Mexico pledged to prevent Mexican candymakers from using corn syrup, which would have freed Mexican sugar production for export.

Cucumbers the Deal: Clinton would impose pre-NAFTA tariffs if Mexican shipments rise, pushing prices down. Also, he'll limit tariff reductions the administration would accept in talks with other countries.

Beef the Deal: New rules will keep Australian and New Zealand beef from coming though Mexico by requiring shippers to show where the animals were raised.

Winter Vegetable the Deal: Clinton pledged to diligently enforce NAFTA provisions that would allow reimposition of tariffs to protect against sudden import surges from Mexico of tomatoes, sweet corn and peppers.

Frozen Food the Deal: Clinton agreed to push for ''country of origin'' labeling on products like frozen broccoli. Unions complains many plants in that category have moved to Mexico in recent years to take advantage of Mexican vegetable production and cheaper labor.

Wine the Deal: Clinton would open negotiations to eliminate Mexico's tariffs more quickly than the 10-year phaseout NAFTA specifies. Trade Representative Mickey Kantor promised a new arrangement by May 1994.

Textiles, Clothing the Deal: Clinton promised to work toward a 15-year, rather than 10-year, phaseout of American textile quotas in global free-trade talks. Also, the Customs Service will step up enforcement of trade quotas.

Honda Auto Parts the Deal: The administration added a provision that will relieve Honda of paying $17 million in duties on auto parts shipped from Canada to its assembly plant in Ohio since 1989.

Mr. HOLLINGS. The point is the fix is in. Members get all kinds of favors for their votes. I remember my good friend Jake Pickle got help with a cultural center down in Texas. I remember in northern California there were two golf games with President Clinton. Then there were two C–17s given down in Texas where they were making them, and on and on. Members who vote for trade get all the favors. They have already fixed this vote, and that is why you see the empty Chamber. They have made up their minds.

But the country is in trouble with a $412 billion fiscal deficit, and we heard the figure by the distinguished Senator from North Dakota. Last month there was a $41.5 billion trade deficit, so we are right at a $500 billion current account deficit, with the outcome being a weakening of the dollar.

We now have high unemployment. We have a Secretary of the Treasury that says everything is fine. That is nonsense. They want more tax cuts. They cut $1.7 trillion of the revenues and then wonder why at this time last year we were talking about a 10-year $5.6 trillion surplus and now we have a $412 billion deficit.

They try to blame that on the war. I think we ought to look at this particular article about the Office of Management and Budget.

Mr. HOLLINGS. Mitchell Daniels, on September 4, 2001—7 days before September 11—projected for fiscal year 2001 that our government would have the second largest surplus in history.

I have looked at the figures. Overall, 9/11 cost the government, and I say this to the chairman of the Appropriations Committee $31 billion. Of that $4 billion was during fiscal year 2001, and $27 billion in this fiscal year. The war did not cause the supposed surplus to disappear.

We have always paid for our wars, but this President comes along and says we have a war on so we are going to have to run deficits, and incidentally the war is never going to end.

When we go home, Governors are struggling. Mayors are cutting back spending. They are having to layoff firemen and policemen. But in Washington, there is no tomorrow. We have a war on, so let's have some more tax cuts even with a $412 billion deficit.

Wall Street talks about consumer confidence, but there is not confidence in the Government. On Wall Street, they know those long-term interest rates are bound to go up. The Government is going to crowd in with its sharp elbows, borrowing the money to keep it going, crowding out business finance, running up the long-term interest rates. That is what is happening to the stock market. It is not another tax cut, for heaven's sake, that we need. The President ought to come back and go to work and cut out his fund-raising, for goodness' sake.

We have problems in this country. The biggest problem that is unmentioned, except by the Senator from Minnesota, the distinguished Senator from North Dakota, the Senator from West Virginia and others, is we are spending Social Security moneys.

The Enron accounting did not start with Kenny Boy Lay. It started with us 20 years ago. Infectious greed? No, Madam President. Infectious fraud, fraud on the American people.

I am not proud to say that, but the process has been corrupted.

I ask unanimous consent that this article in the Financial Times from 2 days ago be printed in the RECORD.

There being no objection, the article was ordered printed in the RECORD, as follows:

[From the Financial Times, July 30, 2002]

INFECTIOUS FRAUD

How can Americans be confident in the stock market and the country when everything seems to be one grand fraud? It seems as if every day another blue-chip corporation is under investigation. And somebody in Washington is cooking the books, when last year the US had a 10-year $5,600bn surplus and this year it has an estimated $412bn deficit.

Enron bookkeeping started in Washington. In 1983, the Greenspan commission restored the soundness of Social Security with a graduated payroll tax, meant to take care of the baby-boomers in this century. The commission's report required surpluses from Social Security to be put in an off-budget trust fund to be used for future generations. Back then Reaganomics, the policy of economic growth by cutting taxes, led to spending Social Security and other trust funds in order to say the deficit was decreasing, while it was in fact increasing.

President George H. W. Bush called Reaganomics ''Voodoo''. Now President George W. Bush is giving us Voodoo II. This Enron system of accounting hides the truth by juggling two sets of books. It is like paying off one credit card with another.

The Bush administration continues this charade by dividing the budget into public debt and government debt. Both debts combined constitute the total national debt. But Mr. Bush talks only about the public debt (the bonds and notes America issues) while hiding the government debt (the Social Security and other trust funds being raided). What Mr. Bush needs to talk about is the total national debt.

The budget committee tried to stop this charade in 1990 by passing section 13301 of the Budget Act, forbidding the president and the Congress from citing a budget that spends Social Security. But, no matter, the president, the Congress and the media—acting like Enron—violate section 13301 by spending Social Security and other trust funds and fraudulently reporting that they have not been spent.

The financial markets see this fraud. They know the government will need to borrow

money, coming into the market with its sharp elbows, crowding out business finance, stultifying the economy and causing long-term interest rates to go up. When Ronald Reagan came into office the interest cost on the national debt was $95bn. By 2001 it was $359bn—so every day the government borrows nearly $1bn to service the national debt. This is outrageous waste. But the bigger outrage is the president, Congress and the media crying foul at Enron while engaging in the same type of fraud.

To expose this fraud, in 1989 a debt clock was erected near Times Square in New York. It spins like a speedometer reporting the combined public and government debt going up, up and away. In 2000, when the debt started coming down, the clock was turned off. But this month the government's office of management and budget released numbers showing an alarming amount of new red ink.

On page one of the mid-session review, the deficit was for this fiscal year ending September 30 will hit $165bn. Of course, this is the ''Enron figure'' the government hopes everyone will use, not the real number. On the last page of the report readers can find that this year's true deficit is $412bn, of which only $27bn is due to September 11. The debt clock has been turned on again.

The true story of today's economic downfall began with candidate Bush in 2000. He stated that his first order of business as president would be to cut taxes. In office, Mr. Bush told the nation that not only was there enough money for a tax cut; there would also be money left over to pay down the debt, to protect Social Security and Medicare, and $1,000bn for any special needs. The dam really broke in January 2001 when Alan Greenspan, chairman of the Federal Reserve, in a fit of irrational exuberance, cautioned that surpluses were growing too fast and we were paying down too much debt. With this blessing of tax cuts, Wall Street started selling. And in less than four months, we went from a $2bn surplus in June 2001, when the tax cut was passed, to a $143bn deficit on September 30 last year. Less than $4bn of this was because of September 11.

In the 1990s, when we were paying down the debt with spending cuts and tax increases, America had eight years of the best economic growth in history. Mr. Bush's $1,700bn tax cut has put the country into the ditch.

The president says we should not worry about deficits while there is a war on. There is no end to the war and he calls for more tax cuts. This requires further government invasion into the market, so the market stays on edge.

The US should freeze next year's budget at this year's levels, with the exception of defense and homeland security; cancel the tax cuts; and start, once again, paying down the debt. If Americans want to regain confidence in the stock market and in the country they should know the problem is infectious fraud, not infectious greed.

Mr. HOLLINGS. Here's another headline from July 31, ''Automakers Get Even More Mileage From The Third World. Low Cost Plants Abroad Start To Supply Home Markets As Quality Picks Up Steam.'' And this one from the Los Angeles Times, ''High-paid Jobs Latest U.S. Export.'' That is what we are exporting. That is what the people ought to be reading.

Understand that we are going out of business. Productivity is high, yes, of what we produce, but we are not producing anything. We are giving fast food to each other and going the way of England. At the end of World War II, they said, do not worry, instead of a nation of brawn, we will be a nation of brains. Instead of producing products, we will provide services. We have heard that ''service economy wag'' in this Chamber. Instead of creating finances, we will handle it and be the financial center. They have the haves and the have-nots, and a bunch of scandal sheets and debating Parliamentarians. We are going the way of England. We are going out of business and nobody wants to talk about it because we have the campaign; we have lunch coming along.

I remind everybody what made this country great. It was in the earliest days—and this has to be included in the RECORD—under our Founding Fathers. The British said to our little fledgling colony, now that you have won your freedom, what you ought to do is trade back to the mother country what you produce best and the mother country will trade back what it produces best.

We were saved by Alexander Hamilton, who helped write the papers, his report on manufacturers. It is too much, I believe, to put in the RECORD, but in a line, he told the British, ''bug off.'' He said, we are not going to remain your colony, importing the finished goods and just exporting our timber, our coal, our iron, our ore, our farm products. We are going to become a strong economy, a nation state.

The first bill was the seal of the United States of America, and the second bill on July 4, 1789, was a tariff bill, protectionism. These children run around on the floor hollering, ''protectionism, protectionism.'' They do not know how the country was built. They have no idea of history, no sense of accomplishment. We did not pass the income tax until 1913. We built this strong United States of America with protectionism, tariffs.

Fast forward 100 years to Teddy Roosevelt, and Edmund Morris' book ''Theodore Rex.'' We ought look at the turn of the century when old Teddy came in. The United States was already so rich in goods and services that she was more self-sustaining than any industrial power in history.

We are not today by any manner or means. We do not have a strong economy by any manner or means. Tell the Secretary of the Treasury.

Back then, we consumed only a fraction of what we produced. The rest went overseas at prices other exporters found hard to match. As Andrew Carnegie said, the ''Nation that makes the cheapest steel has other nations as its feet.'' More than half of the world's cotton, corn, copper, and oil, flowed from the American cornucopia, and at least one-third of all steel, iron, silver, and gold did, too. The excellence of her manufactured products, guaranteed her dominance of world markets. That was in the early 1900s.

I went to New York recently on Amtrak's Acela. It is a train made in Canada. When I arrived at the station, the dogs that sniffed me were from Czechoslovakia. We are even importing the dogs. We don't have anything Made In America around here, other than a few politicians. I wish newspapers and politicians could be produced overseas. If they were, we could straighten this country out overnight, I can tell you that right now.

Senator WELLSTONE, before you would be able to open up Wellstone Manufacturing, you would have to have for your employees a minimum wage, clean air, clean water, Social Security, Medicare, plant closing notice, parental leave, safe working place, safe machinery—on and on and on. Then the plant next door says: Wait a minute. I can go down to Mexico and pay workers 58 cents an hour and have to do none of that. And they go. Unless you follow, you will go broke.

The job policy in the Senate today is to export and get rid of jobs. I remember when Sam Ervin stood at that desk and we added $5 billion for highway construction in the 1970s to create jobs that were needed.

Now, instead of creating jobs, we come in and have a welfare reform bill. They stand in the well and pride themselves, look, we have extended payments for unemployment; we are offering a little bit more for health care. They do not talk about creating jobs anymore. They present this as a welfare reform bill. I don't want welfare reform. I need to hold on to my job.

What happens to the some 54,000 textile workers in South Carolina? Washington said: Go global. Be like Mao Tse-tung and reeducate them if they lose their jobs. In my state, the mills that made the T-shirts, they get closed down. They had 487 employees. The average age was 47 years.

The Senate said: Let's retrain them for high tech. And tomorrow morning we have 487 expert computer operators. Are you going to hire a 47-year-old expert computer operator and take on their retirement costs and their health costs? Or are you going to hire a 21-year-old?

We brought in BMW to South Carolina, but we still have empty towns back home. A couple years ago, we had 3.2 percent unemployment. Now it's over 6 percent. In some counties, it is over 10 percent unemployment, and we have lost 54,000 textile jobs alone. There you go.

I regret the corruption and the fix. You talk about accounting corruptions, option corruptions; you talk about job corruptions. They could care less about the jobs. I can go right down, article after article, where the recovery will not reach.

We have corrupted the financial and fiscal affairs of the Nation. We have corrupted the economic base all on the premise that we need fast track because trade issues are very complex; whereas, one more time, Senator, I don't believe you were here, but in my hand is the trade policy agenda of the President of the United States, issued by the U.S. Trade Representative. To negotiate five trade agreements the President had fast track authority: Tokyo, NAFTA, U.S.-Canada, U.S.-Israel, the Uruguay, or WTO. But the next dozen pages contain some 200

trade treaties and agreements that have been entered into without fast track. They can do it, but we are in the hands of the Philistines, unless we can get corporate America to pull in its hold.

I do see a minor sign of hope. General Electric said they would start expensing their stock options. This is very different than the way GE's Jack Welch ran the place. I have the record here and his particular article I ask unanimous consent to have printed in the RECORD.

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

[From Business Week, Dec. 6, 1999]

WELCH'S MARCH TO THE SOUTH

(By Aaron Bernstein)

One of General Electric Co. CEO John F. Welch's favorite phrases is ''squeeze the lemon,'' or wring out costs to maintain the company's stellar profits. In the past year, the lemon-squeezing at GE has been as never before. In a new, superaggressive round of cost-cutting, the company is now demanding deep price cuts from its suppliers. To help them meet the stiff goals, several of GE's business units—including aircraft engines, power systems, and industrial systems—have been prodding suppliers to move to low-cost Mexico, where the industrial giant already employs 30,000 people. GE even puts on ''supplier migration'' conferences to help them make the leap.

GE's hard-nosed new push could spark other companies to emulate its tactics. The supplier crackdown is reminiscent of a similar attempt by former General Motors Corp. parts czar Jose Ignacio Lopez de Arriortua. His efforts largely failed in the face of stiff supplier resistance. But if GE succeeds, other companies could be inclined to try again. GE officials at headquarters in Fairfield, Conn., say the business units are simply carrying out Welch's larger campaign to globalize all aspects of the company. Says Rick Kennedy, a spokesman at GE Aircraft Engines (GEAE): ''We're aggressively asking for double-digit price reductions from our suppliers. We have to do this if we're going to be part of GE. ''GE's efforts to get suppliers to move abroad come just as World Trade Organization ministers start gathering in Seattle on Nov. 30. That timing could help make the GE moves an issue at the talks, where critics will be pointing to just such strategies—and the resulting loss of U.S. jobs to low-wage countries—as the inevitable fruit of unregulated trade. GE's 14 unions hope to make an example in Seattle of the company's supplier policy, arguing that its paving the way for a new wave of job shifts. They plan to send dozens of members to march with a float attacking Welch. PALTRY WAR CHEST. The campaign by GE's unions, which bargain jointly through the Coordinated Bargaining Committee (CBC), is also the opening salvo of bargaining talks over new labor contracts to replace those expiring next June. Because GE's unions are weak—fully half of their 47,000 members at the company belong to the nearly bankrupt International Union of Electronic workers (IUE)—they'll have a hard time mounting a credible strike threat. Instead, the CBC is planning a public campaign to tar Welch's image. They plan to focus on likely job losses at GE suppliers. The unions also suspect that GE may move even more unionized GE jobs to Mexico and other countries once it has viable supplier bases in place. ''GE hasn't moved our jobs to Mexico yet because our skilled jobs are higher up the food chain,'' says Jeff Crosby, president of IUE Local 201 at GE's Lynn (Mass.) jet-engine plant. ''But once they have suppliers there, GE can set up shop, too.'' His members from parts supplier Ametek Inc. picketed the plant on Nov. 19 to protest GE's pressure on Ametek to move to Monterrey, Mexico.

Although it has never openly criticized Welch before, the AFL–CIO is jumping into the fray this time. Federation officials have decided that Welch's widely admired status in Corporate America has lent legitimacy to a model of business success that they insist is built on job and wage cuts. ''Welch is keeping his profit margins high by redistributing value from workers to shareholders, which isn't what U.S. companies should be doing,'' charges Ron Blackwell, the AFL–CIO's director of corporate affairs. Last year, the AFL–CIO proposed a bold plan to spend some $25 million on a massive new-member recruitment drive at GE, but the IUE wasn't willing to take the risk. So the federation is backing the new, less ambitious campaign that focuses on traditional tactics like rallies and protests. STRONG TIDE. GE's U.S. workforce has been shrinking for more than a decade as Welch has cut costs by shifting production and investment to lower-wage countries. Since 1986, the domestic workforce has plunged by nearly 50%, to 163,000, while foreign employment has nearly doubled, to 130,000 (chart, page 74). Some of this came from businesses GE sold, but also from rapid expansion in Mexico, India, and other Asian countries. Meanwhile, GE's union workforce has shriveled by almost two-thirds since the early 1980s, as work was relocated to cheaper, nonunion plants in the U.S. and abroad.

Welch's supplier squeeze may accelerate the trend. In his annual pep talk to GE's top managers in Boca Raton, Fla., last January, he again stressed the need to globalize production to remain cost-competitive, as he had done in prior years. But this time, he also insisted that GE prod suppliers to follow suit. Several business units moved quickly to do so, with GEAE among the most aggressive. This year, GEAE has held what it calls ''supplier migration'' conferences in Cincinnati, near the unit's Evendale (Ohio) headquarters, and in Monterey, where an aerospace industrial park is going up.

At the meetings, GEAE officials told dozens of suppliers that it wants to cut costs up to 14%, according to documents about the Monterrey meeting at Paoli (Pa.)-based Ametek, whose aerospace unit makes aircraft instruments. The internet report, a copy of which Business Week obtained, says: ''GE set the tone early and succinctly: 'Migrate or be out of business; not a matter of if, just when. This is not a seminar just to provide information. We expect you to move and move quickly.'" Says William Burke, Ametek's vice-president for investor relations: ''GE has made clear its desire that its suppliers move to Mexico, and we are evaluating that option. We have a long relationship with GE, and we want to preserve it.''

GEAE officials argue that heightened competition leaves them no choice. Jet engines sell for less than they did four years ago, says Kennedy, the unit's spokesman. Almost all GEAE's profits have come from contracts to maintain engines already sold. And that business is getting tougher, with rivals such as United Technologies Corp.'s Pratt & Whitney laying off thousands of workers to slash costs. ''This company is going to make its net income targets, and to do it, we will have to take difficult measures,'' says Kennedy.

Still, even some suppliers don't see the Mexico push as justified. They point out that GEAE's operating profit has soared by 80% since 1994, to $1.7 billion on sales of $10.3 billion. GE, they argue, is leading the cost cuts. ''It's hard to give away 5% or 10% to a company making so much money when most of the suppliers are marginally profitable,'' says Barry Bucher, the CEO and founder of Aerospace International Materials, a $30 million distributor of specialty metals in Cincinnati. Nonetheless, Bucher says he's looking into a joint venture in Mexico in response to the demands from GE, his top customer.

The unions, for their part, worry that GEAE will follow in the footsteps of GE's appliance unit. To remain competitive in that low-skilled, low-margin industry, GE Appliances has slashed its workforce nearly in half at its Appliance Part facility in Louisville, to some 7,500 today. Much of the work has been relocated to a joint venture in Mexico. Union leaders have tried to stave off further job shifts by offering concessions. In early November, the company agreed to a $200 million investment in Louisville in exchange for productivity improvements and lump-sum payments instead of wage hikes for its members. ''We hope GE will see this as a solution they can adopt in jet engines and elsewhere,'' says IUE President Edward L. Fire.

Labor's new campaign may embarrass Welch and even prompt GE to tone down its demands on suppliers. But it won't rebuild the union's clout at the bargaining table the way a serious organizing drive might have done. Until that happens, Welch probably has little to fear from his restive unions.

Mr. HOLLINGS. Just two years ago Mr. Welch met with his suppliers and said to them: you will have to go overseas in order to make it. Unless you move to Mexico and cut your costs, you will not be a supplier of GE. Then he held seminars around the country for all the suppliers saying: Get out of the country, get out of the country, get out of the country.

Now, unless these industrial leaders gain a conscience and quit telling all the suppliers they have to go to Mexico or China; and quit telling their board of directors they have to go to Bermuda to avoid taxes, we are going to be in serious trouble. They need to help us rebuild the industrial strength of the United States of America.

But we are in a fix. The debate in the Senate is controlled. We already have cloture. People are ready to go home and pass over the responsibility.

Senator HELMS could not be here. But he and I wanted to get that printing, dyeing, and finishing provision in the Caribbean trade bill. They didn't want to do it. They had plenty of time to do it, but the Bush administration said: We can fix this and get the vote of the Congressman from Greenville—which they did. And he voted again for fast track. But now that we have the fast track he voted for, what we wanted for printing, dyeing, and finishing is out. It has gone to Andean countries.

When I was Governor of South Carolina, we had a contest for the slogan of an insurance company, Capital Life. We said:

> Capital Life will surely pay, if the small print on the back don't take it away. That was the winning slogan, and that is what we have in Washington.

They have won out. We have lost the blooming stuff. They fixed the jury here, and they are all getting fattened up in order to win the next election.

But on how to win the economy and save this country—there is no interest.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Madam President, before the Senator from South Carolina leaves, I want him to know that normally I ask unanimous consent to follow and normally I might have gone back to the office and done some other things. But there are a few Senators I like to come out on the floor and listen to. The Senator from South Carolina is one of them.

He is the opposite of sterile and plastic and scripted and rehearsed. He is colorful, but, frankly, and more importantly, he is prophetic and he is right. In my years in the Senate, which is going on 12, there is not another Senator for whom I have greater respect. I mean that as sincerely as I can say it.

Mr. HOLLINGS. I thank the distinguished Senator. He is overgenerous to me. But I am trying to follow you and our hero, Senator Humphrey.

Mr. WELLSTONE. Madam President, building on the comments of the Senator from South Carolina, I really feel sorry for working people right now in our country. I just think they are getting pounded. I believe ordinary citizens are just getting pounded. For example, take Qwest workers in Minnesota. When Arthur Levitt was the Chair of the Securities and Exchange Commission several years ago, he tried to put into effect a rule that would have dealt with this conflict of interest situation. The Senator from South Carolina talked about this a few minutes ago. It would have prohibited the Arthur Andersens of the world from raking it in on these consulting contracts when they do an independent audit. He was stopped by too many Members of the House and Senate. But he did get a rule put into effect that they at least had to disclose their contracts.

With Qwest, as it turns out, in the year 2001 and 2002, by first a 6-to-1 ratio and then in 2002 a 8-to-1 ratio, Arthur Andersen was getting all kinds of money from these consulting contracts. I am not even sure what they did for all this money—6-to-1 to the actual money they got for the independent audit. So you know you don't bite the hand that feeds you. They didn't do an independent audit. And all of a sudden we find out Qwest was short quite a bit of money.

Above and beyond that—I am just going to give this context—above and beyond that, the management of Qwest tells the workers and the investors—a lot of little people are investors—we have had this company audited. Our auditing company wants to be clear with you that we have had this independent audit that we can vouch for, so on and so forth. But it turns out at the same time the actual audit committee did not say that. They actually do not say that they can, with 100-percent assurance, say this is a completely independent audit.

At the same time that this is being said, the CEOs are dumping some of their stock. And at the same time, too much of the workers' pension plan is invested in stock in the company, trying to be loyal workers, and they are locked in, and no one is helping them out. Now you have a lot of people out of work and, in addition, they have seen a lot of their pension plan eroded in value.

That is the story of a lot of people in the country who are not part of lobbying coalitions in Washington, not big investors, not heavy hitters, not well connected. I really feel sorry for working people. Frankly, I think this piece of legislation is yet another example of pounding a lot of regular people—regular people, ordinary citizens. I don't mean it in a pejorative sense, I mean it in a positive way.

One good thing that came out of conference is that there are some additional health care benefits for some of our older steelworkers—some of our retirees, some of our older steelworkers. That is good. But as I look at what happened in this conference committee, this bill is infinitely worse. This trade promotion authority bill is infinitely worse than when it left the Senate.

There was the Dayton-Craig amendment. I am very proud of the Senator from Minnesota, MARK DAYTON, for his work, so that any Senator would have been allowed to raise a point of order to any part of the trade agreement that would weaken U.S. trade remedy laws such as section 201, saying: Look, we are not going to give up our right to protect working people. If you have a trade agreement that basically undercuts our trade remedy laws, we are not just going to forfeit our responsibility to come out here on the floor and challenge that. We have to represent people back in our States.

That passed in the Senate but was taken out of the conference report. I wonder why.

Then my colleague, Senator HARKIN from Iowa, who has such passion about the exploitation of children, working God knows how many hours a day for so little wages—he had language that would have prohibited the use of exploitative child labor among our trading partners. That was taken out of the conference report.

I had an amendment that said our trading partners ought to respect human rights—would respect human rights. That was taken out of the conference report.

I had another amendment that said: Let's do a real jobs impact analysis. Let's really find out what is going on. Sometimes ignorance is not random and people don't want to know what they don't want to know.

Recently the Economic Policy Institute noted:

> NAFTA has contributed to rising income inequality, suppressed real wages for production workers, weakened collective bargaining powers and ability to organize unions and reduced fringe benefits.

We are talking about a net total of 3 million actual and potential jobs lost in the U.S. economy from 1994 to now. But the provision I had in the legislation was also taken out in conference.

This administration is gung ho on commercial property rights. They want to make sure they are fully protected in our trade agreements. This administration is gung ho on all the big financial institutions and all the big multinational corporations. That is where they raise their money. A lot of the key positions in the administration come from this background. A lot of their task forces are disproportionately made up of such people—you name it. They are gung ho when it comes to the commercial property rights of multinationals and big financial institutions. But when it comes to labor, when it comes to environmental, when it comes to human rights, they are nowhere to be found. I think that is wrong. I think it is profoundly wrong. And I think it is tragic that so many Democrats are not out here on the floor fighting for these rights.

I think the vast majority of people in Minnesota and the vast majority of people in the country would say we do not want to put walls up at our border. I get so angry at the charge: You are an isolationist. My father was born in Odessa, fled persecution in Russia, spoke 10 languages fluently. I grew up in a home that made me, by definition, an internationalist. My mother's family was from Ukraine. She was a cafeteria worker. I grew up in a family that emphasized that we live in a world and we ignore that world at our peril, and also emphasized being there for working people.

That is not the question. The question is whether or not we have trade agreements that respect basic human rights, that lead with our values as Americans, and that focus on promoting democracy. If we, as a country, can't promote democracy and human rights, who are we? That really protects little children, and says it is wrong to have a 9-year-old working 19 hours a day for 30 cents hour; that also says there should be environmental standards; there should be fair trade; do not put our workers in the position of when they try to organize or do organization and bargain collectively for better wages for their families, companies say, no, we are leaving, we are going to Mexico. When those workers try to organize, companies say no, we are going to leave and go to South Korea, or Indonesia. Then those companies say to those countries, if you should pass any legislation that would give workers the right to organize, or have environmental standards, or have child labor standards, we will not invest in your country.

Where are the values that promote the good standard of living for families in our country and families in the developing countries as well?

There was a Washington Post piece entitled ''Worked Till They Drop: Few

Protections for China's New Laborers.'' The article is heartbreaking. It tells of the death of Li Chunmei. I quote:

Coworkers said she had been on her feet for nearly 16 hours, running back and forth inside the Bainan Toy Factory, carrying toy parts from machine to machine. When the quitting bell finally rang shortly after midnight, her young face was covered with sweat.

This was the busy season, before Christmas, when orders peaked from Japan and the United States for the factory's stuffed animals. Long hours were mandatory, and at least two months had passed since Li and the other workers had enjoyed even a Sunday off.

''Lying on her bed that night, starting at the bunk above her, the slight 19-year old complained she felt worn out, her roommates recalled. Finally the lights went out. Her roommates had already fallen asleep when Li started coughing up blood. They found her in the bathroom a few hours later, curled up on the floor, moaning softly in the dark, bleeding from her nose and mouth. Someone called an ambulance, but she died before she arrived.''

The article goes on to say that what happened to Li ''is described by family and friends and co-workers as an example of what China's more daring newspapers call guolaosi. (GO–LAO–SI). The phrase means ''overwork death,'' and usually applies to young workers who suddenly collapse and die after working exceedingly long hours, day after day.

Can't we with our trade policy lead with our values? Can't we promote human rights? Can't we protect children? Can't we promote protection of the environment? Can't we protect the rights of working people to organize and bargain collectively?

I could read from the State Department report in country after country after country—in Colombia, there are so many examples of workers who have been murdered for trying to join a union; same sort of coercive practices that workers in Mexico have experienced for years. Certainly that is the case in China. And the list goes on and on.

I believe that most Americans believe trade policy should be about promotion of human rights. Trade policy should be about respect for human rights. Trade policy should be about promoting a decent fundamentally good standard of living for Americans as well as our brothers and our sisters in other countries as well.

What this piece of legislation says to me, as a Senator from the State of Minnesota, is that I have to forgo my constitutional rights to represent people in my State. When I see a trade agreement that overturns or overrides consumer protection in Minnesota, environmental protection in Minnesota, and workers' rights in Minnesota, I don't have the right to come out here and challenge that? I don't have the right to come out here with an amendment?

I didn't vote to give fast-track authority to President Clinton, and I am certainly not going to vote to give fast-track authority to President Bush. I will say it on the line. I have seen what this administration has done with repetitive stress injury. I have seen the way in which they overturned an important rule to protect people. I have seen what they have done when it comes to practically nothing by way of making safer workplaces for people. I have seen what they have done which amounts to practically nothing when it comes to mine safety issues. I have seen what they have done in trying to go after prevailing wages. I have seen what they have done in terms of one antilabor initiative after another. I have seen what they have done when it comes to a lack of commitment to people being able to organize and bargain collectively and labor law reform.

Frankly, I wouldn't for anything in the world give away my right to represent Minnesota and to represent workers and to represent unions. I am a proud labor Senator. I am a proud Senator who represents working people. You want to know something else. The best thing is there are a lot of people in the business sector who feel the same way.

I think exports are so critically important to our economy and very important to Minnesota. We do really well. I think imports are good because imports mean our companies have to compete. We should have that competition.

The only thing I want to see is some rules that go with this new global economy. I want to see fair trade. I want to see a global economy that does more than just promote the interests of multinational corporations. I want to see a global economy that promotes the environment. I want to see a global economy that promotes human rights. I want to see a global economy that promotes democracy. I want to see a global economy that protects the interests of working families in Minnesota and all across the country.

That is what I speak for. That is what I fight for. That is what I believe in. That is why I believe that this piece of legislation, which will pass overwhelmingly, is so profoundly wrong and so profoundly mistaken.

I feel sorry for working families today. They are getting pounded. I think we should do a better job of representing them.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, earlier today a number of the minority held a press conference. I have not spoken to Senator DASCHLE, but I know what took place at that press conference. It was all directed toward TOM DASCHLE. I think it was so unfair what they did.

They went to some printer and got a little thing printed up, and they passed this out to the press as a progress report on what has happened in the Senate.

Of course, they selectively picked some things that are not totally completed at this time. But it is interesting how they did this. For example, they talked about judicial nominations. I talked to Senator LEAHY yesterday. I think we have done 73, or something like that, judicial nominations—way ahead of what has ever been done before. We have a batch of them we are going to do today.

They complained about the Defense appropriations conference, that it is incomplete. We just finished the bill yesterday, Mr. President, in record time. Senator STEVENS and Senator INOUYE did this in record time. The largest Defense bill in the history of the world, and we completed it yesterday in record time.

Homeland security, we have worked out an arrangement that we are going to go to that immediately when we return. The minute we get back here there will be a debate on that and we will be on the bill on Wednesday, the second day we are back.

Prescription drugs, they criticize Senator DASCHLE for not doing something on prescription drugs. I will tell you, that takes a lot of nerve, a lot of nerve, because we all know that there was, first, the Graham-Miller, and then we tried to do something less than that to try to develop a consensus here. I mean, we spent almost 3 weeks on that bill.

So I guess the best offense, in their mind, is what you do when you are on the defensive—energy, complaining about that.

The fact is, Mr. President, that in addition to this ''progress report'' that they made, a ''report card'' to the majority leader, one of the things we picked up, as they were hurrying out of there—because some, of course, are going to go away to the beach this summer, or at least part of the time—and we found—it just happened to fall out—a list of what they are going to be reading this summer.

I don't know, I guess, in a rush to get out of here, someone from the minority side must have dropped their required reading assignment for this summer. But in the interest of making sure all are aware of these reading assignments, I would like to read a list of books the GOP leadership has assigned to its caucus.

The first isn't a bestseller yet, but it possibly could be. It is called: ''Paying U.S. Taxes is for Suckers: A Guide to Offshore Banking in the Cayman Islands and Bermuda.''

Another book is: ''Grapes of Wrath 2002: How to Let Medicare Wither on the Vine.''

Another book that I am fascinated with—I think I will take a look at it—is: ''See No Evil, Speak No Evil, Hear No Evil: Economic Leadership for the Enron Era.''

A book: ''Master of the Senate Republicans: How Drug Company Cash Killed the Prescription Drug Benefit,'' or one that should be pretty exciting is: ''Drilling Our Way to a Cleaner Environment,'' or ''Sea Dick Run . . . From Haliburton Accounting,'' or ''The Art of Timely Self-Promotion by Harvey Pitt (includes a foreward on securing non military burial rights at Arlington Cemetery).''

Another, Mr. President, is: ''How to Succeed in Business Without Really Earning: The Inside Story of [the] Harkin Energy [Company].''

And then the final book they put on the list—I am not sure the order is appropriate—is called: ''Someone to Watch Over You: The John Ashcroft Story.''

In all seriousness, Mr. President, everyone can play these games about what has not been accomplished, what has been accomplished. But we have really worked hard to try to come up with legislation, and we have done a lot. People have to understand how much we have been able to accomplish. The country, the people of Missouri, Georgia, Nevada, all over this country, should be proud of the work we have done.

The rules in the Senate were not developed yesterday. They have been here for more than 200 years. I have to tell you, it is hard. I served in the House of Representatives. The Presiding Officer served in the State legislature in Georgia, was Governor of the State of Georgia. The rules are not the same.

For example, Mr. President, the State of Nevada met on Monday, a special session of the Nevada State Legislature, called by the Governor. Why? Because we have, in the State of Nevada, a medical malpractice problem. And, you know, they handle it in the State of Nevada where it should be handled. And they did. They finished at 4:15 this morning. They now have, for the Governor to sign as soon as he wakes up this morning, the bill. We have a new medical malpractice law in the State of Nevada. But they did it in 3½ days. Here that would take 3½ weeks. But that is the way it is.

The U.S. Senate has these rules, but we have been able to do a lot. I repeat, our country can take pride in what we have done.

Let me talk about a few things: Antiterrorism use of force resolution; immediate $40 billion response to terrorist attacks; defense/homeland security appropriations, significant ones; supplemental Defense appropriations; the United States Patriot Act; airport, border, and port security; terrorism insurance, which we passed out of here—it was tough; we finally got a conference report on that—support for the airline industry; economic stimulus, which included unemployment insurance.

We passed a Patients' Bill of Rights; corporate and auditing accountability, the Sarbanes bill; greater access to affordable prescription drugs. We worked so hard on that, Mr. President. As the Presiding Officer knows, we did not get everything we wanted, but we passed something dealing with generic drugs, dealing with giving the States help that they need so badly with their medical problems. That is all in this bill we passed yesterday. In that bill was prescription drug reimportation to reduce costs. Fiscal relief to States is in there. I have just talked about that. The trade bill, some like that a lot. It is going to pass sometime today.

We have had campaign finance reform; election reform, as I have mentioned, judicial confirmations; clean water and brownfields revitalization.

This brownfields bill is so important. We learned that we could not completely revamp and renovate and change Superfund legislation, but we learned there are things we could do. There are brownfields sites, industrialized sites in our States that are not really in bad shape. Maybe they had a dry cleaning establishment there.

Under the brownfields legislation, we can come in and take care of that. It is happening all over the country. In Nevada alone it is going to create thousands of new jobs, some of them at shopping centers where we had dry cleaning establishments and lenders stayed away. They didn't want the Superfund liability. We took care of that with this legislation.

There was education reform; that certainly was done. We passed the energy bill; that is now in conference. I am a member of the conference, chaired by Mr. TAUZIN of Louisiana. We finished all the secondary items this week. As soon as we get back, the first week, we will see if we can work our way through that. I believe we can.

We passed a huge farm bill that was so difficult but so important, especially for various sectors of our country. Then we passed the Defense authorization. And we will pass, in just a little while, the largest appropriations bill in the history of the world.

We have done a lot. I don't think we need to talk about TOM DASCHLE's report card. He has done a good job. He has been a magnificent leader.

I wish we wouldn't do this. It is not good for the whole body politic. It does not help. TOM DASCHLE is somebody who is respected. Why? Because he is a quick learner. He is totally ethical. He works tireless hours. He tries to be fair to everybody. We don't need this kind of stuff. We don't need these readings lists.

Anybody who comes out here and slaps around TOM DASCHLE, I will slap back. They can have the report cards. They can have all their progress reports they want. I will come back. I am not going to let these scurrilous attacks on a fine man go unanswered. If they don't want to hear about their reading list, then leave TOM DASCHLE alone. If there is something they don't like that is going on, do it right here. This is the place to do it, where we can have a good debate and go on to something else. I hope we can do that.

These were not Democratic accomplishments alone, although I will take credit for what we have done. But we have been able to do them because you don't do anything here alone. We have passed these. We should be proud of this. It is good for the country. We don't need any more of this.

Mrs. CARNAHAN. Mr. President, I ask unanimous consent to speak as in morning business for up to 10 minutes for the purpose of introducing a bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Missouri is recognized.

Mrs. CARNAHAN. I ask unanimous consent that the time used be counted against my hour postcloture.

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

(The remarks of Mrs. CARNAHAN pertaining to the introduction of S. 2842 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, I see a Senator on the other side who is prepared to speak. Does he wish to speak immediately? What is his situation?

Mr. BROWNBACK. Mr. President, I would like to speak on TPA at sometime during the debate for around 7 to 10 minutes. But the senior Senator from West Virginia was in the Chamber preceding me, so I will recognize his attendance here and his seniority.

Mr. BYRD. I thank the Senator. He would need 7 minutes?

Mr. BROWNBACK. That is approximately the amount of time I would speak.

Mr. BYRD. Mr. President, ordinarily I would suggest that the Senator take his 7 minutes now. My speech is probably going to be 45 minutes or longer, and I understand there is a vote scheduled for 2 o'clock; is that correct?

The PRESIDING OFFICER. At 2 o'clock, we will consider the Department of Defense appropriations bill.

Mr. BYRD. There is not a vote at that point?

The PRESIDING OFFICER. That is correct.

Mr. BYRD. Very well. Mr. President, I have the floor, do I not?

The PRESIDING OFFICER. The Senator has the floor.

Mr. BYRD. I have an hour under the cloture motion?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Mr. President, I yield to the distinguished Senator for 7 minutes.

Mr. BROWNBACK. I will try to do it in around 5 minutes.

Mr. BYRD. I yield for no more than 7 minutes on his time, but I retain my right to the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. BROWNBACK. Mr. President, I thank the Senator for his courtesy. I want to talk about trade promotion authority, and I appreciate very much the Senator's graciousness.

I met yesterday with members of the administration at the U.S. Trade Representative's office in the Department of Commerce and the President of the United States. I stated to the President that I don't think there is another thing we could do in the near term for us to be able to grow this economy that would be more important than to pass trade promotion authority. I think it is that critical a piece of legislation for us to stimulate the economy. At this point in time, this is critical for us to do.

We received economic figures today that showed anemic growth in the last quarter—1.1-percent economic growth. We need to do everything possible to stimulate this economy. Trade promotion authority is the lead piece of legislation that we can do to expand the trade opportunities for this Nation. I strongly believe that.

I have worked in the trade field. In 1990 and 1991, I worked in the U.S. Trade Representative's office when we were beginning the negotiations for the NAFTA treaty—certainly a treaty that is not perfect, but one that has expanded trade opportunity and has grown the economy of the United States. The United States has an international economy. From that, I mean to say we have an economy that is based substantially upon trade. My State has an economy that is based substantially upon trade. My family is dependent substantially upon trade. We are in agriculture. We produce grains, cattle, and these are things in which we have a significant trade market.

Trade promotion authority will allow the President to negotiate trade agreements and trade tariff agreements that will reduce tariffs. I think people need to recognize that a tariff is a tax. So this will be a tax reduction treaty. It will also open up trading opportunities for the United States and for our trading partners. One of the lead ways we can grow it is by doing this. What trade does when you lower tariffs, lower the barriers to trade, is it allows people to compete based upon the theory of comparative advantage and who can do the best and more.

Fortunately for the United States, we have comparative advantages in main economic fields. So we are going to be able to compete more aggressively with more countries because there will be fewer barriers. The United States also has one of the lowest trade barriers. We have fewer barriers to trade in the United States than most nations.

With this trade promotion authority, we are going to be able to negotiate trade-opening agreements with a number of countries around the world. It is going to reduce barriers in other nations more than in the United States for their incoming products. We are going to have more ability to go there, and that will expand because of the comparative advantages of the U.S. economy in producing goods and services—though not all goods and services. There are going to be problem areas that we will need to protect in our economy because of difficulties we have, or subsidies in other countries, or because of things they do trying to block our products. We may have to respond in kind at times.

The administration is aware of that. They are seeking this authority. It is an authority that we need to grant to the administration. I think with it we are going to see substantial trading blocs expand for the benefit of the United States. We have a NAFTA trading bloc of Canada, the United States, and Mexico. I see that expanding. The administration is pushing to expand to Central America and South America, so we have an entire Western Hemisphere; North and South America will be in one open trading type of bloc.

We are also being pursued by other countries to expand trade opportunities with them. These hold substantial opportunities for us to grow. But without trade promotion authority, the agreements will not happen.

For those reasons, I am a strong proponent of trade promotion authority. I believe it is important for us to have. I think this is the right time and place for us to do it. This country needs to let this President have trade promotion authority so we can expand agreements. So I will be voting for TPA. I urge my colleagues to do so as well.

With that, I thank the Senator from West Virginia for allowing me this time. I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. REID. Will the Senator yield for a unanimous consent request?

Mr. BYRD. Yes, I yield.

Mr. REID. Mr. President, I have spoken with the distinguished President pro tempore of the Senate, and he has indicated his remarks will probably take 50 minutes or thereabouts.

Mr. BYRD. Yes.

Mr. REID. I, therefore, ask unanimous consent that the defense matter which is now scheduled to begin at 2 o'clock, that time which is encompassed in the unanimous consent agreement, be delayed to begin at 2:20 p.m. today rather than 2 o'clock.

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

Mr. REID. So the President pro tempore can use his time postcloture and can come back later.

Mr. BYRD. Mr. President, I thank the distinguished majority whip. As always, he is most gracious, most considerate, and most courteous. He also wants to be helpful.

Mr. REID. I thank the Senator.

Mr. BAUCUS. Will the Senator yield for a unanimous consent?

Mr. BYRD. I yield to the distinguished Senator for a unanimous consent request provided that my speech does not show an interruption and that I retain my right to the floor.

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

Mr. BAUCUS. I ask unanimous consent I be able to speak for 7 minutes concluding the remarks of the distinguished Senator from West Virginia.

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

Mr. BYRD. Mr. President, in the dead of night, under cover of darkness, near the bewitching hour of midnight on July 25, 2002, House and Senate conferees reached agreement on a new trade bill. The White House embraces this new trade bill, not because it contains trade adjustment assistance—no, no, no—but because it provides the President with fast-track negotiating authority. The administration likes to refer to it as trade promotion authority—that is an old Vaudeville trick—trade promotion authority.

This is fast-track negotiating authority that the President wants, but he does not call it fast track. He wants to call it ''trade promotion authority.'' That sounds good. That has a sweet ring to my ears—trade promotion. Who would not be for trade promotion? The President knows how to frame these terms in ways one may be lulled to sleep—trade promotion authority—but it provides the President with fast-track negotiating authority, fast track.

As we all know, the real effect of fast track is not to promote trade—no, no, no—not to promote trade but to prevent amendments to trade agreements. That is why we have fast track.

This Constitution, which I hold in my hand, gives to the Congress the power to regulate trade and commerce with foreign nations. This Constitution is my authority, not fast track. This is my authority.

This bill we are talking about here and about to vote on and upon which cloture was invoked earlier today is a fast-track bill. It is not really about creating jobs or helping workers. It is about weakening our trade laws, making it easier for multinational corporations to move offshore where they can pay slave wages and where they do not have to pay health insurance and where they do not have to pay retirement benefits. That is what this bill does. That is why the Chambers of Commerce around the country favor it.

Just in my home State of West Virginia, we have lost thousands—thousands—of jobs, good jobs that supported families and breadwinners who worked hard for their money, very hard, indeed.

When I was first elected to Congress 50 years ago—elected 51 years ago—we had glass factories in West Virginia; we had pottery plants in West Virginia; we

had leather goods; we made shoes; we produced steel. We employed many West Virginians in the steel industry. That was 56 years ago when I first got into politics, and then 50 years ago when I first came to Congress. We had those thousands of good jobs in West Virginia.

Those jobs supported families and breadwinners who worked hard for their money, I say. They labored in the coal mines. They labored in the steel mills. They labored in the glass plants. They labored in the chemical manufacturing works. They worked in the leather goods industries in West Virginia. They were employed in the textile and apparel industries in West Virginia. These hard-working families deserve a fair slice of the pie.

These and other American workers elected the various Members of this body to look after their interests in national trade matters. Senator Randolph and I, when we came to this Chamber, did just that; but other States elected their Senators, too, to give them, the American workers, a fair shake when the trade deals were being made. I have to say that Senators cannot fulfill this obligation by handing Presidents fast-track authority.

The President proclaimed victory in obtaining his trade bill, but it is a hollow victory. It is a Pyrrhic victory. Remember Pyrrhus, who fought the Romans, who was the first to bring elephants to Rome and to the Italian peninsula to fight the war? That was in 280 B.C. He won a victory but a very costly one, and that has been called a Pyrrhic victory.

So the President won a Pyrrhic victory for America.

The President threatened to veto the bill unless the conferees dropped the Dayton-Craig amendment. So what did they do? They folded. They dropped it because the President waved his veto pen.

Why should that make one falter or faint or fall? The Constitution gives the President that right. The Constitution says he can veto a bill. But why shake and tremble in one's boots because the President threatens to use his veto pen? Let him veto it. Go to it. Explain to the American people, Mr. President, your veto of this protection that was written into this bill. Explain to them. Yes, go ahead and veto it.

He has a constitutional right to do that. Of course, the House and the Senate under the Constitution have the right to override his veto, but they will not on this bill.

In these 50 years that I have been in the Congress, the House and the Senate, every administration, Democratic and Republican, has sung the same old song. It is the State Department song. Administration after administration, Democratic and Republican, have sung the same old song: Give us free trade agreements.

Well, I voted against about every one that I can think of that came before this Senate, NICPAC—no, not NICPAC, but you name it, I voted against these so-called free trade agreements.

I am for free trade. We are for free trade. Who would not be for free trade? But as some say, there is a great deal of difference between free trade and fair trade. They are two different terms.

So the conferees dropped it. They dropped the Dayton-Craig amendment. They trembled when they heard the President say he would veto it. What happened? They dropped that language. The President struck fear, I suppose, into their weak hearts by saying, ''I will veto that bill. If it comes with that language in it, I will veto it.''

I say, go to it, Mr. President. You just go ahead and veto it. I dare you to veto it and then go and tell the American people. Let's both go. Let's have a debate on this. Let the American people know.

So they scrapped the only meaningful part of the bill that allowed the Congress to stop the President from weakening our trade law. They scrapped the Dayton-Craig amendment, the only meaningful part of the bill that allowed the Congress to stop the President from weakening our trade laws in the next round of trade negotiations. Dayton-Craig would have allowed the Congress to exercise its constitutional right to amend and strengthen whatever agreement the President brings back to us. Without Dayton-Craig, we are at the mercy of our negotiators in Geneva, the same old place where nearly every week some WTO panel tells the United States that it has no right to enforce its own laws.

The Dayton-Craig amendment was a bipartisan amendment that I cosponsored along with a third of the Senate. Although the amendment was supported by an overwhelming majority of the Senate—62 Members of the Senate from both sides of the aisle now—in conference it was blithely cast aside as a bag of dirty laundry in the face of the veto threat by the President. Like a bag of dirty laundry, whiff, out went the Dayton-Craig amendment.

The President said he was afraid it might offend certain members of the WTO.

Well, Mr. President, I must ask this question—ungrammatically I will put the question: Who is the President working for, the WTO or the United States?

As I have often said, I was sent to the Congress not by the President of the United States. I have worked with 11 Presidents since I have been in Congress. Not one of them sent me to the House or to the Senate. I was not sent by any electoral college either. As I have often said, I was sent by the people, we the people of West Virginia. I listen to them. I was not sent by the President, and I was not sent by the WTO—nor was that Senator, nor that Senator, nor that Senator, nor that Senator. The last time I checked, neither the President nor I was elected by the WTO but by the American people.

Not surprisingly, the very day after the trade conferees' deal was announced, the Director General of the WTO commended President Bush. Imagine that. The very day after the trade conferees' deal was announced, the Director General of the WTO commended President Bush. The WTO Director General congratulated the President of the United States for having obtained a trade bill that wrests from the Congress its right to strengthen and protect American trade laws under article I, section 8, of this U.S. Constitution which I hold in my hand.

Again I ask: For whom is the President working? I will say it ungrammatically: Who is the President working for, the WTO or the people of the United States? Who is he working for, the President, the WTO, or the people of the United States?

Of course, the Director General of the WTO is pleased with the President's trade bill. If I were pleased with it, I would congratulate him, too. The WTO is pleased with it. The President is now free to negotiate trade deals more favorable to other WTO members than to the citizens of West Virginia and the citizens of the United States. That is this trade bill I am talking about.

I have seen how the employment figures in West Virginia have gone down over these years that I have been in Congress, and we have voted one time after another to take the Congress out of the equation, give Presidents free trade agreements. They can negotiate trade agreements without this bill we are going to vote on. They can. They don't need this to negotiate trade agreements. They call it promotion trade authority. What is that—PTA? Forget it. That is not promotion trade authority. That sounds good, count me in, if we promote trade.

But this is fast track, nothing short of it. This is the old hat trick. Don't watch what is going on in this hand; watch what is going on over here. Everything really is happening over here. This is the old hat trick.

So the WTO Director General ''congratulated'' the President for having obtained a trade bill that wrests from the Congress what Congress is entitled to under that Constitution—the right to debate and particularly the right to amend.

These are the very same countries whose representatives, sitting on WTO dispute settlement panels, have ruled against the United States in nearly each and every U.S. antidumping, countervailing duty, and safeguards case taken to the WTO since the last round of international trade negotiations.

So now, inexplicably, our President wants to enter into a new round of international trade negotiations. Why? To further undermine the ability of the United States to enforce its own laws against unfair trade. Despite congressional advice to the contrary, this administration honored the requests of

foreign governments to renegotiate our trade laws, knowing full well that these are the same governments that are gutting these laws in Geneva.

So again I ask, Who does the President work for, the WTO or the people of the United States? Why would our President want to do this? Let's step back a minute and look at this objectively. What exactly is the point of giving the President this authority to negotiate new trade agreements? Whom are we kidding? The goal of foreign governments in these negotiations is not to strengthen U.S. trade laws but to weaken them. And they have said as much. They begged us to put our laws on the negotiating table so they could water them down or kill them.

Does anyone really believe that negotiating new trade agreements at the explicit request of the very nations that are committed to destroying our trade laws would somehow result in a better deal for the United States than if we had simply walked away?

The foreign governments whose representatives sit on these WTO panels are launching a two-pronged attack on the United States. First, they seek to undermine our trade laws by having the President renegotiate them, meaning weaken them, in the new trade round. At the same time, whenever the United States applies an antidumping or countervailing duty order or a remedy under section 201 as we did recently in the steel case, our foreign competitors simply take us to the WTO where they continue to chip, chip, chip away at the laws passed by Congress precisely to stop their illegal actions.

We already know, based on bitter experience, that regardless of what is negotiated in Geneva, future WTO panels will continue to find U.S. law inconsistent with the new international agreement. These WTO panels are not ruling against the United States based on their understanding of international law. They are not seeking to uphold a greater good. These panels are ruling against the United States to eviscerate—eviscerate, disembowel—our trade laws so they can gain unfettered access to our markets—aha, the largest and most lucrative markets on Earth. And inconceivably this administration wants to help them do it.

Even the chairman of the Senate Finance Committee, Senator BAUCUS, agrees that the WTO panel's interim ruling against the Continued Dumping and Subsidy Offset Act, known to some as the Byrd amendment, was yet another example of how WTO panels are trying to undermine our trade remedies by telling us that we cannot enforce our own laws. These WTO panels are not seeking simply to prevent us from enforcing our own laws. No, they are going far beyond that. They are basically making new laws. That is what they are doing. They are basically making new laws by exceeding the scope of legal review that is permitted under the WTO agreements. Standard of review of the relevant WTO agreements is based on language that was painstakingly negotiated by all WTO members during the Uruguay round.

In those negotiations, WTO members agreed that in a dumping case, a panel is not permitted to substitute its own judgment for a member's government so long as, one, there is more than one permissible interpretation of a WTO agreement; and, two, the interpretation by the member government is a permissible one.

The problem is, according to the WTO, there is only one permissible interpretation to these agreements. That permissible interpretation, it turns out, is never the interpretation of the United States. Instead, it is always the interpretation of the WTO panel. Rigged? We are beaten before we go in. We are out of the game before we enter. Instead, it is always the interpretation of the WTO panel.

During the Uruguay round, all WTO members agreed that there could be more than one permissible interpretation of a WTO agreement, but current WTO panelists dismiss that.

So if WTO panels do not respect their own agreements today, why does President Bush think they will abide by the agreements he negotiates tomorrow? Why should they? They know if down the line they refuse to play by the rules, this President will simply suggest another round of trade negotiations and those negotiations in the end will benefit whom. Them. Not us.

The President is again getting started on these lengthy negotiations right away. Why? Who does he work for, the WTO or the American people out there who are watching through those lenses? He thinks he can appease our trading partners. In effect, this administration is trying to ''buy off'' our foreign competitors. It is more worried about them than it is about America. The administration is like Willy Loman in ''Death of a Salesman.'' He wants everybody to like us—everybody.

I have a new little dog. It is a Tibetan terrier. Its ancestors were born and bred in Tibet. They were to be used in the palace because they were so loving. They loved everybody. My new little dog is called Trouble. My wife named our little dog Trouble.

No dog will ever take the place of Billy, but Billy is gone. Billy has gone on to Billy's heaven, and so has Bonnie, his sister.

Now we have a new dog—a new dog, a little dog. It is a lap dog, a real lap dog. That is why these dogs were bred. And they are loving. They are small. They were born and bred for the palace in Tibet—China. So the little dog loves everybody. I can pick up that little dog, and it will lick me, and it will lick me, and it will wash my face, and it will kiss me. It loves everybody.

Well, that is the way it is here. That is the way it is here. The administration is like Willy Loman in ''Death of a Salesman.'' It wants everybody to love us.

Maybe the President has a special nickname for each of our foreign competitors, as he does for our adversaries in the press corps. How about that? The President has a nickname for adversaries in the press corps—the fourth estate that sits up there in those galleries and watches, watches, and listens every hour and every minute that we are here.

So he has a special nickname for each of our foreign competitors—maybe—as he does for his adversaries in the press corps. But his desire to have the United States be loved by everyone could result in our trading partners' loving us to death. His ongoing attempts to buy friendship abroad are sowing the seeds of destruction here at home.

For example, the Bush administration continues to compulsively exempt foreign imports from the 201 remedy on steel because it is concerned that the remedy is ''upsetting'' our foreign competitors. Rather than adhering to the letter of the 201 law, in the face of foreign critics, the administration every few weeks bows and scrapes, hems and haws, and, lo and behold, issues a new list of products suddenly exempted from the 201. These exclusions amount to thousands of tons of imported foreign steel. Is it any wonder that, despite the 201 tariffs, there was a 37 percent increase in steel imports in June compared to May of this year?

And here is another question. Is the President's strategy of appeasing our offended trading partners paying off? Apparently not. As of July 12, the President had excluded 247 products from the 201 remedy, which amounted to 740,000 tons of foreign, unfairly-traded steel. However, after reviewing the exclusions that were announced by the administration on July 11, a spokesman for the European Commission said those exclusions were ''not enough.'' The EC said the United States would have to provide more exclusions or the EC would retaliate. So, glory be, what a surprise, on July 19, 2002, the President issued a new list of additional exclusions, including, of course, more exclusions of European steel. If that wasn't enough, the administration went on to announce that it would continue to grant exclusions on a ''rolling'' basis—which apparently means whenever we are threatened with retaliation—through the end of August. Not surprisingly, the EC suddenly announced it had decided to postpone its decision on whether to retaliate until the end of September. Coincidence? I think not. Listen to what the EC told us. The Danish Foreign Minister, speaking for the EC, candidly stated, ''We decided that if we sanctioned the United States now, it might prove more difficult for the U.S. to add additional exclusions.'' But notice he did not say that the EC would not retaliate at the end of September, even if the President gives the EC all of the exclusions it asks for. Will we be able to buy off the EC by continuing to grant these exclusions? Not based on recent history. Listen to this.

On Monday, the WTO Dispute Settlement Body announced it was adding Brazil to the list of seven other WTO members that have requested a WTO panel in Geneva to contest our steel 201 remedy. If someone were to ask, ''Well, why didn't the President just exclude Brazilian products from the 201, as he has so many others?'' they might be surprised to learn that, in fact, Brazil was one of the first nations to be granted a 201 exclusion, and it was a whopper. You know about those fish we catch—''And it was a whopper.'' Obviously, it is not only futile but ridiculous for the United States to keep caving in to the demands of foreign critics. Why are we allowing ourselves to be cuckolded by foreign suitors we know are insincere? We cannot appease them by giving them further exclusions. They will have their cake and eat it, too—won't they?

Professor John Jackson of the University of Michigan is considered to be one of the most knowledgeable experts on GATT and the WTO in the whole wide world. Listen to what Professor Jackson wrote about the origins of the GATT in 1969. He wrote that it was an invention created by men, that was perhaps the least handsome of all the major international institutions of our time. He said the GATT began as only one wheel of a larger machine, the ill-fated International Trade Organization. And, he said, when the ILO fell apart, this wheel—the GATT—became a unicycle on which the burdens of the larger machine were heaped. He said of the GATT:

> This unicycle, for reasons not fully understood, has continued to roll through two decades since it was put together. To be sure, it takes careful balance to keep it rolling and ad hoc repairs and tinkering have brought it to a point where the bailing wire and scrap metal which hold it together form an almost incomprehensible maze.

Professor Jackson made this observation in 1969. Add to this maze another thirty-three years of bailing wire, scrap metal, and ad hoc repairs and what do you get? The World Trade Organization. The WTO. An incomprehensible maze that is still rolling along, but rolling so hard and fast now, it's careening out of control.

And the greatest irony of all of this, Mr. President, is that it all began at the behest of the United States. In the early 30's, at the request of Senator Roosevelt's Secretary of State, Cordell Hull, the United States enacted the Reciprocal Trade Agreements Act of 1934. Between 1934 and 1945, the President negotiated and entered into 32 trade agreements. Most, if not all of the clauses in the GATT, can be traced to one or another of the clauses that were contained in those early trade agreements. So the United States was there at the inception of the GATT, and it continues to nurture what is now the WTO. And, I am sorry to report that we in the United States are still the greatest financial contributor to the WTO, paying approximately 16 percent of its total budget for the luxury of being told our laws are meaningless, and we don't know how to interpret WTO agreements that are rooted in American law.

I submit we are being hoisted on our own petard, and that, rather than protecting us, the Bush administration is simply helping to sharpen the blade.

I yield the floor. I reserve the remainder of my time, if I have anything.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BAUCUS. Mr. President, today we stand on the precipice of passing a monumental expansion of trade adjustment assistance and overdue fast track trade negotiating authority for our country.

Before the debate closes, I wanted to explain how important this legislation is to my home State of Montana. Montana exports nearly a half billion dollars in products a year. We only have 900,000 people in our State. This includes $260 million in agricultural commodities, $100 million in industrial machinery, $24 million in chemical products, and $37 million in wood and paper products.

We export more than $300 million to Canada, $34 million to Mexico and have significant trade with China, Japan, Germany and the United Kingdom. In fact, just last week, Ambassador Moreno from Colombia visited Great Falls, Montana and announced a major wheat and barley purchase, with more trade opportunities to follow.

And that is just the beginning—if we are willing to engage the world. This bill helps us do that by allowing the President to negotiate new agreements to open foreign markets which is so necessary to the United States, and brings down trade barriers which is so important to this country.

I would like to read a letter I received from the Montana Grain Growers, Montana Stockgrowers, Montana Farm Bureau and Montana Chamber of Commerce that addresses this very point. To quote:

> We are aware that trade is not always free or fair, but we believe this legislation is vital in putting the United States on a similar playing field with agreements that are negotiated around the world. While we understand that trade promotion authority will not fully address inequities with existing trade agreements, we feel strongly that this is an important way of establishing long-term agreements that will help return profitability back to the producer level.

I could not agree more. We need to take a seat at the negotiating table and level the playing field for our producers. It is not level today.

This means taking aim at the Canadian wheat board and finally dismantling its market distorting monopoly.

This means reducing foreign agricultural tariffs to levels that are the same as or lower than those in the United States. These are the same tariffs that block Montana beef exports to Korea and Japan.

This means eliminating all export subsidies on agricultural commodities while maintaining bona fide food aid and export credit programs that allow the U.S. to compete with other foreign export promotion efforts.

As you well know, Mr. President, the European Union maintains the lion's share of these agricultural export subsidies. You know this figure. It is 60 times more than the U.S. agricultural export subsidies—not 6, 60 times more than the United States. How can we as Americans ever expect to compete in the world if we are undersold time and time again by foreign-backed competitors? We can't. We need a trade agreement so we can begin to level that playing field and begin to eliminate those trade-distorting subsidies that are 60 times greater in one area than those of the United States.

This means preventing unjustified sanitary or phytosanitary restrictions not based on sound science. For three decades we fought to pry open the Chinese market to Pacific Northwest wheat. Now we are struggling with markets in Chile and Russia that place arbitrary sanitary barriers on U.S. exports of beef, pork and poultry. This must end, to say nothing about the EU restriction on American beef.

They will not take American beef. I remember meeting with Mrs. Margaret Thatcher. She admitted to me that it was a phony excuse. She said that to me personally.

And, most importantly, this means promoting trade while simultaneously maintaining a strong agricultural policy that preserves our family farms and rural communities.

Agriculture is not the only industry dependent on trade, however. We must continue to work to guarantee that small businesses have access to foreign markets.

It is open foreign markets that create new opportunities for a Bozeman, MT company that ships trailers for mining equipment to Latin America; that allow a Missoula company to expand its nutraceutical trade; it is open foreign markets that allow our nurseries to send seeds and seedling trees to developing nations rather than fighting phony sanitary barriers.

The potential for preserving good jobs—and even creating new jobs—doesn't stop there.

But there is a potential downside to trade that is also addressed by this bill. In this package we target assistance for workers who are struggling because of trade assistance for workers who are struggling because of trade by expanding the Trade Adjustment Assistance Program.

Many Montana workers are now back at work and many firms are still in business thanks to TAA. Take for example, Montola Growers which is researching new markets for its safflower oil, Thirteen Mile Lamb and Wool Company which is designing new garments for manufacture by contract knitters, and Pyramid Lumber, which is improving its milling efficiency.

Expanded trade adjustment assistance will help Montana workers by streamlining the process and expanding the net of eligibility. More will be eligible. In addition, a new program will provide up to $10,000 in cash assistance to Montana farmers and ranchers injured by imports. This should be a good incentive to keep Montana farmers and ranchers, their families, and future generations on the land.

Good jobs will be created in Montana if we are willing to give our negotiators the strong hand needed to secure sound trade agreements, open those markets, and knock down those barriers. I hope my colleagues will feel the same about their own constituencies and lend their support to this very important matter.

Mr. President, I ask unanimous consent that the full text of the letter I quoted be printed in the RECORD.

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

July 31, 2002.

Hon. MAX BAUCUS,
U.S. Senate, Washington, DC.
RE: Unified Support for TPA Passage

DEAR SENATOR BAUCUS: On behalf of the Montana Farm Bureau Federation. The Montana Stockgrowers Association, the Montana Grain Growers Association and the Montana Chamber of Commerce we would like to reconfirm our support of Trade Promotion Authority (TPA). We ask for your support as well when the bill comes to the floor of the Senate later this week.

As you know, this bill has already overcome many hurdles, including passage in both the House and Senate. Just last week, the House approved the conference report. Passage in the Senate is the last hurdle before it goes to the President for signature.

We are aware that trade is not always free or fair. But we believe this legislation is vital in putting the United States on a similar playing field with agreements that are negotiated around the world. While we understand that trade promotion authority will not fully address inequities with existing trade agreements, we feel strongly that this is an important way of establishing long term agreements that will help return profitability back to the producer level.

It should be noted that Montana sold over half a billion dollars worth of exports last year to 100 foreign markets. Agriculture accounted for half of that value. We must find a way to put more money in the pockets of our farmers and ranchers or they will not be able to stay in business. The vast majority of ag producers recognize that increasing exports increases their bottom line.

Thank you for your continued strong support of Montana agricultural producers.

Sincerely.

JAKE CUMMINS,
Executive Vice President, Montana Farm Bureau Federation.
STEVE PILCHER,
Executive Vice President, Montana Stockgrowers Association.
WEBB BROWN,
President, Montana Chamber of Commerce.
RICHARD OWEN,
Executive Vice President, Montana Grain Growers Association.

Mr. BAUCUS. Mr. President, I yield the floor.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2003

The PRESIDING OFFICER. Under the previous order, the hour of 2:20 p.m. having arrived, the Senate will now resume consideration of H.R. 5010, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5010) making appropriations for the Department of Defense for the fiscal year ending September 30, 2003, and for other purposes.

Pending:

McCain amendment No. 4445, to require authorization of appropriations, as well as appropriations, for leasing of transport/VIP aircraft.

The PRESIDING OFFICER. Who yields time?

The Senator from Arizona.

AMENDMENT NO. 4445 WITHDRAWN

Mr. MCCAIN. Mr. President, I ask unanimous consent to withdraw my amendment and, along with that unanimous consent agreement, that I be allowed 8 minutes and the Senator from Texas be allowed 5 minutes to speak on the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. I don't quite understand the request.

Mr. MCCAIN. I am requesting unanimous consent to withdraw the amendment but be allowed to speak for up to 8 minutes on the amendment and the Senator from Texas be allowed 5 minutes to speak on the amendment.

Mr. STEVENS. No objection.

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

(The amendment (No. 4445) was withdrawn.)

Mr. MCCAIN. Mr. President, could the Senator from Texas be allowed to be recognized first on this, and I then be recognized for my 8 minutes?

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I thank our dear colleague from Arizona. I thank him for his vigilance on this issue.

We have two issues before us, but they really boil down to the same principle, and I want to talk more about the principle than I do the interest.

The first issue has to do with the leasing of four 737s. I would have to say, this is a transaction I have not looked at very closely. This is something new to this bill. What I want to focus my attention on is the leasing of 100 Boeing 767s, which was contained in last year's appropriations bill, which was not competitively bid.

In looking at the economics of leasing these planes, to the best of my ability—to get data, and to understand it—it looks to me that if we need these planes as tanker replacements, we ought to buy the planes.

My concern is, we are going into leasing because we do not have the front-end costs in the appropriations process with leasing that we do with purchasing. If in fact my concern is legitimate, what it means is, we are having procurement dictated by how we score leasing versus procurement. I think if that in fact is the case, we are making a very big mistake.

I think something needs to be done about looking at these leasing contracts into which we are entering. They represent tens of billions of dollars of commitments of resources into the future. It seems to me that OMB and CBO need to work together to come up with a methodology to look at leasing versus buying. And this is something that ought to be looked at by the Defense authorization bill since the leasing of the 737s and the leasing of the 100 767s—neither of them was authorized by the Defense authorization bill.

I think it is imperative, before we go through this process again, that we have OMB and CBO develop for us a methodology of looking at leasing versus purchases, that we have hearings in the authorizing committee, and that we have authorizing legislation in this area.

I was very concerned, last year, with 100 Boeing 767s because the clear intent at that time, no matter what the economics were, was to basically help Boeing, given that they did not get the major defense contract of our era.

I do not think, given that we have a $168 billion deficit, we ought to be in the business of simply gratuitously giving billions of dollars to companies that do not win contracts. The whole purpose for competing contracts is to choose the contractor that will do it best at the lowest possible price. The idea that losers have to be compensated is about as far away from the market principle as it can be.

So I would certainly urge that something be done to develop a methodology so that the Senate can make rational decisions about leasing versus buying.

I thank Senator MCCAIN for his leadership in this area. This is something we ought to be concerned about. We are talking about tens of billions of dollars. We are making commitments on economics that people have not looked at or understood. I think this is something we need to understand. And I hope to pursue, with Senator MCCAIN, a study by CBO and OMB to set the stage for the setting of a policy in the future.

I yield the floor.