

until this country's trade policy is changed we will see more and more jobs shipped overseas.

We have seen this most clearly in the manufacturing jobs lost to China, but the problem is broader than just China. People have turned a blind eye to the impact of these trade agreements for too long. It is time for reality to set in here in Congress: These trade agreements have failed the American people. They have taken Americans' livelihoods and shipped them overseas. People in my State are left wondering who these trade agreements were for, if they weren't for America's workers? These men and women are the heart and soul of the economy in Wisconsin, and these agreements have taken their jobs out from under them.

The tool and die industry is one of the hardest-hit parts of the manufacturing sector in my State. In the town of Kewaskum, it was reported that the county board has taken the extraordinary step of making a loan to a local tool and die company to help it stay afloat in the face of competition with China. That is not typical for a county board, but it just goes to show how hard communities across Wisconsin, and across the country, are fighting to keep manufacturing businesses alive. These businesses are the lifeblood of our communities, and we turn our back on them every time we say yes to another one of these kinds of trade agreements.

Mr. President, no single policy can adequately address this problem. If we are to stop this hemorrhaging of manufacturing jobs it will take a concerted effort on several fronts, and over the next few weeks I will come to the floor to discuss some of the steps I think we ought to take.

Today I want to very briefly discuss one, and that is tax policy. A number of my colleagues have advocated changing our Tax Code to help beleaguered domestic manufacturers. In the other body, Representatives CRANE and RANGEL have proposed legislation to help domestic manufacturers by providing them with a tax incentive to keep production here at home, and to encourage those runaway plants that left our shore to return. In our body, Senator HOLLINGS has introduced the Senate companion to that proposal, S. 970, the Jobs Protection Act, and I am proud to be a cosponsor of that measure.

Under this bill, the new tax incentive for domestic manufacturers is offset by repealing the extraterritorial income provisions of the Tax Code. This offset means that the bill is paid for, and won't increase our already exploding budget deficit. I think that feature is essential to any measure we propose to spur economic growth for, as we know, budget deficits undermine long-term economic growth.

The repeal of the extraterritorial income provision deserves at least a brief comment. The foreign sales corporation tax benefit, and its successor, the

extraterritorial income, ETI, tax subsidy, were challenged by the European Union before the World Trade Organization as illegal export subsidies, and the WTO ruled in favor of the EU.

I opposed the ETI provisions when they were before the Senate in the fall of 2000 in part because, as I noted at the time, I fully expected the WTO to rule against them, which would subject American firms and workers to a possible multibillion dollar tax on American products purchased in the EU.

I regret to say that we now face that very problem. If we fail to repeal the ETI provisions enacted in November of 2000, American firms and workers will bear the brunt of billions of dollars in trade sanctions.

This situation is a testament to the failed trade policy that has, in great part, led to the crisis we are seeking in American manufacturing. Our tax policy is being held hostage to the rulings of an international bureaucracy, making decisions largely in secret.

As I noted 3 years ago, while the ETI tax subsidy may be bad tax policy, it is our tax policy—a policy arrived at through the elected Representatives of the people of this Nation. The ability of some international bureaucracy to impose punitive taxes or tariffs on American goods should offend all of us. Unfortunately, that is what we face because of the action Congress took in 1994 to ratify the GATT. And unless we eliminate the ETI export tax subsidy, American firms and American workers are at risk.

Faced with that situation, the best possible choice is to take this opportunity to repeal the ETI tax subsidy and use the additional revenue raised by that repeal to help our domestic manufacturers, many of whom are directly impacted by the WTO's ruling against the ETI tax subsidy.

As I noted earlier, I have cosponsored legislation offered by Senator HOLLINGS, and I was pleased to do so, but that bill certainly is not the only possible model, and I am willing to consider supporting other approaches so long as they are focused on domestic operations and are also fiscally responsible. I understand the chairman and ranking member of the Finance Committee are developing a measure that may fit the bill. I commend them for doing so, and look forward to reviewing their proposal. Our manufacturers are facing a crisis that is in great part the result of the policies promoted by our Government over the past several years. It is essential that we reform those policies to stop more jobs from being shipped overseas. But we must also take other steps to help American workers, and this sensible change to our Tax Code should be one of them.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. In my capacity as a Senator from the State of

Alabama, I ask unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:48 p.m., recessed until 2:16 p.m. and reassembled when called to order by the Presiding Officer (Mr. VOINOVICH).

Mr. REID. 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.

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

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

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2004—Continued

Mrs. BOXER. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside.

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

AMENDMENT NO. 1753

Mrs. BOXER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. BOXER] proposes an amendment numbered 1753.

Mrs. BOXER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To strike section 333 relating to a special judicial appeals process for cases involving timber harvesting in the Tongass National Forest)

Strike section 333.

Mrs. BOXER. Mr. President, the amendment I offer today is to strike section 333 from the Interior appropriations bill. Essentially, section 333 is an anti-environmental rider which would impose a 30-day statute of limitations for the public to seek judicial review of certain Forest Service timber sales in the Tongass National Forest in Alaska. In other words, it is putting on very tough time constraints for the public to follow if they have a problem with timber sales in the Tongass.

I want to show you a little bit of what the Tongass Forest looks like. I was very fortunate to spend a week in Alaska looking at this magnificent park. I think I may well have been right in this area depicted in the photo. You can see how magnificent these pictures are and why this rider could be so