

deficit. Guess what. They were wrong. We are running a \$270 billion surplus. They missed it by \$590 billion 5 years ago. They did not have a clue. They were clearly guessing based on assumptions that were just plain wrong.

I think one can understand the skepticism of many of us who say, if we are going to build on America's future, let us do it with assumptions that are honest, that are accurate, and on which we can count. When one starts off with the premise that we are going to have this fantastic surplus 5, 6, 7, 8, 9, 10 years from now, I say take care, be careful, because if we are wrong, if we commit ourselves to spending tax cuts we cannot cover, we will find ourselves not only putting our toe but our whole leg back into that red-ink deficit pool. I do not want to see that happen.

Keep in mind, the mortgage we now have on America, our national debt, is substantial. We owe over \$5.7 trillion for things we have done in the past—roads we have built, decisions we have made, programs we have funded. That \$5.7 trillion national debt costs American families, businesses, and individual taxpayers \$1 billion a day in interest. We collect that much in your taxes and mine to pay interest on old debt. That \$1 billion a day does not educate a child, does not buy a computer for a school, does not provide a prescription drug benefit under Medicare to a soul in America, nor does it buy us a new tank, a new plane, or pay for a new soldier—nothing. It is money paid on interest servicing old debt.

I believe if we have any surplus, the first thing we should dedicate it to is eliminating the national debt. Can you think of a better thing to leave our children than to say to them: We paid off our mortgage, kids; it's your America; dream your dreams and you won't be saddled with our debt. It seems pretty basic to me.

Will there be room for a tax cut if we do that? I think there will be, but I think we ought to take care that that tax cut is one that makes sense. This is where Democrats and Republicans really part company. I am sorry we get back to this debate, but the President made his choice, and now we will return to that debate: Who deserves a tax cut in this country? If we want to pick out a group of Americans who really need a helping hand in reduced taxes, where should we turn first?

Forty-three percent of the tax cut that President Bush is proposing goes to the top 1 percent income earners in this country, people making over \$300,000 a year. Take a look at this chart which gives an idea about what I am talking. This is President Bush's tax plan and the impact it has on people in different income categories in America.

The top 1-percent income—people making over \$300,000 a year, incidentally, have an average income of \$915,000. For people who are making over \$25,000 a month in income, the President wants to give them \$46,000 in tax cuts.

Then take a look down the list at how this number starts diminishing as you get closer to working families and middle-income families. It starts off with \$42 for those in the lowest income categories, the lowest 20 percent. It goes up to \$187 if you are making \$24,000; \$453 a year if you are making \$39,000 or less.

What a disparity: That if we are going to give a tax cut in America to the people most deserving, the people who need the most help, it is those who are making over \$300,000 a year.

Yesterday at a press conference in Springfield, IL, about an issue that is near and dear to people in Springfield, IL, and I think nationally—it goes back to a telephone call I received a month or so ago from my consumer advocate in Illinois. Her name is Loretta Durbin. She is my wife. She called me and said: I just got the gas bill, Senator. What is going on here?

People across America are getting heating bills and electric bills that are absolutely stopping them in their tracks. These are working families, by and large, who have seen their bills doubled and tripled, and they are calling my office and saying: What can you do to help us?

There is a limited amount we can do, but one thing we can consider and I support is providing some tax relief to these families struggling to pay their heating bills. I do not think that is an unreasonable idea. Senator HARKIN has a proposal, which I think makes sense, to give a tax credit to people for the increase in their heating bills over this last year. Do you know what the people are going to do with it? They will pay their bills or they will replenish their savings accounts, or they will decide, yes, we can go ahead and make an important purchase for our family. I think that is the kind of tax cut that really is reasonable in America.

Can you imagine the people making over \$25,000 a month having husbands calling wives, saying: Our heating bill is up to \$400 this month. I don't think so.

But I can tell you, if you are making \$25,000 a year, a \$400 heating bill, or more, is something of which you would take notice. That is why I hope if there is going to be a tax cut, that it be sensible, based on the real surplus, and that it be after we have dedicated funds to bringing down this national debt, the debt that costs us so much, and raises interest rates on everything across America and, finally, a tax cut that really zeros in on the people who need it the most.

I am worried, too, that the President's proposal, when you take a look at it, takes 85 percent of our surplus and dedicates it to a tax cut, leaving precious little for things which we value.

I just left a meeting of the heads of Illinois school boards. I think those are some of the best public servants in America, people who serve on school boards. It is a tough job. In Illinois,

they are trying to make sure they serve the needs of the children. And, of course, they are responsible to the taxpayers. They have talked to me about the needs of education in my State, which would be the same in many other States: crumbling schools, areas where they need new schools, teachers needing training, schools that have a hookup now to the Internet but need new computers and new access to new technology. They are saying to me: Senator, if there is a surplus, for goodness' sake, can't we have a piece of this for education? Isn't that important to our Nation? I think it is. But if you take 85 percent of our surplus and spend it on tax cuts, it leaves so little to consider any money for education.

In the last campaign, both candidates talked about a prescription drug benefit under Medicare. We know what seniors are facing now in trying to pay for their drug bills. We have not had a conversation about this in 3 or 4 months. Since all of the hoopla of November 7, people have not talked about it. But President Bush does not leave the money aside to take care of that necessity, as far as I am concerned, for seniors and disabled people.

There are important programs in education, in health, and in national defense that will cost us as a nation. I think we have to be prepared to look at the surplus honestly, to make certain if there is a tax cut, it is fair, and to make certain that we do keep money aside for important national priorities.

Thank you, Mr. President.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:42 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. INHOFE).

EXECUTIVE SESSION

NOMINATION OF ROBERT B. ZOELLICK TO BE UNITED STATES TRADE REPRESENTATIVE

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, the Senate will now go into executive session and proceed to consideration of the nomination of Robert Zoellick which the clerk will report.

The assistant legislative clerk read the nomination of Robert B. Zoellick, of Virginia, to be United States Trade

Representative, with the rank of Ambassador Extraordinary and Plenipotentiary.

The PRESIDING OFFICER. Under the previous order, the time for debate on the nomination shall be limited to 2 hours equally divided between the chairman, Mr. GRASSLEY, and the ranking member, Mr. BAUCUS.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield myself such time as I may consume.

Today we are taking up the nomination of Robert Zoellick to be United States Trade Representative. Mr. Zoellick appeared before the Finance Committee exactly one week ago, and I am pleased that we have been able to schedule this vote so quickly. I support this nomination, and I urge my colleagues to join in supporting his confirmation at the end of this debate.

Trade has never been as important to the American economy as it is today. The import and export of goods and services is equivalent to 27 percent of America's gross domestic product, as compared to only 11 percent in 1970. Opening and expanding markets around the world for our manufactured goods, our agricultural commodities, and our services is critical for our economy to grow and for the creation of good quality jobs at home. Expanded trade is also critical for global economic growth.

For that reason, I was very pleased that President Bush, when announcing the selection of Robert Zoellick to be USTR, stressed that Mr. Zoellick would be a member of the Cabinet and would report directly to the President. Trade must have a prominent and equal place at the table when we make decisions about our Nation's global affairs.

Last year, the Congress and the Administration worked together on trade policy. We had a number of significant accomplishments. We passed a bill to extend permanent normal trade relations status to China, PNTR, once it accedes to the WTO, a monumental achievement. We passed legislation on expanding trade with Africa and enhancing CBI, the Caribbean Basin Initiative. We changed the structure of the Foreign Sales Corporation. And we passed a Miscellaneous Tariffs Act.

This year, we have a full trade agenda. We must build on the progress we made last year. We must make sure that we are not left behind as other nations make new trade arrangements with each other. Let me stress that our trade policy and our efforts at further trade liberalization must be carried out in the proper way.

Our first priority must be to rebuild the consensus on trade in this country. Further progress on trade liberalization and opening markets requires a political consensus, and that means a public consensus. We must demonstrate to all our citizens that trade and expanding markets contribute to their prosperity. We must address legitimate labor and environmental con-

cerns in our trade agreements. We must aggressively enforce our trade laws. And we must ensure that we provide new opportunities to those who have been left behind by globalization.

One focus of discussion during Mr. Zoellick's confirmation hearing was whether it was appropriate to include labor and environmental issues in trade negotiations. In fact, this has dominated much of the trade policy debate over the past decade.

I must confess to a good deal of frustration. Trade-related labor and environmental issues were addressed in NAFTA, the North American Free Trade Agreement, and in the U.S.-Jordan FTA. The United States concluded a historic agreement with Cambodia in cooperation with the International Labor Organization that tied increased access to the United States market to Cambodian observance of basic labor rights. Our law on the Generalized System of Preferences, GSP, as well as the Caribbean Basin Initiative, CBI, also include labor provisions.

Labor and environmental issues were on track to be included in free trade agreements with Singapore and Chile that the Clinton Administration was negotiating in its closing days.

Labor and environmental issues have been discussed under the aegis of the world trading system. In the last several years, a number of important WTO disputes have directly involved environmental matters. The WTO has created a Committee on the Environment.

And the interest in labor and environment is not limited to the United States. In developing the European Union, the countries of Europe addressed these issues. As they work on their own free trade area, some of our neighbors in Latin America have also recognized the need to address labor and the environment.

In short, like it or not, environment and labor issues are firmly on the trade agenda. Unfortunately, at least in some circles, the debate in the United States goes on as if none of these things had happened, as if the issues will just go away if we do not talk about them.

I fear that a major reason for the disappearance of the public and political consensus in the United States is our refusal to acknowledge these important issues. I don't pretend to know all the answers about how to deal with these complex questions, but I do know that it is long past time for us to acknowledge them and to begin to address them.

For this reason, I have made it clear that I will vote against fast track trade negotiating authority, and work to defeat it, unless labor and environmental issues are meaningfully addressed.

I welcome the fact that, in his confirmation hearing, Mr. Zoellick expressed a willingness to address these issues. In that spirit, let me issue a challenge to him and to the Bush Administration on three specific labor and environmental issues related to trade.

First, I call on Mr. Zoellick to endorse the U.S.-Jordan Free Trade Agreement and work for prompt congressional passage. Among other provisions, this agreement calls upon Jordan and the United States to adhere to their own labor and environmental laws. Because of this, the agreement has been endorsed by many labor and environmental groups.

Some have asserted that the Jordan agreement would open our labor and environmental laws to challenge or would block us from making any change in our own laws. This is simply untrue.

The agreement only requires that each country enforce its own laws and not make changes designed to distort trade. The agreement states explicitly that each country has the right to establish its own domestic labor and environmental standards and laws.

I cannot imagine how these modest provisions can credibly be seen as a threat. I can only conclude that those making the charges have not read the agreement. I refer them to the U.S.-Jordan Free Trade Agreement.

Second, I call on Mr. Zoellick to implement rigorously the Executive Order requiring an environmental assessment of all trade agreements. These assessments help to focus discussion, identify issues, and avoid needless problems. We should be doing these assessments for all future trade agreements.

Finally, I call on Mr. Zoellick to appoint an Assistant USTR for Labor. This position was created last year and has never been filled. A trade official focused on labor could ensure that labor issues are not ignored and serve as an important point of contact between our trade negotiators and the labor community. This position should be filled before the April Ministerial meeting that will discuss the Free Trade Area for the Americas, the FTAA.

By taking these three steps, Mr. Zoellick and the Bush Administration would demonstrate that the commitments to work together in a bipartisan fashion are real and not just rhetoric. It would help set the stage for granting fast track authority and go a long way toward establishing trust between the Congress and the administration on trade policy.

As Mr. Zoellick sends his deputies to the Finance Committee for confirmation, I plan to review his progress in meeting these three challenges that I have set out today.

Let me now discuss a number of other trade issues that will be before the Administration and the Congress in the coming months.

I have already discussed the U.S.-Jordan Free Trade Agreement. Jordan is a critical partner in our effort to promote lasting peace in the Middle East. This agreement will help bring our two nations even closer together.

Second, the Administration should send the U.S.-Vietnam Bilateral Trade

Agreement to the Congress soon. We have made significant progress in our economic and political relationship with Vietnam over the past decade, and this agreement builds on that. The agreement requires major liberalizing changes in Vietnam's economic and trade structure. The agreement paves the way for Vietnam's eventual application to join the WTO. The agreement will provide American business and agriculture with predictability and stability in Vietnam's market. We need to approve this agreement, and we need to look at how to deal with legitimate labor and environmental issues.

Third, President Bush will attend the Summit of the Americas in Quebec in April, where the major topic will be progress on completing a Free Trade Area for the Americas. I support trade liberalization in this hemisphere. I will support fast track negotiating authority for the FTAA, so long as it properly accommodates legitimate labor and environmental concerns. I hope that President Bush will tell the gathering of leaders in Quebec that he plans to work closely with Congress, business, labor, and environmental groups over the coming year so that he can succeed in enactment of this negotiating authority.

Fourth, the U.S.-Canada Softwood Lumber Agreement expires on March 31. Today, the U.S. lumber industry is in dire straits. The price of lumber is less than in 1995. Many timber operations in Montana, and around the nation, have closed as a result of the depressed lumber market—displacing workers and devastating communities. The Canadian softwood lumber industry receives over four billion dollars in stumpage and other subsidies annually. There is considerable evidence that they are dumping lumber into the United States. To make matters worse, the absence of adequate environmental laws in Canada clearly provides an unfair advantage to Canadian firms. It contributes to over-cutting in Canada's forests and damages the environment, with significant implications for our own forests and environment. We need to resolve this issue quickly and, I hope, avoid lengthy and costly litigation.

Fifth, the agriculture crisis. Commodity prices remain near record low levels. Agriculture is Montana's largest industry. Over 60 percent of Montana's grain and meat products are exported, so the farmers and ranchers in my state depend on new and growing markets. We need to expand agricultural exports from Montana and from the entire country. That means:

Opening agricultural markets around the world.

Attacking the massive agricultural export subsidies of the European Union that distort food trade world-wide.

Getting Europe to end its decade-old ban on U.S. hormone-treated beef.

Taking measures to end the trade distorting activities of the Canadian and Australian wheat boards, including

completion of the Section 301 investigation of the anti-competitive practices of the Canadian Wheat Board.

Ensuring that China fully implements its WTO obligations, as well as the U.S.-China bilateral agreement on agricultural cooperation.

Abandoning unilateral embargoes, including the embargo on Cuba that has closed that market to our food producers.

Ensuring that our domestic agriculture industry is insulated against devastating surges of imports, such as has happened with lamb.

Sixth, the survival of America's steel industry is in jeopardy. Over the next few months, Congress, the Administration, the steel companies, and the United Steelworkers of America must work together on a program to prevent irreparable damage to this important sector of our economy.

Finally, we need to develop a comprehensive approach to monitoring and compliance of trade agreements. This includes bilateral agreements as well as multilateral commitments of our trading partners. China's accession to the WTO will present further new challenges to our ability to ensure full compliance. We need an early assessment of the monitoring activities in the Executive Branch to ensure that we are using them as effectively as we can. I welcome Mr. Zoellick's statement at his confirmation hearing that justice delayed is justice denied. We take a double hit when we fail to ensure full compliance with trade agreements. First, our businesses, workers, and farmers don't receive the benefits we negotiated. And then, our credibility as a nation is damaged, and our future negotiating ability is hampered. We must be more aggressive on monitoring and compliance.

This is a full agenda for a short period of time. I look forward to working closely with Bob Zoellick as we try to rebuild the consensus for trade so that we can enhance the benefits to America of opening markets and expanding trade liberalization.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. GRASSLEY. 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. GRASSLEY. Mr. President, I yield myself such time as I might consume.

I apologize to Senator BAUCUS because I was not here to hear his statement. I am glad he was able to go ahead and proceed with his opening statement. I also appreciate Senator BAUCUS' cooperation during the hearing and, more importantly, to be able to bring this nomination to the floor without our committee meeting.

Obviously, I am going to support President Bush's nomination of Robert Zoellick to the position of U.S. Trade

Representative. As chairman of the Senate Finance Committee, I am pleased to report to my distinguished colleagues that Robert Zoellick is uniquely qualified to represent the United States in an extremely important position—important because the trade negotiations that will take place in the year 2001. As far as the trade negotiations that are ongoing, similar to the China wall, they never stop.

They just go on and on.

I want to go into some detail about Mr. Zoellick's impressive professional qualifications for a very demanding and highly sensitive Cabinet post. One of the questions I asked him in the private meeting in my office was whether or not he was prepared to spend this much time away from home. There is much time away from family because there is a tremendous commitment to travel with this job besides the policy-making. You get the impression that these people who do our trade negotiations just never have any private time whatsoever. Obviously, when he takes on a demanding job such as this, we know he is committed to doing what needs to be done.

Before I go into his impressive professional background, I would like to say a word about his performance at his Senate Finance Committee nomination hearing. That was on January 30.

I think it is fair to say that Members on both sides of the aisle were highly impressed with Mr. Zoellick's thorough command of complex trade issues, with his broad visions of America's historic leadership role in the whole international trade regime, and with his understanding of the close cooperation required between the legislative and executive branches of government in crafting and implementing an effective U.S. trade policy.

The nature of trade issues Congress will deal with this year clearly requires that a person of Mr. Zoellick's stature and ability be the U.S. Trade Representative.

In regard to working closely with Congress, understand that Congress has the authority to regulate international, or what you call interstate, and foreign commerce. We guard this very jealously. We have to, in the process of doing that under the practicality of 535 Members of Congress and negotiating with 138 different countries in the World Trade Organization on the issues of reducing tariff and nontariff trade barriers or settling any sort of dispute. From time to time, Congress has given the President of the United States the authority to do that in negotiation. But we do it with a very tight rein. I suppose in the future it will be even more of a tighter rein. That requires a person in Mr. Zoellick's position as U.S. Trade Representative to work very closely with the Congress, particularly the Ways and Means Committee and the Senate Finance Committee, consulting with us on a regular basis. That consultation,

as I have seen in the past, has made the executive branch of government responsive to Members of Congress; more importantly, respectful of our constitutional rights as we guard them. It is our responsibility to do that not only for the economic interests of our constituents but for the sole fact that we take an oath to uphold the Constitution of the United States.

I will mention a few of the challenges that face Mr. Zoellick, and then I will go into why Mr. Zoellick is ideally suited to deal with them.

One important trade challenge right around the corner is the free trade area of the Americas negotiations.

The objective of these talks, which are supposed to conclude in 2005, is to create a single free trade zone of nearly 700 million people, stretching from the Arctic Ocean in the North, to Tierra del Fuego in the South.

The free trade area is the single most important economic initiative we have undertaken with Latin America since President Kennedy launched the Alliance for Progress in 1961.

Latin America is our fastest growing regional trade partner. Roughly 46 percent of all the goods manufactured in this country are exported to our own hemisphere. We export large amounts of our agricultural products to the FTAA countries as well.

Our continued prosperity, and our leadership in world trade, clearly rests on the success of these talks.

But when you see the concentration of trade in the Western Hemisphere, you know why these talks are singularly important.

Yet despite the obvious importance of the FTAA, there is little agreement on the major issues under discussion. It's time to get these talks moving again. And it's time for the United States to resume its leadership in trade not only in the Western Hemisphere but in all areas.

The FTAA Ministerial Conference is coming up in Buenos Aires in the first week in April. Two weeks after the FTAA Ministerial, the United States will attend the Third Summit of the Americas in Quebec City.

Mr. Zoellick knows how important U.S. leadership is in getting the FTAA talks headed in the right direction.

And more importantly, he has the skills and the background to get the job done.

What about these skills?

For example, while serving in the former Bush administration, Mr. Zoellick played a key role in the NAFTA process. At one point during the NAFTA negotiations, when the talks weren't going well, Mr. Zoellick served as a special channel with then President Salinas of Mexico to keep the negotiations on track.

Also during the former Bush administration, Mr. Zoellick served as Counselor of the Department of State, and Under Secretary of State for Economics. At the State Department, he helped launch APEC, the Asia Pacific

Economic Cooperation group for advancing trade and prosperity in that region.

The creation of APEC was a tremendous achievement. It is a highly successful international trade and economic forum. APEC's main agenda is to dismantle trade and investment barriers in the region, to strengthen an open, multilateral trading system, and to encourage constructive interdependence by encouraging the flow of goods, services, capital, and technology.

Mr. Zoellick's central role in launching APEC clearly demonstrates his deep commitment to the principle of international cooperation that is at the heart of America's leadership in promoting global free trade.

It also demonstrates his broad vision, and his ability to accomplish big things.

In recognition of his outstanding service to his country, Mr. Zoellick received the Distinguished Service Award, the State Department's highest honor.

Another important trade challenge this year is to launch a new round of multilateral trade negotiations at the WTO Ministerial to be held later this year in Qatar.

The failure of the Seattle WTO Ministerial was a terrible embarrassment for the United States, and a major setback for trade liberalization around the world than we now realize 18 months later.

The collapse of the Seattle talks was also a major setback for American agriculture. Without a comprehensive new round of global trade negotiations, it will be extremely difficult for American agriculture to gain access to new markets, and to get rid of the trade-distorting subsidies and barriers that shut our agricultural producers out of foreign markets.

If we lose the momentum for the liberalization of world agricultural markets that we gained with the successful conclusion of the Uruguay Round of trade negotiations, we may never be able to recover.

Here too, Mr. Zoellick's experience demonstrates that he is the right person for the job of U.S. Trade Representative.

In 1992, when it looked like the fundamental disagreement between the European Union and the United States over agricultural trade liberalization would end the Uruguay Round in failure, Mr. Zoellick helped forge the Blair House Accord, the compromise agriculture agreement that broke the negotiation logjam, and saved the Uruguay Round, not just for agriculture but for other segments of the economy that was held by them.

Thanks to Mr. Zoellick's efforts in crafting the Blair House accord, negotiators then immediately were able to clear the political hurdles that brought about an agreement.

As a result, the World Trade Organization agreement on agriculture represents the first serious step toward re-

form of the international rules governing trade in agricultural products. That agreement is now the spring board for current efforts to further liberalize world agricultural trade. Other trade challenges beyond agriculture that Mr. Zoellick and the Congress will be dealing with include the United States-Jordan Free-Trade Agreement, the United States-Vietnam Trade Agreement, we have the Singapore free-trade negotiations, and on December 5th of last year we began the Chile free-trade negotiations. Those latter two are on the table. We would expect perhaps some conclusion shortly.

Mr. Zoellick's record of achievement clearly demonstrates he has the ability to handle those which might be called lesser issues because they are bilateral but still very important.

During his distinguished career, he has led various bilateral trade negotiations with the European Union, with Korea and other nations, but most importantly they involved the structural impediment initiative with the country of Japan.

I will say a word about another tough trade challenge, one that will involve, hopefully, this Congress. As chairman of the Senate Finance Committee, I can help move it along. We had discussions with Senator BAUCUS about that, even this week, about how he and I can get together and try to solve some of the things involved with giving the President negotiating authority; in other words, that authority which allows a President to move forward and finalize a multilateral or WTO-involved trade agreement. It is very important to have that even for bilateral agreements but perhaps less important for bilateral than for the multinational, multilateral negotiations. It will be very difficult to write this legislation. We shouldn't have any illusions that it will be easy to accomplish. I can't think of a single thing more important to restoring America's leadership in trade and to preserving America's negotiating credibility.

It is certainly true, as many have pointed out, that the United States can start negotiations without the President having trade negotiating authority. We know this from our experience during the Uruguay Round when it took 2 years to get legislation renewing the President's trade negotiating authority through Congress after the Uruguay Round started. But doing it that way misses the point. The President—not just this President, any President—needs negotiating authority from Congress because his negotiating credibility is diminished, sometimes a little, most often a lot, without that grant of authority from Congress. That is as true at the start of formal trade negotiations as it is at the conclusion—maybe a little less at the beginning than at the end.

We would all be better off if we could have the President go to the table with Congress saying here is what we want you to do for us; here is how we want

you to keep in touch with us so we can represent the people, our constituents, and the leeways that we might give on final negotiations when we get something we can pass.

This is sometimes referred to as fast track. It is innovation. We all remember from history, designed in large part as a response to the diminished U.S. negotiation credibility that resulted from the failure of Congress to implement some of the trade agreements concluded during the Kennedy Round. Here again I think Mr. Zoellick can play a very important role. I think he has a record that speaks for itself.

Other than U.S. Trade Representative Carla Hills, Mr. Zoellick spent more time with the Congress than any other administration official to get fast track authority passed in 1991. I have confidence in Mr. Zoellick's ability to work with Congress, to get a bill renewing the President's trade negotiating authority through Congress. We need to at least start that process, even though it is a very difficult process, and do it soon. That is the conversation that Senator BAUCUS and I have had to this point.

I conclude with why I view Mr. Zoellick's nomination with enthusiasm. It is a very extraordinary record and has some length. I have looked carefully at what he has done during the past 20 years in promoting America's trade interests. That record tells me Mr. Zoellick understands that trade matters to every American. It matters to the farmers in my hometown of New Hartford, IA, who want to sell his or her grain in the international markets. It matters to the Caterpillar workers in Illinois who make tractors for sale in Asia, Europe, and America. It matters to John Deere workers in Waterloo, IA. One out of five jobs on that assembly line are related to export. These are very good jobs and on average, jobs connected with trade, pay 15 percent above the national average.

It matters to the Boeing employees in the State of Washington who make state-of-the-art aircraft for every major world aircraft maker. It matters to the radio workers who make avionics in Cedar, IA, that go into these Boeing airplanes. It is going to involve their jobs, as well. Trade is very important in almost every State. But 40 percent of our agricultural products are exported. I don't have a dollar value on that, but I know for manufacturing and services, the dollar value of those exports is many times what it is for agriculture. Perhaps most importantly, open international markets increasingly matter to millions of very small entrepreneurs as well. These are the people who compete for business every day, wherever they find it, anywhere in the world.

Bob Zoellick understands that all of these Americans, whether they toil on the farm, whether they punch the time clock at the assembly line, or whether they work in the high-tech new economy, are able, through these jobs,

which are better jobs because of international trade, to pay their mortgage; they are able to support their families; and they are able to make their communities better places to live.

I believe Mr. Zoellick has already shown himself to be an eminent public servant with an outstanding record of leadership in trade policy who has already served his country well. I have come to know him and to respect him. I know that my distinguished colleagues on both sides of the aisle will as well.

As chairman of the Senate Finance Committee, I strongly urge my distinguished colleagues to vote to confirm this nomination and appoint this outstanding individual to America's most important international trade position.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield 2 minutes to my very good friend, the esteemed Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Montana.

I rise to speak not to question the nomination of Mr. Zoellick—he is obviously qualified for the position of U.S. Trade Representative—but to question the trade policy priorities of administrations past and present. For the problems our manufacturers and workers face today are not Democratic problems or Republican problems, they are problems with a trade liberalization approach that needs to be rethought and reinvigorated. That approach has led to record trade deficits and alarming trends in income inequality. The current crisis in the U.S. steel industry demonstrates that unfettered importation of unfairly traded products causes serious harm to our manufacturers and workers.

Sustained reflection on the causes and consequences of the trade deficits has led me to three conclusions. First, there must be a general recognition that low-wage competition from less-developed countries is part of the problem. The low wages in those countries both undercut the economics of production in the United States and impede the development of a middle class that can purchase U.S. exports. Our trade policy cannot be complacent as first-world manufacturing plants are relocated to take advantage of less-developed labor markets, a phenomenon that makes it increasingly difficult for American employers to stay competitive and, at the same time, pay good wages and provide good benefits. If, as President Bush maintains, we are to be compassionate, let us start by making sure that American workers are not made worse off—on balance—by future moves toward freer trade with less-developed countries.

Indeed, the inevitable result of the current trade liberalization approach in many historically high-wage and ef-

ficient industries is bankruptcy. Need I tell Senators you about all of the steel companies in, or on the verge of, bankruptcy? Are we so naive as to believe that the problems of the steel industry—as well as the elimination of millions of manufacturing jobs across the economy since 1979—are unconnected to predatory trade practices by foreign producers and their governments? For those who have any doubts on this score, I recommend study of the recent Commerce Department report entitled “Global Steel Trade.”

Second, we must recognize that a key objective of many of our trading partners in any full trade negotiation is to weaken U.S. trade laws, including our antidumping, countervailing duty, and safeguard regimes. It is an iron law of international trade negotiations and the implementation of international trade agreements—that, if the trade laws are “on the table,” they will be weakened. Is there any doubt that the antidumping and countervailing duty laws were weakened in the Uruguay Round negotiations? Is there any doubt that we see more evidence of this weakening every day? Has the trade representative ever prevailed at the World Trade Organization in defending U.S. implementation of U.S. trade law? The United States simply must not once again enter into an open-ended negotiating round in which countries such as Japan, Korea, and the European Union are able to work in concert to eviscerate the framework of fair trade. Equally important, we cannot permit any international tribunal to interpret and to apply the trade laws of the United States.

Third, in addition to including strong labor and environmental protections in all trade agreements, we must adopt and enforce policies to attack hidden and non-tariff barriers and to effectively counter or challenge foreign subsidies for research, development, and exports. For example, we must do more to address the manner in which producers in many countries are able to control distribution in their home markets and thereby shut out their U.S. competitors. The current trade liberalization approach limits the ability of the United States to use import restrictions to ensure fair trade in our markets while giving mercantilist foreign countries virtually a free hand in excluding selected U.S. exports from their markets. In light of the record U.S. trade deficit, this imbalance can no longer be tolerated.

One last thought for Mr. Zoellick: The 106th Congress passed a joint resolution calling on the President to request an investigation of the steel industry under section 201 of the Trade Act of 1974. Such an investigation is necessary because of the crisis conditions I alluded to—total imports for 2000 approached the record levels set during 1998, prices for many steel products are at record lows, and many companies are in bankruptcy. On January 19, 2001, in a letter to the Chairman of

the International Trade Commission, then-President Clinton stated that "our analysis of the current and prospective import situation and recent events in the steel industry lead us to believe that Section 201 relief may be warranted in the near future." Mr. Zoellick, our steel companies and steel workers cannot wait for the "near future." The crisis is now. The remedies are at hand. Let us not tarry!

Mr. CORZINE. Mr. President, I rise in support of the nomination of Robert Zoellick to be United States Trade Representative.

I know Mr. Zoellick personally and am confident that he has the background and skills to do an outstanding job. He is an exceptionally bright and talented individual with a broad understanding of trade policy and a strong commitment to public service. President Bush deserves real credit for this selection.

Robert Zoellick has an extensive background that should prepare him well for his new position. During the administration of former President George H. W. Bush, he served as Deputy Chief of Staff at the White House, as Counselor of the Department of State and Undersecretary of State for Economics, and as the President's personal representative for the G-7 Economic Summits in 1991 and 1992. In the 1980's he also served at the Department of the Treasury in various positions, including counselor to Secretary James A. Baker III.

Mr. Zoellick is now poised to play an important role in the current Bush administration and could have a real impact on the future of our economy. In my view, it is critical that we continue working hard to open up foreign markets for American businesses, while maintaining a strong commitment to environmental protection and labor protections. Although it has received little attention, the United States has been running very large trade deficits in recent years, and our net foreign debt now exceeds \$1.5 trillion. This means we are increasingly dependent on foreign investors to maintain our economic strength, a vulnerability with potentially serious consequences.

I know that Bob Zoellick will be an aggressive advocate for opening up foreign markets. As the same time, I hope that he will work hard at forging consensus on the various trade issues that will come before the Congress. In particular, I am hopeful that he will work constructively with those who want labor and environmental concerns to be addressed seriously in international negotiations. I realize that this is a controversial area and that President Bush has expressed skepticism about incorporating these matters in trade agreements. However, if trade policy is going to enjoy strong bipartisan support, as it should, the administration will have to compromise.

Few people would be better prepared to navigate the complex political and substantive issues involved with trade

policy than Bob Zoellick. I believe he will be a highly effective trade representative, and I wish him the best of luck in his new position. I am looking forward to working with him.

Mr. DOMENICI. Mr. President, I rise today in support of Robert Zoellick to be United States Trade Representative. As the world economy of the twenty-first century continues to evolve, it is paramount that the United States continue to pursue comprehensive international trade, commodity, and direct investment policies that create growth and raise living standards both at home and abroad. By nominating Robert Zoellick for the position of U.S. Trade Representative, USTR, President Bush has chosen someone who is eminently qualified to coordinate these policies, and I look forward to doing all I can in Congress to support him.

A respected scholar at Harvard University and former president and chief executive officer of the Center for Strategic and International Studies, Robert is no stranger to public service. He served during President George Bush Sr.'s Administration with distinction in variety of important posts including Under Secretary of State for Economics, as well as the President's personal representative for the G-7 Economic Summits in 1991. From 1985 to 1988, he served as Counselor to Secretary of Treasury James Baker, as well as Deputy Assistant Secretary for Financial Institutions Policy at Treasury. Indeed, this extensive government experience, coupled with his outstanding academic credentials make Robert Zoellick a USTR nominee who I am proud to support.

Mr. DODD. Mr. President, I rise this afternoon to briefly comment on the nomination of Robert Zoellick to be United States Trade Representative. At the outset, I would first like to commend President Bush for choosing a nominee of such high caliber to take on the responsibilities demanded of the U.S. Trade Representative. Furthermore, I am pleased with the President's decision to keep the Trade Representative a Cabinet-level position. This was the right decision that reaffirms the United States's role in a global trading environment. I fully support Mr. Zoellick's nomination and look forward to working with him in the new Administration.

Mr. President, in a world that has become increasingly interconnected through and dependent on trade, a skilled and experienced Trade Representative is essential to ensuring that the United States maintains its position as a leader in this area. The U.S. Trade Representative has the dual responsibilities of fostering continued openness with traditionally underserved markets while at the same time safeguarding the well-being of American businesses and workers. I believe Mr. Zoellick's past experience makes him qualified to fulfill these obligations.

After earning both public policy and law degrees at Harvard University, Mr.

Zoellick went on to serve as a Deputy Assistant Secretary at the Department of the Treasury during the Reagan Administration. He then assumed the position of Under Secretary for Economic Policy at the State Department under President George Bush. He left public service to serve as the Executive Vice President of Fannie Mae and most recently sat as a fellow and board member of the German Marshall Fund of the United States.

Mr. Zoellick assumed a key role in some of the most critical trade deals to face the United States in decades. Some of his most notable achievements include managing the negotiations over German reunification after the fall of the Berlin Wall, fostering compromise that led to the creation of World Trade Organization, and negotiating approval of the North American Free Trade Agreement.

Mr. President, if, which I assume will be the case, Mr. Zoellick is confirmed as U.S. Trade Representative, he would assume stewardship of an agency that enjoys one of its strongest positions in its history. I would be remiss if I did not acknowledge the great strides made under the former U.S. Trade Representative Charlene Barshefsky, Deputy U.S. Trade Representative Richard Fisher, and their team.

In the last two years alone, we have passed legislation that created new trading opportunities in Sub-Saharan Africa and enhanced the Caribbean Basin Initiative program. And one of the most monumental trade achievements in recent history was the accession agreement reached between the U.S. and China with respect to its entry into the WTO and the granting of Permanent Normal Trade Relations status to China just last fall. These were both landmark agreements that have significantly altered the face of U.S.-Chinese trade relations. More importantly, they are accomplishments we can and should build upon.

And while we should take pride in these achievements, we must not lose sight of the tremendous tasks that still lie ahead, and upon being confirmed as Trade Representative, Mr. Zoellick will be faced with a number of unresolved trade matters that, in my opinion, will require his immediate attention.

First, we must continue to ensure that China adheres to the concessions it made in its WTO Accession Agreement with the United States in order to guarantee that American workers and industries gain the full benefits negotiated in this historic agreement.

Secondly, the Trade Representative will need to formulate solutions to our on-going troubles with the European Union (EU), specifically in regard to the beef-hormone and banana disputes. Moreover, the WTO is scheduled to rule on the EU's case against the U.S. with respect to foreign sales corporations. A ruling against the U.S. in this matter could result in almost \$4 billion in retaliatory tariffs being levied against American goods that could financially

ruin businesses and cost countless American jobs. Resolution of this issue must be a priority.

Finally, one of Mr. Zoellick's greatest challenges will be working with Congress to gain approval of fast-track trading authority for the President. This authority will take on increased importance at the upcoming Summit of the Americas in Quebec in April where, President Bush has stated, he will make the creation of a Free Trade Agreement of the Americas his number-one priority. Allowing the President to assure other world leaders that he will gain this authority will only increase the prospects of this agreement becoming reality.

And while I support both of these initiatives, I do so with the additional belief that worker rights and environmental protections must be included within any fast-track legislation.

I am disappointed that President Bush has publicly voiced his opposition to these provisions as a part of trade agreements.

It is my hope that Mr. Zoellick will show some flexibility on these issues and be mindful of their importance in future negotiations. Absent these safeguards, it is my opinion that the President will face a difficult time obtaining the support needed to secure this critical trading authority.

In closing, Mr. President, I have long supported efforts to open the doors of trade to new markets. Expanded trade improves the lives of American workers by providing better paying jobs and increased markets for American goods. Ultimately, this translates into a stronger national economy.

I also believe that it can serve the purpose of slowly transforming countries that have been socially and politically intolerant into countries that recognize the rights of their own citizens. Ultimately, ruling by respect rather than fear is in their own best economic interest.

At the same time, I firmly believe that every effort must be made to balance the economic benefits of free trade with the needs of American businesses and workers and to vigorously enforce existing trade laws against unfair trading practices. The U.S. Trade Representative must be unwavering in this regard.

Mr. Zoellick has agreed to undertake this critical balancing act, and I believe his record as a fair and capable negotiator will serve him well as he assumes this post. Again, I wish to reiterate my support for his nomination as U.S. Trade Representative and urge my colleagues to do likewise.

Mr. McCAIN. Mr. President, "A foreign policy wunderkind," "Baker's second brain," "a resume so impressive it might be mistaken for a parody of overachievement," "the most impressive thinker of my time in government," "the best-prepared guy in the room," a man whose "board memberships read like the directory of the internationalist establishment," one

whose friends possess "almost a cultlike admiration for his intelligence, hard work, and integrity"—such praise for Bob Zoellick demonstrates the high expectations for his tenure as the United States Trade Representative. I share these hopes for his leadership of our ambition to expand free trade and restore America's rightful place at the forefront of global trade liberalization.

Unlike previous trade representatives, who often possessed more narrow legal backgrounds, Bob's range of experience at the Departments of Treasury and State, in the White House, and with organizations like NATO, the WTO, and the G-7 grant him unusual insight into the role of trade within the framework of America's broader engagement with the world. Bob's talents, combined with the enthusiasm and purity of his belief in free trade as a force to advance American interests and increase prosperity around the globe, suggest that he will serve well President Bush's mandate to push forward with a meaningful free trade agenda. If personnel is policy, as we often say in Washington, Bob's selection for the cabinet-rank trade post foretells important achievements in our nation's trade expansion efforts.

Yet such achievements will not come easily. America's economy, which has been the engine of global economic growth, is slowing, and there exists no broad-based domestic consensus on the benefits of free trade. Japan's economy remains mired in an enduring recession that can be ended only by fundamental structural reforms. China's implementation of its market-opening obligations under the WTO remains worryingly incomplete. The European Union, where growth has recently accelerated, retains significant market distortions that are reflected in its continued agricultural protectionism and the array of trade disputes with the United States over subjects like hormone-treated beef. The economic health of Latin America is mixed, and many African nations with tremendous trade potential suffer the pernicious effects of poor governance and civil strife. Clearly, Bob has his work cut out for him.

Given the challenges and opportunities ahead—and the critical role of trade to the continued dynamism of our own economy—our nation must, to the extent possible, speak with one voice in favor of trade expansion. Bob has pledged to work closely with the Congress on such priorities as creating a hemispheric free trade zone, providing the President with renewed trade-promotion authority, ratifying our bilateral trade agreement with Vietnam, locking in free trade with partners like Singapore and Jordan, and setting the stage for a new round of global trade talks. It is my hope that both parties in Congress will work constructively and in good faith with Bob and the Administration to advance this ambitious but achievable trade

agenda, for the benefit of the American people we serve.

As Bob noted in a "Foreign Affairs" article during the campaign, "A primary task for the next President of the United States is to build public support for a strategy that will shape the world so as to protect and promote American interests and values for the next 50 years. . . . America must capture the dynamism of the era and transform its new elements into the economic and security foundations for a future system." Such an integrated approach, which I strongly endorse, requires restoring our nation's leadership in liberalizing global trade. I wish Bob the best as he spearheads this effort, upon which rests our fondest hopes as a people for prosperity and purpose in the world.

Mr. LEVIN. Mr. President, today the Senate will consider the nomination of Robert Zoellick to become the U.S. Trade Representative. I will support confirmation of the nomination of Robert Zoellick.

Given the important contribution of the automotive industry to America's economic prosperity and job creation, I wish to flag two important automotive trade relationships that I hope will be made a priority by USTR designate Zoellick: the United States automotive trade relationship with Korea and with Japan.

I was disappointed to note that Mr. Zoellick was not asked during his Senate Finance Committee confirmation hearing last week about two trade agreements of key interest to the automotive industry: the 1995 Framework Agreement on Autos and Auto Parts between the United States and Japan and a 1998 United States-Korea Auto Market Access MOU. Neither have achieved the expected results of opening these markets to United States automotive exports. It is time to go back to the table and insist on the results we were promised.

The automotive industry is the largest manufacturing industry in the United States representing 3.7 percent of GDP. It ranks first among manufacturing industries in R&D expenditures spending over \$18 billion a year, employs almost 2.5 million Americans and exports more than any other industry. This is why it is so important for our USTR and the Administration to fight aggressively to allow this industry to compete on a fair and level playing field in foreign markets.

The 1995 Framework Agreement on Autos and Auto Parts between the United States and Japan was allowed by the Government of Japan to expire at the end of 2000. This is despite the Agreement's failure to accomplish its stated objective to significantly expand sales opportunities resulting in purchases of foreign parts by Japanese firms in Japan and through their transplants in the United States and to resolve market access problems for foreign autos and auto parts in Japan. The U.S. Government, working closely

with the American auto parts industry, organized labor and Members of Congress, developed and presented a significant proposal for extending and enhancing the 1995 Agreement. In the closing days of 2000 Japan was even unwilling to permit the extension of the existing Agreement which would have allowed time for the new Administration to pursue a more substantial five year agreement.

I urge the Bush administration, and Mr. Zoellick in particular, to make the renegotiation of a stronger and more effective agreement one of its earliest and highest priorities.

Regarding Korea, despite two separate automotive trade agreements between the United States and Korea intended to open Korea's market, we now have a rapidly increasing automotive trade imbalance between the two countries. Korea exported almost 500,000 vehicles to the United States last year but imported only 4,300 foreign vehicles from everywhere in the world. Foreign vehicles make up only .32 percent of Korea's total vehicle market, making it the most closed market in the developed world.

This is not a level playing field and should not be tolerated. This imbalance has occurred despite efforts by United States auto manufacturers to make long-term and extensive efforts to increase sales in Korea. I urge the administration and Mr. Zoellick to redouble the United States efforts to achieve market access progress in Korea, especially in urging the Government of Korea to take specific actions to reverse the anti-import attitudes and policies that so blatantly discriminate against foreign vehicles in Korea.

Mr. HATCH. Mr. President, I am pleased to support the nomination of Robert Zoellick as the next United States Trade Representative. I think that Bob Zoellick has the experience, education, and leadership skills to be an outstanding USTR.

Mr. Zoellick has had a broad range of experience in the executive branch, including the Treasury Department, State Department, and the White House. Chairman GRASSLEY has detailed his record of accomplishment.

Mr. Zoellick's experience is not just from the view of a government administrator. Since 1997, he has held a number of positions with private sector firms involved with asset management and capital development. This unique combination of public sector and private sector experience will prove vital to his performance as USTR.

As trade becomes more important to the economy of Utah and the United States as a whole, it is imperative that we have senior officials that understand the significance of free and fair trade. And it is critical that they can view trade issues with a vision of the attendant foreign policy, national security, and economic policy considerations that are at stake. I think Bob Zoellick can see the world from many perspectives.

The United States faces a number of key trade issues in the next few years. It will be a great advantage to American workers and American consumers if we can create a bi-partisan U.S. trade policy.

We need to look at the issue of granting new trade promotion authority to Ambassador Zoellick. But fast track authority alone should not replace the hard work and effort to forge bi-partisan support for U.S. trade initiatives.

My experience on the Judiciary Committee has taught me that intellectual property issues will play an increasingly important role in the international economy. We must make sure that the creative efforts of those who produce software, entertainment such as music and movies and breakthrough drugs and medical devices get the benefit of TRIPS implementation and enforcement. Frankly, we need to get better across the board at enforcing the trade agreements that we negotiate.

We also need to resist any efforts to impose unnecessary barriers on the emerging Internet economy. For example, we must work to see that computer downloads are not unduly hindered through tariffs or technical barriers.

I want to re-enforce many of the comments that my friend from West Virginia. Senator BYRD made with respect to the crisis among our domestic steel producers. I want to work with Mr. Zoellick and Senator O'Neill on the efforts by the Bush Administration to re-energize our domestic steel industry. I think at his confirmation hearing that Mr. Zoellick made the correct comment to Senator ROCKEFELLER, my other good friend from West Virginia, on the potential use of section 201 authority with respect to steel. We must come up with a comprehensive plan to help U.S. producers of steel like Geneva Steel from my state of Utah. Part of this plan must focus on foreign dumping and countervailing duties.

At his confirmation hearing, Majority Leader LOTT and I raised the bananas and beef cases and the use of the carousel rotation of product retaliation lists. We can't let the Europeans avoid the consequences when they lose WTO cases. Frankly, I think that one of the first things this Administration ought to do in the trade area is to follow the law we passed last year and immediately implement the carousel system.

The Korean government's recently announced \$2.1 billion bailout of Hyundai electronics raises many troubling questions. This development may be a direct violation of commitments made to the IMF in 1997. Specifically, USTR must examine whether this new bailout program is in accordance with the commitments made in paragraphs 34 and 35 of the 1997 IMF Standby Arrangement addressing, respectively, bank lending practices, and government subsidies and tax preferences. I trust that USTR will look into this,

and I want my colleagues to know that this is an issue that I take very seriously. Frankly this government bailout must be scrutinized by USTR so that we can be sure that American high technology firms like Micron can remain competitive in the international marketplace.

I am confident that Bob Zoellick can work effectively with Commerce Secretary Evans and other key Administration officials to bring the American public the promise of free and fair trade. We need to open new trading opportunities, but we also need to enforce U.S. trade laws and ensure compliance with international trade agreements.

Many believe—and I believe—that the Office of the United States Trade Representative is the best governmental trade organization in the world. We ask Mr. Zoellick to lead and inspire this very strong agency to perform even better. The citizens of Utah and throughout the United States have much at stake in the performance of USTR.

As a Senator who believes in the long-term benefits to America of free and fair trade, I plan to vote for Robert Zoellick and stand ready to work with him and my colleagues to build a strong, bipartisan trade policy.

Mr. President, I thank all Senators and I yield the floor.

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

The PRESIDING OFFICER (Mr. CRAPO). 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, I now yield to my good friend from North Dakota, Senator DORGAN, for 15 minutes.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I thank the Chair and my colleague from Montana, Senator BAUCUS.

Mr. President, I intend to vote for Bob Zoellick to be the U.S. Trade Representative. I am not a big fan of the U.S. Trade Representative's office—never have been—under Republican or Democratic administrations. My view is that our trade policy in this country is a mess. It has gotten worse, not better. We are headed towards a \$440 billion merchandise trade deficit.

In fact, it might be useful to show a chart that describes what has happened to our trade deficits. It shows that since 1993 our merchandise deficit has ballooned from \$136 billion to over \$440 billion. All the Republicans and all the Democrats that give us soothing assurances and say this trade policy of ours is working really well ought to take a look at these deficits, that are ballooning, year after year after year after year.

I want to talk a little about why I think it is so important, as we vote on

the confirmation of Mr. Zoellick, we need to expect something different from the U.S. Trade Representative's office. You could put a blindfold on and listen to both Republican and Democratic administrations over last 20 years, Republican and Democratic stewards at USTR, and you couldn't tell the difference between them. It wouldn't matter. It is all the same, all the same trade policy: Negotiate another agreement and hope things get better. However, what really happens is, they negotiate another agreement and things get worse.

I am told that we have, in the last 8 years, negotiated 304 trade agreements. I am also told, that some of the agreements cannot even be located in the offices of the Trade Representative, let alone get them enforced. At the time when we have negotiated 304 trade agreements, our trade deficit has increased over 300 percent.

Let me show you what bothers me from time to time about our current trade strategy. Let me do it in terms of T-bone steaks. I have a chart I want to share with you.

We negotiated a trade agreement with Japan in 1989 on the issue of beef. The U.S. could not successfully get beef into the country of Japan. So our negotiators went to Japan, and they negotiated really hard, and they got an agreement, and then they had a big celebration. They had banquets, and, Lord, they had headlines in the newspapers: "We have reached an Agreement with Japan." Good for them. God bless them.

Now 12 years later, we are getting more beef into Japan. Good for us. Do you know what the tariff is on every pound of beef that goes into Japan? Incidentally, these are T-bone steaks on the chart. As this chart shows, there is a 38.5-percent tariff on every pound of American beef going into Japan. This is 12 years after the great agreement with Japan, a country, incidentally, that has over a \$70 billion merchandise trade surplus with us, or to say it another way, a U.S. deficit with Japan.

By what justification does anyone who negotiates this kind of trade agreement stand here and say to American producers: We really scored a victory for you this time? These people obviously did not wear jerseys that said "USA" when they negotiated this one. They said: We will agree, after a phase-in, to a 50-percent tariff that will be reduced over time. Great, except it has a snap-back provision which says, the more you get in, the higher the tariff will be. So guess what. Twelve years later, we have a 38.5-percent tariff on every single pound of beef going to Japan. It is a failure. Not only do people not care about it, most people don't know about it; and nobody is going to do much about it.

If not T-bone steaks, what about cars? We just finished a trade agreement with China. We have over a \$70 billion merchandise trade deficit with China, and it is growing rapidly. Here

in the Senate, we did not have a vote on the bilateral trade agreement with China. If we did vote, I would have voted no. We had a vote on PNTR, but we did not have a vote on the bilateral trade agreement. We had negotiators go to China, and once again, apparently, they left their jerseys at home, the ones who say: "USA"—"Here is what I am negotiating for. I want a good deal for us."

Our negotiators go to China and negotiate an agreement. At the end of the agreement, after a long phase-in, here is what we have done on automobiles. We have said: Yes, there are probably 1.2 billion people over there, and if they are able to increase their standard of living, at some point they will become more affluent and want to start driving cars. If that happens there will be more automobile trade between the United States and China. What we will agree to, China, we will grant you access to our market at a 2.5-percent tariff on any cars, and we will allow you to have a tariff that is 10 times higher—25 percent—on any U.S. automobiles going to China.

What on Earth are we thinking about? Here is a country that has a huge surplus with us, or we have a huge deficit with them. We negotiate an agreement with them and say: Oh, yes, by the way, we will allow you to impose tariffs on automobiles 10 times higher than those we impose on you.

Time after time, there are examples of the incompetence of these negotiators, let alone the fact that once we get these agreements, as bad as they are for this country, they are not enforced. Do you know how many people we have enforcing our trade agreements? Yes, even the bad trade agreements with China? Seven. There used to be 10; now there are 7. China has done little to comply with any of our trade agreements. So now we have gone and negotiated a new bilateral agreement that is poorly designed and at the same time decreased the number of people monitoring and investigating how China is not playing by the rules. Our staff for China went from 10 to 7.

At some point we have to realize, that ballooning trade deficits we currently have in this country, are unhealthy for our country, our future and our economy.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, might I inquire how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Montana has 25 minutes 7 seconds remaining. The Senator from Iowa has 32 minutes 24 seconds.

Mr. BAUCUS. I yield 10 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I thank my colleague from Montana. I noticed on the floor the presence of my good friend and colleague from Louisiana. It was actually her idea that drew me

over here. I am glad she is here. I will try and be brief in my remarks and then defer to the Senator from Louisiana to share some of her thoughts.

Let me say, first of all, I am a strong supporter of Bob Zoellick to be the new U.S. Trade Representative. I think he will make a very fine Trade Representative. We worked very closely together over the years on other matters. He was at the State Department. I know him to be tremendously thoughtful, a good listener, one who is not afraid of new ideas and is attentive to a wide diversity of interests dealing with some of the issues affecting some of the very regions of the world I will address some remarks to, and that is Central America and Latin America back in the 1980s.

So I am a strong supporter of Bob's. He will do a great job. The President is lucky to have his willing services in this administration.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 4 minutes.

(The remarks of Ms. LANDRIEU and Mr. DODD pertaining to the introduction of S. 260 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. WELLSTONE. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. Who yields to the Senator?

Mr. GRASSLEY. Mr. President, I don't think I have authority to yield time, but I think Senator BAUCUS would be comfortable yielding 10 minutes.

Mr. WELLSTONE. Mr. President, I thank the Senator from Louisiana for her work.

Mr. President, I support Mr. Zoellick. I am not here to oppose his nomination at all, but I would like to express my great reservations about the direction of our trade policy. Unless I am mistaken, I think I heard the majority leader today out on the floor saying that we need to, of course, have the trade but we need for it to be fair trade. I was pleased to hear his very strong remarks.

I guess it was about maybe a month ago that I was on the Iron Range of Minnesota with the taconite workers at a gathering at Hoyt Lakes. There were about 1,000 workers there, although 1,300 of them have lost their jobs. The LTV Steel Company closed down. They shut down the taconite operation. Fourteen-hundred workers on the Iron Range lost their jobs. Other workers, by the way, are being laid off at other mines. It is not just those workers. It is the subcontractors. It is their families. It is the people in the community.

I never mind saying this because it is just true. Even though you talk about one region of the State, you never want to act as if you don't care about other regions. Northeastern Minnesota is like a second home to Sheila and I. This is where our campaign started in 1989. They supported me when no one

thought I ever had a chance. These are people with the greatest work ethic in the world. They are just incredible people. There are a lot of broken lives, broken dreams, and potentially broken families in northeastern Minnesota.

I always go to one high school just to stay in touch with the students there. I have been there about three or four times in the last year or two. The discussions with the students are so poignant. They want to know if they can afford college. They want to know what is going to happen to their mom or dad, and whether or not there will be any jobs for them. These are good jobs that pay probably \$65,000 a year, counting health benefits. There are not a lot of other jobs such as that. Of course, there will be a future because when you have people with such a strong work ethic and who are so self-reliant and self-sufficient it will happen.

But I want to say this on the floor of the Senate. When I was at this gathering, I was looking out over about 1,000 workers. And I thought to myself: These are industrial workers. All too often in our trade policy and all too often on the floor of the Senate and on the floor of the House of Representatives, they have been out of sight and out of mind. I could add the auto-workers to the steelworkers, and a lot of industrial workers as well.

In this particular case, the import surge of steel—in the case of taconite workers, it is semifinished steel—slab steel from Brazil, from South Korea, from Russia, and from other countries way below our cost of production has essentially put them out of work. These steel workers on the Iron Range of Minnesota want to know where they fit into this international economy. I say this to Mr. Zoellick—and I will say it every day for the rest of my time in the Senate—why can't we have a trade policy that, of course, recognizes the importance of trade but also works for working people in our country? If it is true that we live in an international economy—yes, it is true—then if you care about human rights, you have to care about it not only in our country but other countries. If you care about the right of people to join a union and make decent wages for their families—you have to care about that, not only in our country but other countries as well—if you care about religious freedom, you have to care about this in our country but other countries as well. If you care about the environment, you have to care about it in an international context. But from NAFTA to GATT to WTO to efforts to have fast track here and there, I have not seen an effort to really talk about a fair trade policy.

I am not an isolationist. I am an internationalist. My dad was born in Odessa, Ukraine. He fled persecution in Russia. He spoke 10 languages fluently. I grew up in a family where there was no other choice but to be an internationalist. But there has to be some

new rules that come with this international economy.

This has to be an international economy and global economy that works for steelworkers—workers for autos, workers for family farmers, the environment, and human rights. That is not the case now. Lord, I have given enough speeches on the Senate floor about human rights violations in China and other countries as well. I will not do that today.

I make this appeal to Mr. Zoellick and appeal to my colleagues that, whatever we do, let's try to figure out some additional steps we can take that will give some assurance to hard-working people in our country so they don't get the short end of the stick and get spit out of the economy because we have no level playing field.

That is what has happened to these steelworkers on the Iron Range. That is exactly what has happened to these taconite workers.

I think Senator DAYTON would say the same thing. We are desperately trying, with Congressman OBERSTAR and others, to get trade adjustments to people. We hope the taconite workers fit into that. We want to talk about section 201, and the Rockefeller bill deals with the whole problem of unfair trade in steel, and whether or not we have to say to the other countries we can't deal with these import surges, especially if we think it is a dumping of steel, or semifinished steel well below the cost of production; especially when you talk about countries where people do not get decent wages, where there are no OSHA or any workplace safety rules.

There has to be a way we can have some competition and a trade policy that makes sure steelworkers on the Iron Range of Minnesota and family farmers and people who care about the environment and people who care about human rights figure in. I think those industrial workers are simply off the radar screen when it comes to policies in the Nation's Capital today.

There are two Senators on the floor: Senator GRASSLEY from Iowa, who is chair of the Finance Committee, one of the best Senators in the Senate—he is wrong on every issue but he is one of the best Senators in the Senate—and Senator BAUCUS, who is also ranking member of the Finance Committee, who is very skillful. I say to both of my colleagues and other Senators, I hope maybe this year, since we are 50/50, and we will have a lot of passionate debates, there are certain areas where maybe we can work together. Maybe there are some things we can do to try to make this trade policy work a little better for some of the people in our country and in this particular case for some of the steelworkers on the Iron Range and some other people in my State much less other States. That is the appeal I make today.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

GRANT ALDONAS

Mr. GRASSLEY. Mr. President, I rise for a very special purpose relating to the work of the Senate Finance Committee and the aspect of our work that deals with international trade and the high caliber of staff who have been on the International Trade Subcommittee over a long period of time. But I take special note of one of our staff people, our chief trade counsel, Grant Aldonas. He is right here.

He is going to soon be leaving the position that he has with our committee. It is going to be a loss for our committee, and particularly for me as a new chairman. It is going to be a tremendous loss because people of his caliber who are so successful in the private sector and are willing to come back into public service are few and far between. He is one who has done that. He has done it for 3½ years as the Finance Committee's top trade lawyer. He served Senator Roth before me with the greatest of professionalism and diligence; he has done a very good job.

Grant has left his mark on some of the Senate's most significant trade policy initiatives—the passage of the Trade and Development Act of 2000, and the passage of the bill that has been on everybody's mind over the last 3 or 4 years giving permanent normal trade relations status to the great country of China. This was chief among all the work that he did for that period of time on the Senate Finance Committee.

I think I can speak for members of the Senate Finance Committee on both sides of the aisle. They have come to rely upon Grant's skill and judgment. Even though he is very skillful, judgment is the greatest asset that he has when dealing with the policies of international trade, not only from the domestic standpoint but from the international standpoint. Judgment with good common sense is very important.

I have already referred to his success in the private sector. That is because he is a good lawyer. He is also a good public servant and just a plain good person.

I wish you, Grant, and your wife Pam all the best in your new life beyond the Hill. Thank you very much for your services.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I yield myself such time as I consume.

I join in the remarks of our distinguished chairman to Grant Aldonas. I am fond of saying I believe the most noble human endeavor is service—service to church, to family, to the community, State and Nation; whatever makes the most sense for each one of us graced to be on the face of this Earth particularly public service—more particularly, public service where

you don't get your name in the headlines or the evening news, public servants who don't have huge egos but are working for the country in the best interests of the United States of America and all Americans. Grant certainly is in that category.

Grant is a guy who works behind the scenes to get results. Again, it is not headlines. It is talking to all the Senators, the Senators' staffs, the administration, whoever it is he must talk to in order to get a result, legislation, something passed for the sake of the people.

He is a great bipartisan kind of a guy. He is particularly effective because of his prior service, whether USTR, the State Department, or private sector.

I do think his background as a lawyer helps. The understanding of the law helps one be effective. There are very bright and fine ways to get around that stuff, but generally I think a legal background is quite helpful.

Whether it is China, PNTR, or trade bills of Africa, Caribbean, Grant has been there—a true professional, calm, even tempered, smart, creative thinking, diligent, hard working, focused on getting results.

I underline the point the chairman made; namely, of Grant's sense of judgment and his common sense, a commodity which is probably one of the most important a person can have. We will miss you, Grant. We know you will go on to bigger and better things. We also know in the real sense you will not have left. We will still be able to call you, seek your advice, and wish you the very best.

In the remaining minutes, I thank the Senators who have spoken. They make very good points on which I know the administration and Mr. Zoellick will focus.

How we bring all the components together for coherent consensus in developing a trade policy for America is extremely difficult. It includes business interests of America, labor interests in America, and environmental interests in America. It includes all the Americans who think they are left out of trade and the benefits of trade agreements. Companies do pretty well in some places and employees wonder where they fit in to all of this. We have to work harder to develop that consensus. I very much look forward with the chairman and people such as Grant and others in the administration to develop that consensus. Frankly, we have no other choice. We have to find that consensus to be effective and serve our people.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. 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. DASCHLE. Mr. President, I want to say a few things about the nominee and about the larger issue of trade.

I commend my distinguished ranking member for his comments earlier and those who have already expressed themselves. It goes without saying, and it ought to be emphasized, that Robert Zoellick is going to be an excellent Trade Representative. He has broad Government experience and a record of achievement that is enviable. His experience in the State Department, the Treasury Department, and the White House is a clear demonstration of his commitment to public service and public policy.

The USTR role is one that I think is an increasingly important role in the Federal Government, particularly given the increasing importance of trade and globalization generally.

I am concerned about reports that consideration was given to downgrading the position from its Cabinet rank, and I am very pleased that the Cabinet rank in this case will be retained.

As I look back over the 106th Congress, one could argue that some of our greatest achievements were in the field of trade. We enacted the Caribbean Basin and African trade bill. We met our obligation under the WTO regarding FSC. We granted permanent normal trading relations to China, paving the way for the most populous country in the world to join the global rules-based trading system.

Now we have a chance to build upon the achievements and the record of the 106th Congress by promoting the economic, national, and foreign policy interests of the United States in a global economy.

The United States is uniquely positioned to benefit, in my view, from increased globalization. First, we have the most productive economy in the world. Second, we have a comparative advantage in an increasingly information-based global economic framework.

Globalization improves productivity as countries specialize in areas of comparative advantage and puts downward pressure on prices consumers face. We have seen examples of that over and over.

The promotion of international understanding and the reduction of international conflict is critical if this is going to happen in the months and years ahead.

The freer flow of goods, capital, people, and ideas around the world creates interdependence and understanding that both can help lower the probability of conflict and raise the cost of conflict.

There is an economic cost to a nation being ostracized from the global economy. Economic liberalization advances key foreign policy goals such as increased economic freedom and reduced poverty. So the stakes could not be much higher for us or for the world as we create this global framework and recognize the advantages of participating in it.

We also have to recognize that participation in and of itself is not all nec-

essarily positive. There is a lack of domestic consensus on expanded trade and globalization, and as we consider all of the public policy choices we will face in the 107th Congress, I hope we work to try to build a better consensus, one we did not have in all occasions last year.

We start building that better consensus by recognizing that globalization can inflict costs on certain groups, and those costs need to be addressed.

Workers in import-competing countries may face downward wage pressure and job loss. In a recent study, "Americans on Globalization" the author, Steven Kull, found that people would be much more supportive of increased globalization if the government did more to help people who lose out through trade. I believe that is true. I do not think there is any question that if we could find ways with which to address that concern, a consensus could be more the reality than it is today.

Fully 66 percent of respondents agreed with the following statements: I favor free trade, and I believe it is necessary for the government to have programs to help workers who lose their jobs.

That is all they seem to be asking: the realization that there are people who get hurt as this new infrastructure gets established.

Another 18 percent favored free trade in the absence of such help, while 14 percent opposed it with or without the help. We have 66 percent of the people who say they favor free trade so long as we address the problems of free trade. We need to work together to do that to address those problems.

Our challenge is to build that consensus on trade policy in a global economy, not only in this country but around the world.

I look forward to working with Bob Zoellick and my colleagues on the challenge we face in doing that constructively and successfully.

There are some key elements, in my view, for building that consensus. First, I believe one of the key and perhaps one of the fundamental approaches that will be required is a realization that expanded worker adjustment assistance is one way with which to ease the pain and address the problem. A more broad-based, flexible, and effective adjustment assistance program is clearly needed, and I hope we all can accept that realization.

A smooth transition from displacement back into the workforce is important for communities and the overall economy, and such assistance is critical to building consensus on moving forward on greater trade liberalization.

Bob Zoellick was a key member of the Trade Deficit Commission. The Commission did not agree on the underlying cause of the trade deficit or how to remedy it. The only area of broad bipartisan agreement was for expanded worker adjustment assistance. I look forward to working with Mr.

Zoellick in this area. I look forward to recognizing the possibility for bipartisan consensus on expanded worker adjustment assistance. I hope it will be an integral part of anything we do in the longer term with regard to trade policy.

A second element is increased support and emphasis on lifetime learning. A policy that waits until someone loses a job is doomed to failure. Over time, the goal has to be to embed the culture with an appreciation of learning and upgrading skills throughout one's life, and that by doing so, economically and educationally, this new construction of lifelong learning can be an integrally important and extremely essential part of anything we do to advance the cause of world trade.

Let's recognize that building those learning skills and upgrading them throughout life must not be viewed simply as an education issue but as a trade issue.

Third, we must advance labor and environmental standards around the world. I believe this has to be done on a bilateral and multilateral basis. Recent bilateral trade pacts, such as the one with Jordan, have begun to make progress in this critical area. But there is so much more that needs to be done. We recognized it in the bilateral arrangement with Jordan. We ought to recognize it in any new bilateral arrangement. But, clearly, we have to recognize it in multilateral efforts as well.

We recognize how difficult it is. We recognize how challenging. We recognize how divisive. We recognize how much debate, and in some ways confrontation, has occurred over issues relating to labor and environmental standards. But we also must recognize that if we are going to address increased consensus, we must address this issue.

We also must make sure that our trade laws work and are perceived as fair. Fair trade laws help create an environment that maintains consensus for the openness we all seek in the first place. We have to maintain vigilance to ensure that laws are perceived as fair both inside and outside the country. Frankly, we have not always done a good job at that.

The steel industry is one such industry. Despite substantial investment and modernization, steel has faced repeated pressure from dumped steel all over the world. We have to do a better job.

We have to also understand the importance of making the WTO work better. Greater transparency and avenues for participation are needed. In the United States, we must advance those reforms.

We have to help poor countries. Greater globalization holds great promise for further reducing poverty in poor areas. But the United States and other rich countries need to continue to help poor countries participate in the WTO, and the trading system gen-

erally, and be mindful that poor countries often seem to believe that globalization is being imposed on them. We simply cannot allow that to happen.

So I look forward to working, on a bipartisan basis, on all of these challenges. I look forward to working with the soon-to-be-confirmed USTR and with my colleagues. As I talked a moment ago about steel and dumping, there is an array of dumping and serious imbalances in trade with our European and Canadian allies with regard to agriculture that also must be addressed—whether it is meat or agriculture in a number of ways, or whether it is the New Softwood Lumber Agreement with Canada.

The Softwood Lumber Agreement with Canada expires in a few short months. There is a major risk of a flood of imports entering our market at a time when low timber prices already have led to mill shutdowns and closures. This will be one of the first issues that Mr. Zoellick will have to face. I share Senator BAUCUS' concern, as he has taken a leadership role in addressing this matter.

We need a new agreement with all stakeholders at the table. We need to address agriculture with all producers, processors, and traders at the table.

We need to understand the implications of the imbalances, the dumping, and the serious problems that we face in agriculture today as a result of unfair trading practices in agriculture. That has to be addressed and put on the table.

We have to work towards a consensus, as I said a moment ago, on labor and the environment. I hope we can find common ground on those issues as well.

The President has made a strong nomination. I know my colleagues will be as supportive of this nominee as I am. I hope and expect it will be an overwhelming vote. But I also hope and expect that this is not the end but the beginning of the creation of an even more balanced trade policy with more consensus on international trade and globalization, and a realization that that consensus depends on how effectively we address myriad challenges that we have not addressed successfully to date. I look forward to working with our nominee and with my colleagues in that regard.

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

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. 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. SPECTER. Mr. President, I intend to vote for Mr. Robert Zoellick for U.S. Trade Representative. I believe he brings excellent credentials to this position. I do believe the new President,

President George W. Bush, is entitled to discretion but, in any event, this is a qualified man. I would like to take a moment or two to talk about the enforcement of U.S. trade laws, especially as they relate to a very serious situation in my State with respect to the steel industry.

Steel has been victimized in the United States by illegal trade practices, trade practices which violate U.S. law and trade practices which violate international law.

We have had a surge of dumping in the United States which has cost the steel workers, in the past two decades, a reduction in employment from close to half a million steel workers to now less than 160,000 workers, and a situation where many steel corporations today are on the verge of bankruptcy.

We need to see to it that dumping is not permitted in this country. Simply stated: Dumping is where steel, for example, is sold in the United States at a lower price than it is sold in the country from which it is exported.

I have introduced legislation in the past and intend to reintroduce it this year which would provide for a private right of action, which would enable the corporation or the injured workers and the union to go to Federal court and to get injunctive relief. That relief can be obtained very promptly.

It is possible, under the Federal Rules of Civil Procedure, to get a temporary restraining order on an ex parte basis on the filing of affidavits—there has to be a hearing within 5 days, evidence can be put into the record, equity actions can be tried very promptly, and that is an effective way to see to it that U.S. trade laws are enforced and that they are consistent with international trade laws.

Last year we legislated on a matter on a bill introduced by Senator DEWINE of Ohio and backed by quite a number of us in the Senate steel caucus, a caucus which I chair, with the cochair being Senator JAY ROCKEFELLER of West Virginia. Then through the leadership of Senator ROBERT BYRD of West Virginia, with my concurrence in the Appropriations Committee, we put that bill into effect last year which provides that where duties are imposed for violations of U.S. trade laws, that those duties are paid to the injured parties instead of going into the U.S. Treasury.

Obviously, it is desirable to have funds go into the Treasury, but where it can be ascertained that the illegal foreign trade practices resulted from a violation of U.S. trade law and can be traceable to damages to specific companies and individuals, that is where those duties ought to be paid.

A question has arisen as to whether the United States will fight to retain that legislation against complaints by some of the foreign countries where infractions have been found. I do hope our new Trade Representative will enforce that legislation which was passed by the Congress and was signed by the

