

This is something that I raised with Secretary of State Colin Powell yesterday in an appropriations hearing. It also has to do with trade.

I fought for over 3 years on the floor of the Senate and was finally successful last year to make it legal again to sell food to Cuba. For 40 years we have had an embargo; we couldn't sell a thing to Cuba. We could not even sell food or medicine. My contention is that is basically immoral for us to use food as a weapon. We sell food to Communist China. We sell food to Communist Vietnam. But for 40 years we couldn't sell food to Cuba.

So I kicked and scratched for a long while with some of my colleagues. I was able to get that aspect of the embargo changed. Just last year, we were able to get it changed so we can actually sell food to Cuba.

Cuba had a hurricane recently that caused a great deal of damage, and they need food. They are offering to buy it, and to pay cash. Cuba has now purchased \$70 million worth of food from the United States in recent months.

A fellow named Pedro Alvarez heads a group called Alimport, which is the Cuban agency that buys food. He was going to come to this country and inspect some facilities, visit a number of agricultural states, including coming to my State of North Dakota. They were prepared to buy wheat and dried beans, I understand.

The State Department issued him a visa. He applied for and was given a visa by our interest section for Cuba to come to the United States. Yet abruptly, the visa was revoked.

I am trying to find out why the visa was revoked. My staff called the State Department. The State Department said: Well, it is our policy not to encourage food sales to Cuba.

Yesterday, I asked the Secretary of State: Is that your policy?

The Secretary of State said: It is news to me. I have no such policy.

Someone deep in the bowels of the State Department apparently defined for himself the State Department's policy, and did not bother to check with Secretary Powell.

I asked for an investigation. Why do you revoke the visa issued to someone who wants to come to our country to buy wheat, dried beans, corn and eggs? Who decided that somehow that threatens our country? Where does that kind of thinking come from?

I expect I will probably hear from Secretary Powell in the next day or two. I hope so. I wrote a rather lengthy letter last week. I had the opportunity to question him before an Appropriations Committee hearing yesterday.

At a time when agricultural prices have collapsed and our family farmers are hanging on by their fingertips trying to make a go of it, we have some folks somewhere behind the drapes inside the State Department deciding they really don't want to sell food to Cuba and they don't want someone

coming up here from Cuba to buy dried beans. If there is some perceived threat about that, I wish someone would inform me and the Senate.

That is one more example of the strange approach that people take to international trade. We ought never, under any circumstance, use food as a weapon. It is immoral. Does anyone think Fidel Castro has ever missed a meal because this country had an embargo for 40 years on the shipment of food to Cuba? Does anyone think he has ever missed breakfast, lunch, or dinner? No. Those sorts of things hurt poor people, sick people, and hungry people. They don't hurt Fidel Castro.

I have personally written to Mr. Alvarez saying: I am inviting you to this country. I have written to the Secretary of State saying: I want you to provide visas to the people who want to come up and buy food from our family farmers.

That is just one more piece in a long, sorry saga of international trade that doesn't represent our country's interests.

I am very interested in having robust, strong expanded, trade. I am very interested in finding ways by which we can force open foreign markets. But the record is abysmal. We agreed to NAFTA, GATT, and we do United States-Canada agreements.

The fact is that very little has changed in the behavior of China, Europe, Japan, and other countries. Our country leads the way in unilateral behavior in international trade that says our market is open. Our country ought to use its leverage to say we are going to hold up a mirror. If your market isn't open to us, you go sell your trinkets, trousers, and cars somewhere else. And, as soon as you understand that other marketplaces don't offer you what our market does, you come back and agree to open up your marketplace to American businesses and American workers. Then we will have reciprocal trade that is fair to both sides, that is multilateral, and that is beneficial to us, and the countries with whom we do trade agreements.

I believe we are about ready to have the chairman and ranking member come.

I am very happy to offer an amendment as soon as they are interested in coming. I think they have lengthy opening statements. I will also have an opening statement at some point to amplify these remarks. But I am anxious to offer an amendment this afternoon. I am anxious to have a vote on an amendment, for that matter. If they come and offer their managers' package, give their opening statements, and then let me be recognized to offer an amendment, we could debate the amendment for an hour and then we could have a vote today. I would be happy to do that.

The PRESIDING OFFICER. The deputy majority leader.

Mr. REID. Mr. President, the Senator from North Dakota has been very pa-

tient and persuasive, as he always is. He has been in the Chamber on several different occasions wishing to speak. He has a lot to say about this legislation. He has indicated he has a number of amendments. I have spoken to him about some of the amendments. They sound pretty good to me.

The manager, Senator BAUCUS, the chairman of the Finance Committee, should be in the Chamber soon to lay down that managers' package. I was in touch with him just a few minutes ago. But he is not here now.

EXTENSION OF MORNING BUSINESS

Mr. REID. So, Mr. President, I ask unanimous consent that the Senate be in a period of morning business until 3 o'clock this afternoon with Senators allowed to speak for a period of up to 10 minutes each.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. GRAMM. Mr. President, are we now in a period of morning business?

The PRESIDING OFFICER. We are in a period of morning business with each Senator allocated up to 10 minutes to speak.

Mr. GRAMM. Mr. President, I ask to be recognized, then, to speak.

The PRESIDING OFFICER. The Senator from Texas.

TRADE PROMOTION AUTHORITY

Mr. GRAMM. Mr. President, to this point, I have not come over and spoken on the issue before us; which is trade promotion authority, and then all of the little cars that have been attached to this big, powerful, important engine. So while we are in the midst of doing these negotiations, I want to simply make a few points.

Let me, first, say that I take a back seat to no Member of the Senate and to no one in public life in supporting trade. I am a free trader. I support trade. I think it is the most powerful engine for economic development in history. I would support a free trade policy worldwide. I am for trade promotion authority.

When Bill Clinton was President, I said it was an outrage that we did not give him trade promotion authority. And I think it is an outrage that we have not yet given it to President Bush. I am very hopeful we are going to give it to him. In fact, I am confident we are going to give it to him. But I am a little bit concerned because what we have is sort of a gamesmanship going on. I guess "hostage taking"

would be the best analogy people would understand.

We have historically had a situation where the House has been very questionable on the trade issue. Congressional districts tend to be small, especially in big States, and it is easy for individual Members to have very parochial interests. It is much harder for Senators because every Senator is a farm State Senator, every Senator has a diversity of economic activity in their State. The net result of that is—not that Senators are wiser people than Members of the House; I doubt if they are—we have consistently had over 70 Senators who have been pro-trade on issues we have used as measures of trade: giving trade promotion authority, giving WTO membership to China, and other trade-related issues.

So when the House passed trade promotion authority, in an extraordinary act of political leadership—I would have to say that never in my adult lifetime have we had leadership in the House of Representatives as effective as the leadership team is today—never. Their leadership, in passing trade promotion authority, was nothing short of extraordinary. But once they did that, it was obvious to a blind man that we were going to pass trade promotion authority. And then the question became, When and under what circumstances?

We passed a bill in the Finance Committee by an overwhelmingly bipartisan majority to send trade promotion authority to the floor.

I would have to say our trade promotion authority bill has some sort of silly statements in it, almost nonsensical. But the substance of the bill is excellent. I congratulate the chairman and the ranking member. America is not going to get anything but richer, freer, and happier if we adopt this trade promotion authority bill, and adopt it just as it is written. I do not intend to support an amendment to it.

If all we were doing were bringing trade promotion authority to the floor, my guess is, in the end, we would get about 70 votes. But now, extraordinarily, we have people on my side of the aisle, who have never voted for trade before, who are saying: Well, I will vote for trade promotion authority if you will add all these new entitlements, all these new, committed, long-term spending programs. Well, great, but we already have 20 too many votes. Lyndon Johnson used to say: If you can get more than 55 votes in the Senate, you gave away too much.

So I appreciate people who are willing to become the 71st or 72nd, but the idea that we are going to put on all these new spending programs, that will help bankrupt the country in the future, to get 71 votes instead of 70, that is a nonstarter to me.

I also say to our Democrat colleagues, they need to pass this bill as badly as we need to pass it because this bill is in America's interest.

When the votes are cast, we are probably going to get 44 or so, I guess, Re-

publicans to vote for it, and my guess is we are going to get 26, 27, 28 Democrats, after all is said and done, on a clean bill.

Republicans are more pro-trade than Democrats. But, look, Democrats do not want to go to the high-tech industry of this country, which is critically dependent on exports, and say: We killed fast track when the House passed it.

Now, why do I go to all this trouble to say both sides of the aisle are for this bill? The reason I do is, now that it is clear this bill is going to pass—it is going to pass by a big vote—all of a sudden people are saying, well, look, we will not vote for it unless you pay tribute, unless you take some totally extraneous issue to trade promotion authority, and combine it, and create these massive new benefits for people—and I am going to talk about that in just a moment—unless you do that, we are not going to vote for it.

The point is, if we had a clean vote on trade promotion authority, under the worst of circumstances, it would pass. It is true that the majority probably could tie this up in parliamentary knots, and this could go on and on and on, but who is kidding—I started to say, who is kidding whom, but I am not sure that is proper grammar.

This reminds me of the O. Henry story, Ransom of Red Chief, where a couple of lowlifes kidnap a child, and this kid is a terrible brat.

So they contact the kid's parents asking for ransom, and they say, no, they don't want him back. And so the kidnappers are stuck with this kid. The story ends with the kidnappers paying the parents to take the child back.

That is the game we have underway here. Our distinguished majority leader is saying to us: If we don't pass this new entitlement, we are not going to pass trade promotion authority. Some people may be fooled, but I am not fooled. I want to pass trade promotion authority, and I want to pass it because I believe in it. But I don't believe I want to pass it any worse than the majority leader wants to pass it.

This bluff may work. But I am a firm believer, if you know people aren't going to shoot the hostage, don't pay the bribe.

Now, let's talk about the bribe. Here is where we are. We currently have a law called trade adjustment assistance. In my opinion it is fundamentally wrong. What it says is the following: We have two workers, Joe and Sarah. Sarah works for a company that is destroyed in a terrorist attack, and Joe works for a company that becomes noncompetitive and shuts down and is able to claim that foreign competition had something to do with it.

The person who works for the company that was destroyed in a terrorist attack gets unemployment insurance. That is it. But the person who works for the company that became noncompetitive—something that employee may well have had something to do

with—gets much more generous benefits.

I don't understand that. We have two Americans. They both work for companies.

The PRESIDING OFFICER. The Senator has used all his time.

Mr. GRAMM. I ask unanimous consent for 10 additional minutes.

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

Mr. GRAMM. We have two workers in America. They both work. They are both citizens. They are both guaranteed under the Constitution equal protection of the law. Yet the worker whose business is destroyed in a terrorist attack—something they have had no ability to have any impact on—gets one set of benefits. But a person who works for a company that becomes noncompetitive and goes out of business gets an entirely different and more generous set of benefits, even though we might argue at the margin—and I am not arguing it, but you might argue—that maybe they could have had potentially some effect on it, whereas a worker with a company that is destroyed by terrorism could have had no effect on it.

I have always been struck with this trade adjustment assistance, how it can make sense to treat people differently, both of whom are unemployed, simply because one lost their job to foreign competition or can claim it, and the other one can't.

Forget all that. That is an old injustice. I hadn't gotten over it. Maybe I should have.

But now we come along with a new trade adjustment assistance bill that says, in addition to this more generous benefit package, we are going to give it not just to people who lose their jobs to foreign competition, we are going to give it to people who say their job was related to the job that was lost because they were suppliers, or that their job was related to the job that was lost because they were selling things to the people who lost their jobs. I guess in the extreme, if you are a dairyman and people at this factory were buying milk, you could claim trade adjustment assistance.

Then they add a brand new extraordinary benefit, and that is the Government is now going to pay 73 percent of your health insurance when you are unemployed. In fact, one of our colleagues today said that is the amount you get if you are a Senator. Well, lose your election and find out how much you get—zip, zero.

Here is the point: How can we justify taxing workers who don't get health insurance in their jobs when they are working to provide 73 percent of the health care cost for people who are unemployed? When we don't have health insurance for many people who are working, how can we justify taxing them to pay for benefits for people who are unemployed? And if we provide this benefit, A, we are going to have to pay for it. And, B, how can we justify not

giving it to people who are working when we are giving it to people who are not working?

Currently only about one out of every four people who qualify for trade adjustment assistance take the benefit. Most of them don't take it because it is more generous than unemployment, but it is generally not as good as getting another job. I would say if you lost your job to trade, trade promotes jobs generally, your chances of getting another job in the economy are probably better.

But in any case, I think the question we have to ask ourselves is the following: If one-fourth of the people who are eligible take the benefits now, don't you think the number will go up when the Government is going to pay 73 percent of their health care costs?

My guess is we might even see as much as a quadrupling of the people who take trade adjustment assistance. We get numbers tossed around about how many billions of dollars this new benefit will cost. But nobody knows because we don't know how we are going to change behavior with it. And how many people who now go out and get a new job would not go out and get a new job if they have 73 percent of their health care costs being paid for while they are unemployed?

These are questions to which we have no answers. I remind my colleagues, last week we discovered that a budget that had a huge surplus last year was \$130 billion in deficit this year, with us spending every penny of the Social Security surplus. Our colleagues often like to talk about it. They want to protect the Social Security surplus. Yet we are talking about imposing a rider on this trade bill that is going to cost billions of dollars, and every penny of it is going to come right out of the Social Security surplus. Much of it is going to be borrowed.

My view is that we should not pass this bill with this provision on it. It is subject to a point of order, or at least I believe it will be if we ever see the bill. It seems to me it is perfectly consistent—in fact, I think it is the definition of consistency—if we believe we need trade promotion authority and we ought to have a freestanding vote on it, and then if the Senate wants to bring up trade adjustment assistance, it ought to do that. But the idea of tying the two together—they didn't come out of the Finance Committee together—is fundamentally wrong.

There are a whole lot of other problems. For some reason, our Democrat colleagues have concluded that while we are going to pay 71 percent of the health care bills for the people who are drawing this trade adjustment assistance, we are not going to let them choose their health insurance.

Freedom is dangerous. If we start letting them choose their health insurance, God knows what they are going to want to be able to choose next.

So, extraordinarily, there is a provision in this bill that says you have to

buy exactly the same insurance you had when you had a job and your company was a big part of buying the health insurance. How many people who are unemployed—say you lost your job with General Motors where they are notorious for having benefits such as first-dollar coverage—how many people want to be forced to buy that same benefit when they are unemployed?

Doesn't it seem logical to you that if you are unemployed, you might take a higher deductible so the money you got from the Government would buy you a larger share of your cost, so that the 29 percent you would have had to pay could go to help send your children to college or buy a training program? Why do we have to make people buy the Cadillac health insurance policy when they are unemployed, when they might choose to buy the Chevrolet policy?

I have a very hard time understanding those who would impose this on us saying, no, you cannot let these people choose. My position is, if you are going to provide this benefit, which, A, I don't believe we can afford and, B, I don't know how you justify giving to some people and not others, why not let them pick and choose the health care coverage that is best for them? Why not allow them to buy a Chevrolet policy when they were getting a Cadillac policy—when the company was paying for almost all of it—when it is partly their money? I don't understand why we have to do that.

So I wanted to come over today to simply make a these points: One, I am for trade promotion authority. Two, I think we ought to pass it as a clean bill. Three, I assume there will be a point of order against trade adjustment assistance, and it would be my intention to make the point of order against that provision. There is not a point of order against trade promotion authority. So I am hopeful we can come to some accommodation.

Finally, the one thing you learn when you are a member of a legislative body, such as the Senate, is that seldom do you get things the way you want them, that almost always there is some kind of compromise. I think we should pass trade promotion authority freestanding. But if we do end up with a compromise on trade adjustment assistance, I think we are a long way from being there. I think it needs to be very narrowly defined to be benefits for people who really lose their job due strictly to trade. I think you have to make this benefit affordable, remembering you are going to be taxing working people, who don't get health insurance, to buy Cadillac coverage for people who are unemployed. How can anybody believe that is rational?

How would you justify at a town meeting if some guy stood up and said: I don't get it. I work at the local company that sells tires, and I change tires, and I don't get health insurance through my job. But you are taxing me

to buy first-dollar-coverage health insurance for somebody who is unemployed. Why do you treat unemployed people better than you treat employed people? I don't get it. I am not going to have to answer that question because I am going to say it is stupid, typical of Government, and I am not for it. Of course, normally, somebody back in the corner says: Yeah, but you were there when it happened. It always bugs me when that happens. But it hasn't happened yet, and I am going to do my best to see that it doesn't happen. I wanted to cover all these issues.

I hope we can get on with trade promotion authority. I hope we can work something out. I know the President wants this. There have been more than 130 trade agreements reached worldwide, to date, of which we are not a part. When our trading partner, Mexico, has entered into nine free trade agreements covering 26 countries and the U.S. has entered into three trade agreements, NAFTA, Israel and Jordan, covering four countries, and when we have not entered into these trade agreements because we don't have trade promotion authority, something is wrong. This is the greatest trading country in the history of the world. I hope we can get on and pass the bill in a rational way.

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. NELSON of Florida. 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. NELSON of Florida. Mr. President, I ask unanimous consent to speak as in morning business on the matter of this trade bill that is before us.

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

FREE TRADE

Mr. NELSON of Florida. Mr. President, as we move more to a global economy, I would note that the United States, over the course of time, has been a driver of economic prosperity because of the ingenuity of our people, because of the technological prowess we have, and because of the edge we have over many other countries in our competitiveness with regard to computers.

I think back to when we were in the great space race, after the Soviets had surprised us by launching the first satellite Sputnik—we finally got Explorer up—and that shook the Nation to its core. Then suddenly, the Soviets surprised us again by getting into orbit with a human, Yuri Gagarin, before we could ever get off the pad with Alan Shepard trying to go into suborbit because we did not have a rocket that was strong enough to get that Mercury capsule up into orbit.