solution and there is a great deal of work yet to be done. But it is an important step for the United States to maintain a leadership role in the global effort against HIV/AIDS.

We should not punish countries of the developing world for using different tools to provide affordable treatment for their citizens who are suffering. We should be a partner and a leader in this effort.

Again, I thank the managers of this bill for accepting the amendment and I look forward to working with them again on this important international health issue.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

ANDEAN TRADE PREFERENCE EXPANSION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 3009, which the clerk will report.

The assistant legislative clerk read as follows:

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

Pending:

Baucus/Grassley amendment No. 3401, in the nature of a substitute.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota, Mr. WELLSTONE, is recognized to offer an amendment.

AMENDMENT NO. 3416 TO AMENDMENT NO. 3401

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 3416 to amendment No. 3401.

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

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

The amendment is as follows:

(Purpose: To include additional criteria for reviewing the impact of trade agreements on employment in the United States, and for other purposes)

Section 2102(c) is amended by striking paragraph (5) and inserting the following new paragraph:

''(5) review the impact of future trade agreements on United States employment, modeled after Executive Order 13141, taking into account the impact on job security, the level of compensation of new jobs and existing jobs, the displacement of employment, and the regional distribution of employment, utilizing experience from previous trade agreements and alternative models of employment analysis, report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on such review, and make that report available to the public;''.

Mr. WELLSTONE. Mr. President, this amendment, which I offer to the fast-track portion of the substitute, will enable us to get a better and more accurate assessment of the true impact of trade agreements as they affect the job security of America's working families. In particular, what this amendment does is clarify the scope of the labor impact assessment called for in the underlying fast-track bill. What we say is that the full assessment should be an assessment on the impact of job security, the level of compensation of new jobs and existing jobs, the displacement of employees, and the regional distribution of employment.

Let me explain each of these one by one. First, the impact of the trade agreement. With this important impact statement being made available to Members of Congress, to the Finance Committee, to the Ways and Means Committee, and, more importantly, I would argue, to the public, it has an impact on job security. What we now know, on the basis of some very good work by economists, is that when one has a trade agreement and a company leaves, it is not only a question of whether or not there are now fewer jobs by definition in our own country; it is also a question of the overall impact trade deficits have on our economic performance in our country and what kinds of jobs are generated.

It is also true that when companies end up leaving and saying, listen, we are going to go to Juarez, or Taiwan, or wherever, because we can pay 50 cents an hour, or we can have children we can employ for 18 or 19 hours a day with pretty horrible child labor conditions, what also happens is that workers in our country are put in a really weak position vis-a-vis bargaining so that quite often they then settle for lower wages, less by way of health care coverage, and all the rest, because companies say, if they demand this, we are leaving.

What this amendment says is let us have really a good economic impact analysis and let us look also at the impact of these trade agreements on not only job security, which in and of itself is really important, but also the level of compensation, and then the whole question of displacement of employment and regional distribution. It could be and may be that Senators want to make an argument that overall these trade agreements benefit our economy in the aggregate and benefit our Nation as a whole.

I think that is always open for debate, and people of good faith can reach different conclusions about it, but what we also need to understand is what regions of the country are most devastated, what sectors of the economy are most devastated, and what happens to those industrial workers, be it textile workers in the South, be it steelworkers, be it taconite workers on the Iron Range of Minnesota.

What this amendment does is clarify. It also calls for an examination of previous trade agreements and says we ought to take into account a variety of different economic models: Let us look at NAFTA as it would affect future trade agreements, let us look at the different kinds of economic models we can employ to do the most rigorous assessment; and then, after we do these assessments, let us make sure this is made available to the public.

What we do not want is a whitewash analysis. What we do want is a real analysis so we can know what kind of impacts to expect from particular trade agreements.

I think it is actually an amendment that adds to the strength of the bill. My colleagues, Senator BAUCUS and Senator GRASSLEY, certainly have tried to move in this direction, and I appreciate their work. This builds on their work.

I would quote again the Swedish sociologist Gunnar Myrdal, who said ignorance is never random. My translation of that is: We do not know what we do not want to know.

All this amendment says is let us do a rigorous analysis of what the impact of these trade agreements is on the lives of many families we represent.

There can be no doubt about some of the adverse effects of so-called globalization and our trade relationships on jobs and job security in our country. In my home State of Minnesota, unfortunately, examples abound. The impact of the steel imports on the Range—other Senators from steel States, Democrats and Republicans, can present their own data—but as I look at the sort of import surge of semifinished slab steel and its impact on the taconite industry, all I have to do is look at 1,400 LTV workers now out of work.

In greater Minnesota, or in rural America, when someone has a job that pays $50,000 to $60,000 a year, with good health care benefits, it is not at all clear what happens to those families. Those jobs are hard to find. They are hard to find outside metro areas.

The most poignant thing of all is that not only have these workers lost their jobs but now, depending upon their seniority, after 6 months, a year, they are losing their health care benefits as well.

Tomorrow there will be an amendment offered by Senator ROCKEFELLER, Senator MIKULSKI, and myself, and what is especially poignant about this is that these retirees who have worked hard all their lives now find, as these companies declare bankruptcy, that these companies walk away from retiree health care benefits. They are terrified about what they will do now.

We are very hopeful we will get strong support on the Senate floor tomorrow for an amendment that at least will provide a 1-year bridge at minimal cost toward maintaining coverage for the retirees. Then, of course, we have to come to terms with what we

intend to do in the long run in the future for the retirees and for the steel industry. More about that amendment tomorrow.

Potlach shut down in Minnesota. Senator DAYTON and I met with the workers in the Brainerd area. It is never easy when grown men and women have tears in their eyes. These were good-paying jobs, hard-working people. I talked to the CEO of Potlach. He told me outright, Senator WELLSTONE, we can compete with any company in the United States of America but it is the trade policy that has simply done us in. We have no other choice. The results have been devastating for the workers.

I spoke yesterday to machinists and aerospace workers. They don't understand why so many jobs are farmed out. Northwest Airlines in our State is an example. The jobs are farmed out to repair shops in other developing countries that do not have to live up to the same standards as the repair shops in our country. We may want to have high standards for all the repair shops. I may have an amendment on this bill that speaks to the specific question of safety for airline passengers.

We have heard of the difficulties from workers all across our country: auto workers, textile workers, steelworkers. Looking at NAFTA, there is a direct link between the NAFTA trade agreement and trade adjustment assistance. I have three pages of companies and workers who have lost their jobs in the State of Minnesota. It is quite unbelievable. For the families, it is devastating. There have been all sorts of promises made about the great benefits that would flow from NAFTA and from granting permanent trade relations with China. They have not panned out. As I mentioned before, the studies on NAFTA have estimated we have lost about 766,000 actual and potential U.S. jobs between 1994 and 2000 because of the rapid growth in the trade deficit with Mexico and Canada.

Canada increased from $17 billion to $53 billion; our trade deficit with Mexico doubled from $14.5 billion to $30 billion. I congratulate my colleague from Minnesota for his amendment which said we are not going to give up our right to review trade remedy legislation which is so important to making sure that working families in our country are not put in an awful situation when other countries engage in illegal trade practices and we begin to lose our jobs. That amendment that Senator DAYTON and Senator CRAIG passed yesterday was an extremely important amendment.

Make no mistake, the job losses are real. These are workers who have actually been certified as eligible for trade adjustment assistance under NAFTA. That means there is an official finding regarding these workers in the State of Minnesota, these three pages of lists of workers. There was an official finding that they lost their jobs because of trade covered under the NAFTA agreement.

A few examples: Cummins, located in St. Peter, MN, which made power supplies, estimates the loss of jobs at 350 because of NAFTA imports. That is a lot of jobs for the town of St. Peter, MN.

Hampshire Designers, located in La Crescent and Winona, MN, knit sweaters. The estimated loss is 150 jobs because the plant moved to Mexico.

Hearth Technologies located in Savage, MN, produced prefab fireplaces. The estimated loss of jobs is 160 because the operation moved to Canada.

There is an excellent groundbreaking study by Dr. Kate Bronfenbrenner at Cornell University, prepared for the U.S. China Security Review Commission and the U.S. Trade Deficit Review Commission which took a detailed look at the impact of United States-China trade relations on workers, wages, and employment in the United States. That is what this amendment says. We want that analysis on these trade agreements, and we want it made public before a final agreement is signed.

This was a pilot media tracking study that Dr. Bronfenbrenner did at Cornell, an indepth analysis of production shifts out of the United States since the enactment of the permanent normal trade relations legislation.

Frankly, colleagues, it is a sad state of affairs and exemplifies the need for this amendment that this pilot study was even necessary. As the authors point out, there is no government data in this area. I want to make sure we have the data so we can be responsible policymakers. Indeed, the database developed in this pilot is the only national database on production shifts out of the United States.

Let me give colleagues a feel for some of the conclusions. In the few months, between October 1, 2000, after enactment of PNTR legislation, and April 20, 2001, more than 80 corporations between October and April announced their intentions to shift production to China. With the number of announced production shifts increasing each month, from 2 per month in October to November to 19 per month by April, the estimated number of jobs lost through these production shifts to China was as high as 34,500. Unfortunately, because this data is not regularly tracked, and hence the need for the amendment, we can only speculate the trend has worsened.

The study also showed that the production shifts out of the United States into China are highly concentrated in certain industries. Let me give some examples of the electronics and electrical equipment, chemicals and petroleum products, household goods—toys, textiles, plastics, sporting goods, wood, and paper products. The U.S. companies are shutting down and moving to China and other countries. These tend to be the large, profitable, well-established companies, primarily subsidiaries of publicly held U.S.-based multinationals: Mattel, International Paper, General Electric, Motorola, Rubbermaid. These multinationals are not shifting production to China to serve a Chinese market. Their goal is to still serve the United States and a global market.

Perhaps even more important, of the jobs moving to China, increasingly, they are the jobs in high-paying industries, for example, producing goods such as bicycles, furniture, motors, compressors, fiber optics, injection molding, and computer components.

I hope all Senators read a front page story yesterday in the Washington Post about a 20-year-old woman in China who lived in the most rural part of China. She came to one of the industrial cities to work for one of the subsidiaries producing toys. She was working many days in a row, day after day after day, 18, 19 hours a day, well until 10, 11, 12 o'clock at night, from early in the morning. She felt ill and was not allowed a break. She became sick, threw up blood, and died. There are working conditions like this all over the world—deplorable child labor conditions, with violations of people's human rights, trade agreements with governments that systematically torture their citizens. And we don't consider any of this?

That is one of the reasons I am sorry to say these companies must leave the United States of America. They say to our wage earners: Listen, you who want to make a living wage and you want to have health care benefits and you want to be able to support your family, we don't need to pay attention to you any longer. We will go to China. We will go to other countries. We will go to countries where if people try to organize and bargain collectively and join a union, they will find themselves tortured or find themselves in prison. It happens all the time. Or we will go to countries where there are no labor standards and as a result, we lose these jobs. Our families are the ones who pay the price. Then, if other nations should say we want to have some child labor standards, these companies say: We will not go to your nation. We will go someplace where we don't have to deal with any of that.

Then, what makes me most angry is that working families, working people in the United States of America who dare to raise the question as to whether or not these trade agreements or this fast-track bill is exactly in their interest or their children's interests, are called protectionists.

Then the argument is made: You terrible labor unions. You don't care about the poor in these other nations. This helps them obtain employment.

I will tell you something. I have been to some of these trade conferences, and I have never seen any of the poor represented by these countries. I see their trade ministers. I never see the poor there.

What we have going on here is a race to the bottom. It is time we think about this new international economy and how we can make sure this new

international economy doesn't just work for multinationals but works for working people or works for the environment or works for human rights.

Let me conclude the study's conclusion.

> The employment effects of these production shifts go well beyond the individual workers whose jobs were lost. Each time another company shuts down operations and moves work to China, Mexico, or any other country, it has a ripple effect on the wages of every other worker in that industry and that community, through lowering wage demands, restraining union organizing and bargaining power, reducing the tax base, and reducing or eliminating hundreds of jobs in the related contracting, transportation, wholesale trade, professional, and service-sector employment in companies and businesses.

Finally, the study notes that the employment effects of United States-China trade relations are not felt in the United States alone. Data points to massive shifts of employment around the world. As Dr. Bronfenbrenner's study notes:

> Contrary to the promise of rising wages and living standards that free trade and global economic integration were supposed to provide, in many countries these global production shifts have led to decreases in employment, stagnating wages, and increasing income inequality.

These conclusions were also echoed in a report presented by the U.S. Business and Industry Council Education Fund, ''Exporting Jobs: When Trade Agreements Are Really Investment Agreements.''

What this study points to is to a trend of low-income countries such as Mexico and China becoming sources of high-tech products for the United States. Import levels increasingly have swamped exports which are increasingly concentrated in the high-value industries, with the result that we even lose more.

Here is the problem. It is not just that we are losing low-value products produced by low-wage workers, we are now losing the higher-value products produced by skilled labor that goes to other countries where these companies pay much less, do not have to abide by any standards dealing with labor, don't have to abide by any human rights standards, don't have to abide by any democracy standards, don't have to abide by any environmental standards.

What this says is let's take a close look. We need to understand exactly how this affects the people we represent.

A USBIC report, and numerous studies, including one published by the Federal Reserve Board of New York, made clear that most Chinese imports consist of imports that are turned into exports. Since 1997, our trade deficit with China has mushroomed from $49.7 billion to $83 billion. Contrary to the promise of how this was supposed to help so many working families in our country, this is great for the multinational companies involved, but it does not help most of our small businesses, and it doesn't help most of our workers.

Make no mistake, this amendment is not about being opposed to trade agreements. This is not about protectionism. I do not have the slightest interest in building walls at our borders or keeping out goods and services, nor do I fear fair competition from workers and companies operating in other countries. I am not afraid of our neighbors. I do not fear other countries, nor do I fear other peoples. I favor open trade, and I believe the President should negotiate trade agreements which lead generally to more open markets here and abroad.

I am aware of the benefits of trade for the economy of Minnesota and the economy of our country. In Minnesota, we have an extremely internationally minded community of corporations, small businesses, working people, and farmers. Open trade can contribute significantly to expansion of wealth and opportunity, and it can reward innovation and productivity. Negotiated properly, trade agreements can bring all these benefits to trading partners in a fair way.

The question is, How do American values around protecting labor rights, the environment, food safety, and consumer protections figure into our trade agreements? And what are the true costs of not respecting these values?

The Bush administration believes commercial property rights are primary in trade agreements but that labor and environmental and human rights are secondary. I think this is wrong. I think—and I think most Americans agree with me—that fundamental standard of living and quality of life issues are exactly what trade policy should be about.

Trade agreements that do not respect the universality of these issues or these values undermine human dignity around the world, and they hurt American workers in the process. If we fail to document the extent of the impact of American workers and American jobs, then we have done a real disservice to our own Nation.

So before we enter into additional trade agreements, we simply have to have better data and a more sophisticated analysis of the full employment impacts of these trade agreements: Loss of jobs but also wage levels, ability to organize, impact on regions in country, impact on sectors of the economy. We need to know the impact of the agreement on job security, level of compensation of new and existing jobs, displacement of employment, and the regional distribution of employment. That is the purpose of this amendment.

It is a pretty simple amendment. Frankly, I would be surprised if my colleagues did not accept it, although I am pleased to debate it as well.

This is a labor impact amendment. I hope there will be strong support for it.

I also say to Senators while I am out on the floor—and I know there are other Senators who want to speak—that this is the first amendment I have which is to improve the labor assessment impacts of trade agreements. Both my colleagues, Senator BAUCUS and Senator GRASSLEY, start down this direction. This is just a fuller analysis. We ought to know the impact on job security. We ought to know the impact on the level of compensation of jobs. We ought to know what the displacement effects of unemployment are. We ought to know what the regional distribution of employment will be. And we ought to look at prior trade agreements and come up with the best models of assessment. That is what I am saying. We need to be honest and rigorous in our analysis.

I also will have another amendment which will call upon us to assure the consideration of democracy and human rights in trade agreements. Believe me, I think it is vitally important that fast-track trade negotiating authority for any trade agreement must have a specific democracy and human rights clause.

Let me just mention one other amendment. The other amendment I will be introducing is an amendment regarding the contracting for Federal services overseas. What this amendment with Senator FEINGOLD says is that right now, State authorities—too many—use TANF to administer electronic benefits programs. Right now what they are doing is they are doing business with companies that contract this abroad.

It is kind of an irony. This is the welfare reform. Actually, some of these mothers could take these jobs. So it seems to me, the TANF money itself should not be used to support companies that are subcontracting with companies that then basically do all the electronic work, so if you are a welfare mother and you are calling and trying to find out where you are, where there is job training, basically you are talking to somebody in India. It strikes me that this is a bitter irony, especially when some of the jobs could actually be available for these mothers and other families.

So this amendment would prohibit the use of any part of a TANF grant to enter into a contract with an entity that employs workers located outside the United States to carry out the activities under the contract. I think that would be an interesting debate. I hope to have support for it.

I want to say, while my colleagues are out on the floor, the heart and soul amendment is the one—they are all important—that deals with the steelworkers and a small amount of money. I know we have a Joint Tax Committee estimate where we can help at least with a 1-year bridge for the retiree health care benefits. This will be with Senators ROCKEFELLER, MIKULSKI, and I know other Senators joining in as well.

I want to, before relinquishing my right to the floor, speak on the democracy and human rights amendment, which my guess is will be somewhat controversial. The reason for this is—

just look at this, just listen to this. This is from our own ''State Department Country Reports on Human Rights for 2001.''

For China:

Police and other elements of the security apparatus employ torture and degrading treatment in dealing with some detainees and prisoners.

This is the State Department report, not my report:

Senior officials acknowledge that torture and coerced confessions are chronic problems.

Former detainees and the press reported credibly that officials used electric shocks, prolonged periods of solitary confinement.

And the list goes on and on.

Russia—I know we are establishing better relations with Russia—but for Russia:

There are credible reports that some law enforcement officials used torture regularly to coerce confessions from suspects, and that the government does not hold most officials accountable.

Torture usually takes one of four forms: beatings with fists, batons, or other object; asphyxiation using gas masks or bags—sometimes filled with mace—electric shocks; or suspension of body parts.

Colombia: According to the ''Amnesty International Annual Report for 2001'':

More than 4,000 people were victims of political killings, over 300 ''disappeared'' and an estimated 300,000 people were internally displaced.

And also, again, there are too many connections between military and paramilitary, which I think will be part of the debate on Colombia.

Labor rights, and Mexico:

Independent trade unions faced difficulties in organizing during the year. . . . there are frequent abuses in the country's 4,000 or so maquiladoras. Since NAFTA came into force, some 3,000 assembly-for-export companies have set up business in Tijuana. According to a study by Infolatina, over 1.3 million workers are paid less than $6 a day to work in often deplorable conditions. . . .

These are our own Government reports. This one was actually the ''International Confederation of Trade Unions Annual Survey of Violations of Trade Union Rights for 2001.''

The ''2002 International Labor Organization (ILO) Global Report on Child Labor'' has estimated that over 8 million children worldwide are trapped in the unconditional worst forms of child labor—which are internationally defined as slavery, trafficking, debt bondage, and other forms of forced labor.

And 180 million children aged 5 to 17—or 73 percent of all child laborers—are now believed to be engaged in the worst forms of child labor, comprising hazardous work and the unconditional worst forms of child labor.

From the April 2002 Human Rights Report titled, ''Tainted Harvest: Child Labor and Obstacles to Organizing on Ecuador's Banana Plantations'':

Child workers explained that they were exposed to toxic chemicals, handling insecticide-treated plastics, working under fungicide-spraying airplanes in the fields, and directly applying post-harvest pesticides in packing plants.

You name it. I could go on and on.

There was a Washington Post piece, which I mentioned earlier: ''Worked Till they Drop: Few Protections for China's New Laborers.''

Again, the young woman I talked about was 19:

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

Colleagues, I just have to tell you, it is like we are being told that we should lead, but we should lead on the basis of our own values.

On the first amendment, we will see what my colleagues do. I want to have a rigorous analysis of what the impact of these trade agreements will be on our working families. I do not want anything whitewashed. I want to know what the effect will be in the south. I want to know what the effect will be for textile and steelworkers. And I want to know what the effect will be on not only jobs lost but wages and the right to organize—you name it. That is what this first amendment is about.

With the second amendment, I want to have a democracy, human rights clause. I think we should at least say the countries that we are signing these trade agreements with, will at least agree to make an effort. I have pretty reasonable language to deal with human rights. There are probably 70 governments in the world that systematically practice torture. Do we care? Can't we at least have some language that says countries have to show they are making an effort?

Why would we oppose that? Shouldn't we do something about these deplorable child labor conditions? Are we just going to put this unpleasant reality into parenthesis? I don't believe so.

I am the son of a Jewish immigrant who fled Russia, born in the Ukraine. I believe in human rights. I think my colleagues do. And the amendment I am going to bring to the floor later is very reasonable. It just says let's at least have a clause where there has to be some effort on the part of these countries to make a commitment to moving forward on this democracy and human rights agenda.

And then, I just have to say, the TANF amendment is a no-brainer. With all due respect, why should our Government money, why should our TANF money—States are hard pressed right now—why should we see that subcontracted out to companies that are actually doing the work in regard to welfare reform located in other nations—India or wherever. I am not picking on India. I am just saying, it is not appropriate to use TANF money to do that when we are supposed to try to enable welfare mothers to do some work. And they could be doing the work. It does not make a bit of sense.

Finally, we will be out here tomorrow with this steel amendment, which is so important. It is the right thing to do. It has a reasonable cost. It will be a great statement for the Senate to make, Democrats and Republicans alike: a 1-year bridge on legacy costs. Retirees have worked hard all their lives. Companies now go bankrupt and walk away from retiree health care benefits.

This is about compassion. This is about basically our being willing to help. Boy, I will tell you what. For the Iron Range in Minnesota, nothing could be more important. It is like that is why you are here. It is why you are here because everybody has this experience. You know people are frightened, and you know people really don't know what they are going to do. They don't know what they are going to do, and they ask you to help. That is what this is about. And it certainly should be part of the trade adjustment assistance package. It is a good package.

I give my colleagues a lot of credit for working hard and coming up with a bipartisan package.

Mr. President, there are other Senators in the Chamber. I will stay here if there is debate on this amendment that basically calls for, really, as I say, a rigorous labor impact clause to this bill. But I will wait to hear from my colleagues. I am hoping there will be strong support because it just says let's know what we need to know. Let's make sure that information is public.

Mr. President, I wait to hear from my colleague from Iowa.

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

Mr. GRASSLEY. Mr. President, I am not going to debate the Senator from Minnesota, but I am going to raise some questions he may want to answer.

First of all, our bill, the bipartisan trade promotion bill that is before us, does provide for a study on the impact of trade on the economy and jobs and things of that nature. So, quite obviously, we are not opposed to studies that are within the bill.

The Senator from Minnesota wants to be a little more specific, give direction to the study. And I suppose those directions and those studies are something that I will want to have him answer some questions about what his intent is.

I also surmise that the Senator from Minnesota probably will not vote for trade promotion authority. That doesn't make his efforts to amend the bill illegitimate in any way, but there are a lot of amendments that could be adopted that probably will not get the support, in the final analysis, of the Senator from Minnesota.

One of the things we need to remember is that trade is all about jobs. For instance, the whole movement of the last seven decades started with the bad economic impact of protectionism all over the world. It started in the United

States with the Smoot-Hawley Act. I don't know that it was intended to be a bad piece of legislation. Probably the people who got it passed thought they were doing the right thing for the country. It bred protectionism all over the world.

Everybody knows what happened in the 1930s, the tremendous movement toward protectionism. World trade shut down and, consequently, the world economy shut down. The Great Depression was a worldwide depression. It wasn't long afterward, a new President came in, Franklin Delano Roosevelt, and a new Congress, and they had a rude awakening to the bad impact of protectionism.

We have heard Senators give the history, so I will not go into it. Starting in the mid-1930s, with the Trade Reciprocity Act that passed Congress and, under the President's authority, the ability to reduce tariffs when it was reciprocally done by other countries, it was a pattern from the mid-1930s until the present setup of the General Agreement on Tariffs and Trade that went into effect in 1947, followed by the World Trade Organization in 1994. But that whole regime that started in 1947 was building on what started in the mid-1930s with trade reciprocity to bring down tariff and nontariff trade barriers to enhance the world economy and to create jobs.

Trade is all about jobs. I keep referring to what President Clinton said about the expansion of jobs in his 8 years as President: 22 million jobs. He said one-third of them came because of foreign trade. The reason he could say that is he negotiated the final agreements on the North American Free Trade Agreement and on the Uruguay Round of GATT. So 22 million jobs, one-third, approximately 7 million jobs—7 million jobs—President Clinton said, were created as a result of trade.

I hope everybody understands that there are leaders in the Democratic Party and leaders in the Republican Party who think trade is good for America and it creates jobs. They are good-paying jobs that pay 15 percent above the national average; some people would say somewhere between 13 percent and 19 percent above the national average. We are not talking about flipping hamburgers at McDonald's; we are talking about good jobs.

You have to put this debate in the context of what the history of the world economy has been in the last 70 years and what has happened in the United States to create jobs as well. In my State of Iowa, at John Deere, one out of every five jobs on the assembly line is related to trade. At 3M Company, Knoxville, IA, 40 percent is related to trade. I could go on and on. It is probably more true in Minnesota than my State of Iowa, jobs related to trade.

The Senator's amendment doesn't undo anything we have in the bill. He asks for a study. There is nothing wrong with intellectually honest approaches to reviewing public policy. Senator BAUCUS and I believe that is important. We have a study in our bill.

With that background, I would like to raise some questions with the Senator that he might want to answer or might not want to answer. As I understand it, the amendment would replace language in our bill which requires the President to review the impact of future trade agreements on U.S. employment and report to the Ways and Means Committee and to the Senate Finance Committee on these reviews.

The amendment of the Senator from Minnesota expands upon this report, requiring the President to take into account the impact on job security, the level of compensation of new jobs and existing jobs, the displacement of employment, and the regional distribution of employment in conducting this review. The amendment requires the President to utilize experience from previous international trade agreements and to use, in the words of the amendment, ''alternative models of employment analysis.''

My question on that point would be: How is the President, in conducting the report, going to take into account the impact on job security? How is he going to take into account the level of compensation of new jobs and existing jobs?

Obviously, there is some data for that, as I indicated by the 15 percent figure I used that trade-related jobs pay above the national average. But does the Senator from Minnesota want to take more than those things into account that are already out there? Whatever the Senator from Minnesota wants the President to take into account, is that data available? What is the relevance of requiring the President to take into account the regional distribution of employment? Is providing jobs in one part of the country more important than jobs in another part of the country, if the overall economic wealth of our Nation is enhanced?

When President Clinton said one-third of the jobs created in the 8 years of his Presidency were related to trade, he didn't say it benefited Massachusetts much more than California, or much more Minnesota than it did the southern part of the United States. We are a national economy.

I might also ask the Senator to explain, what are alternative models of employment analysis? In other words, how do his alternative models of employment analysis differ from what might be the present models of employment analysis or maybe what you might call other models that are in use, or maybe there is a standard model out there? And have these alternative models of employment analysis been used by other nations, or in any venue, for that matter, to evaluate trade agreements? I think it is important that we know how they have been used. The Senator would want answers to these questions to be part of the RECORD in case his amendment is adopted so that we can have a basis for the direction of the study. But we cannot be opposed to intellectually honest approaches to getting information and analyzing the policies we make. But we want to make sure there is a basis for producing the information that the Senator from Minnesota wants.

I am going to stop there. I have raised some questions about it without taking a position for or against the amendment at this particular point.

Mr. WELLSTONE. Mr. President, I will respond to my good friend from Iowa in a couple different ways. First of all—and I think he came around to this—well, I don't know what his overall position is, but I think this amendment is not about an overall discussion about trade policy. As my colleague said, it is all about jobs. What this amendment says is, that is right; it is all about jobs. Let's have a thorough analysis. Let's have a thorough analysis of the impact of these trade agreements on jobs.

We can debate for a long time, I say to my colleague from Iowa, about trade policy. I am pleased to do so. I do not want to take a lot of time away from other Senators, and I want to answer the specific questions. I do want to say one thing, though. I do not want my good friend from Iowa to corner me as a sort of protectionist.

I do not view this debate as being between people who are for or against free trade or protection. I view this as a debate between people who are saying, look, we have this new international economy and let's go forward with it, and the market will take care of everything; there do not have to be any rules with it, versus those of us who say, yes, we have this international economy, we are all for trade, let's make sure we harness this in such a way that there are some rules ensuring these agreements work not just for the multinational corporations but for our workers and for the environment and human rights and independent producers.

That is all this debate is about. Frankly, if I were to look at this with a sense of history, I do not think this is a lot different than the beginning of the 1900s. What happened in the beginning of our Nation 100 years ago is that the economy went from more local and agrarian to national and industrial, and as these economic changes took place, some of these economic changes were wrenching changes. It gave rise to very interesting politics as to what happened during that period of time. This was the populist-progressive politics. This was Teddy Roosevelt's time. This was the Farmers Alliance. This was the labor unions building.

What happened? We had demands for an 8-hour day. We had antitrust action, the Clayton Act and the Sherman Act, women demanded the right to vote, and progressives said Senators should be directly elected, and so on and so forth. And you know what. Actually, as hard

as those struggles were, the media was opposed to all those groups and organizations and people who felt that, in a democracy, you demand what you have courage to demand. They did not have the support of the media. The Pinkertons murdered organizers, and money dominated politics probably more so even than it does now.

Believe it or not, but you know what. Those courageous citizens were successful. They changed our country for the better.

So it is, 100 years later, we now see some revolutionary changes in the economy. Now it is an international economy, and trade policy dramatically affects the quality or lack of quality of the lives of people we represent. What I insist on is that there be some rules that go with this new international economy. I don't trust these multinational corporations to look out for the best interests of family farmers or workers or ordinary citizens in my State of Minnesota or anywhere else.

I will tell you something. Over the next 10 years, I want to say today in this Chamber to the Senator from Iowa, this will become a burning issue—whether or not with this new international economy we just say the market handles everything or whether or not we say, isn't there some way that ordinary citizens fit into this somehow and there are some rules that go with this to make sure it works for people.

That is what people 100 years ago were saying: We want this new national commerce civilized. We want it to work for us ordinary people, too. That is basically my framework.

Now, first of all, the amendment is about jobs, not this overall political economy debate in particular and specifically I say a thorough analysis of the impact. Second of all, as to why we are talking about an impact, we have some specificity, I say to my colleague from Iowa. It is on the basis I said earlier during the debate. You want to look at job security. You want to look at also the level of compensation. You want to look at regional distribution. You want to look at where people are losing jobs. And you want to look at past trade agreements. Frankly, we ought to look at all of that.

There are some good economists and others who have argued that it isn't even just the case of loss of jobs. It is also a question of whether or not these trade agreements and companies that then leave parts of our country basically deny ordinary working people the leverage they need in their bargaining and their negotiations so they are put at a more severe disadvantage and have to settle for even lower wages or even worse health care benefits because of the threat of more companies leaving. Let's have analysis of that.

The next question from my colleague from Iowa was, how would this affect what a President does? Presumably, a President, whether that President is a Democrat or Republican, will look at the impact it has on many working families throughout the country or in regions of the country and then decide it is good or decide maybe not—maybe now that I have all this data before me and all the specific information before me what I thought was a good agreement might not be good.

I think the President and the Members of the Congress as decisionmakers should have more information. That is all. Frankly, I think the general public should as well.

As to the whole question of why regional, I do not prejudge the final decision that any President or we would make, I say to my colleague from Iowa, about these agreements, but I do think we should know if it has a particularly harsh impact on textiles in the South. If it has a particularly harsh impact on auto workers, let's know. If it has a particularly harsh impact on steelworkers or taconite workers on the Iron Range, we want to know. All politics are local. Tip O'Neill said that. It is true. We all come to fight for people in our States, and we should have the information on how these agreements affect particular regions or States. Does it mean a President might not still think it is the right agreement? Does it mean that Senators agree or disagree?

Gunnar Myrdal was right, and I am not firing accusations at my colleagues. I just love the quote. Gunnar Myrdal, the Swedish socialist, once said, ''Ignorance is never random. Sometimes we don't know what we don't want to know.'' I say we should know what we need to know. That is what this amendment says.

Finally, and this is my only hard-hitting point, my colleague from Iowa said it could be dropped from the conference—I think heard him say that—if we accept it. It could be. I tell you what my position is on this bill. If the Senator did not say that, better yet. I apologize.

My position on this bill is, we will see what it turns out to be in the Senate. I think there are some good amendments that have passed. We still have an amendment on supporting legacy costs for steelworkers. We have good trade adjustment assistance. I want to see ultimately where we come down. I reserve final judgment until I see what kind of bill we have. But if, in conference committee, this becomes some little strategy game and there are a few people in conference committee who say, ''Well, now we are together here, we will just knock this amendment out and knock that amendment out; they passed it in the Senate, and they did it on voice vote and we can knock it out,'' there are a lot of us who are going to raise cane, and we probably won't win on the vote, but, ultimately, we all get held accountable. I think it will take some real explaining as to why anyone would not want to have an honest, rigorous assessment of how trade agreements affect the lives of people we represent, period.

I am pleased to have a recorded vote on this if we are going to start talking about knocking it out of conference committee. I have not decided; I guess I could ask for the yeas and nays. I do not know. I want to see what my colleagues are interested in.

Mr. BAUCUS. I commend the Senator from Minnesota for his amendment. I think it is a good amendment. It improves upon an already good piece of legislation. That is, the underlying legislation already has employment impact provisions.

The amendment offered by the Senator from Minnesota goes further, and I think that is good. The more people know about the ramifications of trade and the more different organizations investigate the ramifications of trade, the better we will be. I tend to subscribe to the John Locke ''marketplace of ideas'' philosophy and welcome a good, honest discussion of the issues. I believe that the more discussion we have, the more the sun shines, the more likely it is we will do what is right.

It is almost axiomatic. The more the Senator from Minnesota offers amendments such as these, the better off we are all going to be in the short term and the long run. We will know more about how trade does or does not affect job security, one of the provisions in his amendment. We will know more about how trade affects levels of compensation.

It has often been stated, frankly, that some of the jobs created as a result of trade pay more than nontrade jobs. It is equally clear that many jobs are displaced by this very rapid race to globalization that is occurring in the United States as well as other countries.

I also think that regional distribution of employment, another one of the Senator's goals, is a good one. Let's see if there is regional distribution as a consequence of trade. I say this in part because trade itself is not the most exciting topic in the world. It is sort of an opaque gauze that clouds Senators' minds when we talk about trade, except when we see the real life effects of trade. Real life effects can be positive and not so positive.

The Senator is trying to put a real life face on trade, to look at the actual effects or real people. I think this is a very good idea. I commend him and urge the Senate to accept this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am going to go along with the amendment as well, but I want to make very clear that it seems to me it emphasizes the negative impact of trade, and we have 70 years that prove the positive impact of international trade. We also had President Clinton saying that out of 22 million jobs, a third of those, 7 million jobs, were a result of trade. So there are positive aspects of trade.

Somewhere along the line in conference this has to be rewritten so it is

balanced between what is negative with trade, which I have to admit there are always adjustments in the economy. With or without trade, there are adjustments in the economy. There are winners and losers. But there are positive benefits of trade and the positive benefits outweigh the negatives many times. We have to emphasize that.

Also, before we leave this issue, there is an emphasis between the approach of the Senator from Minnesota, to what he calls a new international economy, and my approach to the new international economy. He says this is not a debate between protectionism and free trade. He puts it in terms of those who think you ought to manage the new international economy or let the marketplace have free flow.

When the Senator from Minnesota uses the word ''manage''—I do not know whether he used the word ''manage''—we have to be able to manage the new international economy. There is a difference in approach. If we are going to have management, it is going to be the government doing the managing, as opposed to the free marketplace.

Is there an unfettered use of the free marketplace? Absolutely not. There have always been rules. What is basic to this debate, center to this debate, is whether the United States is going to be at the table for the rulemaking of the international economy, and the rulemaking meaning we are not going to have an unfettered free market, but we are going to have a predictable free market. There are going to be certain rules that all competitors will follow in the international community.

Trade promotion authority is whether or not the Congress of the United States, through our contract with the President to represent the people of the United States, will be at the negotiating table when the rules are made. That is why it is so darn important that this legislation pass because, as the Senator from Minnesota says, we need to give some direction. That has been the history of the General Agreement on Tariffs and Trade process since 1947. That has been the basis of the World Trade Organization process since 1994: to have the rule of law apply to international trade.

Should the 270 million people of the United States be at the table to help write those rules? For that to happen, this bill must pass for the President to have the authority and the credibility to help write those rules that the Senator from Minnesota believes are so necessary. That is not managing the world economy; that is giving predictability to the players in the world economy, and rules of the game that must be followed and for a dispute settlement process when somebody is an outlaw in the international economy.

I hope we make clear this legislation is very important to accomplish what the Senator from Minnesota wants to accomplish at least in the way of not having an unfettered free market, although in his statements he tends more toward the government managing the world economy.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, we can finish. I do not know why the intensity goes up with my colleague from Iowa since I think we enjoy each other as friends. I have two quick points and will be done.

First, I have to say in a friendly way that I think the Senator from Iowa misreads this. I am not going to call for a recorded vote. We are trying to work together and the Senator supports this amendment. When my colleagues says this is too negative, I do not prejudge what these studies find. I am skeptical about it. I have laid out some figures of what I think is happening to trade, but to say you are going to do an assessment on job security, compensation of jobs, displacement of employment, and regional distribution, my colleague is actually making my case for me by thinking it is negative because he must think the study will show the consequences are negative. We do not need to change any language. Just do the assessment.

People in good faith can have different views. My colleagues might think such a study makes the case for these trade agreements. Maybe it will. I do not think so. Frankly, let's see what the assessment does. It is not negative or positive. I am just saying this is what we have to look at and then we will see what the results show.

I never used the word ''manage.'' This is semantics. This administration thinks that commercial property rights are primary in trade agreements. I think labor, environment, human rights, and consumer protection are also primary. They are not secondary. That should be part of the new rules. That is the only difference we have.

By the way, what is interesting to me is that there can be a million editorials written in the most prestigious newspapers—actually most people in the country feel the same way. They feel like, let us not build walls. I am an internationalist, but please make sure our concerns and our families' concerns are somehow met.

What is going to be the impact on us? Are there going to be any fair labor standards? Are there going to be any human rights standards? Is there going to be anything about the environment? Why is it so weighted toward commercial property rights? What happened to our rights as workers? What happened to our rights as consumers? What happened to our rights as families who are worried about the jobs we lose? We could go on, but we will not.

I have one final thing to say. My colleague from Montana, when he was talking about the increase in jobs, or someone was—I remember this famous quote, and I think it was a good one, from one of the industrial workers who lost her job in a high-paying industry. President Clinton—I will be bipartisan about this—was talking about all the jobs created, and she said: Yes, I know all of them now. I have three of them because I need three jobs to make the wages and support my family from what was my one job as an autoworker.

None of the Senators, Democrats or Republicans alike, would ever convince the industrial workers of this Nation that they have not gotten the short end of the stick as a result of some of these trade agreements. The autoworkers in Iowa will not be convinced of that. They never will, I do not think, as good a Senator as the Senator from Iowa is, and my colleague from Iowa is as good a Senator as one could find. I just think they do not see it that way. And I do not, either.

In any case, we will do the impact statement, with my colleagues' support, and I hope this is not gutted in conference committee. I think it would be a huge mistake. I think it would be as if to say we do not want to have a good study. Let us have the assessment and then we will know.

Do my colleagues want to move forward on the vote?

Mr. GRASSLEY. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to amendment No. 3416.

The amendment (No. 3416) was agreed to.

Mr. WELLSTONE. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, we have made progress on this bill. There are a couple of other Senators who are now in a position to offer amendments, which I think will be offered very shortly. I hope they offer them very shortly because that would mean more progress.

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

The PRESIDING OFFICER (Mr. NELSON of Nebraska). Without objection, it is so ordered.

AMENDMENT NO. 3417 TO AMENDMENT NO. 3401

Mr. EDWARDS. Mr. President, I have an amendment at the desk numbered 3417 and I call it up at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. EDWARDS] proposes an amendment numbered 3417 to amendment No. 3401.

Mr. EDWARDS. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To authorize the Secretary of Labor to award grants to community colleges to establish job training programs for adversely affected workers)

Chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.), as amended by section 111, is amended by inserting after section 240 the following:

''SEC. 240A. JOB TRAINING PROGRAMS.

''(a) GRANT PROGRAM AUTHORIZED.—The Secretary is authorized to award grants to community colleges (as defined in section 202 of the Tech-Prep Education Act (20 U.S.C. 2371)) on a competitive basis to establish job training programs for adversely affected workers.

''(b) APPLICATION.—

''(1) SUBMISSION.—To receive a grant under this section, a community college shall submit an application to the Secretary at such time and in such manner as the Secretary shall require.

''(2) CONTENTS.—The application submitted under paragraph (1) shall provide a description of—

''(A) the population to be served with grant funds received under this section;

''(B) how grant funds received under this section will be expended; and

''(C) the job training programs that will be established with grant funds received under this section, including a description of how such programs relate to workforce needs in the area where the community college is located.

''(c) ELIGIBILITY.—To be eligible to receive a grant under this section, a community college shall be located in an eligible community (as defined in section 271).

''(d) DECISION ON APPLICATIONS.—Not later than 30 days after submission of an application under subsection (b), the Secretary shall approve or disapprove the application.

''(e) USE OF FUNDS.—A community college that receives a grant under this section shall use the grant funds to establish job training programs for adversely affected workers.

On page 55, insert between lines 2 and 3 the following:

''(D) ADDITIONAL WEEKS FOR REMEDIAL EDUCATION.—Notwithstanding any other provision of this section, in order to assist an adversely affected worker to complete training approved for the worker under section 240, if the program is a program of remedial education in accordance with regulations prescribed by the Secretary, payments may be made as trade adjustment allowances for up to 26 additional weeks in the 26-week period that follows the last week of entitlement to trade adjustment allowances otherwise payable under this chapter.''.

At the end of section 2102(b), insert the following:

(15) TEXTILE NEGOTIATIONS.—

(A) IN GENERAL.—The principal negotiating objectives of the United States with respect to trade in textiles and apparel articles is to obtain competitive opportunities for United States exports of textiles and apparel in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in textiles and apparel by—

(i) reducing to levels that are the same as, or lower than, those in the United States, or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports of textiles and apparel;

(ii) eliminating by a date certain non-tariff barriers that decrease market opportunities for United States textile and apparel articles;

(iii) reducing or eliminating subsidies that decrease market opportunities for United States exports or unfairly distort textile and apparel markets to the detriment of the United States;

(iv) developing, strengthening, and clarifying rules to eliminate practices that unfairly decrease United States market access opportunities or distort textile and apparel markets to the detriment of the United States;

(v) taking into account whether a party to the negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations under those agreements;

(vi) taking into account whether a product is subject to market distortions by reason of a failure of a major producing country to adhere to the provisions of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements;

(vii) otherwise ensuring that countries that accede to the World Trade Organization have made meaningful market liberalization commitments in textiles and apparel; and

(viii) taking into account the impact that agreements covering textiles and apparel trade to which the United States is already a party are having on the United States textile and apparel industry.

(B) SCOPE OF OBJECTIVE.—The negotiating objectives set forth in subparagraph (A) apply with respect to trade in textile and apparel articles to be addressed in any trade agreement entered into under section 2103 (a) or (b), including any trade agreement entered under section 2103 (a) or (b) that provides for accession to a trade agreement to which the United States is already a party.

Mr. EDWARDS. Mr. President, I have an amendment which I will speak to that contains a number of proposals.

We all recognize that trade has done some very good things for many Americans. We know that. It is also important to recognize something else: Trade has hurt a lot of people; it has hurt them in ways that sometimes people in Washington are not willing to recognize. To people in Washington, DC, free trade is a good concept. To a lot of people in my State of North Carolina, and all over the South, and, in fact, for that matter, all across America, free trade is a lot more than an abstract concept that people in Washington talk about. For them, trade has had an enormous impact. In some ways, it has meant an end to a way of life that they have enjoyed for a long time, from generation to generation.

For those people who are hurting, we have an opportunity as part of this legislation to make life better. My view is we have not only an opportunity but a responsibility to make life better. Americans have always watched out for each other, and we need to do exactly the same thing when it comes to trade. We need to watch out and make sure we do not leave behind millions of our fellow citizens who have been hurt by trade and trade policy.

The people who are hurt are real people. They are mothers and fathers. They work hard. They work just as hard as anyone else in this country. They play by the same rules as everyone else. They do right by their family. They go to work every day and do their job. They work very hard to build a future for their family.

These people are being hurt, and many of them badly hurt, by trade.

I am speaking particularly about folks who are in the textile and furniture industries. There are a lot of those folks in my State of North Carolina. But there are also hundreds of thousands of those workers across the South—in fact, in places all over the country, such as upstate New York.

For most of the 20th century, manufacturing jobs were the basis of our economy in this country. People who worked in those jobs didn't get rich, but they were able to take care of their families, they were able to go to church, participate in and contribute to their communities, and oftentimes they were able to send their kids to college. The jobs never paid great, but they paid well enough—you know, $10, $12 an hour—for them to take care of their families.

The jobs did, however, come with health care benefits so they didn't have to worry about taking care of their family if someone got sick or their children got sick. They came with vacations so they got a chance to spend time with their family every year.

The textile mills and furniture factories have been the cornerstone of a way of life in the South, a very good way of life. That way of life is now being greatly affected and, in many cases, destroyed by trade.

Since the beginning of the year 2001, 179 textile plants have closed in this country. We have lost 91,000 textile jobs. That is just since the beginning of the year 2001.

If you go back to 1997, the numbers are even worse. This chart is a listing of the jobs, textile jobs that have been lost since 1997. My State of North Carolina has been hardest hit. We have lost 122,000 jobs since 1997. That is 122,000 families who, over the course of the last 5 years, have lost their jobs.

In Georgia, they have also been hit hard, losing 95,000 jobs during the same period of time. South Carolina lost 61,000 jobs; Alabama, 35,000 jobs lost; Virginia, 23,000 jobs lost.

In North Carolina, we have had 57 plants close since the year 2001. In the years between 1994 and 2000, we lost more than 100,000 jobs due to international trade.

There are towns in North Carolina where the mill employed literally a quarter of the people who lived in the town—one out of every four people. Now the mill is gone and hundreds of people are looking for work and the town is devastated.

In Washington, you often hear people say—and I have heard this in the debate on the floor of the Senate, and I have heard it all around Washington, DC, in discussions on the impact of trade—well, they lost those jobs, but they can get better jobs. That probably is true. It may well be true in the big picture. The problem is, in a Southern mill town it is a very different picture.

I grew up in Southern mill towns. My father worked in textile mills all of his

adult life—37 years, if I remember correctly. I know firsthand what impact closing of these mills has on the town. They are the heart and soul of the economy, and they are part of a way of life. The vast majority of these other, better jobs that you hear people talk about are not in that town. That is the problem. When the mill closes down, these jobs everyone is talking about, the better jobs that will ultimately be available because of free trade, they are not in that town. They are not anywhere near that town in a lot of cases.

It so happens that those jobs are also not the kind of jobs that a middle-aged ex-millworker is going to be able to get.

I often thought when I heard the discussions about, ''There are other jobs,'' ''We can do job retraining,'' all of that is important. I do believe, for the country as a whole, free trade has a lot of positive benefits. There is no question about that. But for those people who are affected directly, they are hit like a laser by these trade policies and this trade legislation. They are tremendously affected.

To say to men or women who have spent their entire lives taking care of their family, providing for their family, now at the age of 45, 50, 55, ''We want you to change work; we want you to go to another kind of employment,'' this is not just about a job, although their job is very important to them. It is about their dignity, their self-respect. It is about their belief that that mother and father have always been able to take care of their family, and all of a sudden they are not able to do that anymore. They are being asked to train to do something entirely new when they have spent their entire life doing this particular job.

I was blessed to be the first person in my family to go to college. A lot of folks are like my parents. They are great people. They work very hard, but sometimes they have not in their life had the extraordinary opportunity that many of us had in terms of our education. Across this country, about 60 percent of people have some college education, which is good; we hope that continues to improve as we go forward. But in the areas we are talking about, where these mills are closing and where people have spent a lot of their lives working in those mills, the number is closer to 20 percent. It is more like one out of five people have some college education.

So when a furniture factory or cotton mill in North Carolina shuts down, oftentimes we have half the workers who do not even have a high school diploma or a GED. The workers in these mills also are not young. The average worker affected by a trade deal is more than 40 years old. They have usually two kids, sometimes more. There is a good chance many of them have never spent any time working outside that factory. That has been their entire life.

So when that factory closes and somebody in Washington, DC, says, ''Oh, you can get a job in one of these other dynamic sectors of the economy,'' it is a lot easier said than done. The people suffering from trade have tremendous trouble getting back what they are losing.

When you look at North Carolina workers over age 55 who lose their jobs due to trade, only half have found work within 2 years. So within 2 years, still almost half of those people are unemployed. These are folks who know how to work. They have worked all their lives. They are some of the hardest working people I have ever seen.

I still remember vividly going in the mill when I was young and seeing the men and women who worked in that mill with my dad, and then when I got a little older I worked there sometimes in summers or part-time. I have never seen anyone work harder. They were extraordinary. They did it to provide for their families—for their family's self-respect and dignity and for their own. They were proud of what they did, and they ought to have been proud of it.

The problem is, although they are looking for work, and they know how to work, they just cannot find work. If they do find work, sometimes it is not good work. Instead of making $12 an hour, which they had been making in a mill, or $15 an hour, they are looking instead at a minimum-wage job with no benefits and no health care. Those are the kind of problems with which these folks are confronted. It is real. It has an enormously devastating effect on their lives.

When a plant closes, it is not just the people who work there who are affected; the small businesses that used to sell groceries and clothes to the people who work in that mill suffer as well. The companies where the plant used to buy materials and equipment suffer. The city hospitals, the police force that depend on taxes from that plant and from the people who work in that plant suffer.

According to some projections, for every job the textile industry loses, we may lose two more jobs as well. So families are suffering because of trade, but not just families; communities are also suffering.

We need to do right by these folks, by the people who lose their jobs, and by the communities. We need to do right by doing two things. First, we need to make sure that our trade deals give the same considerations to textile workers they are giving to our farmers. That is totally consistent with the current TPA bill and totally consistent with fair trade.

By the way, I think it is a very good idea to have the language in the bill that provides protection and support for our farmers. That is also important in North Carolina. But we ought to treat these factory workers, these textile workers exactly the same way. It is right and it is fair.

Second, when trade does hurt factory workers in industries such as textiles, we need to make sure those workers have every opportunity to get back on their feet. We all say that is our goal, but we need to make sure the law is as strong as our words.

So today, I have three proposals, all contained in one amendment now, for amending trade promotion authority and trade adjustment assistance. I expect as we go forward that I may have additional proposals and at least one, and perhaps more, additional amendments.

I have been working with my colleagues, the Senator from Iowa and the Senator from Montana, on not only this amendment and proposals contained in this amendment, but also additional amendments. I will continue to work with them. I appreciate very much their cooperation.

RECOVERY OF SENATOR HELMS

I take a moment to bring my colleagues up to date on how our friend and colleague, Senator JESSE HELMS, is doing. I spoke with his staff a few minutes ago. They are very pleased with his progress. He is doing well. They think he is making terrific progress. I know all Members have been thinking about him and have had Senator HELMS and his wife Dot and their entire family in our thoughts and prayers since this serious surgery. We will continue to do so. He is doing well.

His terrific staff, as usual, is carrying on their work with great diligence and skill, as I told Senator HELMS. He is doing very well. We are very encouraged.

Mr. MILLER. I thank my colleague from North Carolina.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. MILLER. I thank him for that eloquent presentation. He knows these people and he knows this problem so very well.

Mr. President, I rise also in support of this country's textile industry, an industry that is in crisis and an industry that needs our help very badly.

By the way, it was good to hear that report on Senator HELMS. I know, if he possibly could, he would be here speaking with that unique passion that he has on this subject.

This industry is suffering from the worst economic crisis since the Great Depression. I realize several factors have contributed to this crisis; most notably is the strong competition of the U.S. dollar against foreign currencies.

For example, there has been an average 40-percent decline in Asian currencies against the U.S. dollar over the past 4 years. Prices for Asian yarn and fabric have dropped by as much as 38 percent.

This has caused a flood of artificially low-priced textile and apparel products into our U.S. markets. At the same time, prices for U.S. textile products have plummeted since 1997 and profits have evaporated. And when prices fall, and profits disappear, plant owners have no choice but to lay off workers

and close down plants. And that is exactly what has happened in this country.

The Senator from North Carolina gave you some telling statistics. Since the beginning of 2001, 179 textile plants have closed in this country. We have lost 91,000 textile jobs.

Bringing it home to my State of Georgia, since 2000, 17 textile plants have closed. That has put more than 19,000 Georgians out of work—19,000 Georgians out of work.

This is not just some cold statistic that some member of my staff has researched and come up with. I know many of these workers. They are my friends. They are my neighbors. They have families to care for. They want to work. As the Senator from North Carolina emphasized, they want to work.

In my neighboring mountainous county of Fannin County, where the last plant closed in Georgia, we call them the salt of the Earth.

My colleague from North Carolina, Senator EDWARDS, has offered several amendments to provide some assistance to our ailing textile industry and to offer relief to hundreds of thousands of textile workers who have lost their jobs.

I am very grateful he has come forward with these amendments—and this amendment. This amendment would help level the playing field for the textile industry in trade negotiations. It spells out for the President the objectives he should seek in any trade agreement that involves the textile industry.

I want to be very clear—as the Senator from North Carolina was—we are not seeking special treatment for the textile industry. The objectives we want to include for textiles are no different than the objectives spelled out in trade promotion authority for other industries, such as agriculture.

The objectives are simple and broad. We ask that the President seek competitive opportunities for U.S. exports of textile products.

Also, we ask that the President reduce or eliminate tariffs or other charges that hurt market opportunities for U.S. textile exports.

Again, these are the very same objectives we have listed for other industries in the TPA bill.

The textile industry in the United States has a proud history, and it has served this country well. All we are asking for today is a level playing field. All we are asking for is a seat at the negotiating table for an industry that is so important to rural communities across the South and across the Nation.

Simply stated, it is a matter of fairness.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. EDWARDS. Mr. President, I thank my colleague from Georgia. He and I understand the people who work in textile mills in these small towns, as do a number of our other colleagues in the Senate. It is wonderful to hear him describe, firsthand, what he and I have both seen all our lives among the people who live there. I appreciate his support of the amendment. And I appreciated his eloquence on this subject because he truly does understand the plight of these folks.

I want to talk about the three proposals contained in this amendment. The first proposal is very simple. Right now, the trade promotion authority bill is full of objectives for different purposes—electronic commerce, intellectual property, border taxes. Every one of those things has its own objectives. The bill has a whole section of objectives for agriculture, which is good. It is a good thing.

All told, there are more than a dozen kinds of objectives, with pages on each. I do not have any problem with any of that.

When Congress gives the President as much negotiating authority as TPA provides, the least we can do is make sure how the President should exercise that authority.

This is my concern. There is a glaring omission from those objectives. That omission is textiles and apparel. There is not a single objective for trade in textiles and apparel. Here is an American industry clearly being destroyed by trade, and there is not a word about it—not a word. That is wrong.

If we are going to give the President broad authority to enter more free trade agreements, we need to make sure the President's negotiators do not leave behind the people who work in these mills. These folks have already suffered enough from trade agreements. This amendment would set this problem straight, by including a set of objectives for textiles and apparel.

There is nothing radical about the objectives. In fact, the language closely parallels existing objectives for other areas, specifically agriculture.

Let me give you a few examples of how closely my amendment tracks the agriculture language already in the bill. For agriculture, the objective is: ''to obtain competitive opportunities for United States exports of agricultural commodities in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade'' for various agricultural commodities.

That language makes sense.

This is what our amendment does: If you take out the words ''agricultural commodities'' and insert the words ''textiles and apparel,'' you have the amendment. It does exactly the same thing with exactly the same language.

The agricultural objectives talk about ''reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports.'' Again, the language makes sense. Our amendment has exactly the same language.

So my point is this: We are not asking for any special treatment for the textile industry. It just says that textile workers are just as good and just as important as others who make enormous contributions to our economy, such as farmers.

Let me also be clear, the amendment does not ask for special treatment for our textile industry compared to other countries. The amendment just says that our textile industry should be treated by other countries the same way their textile industries are treated in this country—with a level playing field. That is all we are asking.

Today, that field is not level. We have cut our tariffs. Between 1995 and 2000, our imports of textiles from other countries have nearly doubled. That is because we cut our tariffs.

In the same period, our trading partners maintained their barriers to our products. We played fair; they did not. As a result, our partners have gotten access to markets and shut down our mills. When we have tried to get into their markets, we have been met by trade barriers that make it impossible.

This amendment says, very simply, that when it comes to textiles, the President's negotiators should work for a level playing field—not special preferences, just equal treatment.

So, to sum up, there are two major points in this part of the amendment, this part of the proposal. First, textiles deserve to be treated as well as agriculture—not better, just the same. Second, as with agriculture, that does not mean special treatment for American textiles compared to other countries; it just means equal treatment compared to other countries. That is fair and just.

The second proposal contained in this amendment is aimed at making community college more accessible for people who have lost their jobs and are being hurt by trade. We all know how critical education is to economic opportunity. But for workers who lose their jobs, community college really is the key. It can make the difference between chronic unemployment or a good career in a new job.

Community colleges cost half as much as the average public university and 90 percent less than the average private college. And thanks to community colleges, 5 million workers earn degrees and certificates every year in professions ranging from information technology to health care to construction.

Let me give one example of how community colleges can transform lives. These are the words of a former textile worker who is now a student at Guilford Technical Community College in Jamestown, NC. He says:

> The college gives you more than just the ability to train for a different job. It also gives you back some hope that has been stripped away when your skills and experience are no longer useful.

I talked about this earlier. This is not just about a new job and taking

care of your family. It is about self-respect and dignity. We ought to give people back the hope that unemployment has taken away.

The trouble now is that many community colleges can't keep pace with the demand, especially in communities where textile mills are closing. In fact, as mills close and workers need retraining more than ever, community colleges are seeing their budgets go down. So you have more demand for community college and fewer seats in the classroom. That is the opposite of what we want.

Let me give a couple of examples. In 2001, Mayland Community College in Spruce Pines, NC, saw enrollment go up by 40 percent after two textile plants in the area closed. Hundreds of additional workers had to be turned away from courses. The college didn't have the resources to serve them.

At Cleveland Community College in Shelby, NC, enrollment will grow by 15 percent next year at the same time that the college's budget is being cut by 10 percent. As a result, the school had to cancel training programs this summer that would have served over 400 workers, about 20 percent of the school's population.

These stories are typical. All across the country our community colleges are struggling. We, in Congress, have to step up and make sure community colleges fulfill the critical role they have always filled.

This amendment establishes a grant program to provide an emergency infusion of aid to community colleges in areas hard hit by foreign trade so that they can create or expand retraining programs. This program will compensate for cuts in State and local aid and make sure community colleges can meet the needs of workers in their area who have lost their jobs.

At the same time, this amendment also encourages community colleges to serve workers who have not yet lost their jobs but who are at a high risk of losing them. If you know you are going to lose your job and you want to go back to school for a new job, you are doing the right thing. We ought to help that and promote it. Much of the time we do exactly the opposite. Folks can't go back to school. At a result, they are left stuck where they are.

People who want to plan ahead ought to be able to do it. This amendment would give them a chance by supporting training not just for workers who have already lost their jobs and been displaced but also for workers who know the pink slip is coming and that they have to prepare for it.

The third proposal and the last proposal in the amendment meets a very specific need. When a worker loses his job at a mill, one of best things he can do is go back to school for more training. That is especially true for working people who do not have a GED or who are immigrants with very poor English. The best thing these workers can do is get a GED or take an English as a second language class, an ESL class.

Here is the problem. Today if you qualify for trade assistance, you get 2 years of help with your education, but only 18 months of help with your income. That is a huge problem for somebody who is trying to get a GED or take an ESL class. If they are getting help paying for school, they often run out of money because they have to provide for their family before they finish their education and their training.

As a result, they are forced to drop out of school. Instead of graduating and getting a job that may pay $15, $20 an hour, they have to stop, quit, and take a job that pays the minimum wage. This is wrong. We should not force people who lose their jobs because of foreign trade to choose between getting the education they want and need and being able to put food on the table.

This amendment solves that problem by allowing extensions for 6 months of the TAA income allowances for workers who have taken a GED or ESL class and are finishing up their training. Six more months of income support can mean a lifetime of higher wages and higher living conditions. It is the right thing to do.

In sum, the three proposals contained in this amendment are aimed at a very specific objective. They are aimed at helping people who have families, mothers, fathers, people who have worked hard all their lives to provide for their family, to contribute to their community, to contribute to their country, to get back on their feet and in another job, to get back to work, which they desperately want to do. They have spent their whole lives taking care of their families, doing right by their families and their communities and making an enormous contribution. They just want to do it again. We want to make sure they get a chance to do it again. That is what the amendment is about.

I urge all my colleagues to support it. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I compliment the Senator from North Carolina on his amendment. It is one that is particularly needed for his area of the country for several reasons. One is that under agreements that predate the Uruguay Round in 1992, the quota on textiles and apparel is gradually being phased out. That is going to put tremendous additional pressure on employees working in the Senator's area of the country, the South, which means we need to go the extra mile to help people who will be dislocated as a result of various and significant changes in the textile and apparel industry.

I compliment the Senator. He is standing up for his people and the State he represents, as is Senator MILLER. I am sure that others who represent textile and apparel workers have the same concerns. I compliment them as well.

The underlying bill, as the Senator said, does have certain negotiated objectives. The Senator adds an additional objective that would specifically address trade in textile and apparel products. I must say that although we have the most open market in the world, many of our competitors, unfortunately, are not nearly as open. As it happens in the textile and apparel sector, some of the most active exporters of these products happen to be countries that maintain the highest barriers to imports into their own country. For that reason, the amendment we are now discussing directs our negotiators to focus their efforts on achieving fairer and more open conditions of trade in textile articles, particularly with major textile and apparel export countries.

It also instructs them to take into account whether our negotiating partners have played by the rules under existing agreements. This, too, is very important.

For that reason, I urge the Senate to strongly endorse this amendment. I am sure my colleague from Iowa has the same point of view. When he finishes his statement, I will make a request as to when we vote on this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I support the three amendments offered by the Senator from North Carolina. He has been very accommodating in working with us to make sure these amendments could go very smoothly.

I believe it is appropriate to establish principal negotiating objectives for textiles and for apparel. Neither the House trade promotion authority bill nor the bipartisan trade promotion authority bill that Senator BAUCUS and I now have before the Senate—and was approved by an 18-to-3 vote in our committee—contain negotiating objectives for this sector of our economy, textiles and apparel.

The amendment of the Senator from North Carolina fills this gap by establishing principal negotiating objectives modeled after things I have supported for agriculture, such as we have agricultural negotiating objectives that emphasize the importance of reciprocal market opening commitments.

These new textile negotiating objectives also recognize that it is important to promote market access opportunities abroad and to do it for U.S. producers and to reduce and/or eliminate nontariff trade-distorting measures which limit access for U.S. producers in markets overseas.

Ultimately, the best way to help workers in the United States who are or may be displaced by trade is to create as many new market access opportunities overseas for U.S. producers as possible because the more trade and the more product we sell creates jobs in America, and we only have a trade bill before the Senate for one purpose: To help our economy. When we help our economy, we create jobs. This legislation does that, and the amendments by the Senator from North Carolina add to the objectives of this goal.

I also support enhancing educational opportunities for displaced workers. Enhancing workers' educational opportunities is a very positive step forward and represents a strong investment in each individual worker's future.

Finally, I support providing emergency assistance grant programs for community colleges that provide training programs for displaced workers. In fact, in my very State of Iowa, community colleges are right in the center of job opportunities, not just for displaced workers but even for the training of workers for specific jobs, of expanding businesses within our State or jobs that are moving into my State from another State.

This puts on the community colleges a burden for which they are prepared. This assistance to the community colleges is consistent with the administration's efforts to increase and improve the quality of 2-year-degree institutions. Workers or families and their communities will benefit from this type of assistance. It is consistent with the social contract between dislocated workers and our country that is at the heart of trade adjustment assistance.

Obviously, I urge all my colleagues on this side of the aisle to join me in supporting these amendments.

I yield the floor.

Ms. CANTWELL. Mr. President, I rise to speak on the amendment offered by my colleague from North Carolina. I have joined with the Senator to address the shortage of capacity in our community and technical colleges as they attempt to meet the increasing demand for job training during this period of high unemployment.

My State in recent months has consistently ranked among the three highest unemployment states in the nation. It seems almost every week across Washington, we have seen more layoffs, including a large number related to the aviation manufacturing industry.

Washington State has some of the most innovative programs in the country to provide displaced and incumbent workers with the training they need to find and keep good jobs.

Unfortunately, as unemployment has gone up, training programs have had to turn people away, since there's not enough financial assistance available.

In March, my office issued a report that documented this shortfall of capacity to deliver job training in our State. That report showed that while there were approximately 115,000 dislocated workers in Washington State in January, and an estimated 38,000 of those seeking job training services, our institutions would only be able to accommodate approximately 12,500 of those individuals.

All of these Washingtonians want new skills, and they should have the opportunity to achieve those goals through the hard work and determination required to complete additional job-training courses.

Those skilled workers are critical to the competitiveness of our State and national economy, and the firms that hire them.

At this critical time for these workers and our economy, community colleges in my State are doing everything possible to serve as many applicants as possible with existing resources. In Snohomish County, over 700 workers are on a waiting list to get help with training costs; Everett Community College is approximately 70 percent over-enrolled; and Lower Columbia Community College and Clark Community College are each more than 250 percent over-enrolled.

It is clear that we need to significantly increase our Federal commitment to job training—both by continuing to expand funding for vouchers and Pell Grants, so that workers can pay for tuition, and by assisting our institutions that serve those students, so that they can offer an adequate number of courses for high-demand occupations.

My colleague's amendment—now incorporated in amendment No. 3417—would specifically address this capacity shortage in our community colleges. In areas of massive dislocation due to trade, such as Washington, the amendment would provide emergency assistance to community colleges that plan to create or expand worker training programs. The amendment would also encourage colleges seeking assistance to not only serve already dislocated workers, but also expand programs for incumbent workers at-risk of losing jobs for trade related reasons.

I strongly support this concept, and urge my colleagues to support its inclusion in the bill.

Assisting workers displaced by trade cannot simply be a single-minded approach. That's why we have worked so hard to ensure that TAA eligible workers have access to an expanded, comprehensive package of benefits that includes up to two full years of income and training assistance, a strong health care subsidy that will help workers maintain health coverage for their families, and job search assistance.

We have improved the TAA program a great deal in this bill, but training assistance will not go far if those workers do not have access to the job training programs that they desire because classes at the local community college are full, and because funds simply are not available in the state to hire new professors, offer more courses, and develop the systems to handle more students.

That is why this amendment is so important. I urge my colleagues to support this effort and to work with us in the future to ensure that a system exists to better support our job training infrastructure in the future.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, we are ready to vote on these amendments, but we cannot vote at this time.

I ask unanimous consent that once debate is concluded on the Edwards amendment No. 3417, the amendment be set aside to recur at 1:45 p.m. today, and that at 1:45 p.m., there be 4 minutes remaining for debate with respect to the Edwards amendment, with the time equally divided and controlled in the usual form; that upon the use or yielding back of time, the Senate proceed to vote in relation to the amendment, with no second-degree amendment in order prior to the vote; that once the Edwards amendment is set aside, Senator LIEBERMAN be recognized to offer an amendment relating to enforceable commitments, without further intervening action or debate.

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

The Senator from Montana.

Mr. BAUCUS. Mr. President, I want to spend a little time today discussing the labor and environment provisions of the fast-track bill that is before us. I want to start with one simple truth: When it comes to labor and the environment, this is the most progressive trade bill that has ever received serious consideration in the Senate. The labor and environment provisions in this bill represent dramatic—and I mean dramatic—improvement over the bill this Senate considered just several years ago.

Some of my colleagues in both the House and the Senate have introduced other bills this year. Some of those bills ignore labor and the environment. Others require so much on these issues as to make the negotiating process unworkable.

Both types of bills, in my view, are equally antitrade. They either ignore the reality that labor and environment issues are now an entrenched part of the trade dialog, or they impose so many burdens and barriers on fast track that they render it useless.

Last year, Congress and the administration worked together to solve this problem. We unanimously passed in the Senate the Jordan free trade agreement negotiated by the Clinton administration, and President Bush signed it into law.

Using the Jordan agreement as a model, our colleagues in the House and Senate drafted a fast-track bill that fully reflects the provisions of the Jordan agreement.

As the committee report states, the negotiating objectives on labor and environment are ''based upon the trade and labor and trade and environment provisions found in articles 5 and 6 of the United States-Jordan free trade agreement. Those provisions (including their coverage by the Agreement's general dispute settlement procedures) have come to be known as the Jordan ''standard.''

The Jordan agreement breaks new ground on labor and environmental issues in two ways. First, both countries agree to work toward better labor and environmental standards. That is an agreement by both the United States and Jordan, written into the agreement.

In the area of labor, we agreed to promote respect for worker rights and the rights of children—this is very important—consistent with the core labor standards of the International Labor Organization, the ILO.

We also agreed to protect and preserve the environment and to pursue trade and environmental policies that are mutually supportive.

Second, both countries agreed we would not lower labor or environmental standards in an effort to improve our positions on trade. That provision of the agreement has equal weight with all other provisions of the agreement—it is just as important, and it is just as enforceable.

I want to be clear on this point. By necessity, the language in the fast-track bill is not and cannot be identical to the Jordan agreement because the Jordan agreement is limited to two countries. The fast-track bill sets the agenda for future trade agreements.

That said, the fast-track language incorporates all of the elements of the Jordan agreement—every single one—and those who criticize the fast-track bill before us as not meeting the Jordan standard are simply inaccurate; they are not stating the case. They exaggerate the provisions of the Jordan agreement or they mischaracterize the bill.

Let me address several of the critics' assertions.

First, opponents criticize this bill as failing to require that countries implement core internationally recognized labor standards. That is true, the bill does not make that requirement. But the Jordan agreement does not make that requirement either. The Jordan agreement simply reaffirms obligations of each country that already exist by virtue of ILO membership, and it establishes the countries' agreement to ''strive to ensure'' that ILO standards are recognized and protected by domestic law. If a country strives but fails to actually ensure that ILO standards are reflected in domestic law, it has not violated its obligation.

Second, opponents criticize the bill as not including the Jordan standard on enforcement. That is simply not true. The Jordan labor and environment provision that is susceptible to dispute settlement—that is, the requirement that a country not fail to effectively enforce its labor and environmental laws in a manner affecting trade as incorporated as a priority negotiating objective in the bill.

Also, negotiators are directed to treat all principal negotiating objectives equally with respect to access to dispute settlement, as well as with respect to procedures and remedies in dispute settlement.

Third, opponents criticize this bill because of the late addition of the so-called Gramm language. That is the Senator from Texas. They suggest this language allows countries to lower labor and environmental standards with impunity.

While I am not a fan of the Gramm language, critics grossly exaggerate the effects of this language. The language states that ''no retaliation may be authorized based on the exercise of these rights''—that is, regarding countries' discretion to take certain actions—''or the right to establish domestic labor standards and levels of environmental protection.''

As explained in the committee report accompanying the bill, this language is simply meant to—that is the Gramm language—is meant to ''clarify the language that precedes it in subparagraph (B).

> That is, in negotiating provisions on trade and labor and trade and environment, the United States should make clear that a country is effectively enforcing its laws if a course of action or inaction is the result of a reasonable exercise of discretion or a bona fide decision regarding the allocation of resources and, as such, the country cannot be subject to retaliation on the basis of that course of action or inaction alone.

In short, the language at issue does not allow countries to lower labor and environmental standards with impunity. It does not add to or subtract from the other provisions on labor and environment in the bill. It merely clarifies that administering authorities are to be accorded some leeway, as they are in the United States-Jordan agreement. Same, no difference.

Finally, opponents criticize the fact that promotion of respect for worker rights is included in this bill as and ''overall trade negotiating objective'' rather than a ''principal trade negotiating objective.''

As explained in the Finance Committee report, all of the subsections in section 2 of the bill carry equal importance in defining the trade negotiated positions of the United States.

The report further states:

> It is the expectation of the committee that in affirming that a trade agreement makes progress toward achieving the applicable purposes, policies, priorities, and objectives of this bill, the President will address the purposes, policies, priorities, and objectives in each of the subsections of Section 2.

Moreover, by criticizing the placement of promotion of respect for worker rights under the heading of ''overall trade negotiating objectives,'' the assertion implies that placement of the objective under the heading of ''principal trade negotiating objectives'' would somehow make it more enforceable. That is not true.

The fact is, the ability to use dispute settlement to enforce an obligation to promote or to strive to ensure is extremely limited, regardless of the section in which it is listed. How would someone determine whether a country is promoting core labor standards or striving to ensure that those standards are reflected in domestic law?

Clearly, this legislation would direct the administration to negotiate Jordan-like provisions as it completes negotiations with Chile and Singapore. And as it moves forward on the free trade area of the Americas, it makes Jordan the model for new negotiations with Central America, with Australia and others.

There are also key provisions on labor and the environment added to the Senate bill that were not in the House bill. First, in addition to an environmental report, which would be codified into law, the legislation requires a new report on trading partners' labor practices. These reports should clearly identify the problems to be addressed in negotiations.

Second, the Senate bill contains important language to ensure that new investor-State provisions, such as NAFTA chapter 11, are transparent and accessible to the public. The bill also addresses concerns that investor-State provisions may give foreign interests more rights than U.S. investors; that is, we made sure that provision is addressed in the solution in the bill, and, particularly with the adoption of the recent Kerry amendment, strikes a balance between legitimate concerns of environmental citizen groups and legitimate concerns of American investors overseas.

Foreign investors and domestic investors are treated the same way, and also municipalities are treated the same way with respect to domestic investors or foreign investors that may be challenging a certain environmental or municipality law under article V of the Constitution, the takings provision of the U.S. Constitution.

Some critics have said this legislation does not go far enough on labor and the environment. Many critics, I believe, will never be satisfied. They just cannot be satisfied. They simply oppose trade. That is fine. Some will be for trade; some will be against trade. I respect that. But as we move forward on these issues, we have to be realistic. It is simply unreasonable to suggest that we can take our labor and environmental laws, that is the United States, impose them on developing countries, and slap sanctions on them if their laws do not live up to our standards in a few years. That is simply unrealistic. We simply would not be able to negotiate agreements if that were the position the United States took and those were the provisions that we had written into the underlying fast-track bill.

We have to move forward very aggressively, and the provisions in this bill do make that aggressive step forward. We have to keep in mind that many of these countries are at a level of development that the United States was at 100 years ago. At that time, the U.S. labor and environmental laws looked much different than they do today. That is not to say we must wait a century for progress. Clearly, we should not wait a century.

Every trade agreement must recognize that labor and environmental standards are now on the agenda. I might say that is one of the reasons that the Ministers in Seattle collapsed because the world recognized that

labor and environmental provisions should now be on the trade agenda. They should not be separate from trade. Our Ministers worldwide were unable to adapt quickly enough to come up with a solution dealing with labor and environmental issues. The fact is, they are here. The question is, What is the most appropriate way to incorporate labor and environmental standards?

We have worked very hard with those most interested in this issue to write provisions in the Jordan agreement. That is a major step forward, and we are making those Jordan standards the core basis by which we proceed today.

We can lock in important advances that have already been achieved. That is what we are doing with the underlying bill. We can create positive incentives for countries to raise their standards. We are doing that, too. For example, we see phase-in benefits more quickly for countries that make progress on labor and environmental issues. We can provide technical assistance to help those countries improve their practices. Importantly, we can trade more with them.

Progress on labor and environmental standards often follows economic growth. That is certainly true of the United States. Our own country is the best example of that. Isolating developing countries will not help the United States, either. There will always be those that the fast-track bill does not do enough for, does not go far enough in protecting labor and environmental standards worldwide.

To them, I say this bill is an enormous step forward. By definition, it is a fitting—and I say by definition because the prior bills were zero. This has a very significant provision so this is a great step forward. It is far stronger on these issues than any previous grant of fast track. It is far stronger than the fast-track bills considered by the House and Senate only a few short years ago.

So can we not do more on these issues? Absolutely. And I will continue mightily to work to make improvements. That is a process that is likely to continue for decades to come. We will continue to work and make progress with each passing couple of years on labor and environmental provisions.

At the end of the day, I believe there is something in this bill that is very solid with respect to labor and the environment. It is a wonderful first step forward, and I believe those who are truly for trade worked hard to pass this comprehensive trade bill because, if they vote against this bill, then we are back to where we were before, that is, no meaningful labor and environmental standards as we have worked for in fast track.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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, as we are getting set under the unanimous consent agreement before the Senate to take up a Lieberman amendment, I will speak about what we have in the bill on workers' rights and how we deal therewith.

The Trade Promotion Authority Act is a bipartisan bill that Senator BAUCUS and I have brought to the floor which contains the most comprehensive set of objectives on workers' rights and core International Labor Organization labor standards that have ever been included in any U.S. trade law dealing with international trade negotiations.

Respect for workers' rights consistent with core International Labor Organization standards is a clearly stated U.S. trade objective.

The President, in his contract with Congress, does our negotiating for us, since we cannot have 535 Members negotiating with 142 other countries. We have this contract with the President to do it. We direct the President through this contract, which is this bill we are considering, to seek greater cooperation between the International Labor Organization and the World Trade Organization.

Furthermore, the President is directed to strengthen the capacity of foreign governments to achieve core labor standards. The Department of Labor will offer technical assistance to these foreign governments. The President will seek a commitment by other governments to effectively enforce labor laws. The labor provisions will encourage countries to improve their labor laws without infringing on their sovereignty.

The labor negotiating objectives capture the key trade and labor provisions we have had before this Senate previously in the U.S.-Jordan Free Trade Agreement passed last summer.

Our contract with the President to negotiate for us contains the strongest labor positions our Government has ever taken regarding bargaining in the history of World Trade Organization negotiations over the last 25 years.

For the first time, U.S. trade law will include environment as a U.S. trade negotiating objective. The environmental provisions will encourage countries to improve their labor laws without infringing upon their sovereignty. Our President, through these directions, is to promote multilateral environmental agreements and consult with parties regarding consistency of such agreements with World Trade Organization rules. This addresses the widespread concern legitimately expressed that trade rules should not interfere with U.S. environmental treaties. This bill includes a requirement to conduct environmental reviews of future trade and investment agreements.

This is where we are. The bill before the Senate provides this contract for the President to negotiate with these other countries for us. And by the way, it is something we must pass by majority vote once it is done or it never becomes law. In this contract we have the strongest labor and environmental provisions ever.

The Senator from Connecticut will come to the floor and these will be under attack. He will try to amend these very strong provisions we have in this legislation because somehow the strongest provisions ever on labor and on environment, on trade legislation, are not good enough.

These are very much a very delicate compromise—issues that have been worked out between Republicans and Democrats, not just in this body but also in the other body. As you can tell, that was a very tenuous sort of agreement that you don't want to mess with so much because it only passed by a 1-vote margin, 215 to 214.

So when we have this sort of bipartisan approach on these very critical but sensitive issues such as labor and environment, we want to make sure we do not upset that. It is my view, as you will hear later on in debate when we get to the specifics of the amendment of the Senator from Connecticut, Mr. LIEBERMAN, that his amendments will upset this very carefully crafted bipartisan agreement.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, what is the present regular order?

The PRESIDING OFFICER. The Senator is under a unanimous consent agreement under which the next amendment to be considered will be the Lieberman amendment, followed by a vote on the Edwards amendment at 1:45.

Mr. GREGG. Mr. President, I rise to speak about a section of the trade adjustment language in this bill. I congratulate the managers for the hard work they put into bringing this bill forward. Trade adjustment is part of the three basic bills. There are four bills altogether, but I now address the three bills—the Andean trade bill, trade promotion authority, and trade adjustment.

The trade adjustment language in this bill has some huge problems and sets off on a new policy course in a number of areas which I believe are extremely problematic and inappropriate. One of the issues it raises is that of how you deal with people who do not have health insurance. I do not want to speak specifically to that, but I want to allude to that. In this bill there is a brand new major entitlement which will say if you are put out of work, allegedly because of a trade event, you will have the right to get health insurance and have that health insurance paid for by the taxpayers, or 70 percent of it.

That will create the anomalous situation, the really terrible situation that people who are working for a living, working hard, working 40, 50, 60 hours a week, and who do not have health insurance, will end up paying an increased tax burden to pay to subsidize the health insurance of somebody who does not have a job, is not working, and who is already getting significant unemployment benefits, training benefits, education benefits, and now will be getting very significant new health insurance benefits.

The practical implications are significant, obviously. You are going to create two classes of citizenry in this country, one of which is the working American who does not have health insurance and the other is the nonworking American who does have health insurance. The person who is working is going to be scratching his head and saying: What am I doing? Why am I toiling all these hours to pay for something I cannot afford for myself for somebody who doesn't have a job and who may not get a job because they are getting such good benefits that getting a job they may lose those benefits? So it creates some serious problems.

Basically, it is opening the door to a massive expansion of an entitlement program in the area of health care. That worries me a lot. If we are going down that road, we should do it in the context of comprehensive health care reform. We should look at all the people who do not have health insurance in this country, not just a slice of people, and make sure all those folks get a fair shot at health insurance, not just a small slice.

But the more problematic, from the standpoint of policy, is this new concept called wage insurance, which is in the trade adjustment bill. Basically, we are going to pay people to work less productively is what this amounts to. This is sort of a French system of economics. We are going to say to someone: If you are out of a job because of a trade adjustment situation and you take another job where you earn less, the Federal Government will now come in and pay you the difference between what you made in the old job and what you make in the new job, up to $5,000. That creates a huge incentive for people to take a job where they are less productive, to take a job that they might enjoy more, which they might like more but which doesn't pay as much because everybody else in the country is going to pay them something to take that job.

It is a management of the marketplace which undermines all the concepts we have in our country today of having money flow and having people work in their most efficient way in order to create the most productivity, in order to create the strongest economy.

One of the geniuses of our economy is that we are resilient and flexible. If you look at what has happened to Japan over the last 10 years, they have been in recession. Look at what has happened to France over the last 20 years and their productivity has essentially been flat. So their standard of living has not grown the way our standard of living has grown.

Look at the country of Italy where if you get a job you get it for life. Again, you have low productivity growth and you have essentially a flat economy in the context of our economy.

All these countries are functioning in a manner entirely different than ours because they basically create an economy where productivity is not rewarded, where efficiency is not rewarded, where having capital flow to its most efficient place is not rewarded—it is actually penalized—whereas in America, our genius as an economy has always been that we are a mobile, flexible economy where the money and the productivity and people's jobs flow to the place where they are going to receive their highest economic reward. We create incentives for people to go to work where they are going to get their highest economic reward. As a result, we rebound from economic slowdowns quickly and we have an incredible rate of productivity in this country—we have for the last few years—and we have economic growth.

What this proposal does, essentially, is reverse course. It goes back. It takes the socialistic concept that the Government should pay you for not working, or at least for not working efficiently, and puts it in place. It is an idea that has been tried, of course. It is being tried. It is being used in many of our sister countries—France and Italy being the two best examples. But it is a system which has totally failed. It is a 1950s idea of economics which essentially said that the state can better manage the economy of a country than the marketplace. In its extreme, it essentially has productive citizens paying to have people who are doing less productive jobs stay in those jobs.

The idea that when somebody loses his job where he is earning a good salary—let's say in a steel mill because that seems to be the industry most affected—and then that person looks around and says, I didn't like working in the steel mill, I am going to go out to the golf course where I can be a starter and get my free round of golf every day because that's what I would really like to do, that person, as a result of taking that job which he enjoys more but which pays significantly less, is going to be paid by all the other people in America who are working hard every day, maybe doing jobs they do not find that exciting but at least jobs at which they are being extremely productive.

That person who goes to the golf course is going to be paid up to $5,000 for taking this job which pays less than what he was receiving as a steelworker.

It is outrageous. It is incredible. It is a rejection of everything we conceive as marketplace economics as a country. And it opens the door to proposals and concepts which will significantly undermine our productivity as a society, which will lock in place job activity which is not producing but which is draining from the economic growth and will inevitably undermine our vitality and will end up costing us jobs.

If a person is thrown out of a steel job and takes a job in some other position that pays less because that is the job they want or that is the job they can get, there are alternatives which we put in place to try to help that person improve their position. Under the trade adjustment assistance language that person gets more training, more education, more educational opportunities.

Under trade adjustment assistance, that person gets longer unemployment benefits so they can look harder for the job they want. But that person—for taking a job where their income is less and probably, therefore, they are being less productive in a society that ties productivity to income to a large degree—surely should not get a stipend to take a job which pays less.

It inverts the whole system of how we reward people in our society. We are rewarding someone for taking a job that pays less and saying: Here is $5,000 on top of whatever you are being paid. I can see a lot of small businesses, medium-sized businesses in this country that are marginal today where their employees could say, because they might be a small business where all the employees are participants, we are going to have to go out of business. Let's make sure we go out of business for a trade reason. Let's figure out some way to do that because we can move on and do something else and get $5,000 of assistance on top of whatever job we take.

The unintended consequences, the perverse incentives are truly—well, they can't be anticipated, but we know they are going to be significant.

This is one of the worst ideas I have seen come forward in this Congress, the idea that we are going to basically pay people to take lesser paying jobs. It is almost, on its face, a reason to reject this bill. When you couple it with some of the other problems with this bill, it becomes a heavy burden for those of us who support free trade to support a bill with this type of language.

So I do intend, at some point, as we go forward, to offer a motion to strike this alleged wage insurance program. I hope Members will join me in rejecting this concept which can best be described as French economics.

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

The PRESIDING OFFICER (Ms. STABENOW). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3419 TO AMENDMENT NO. 3401

Mr. LIEBERMAN. Madam President, I have an amendment at the desk which I call up for immediate consideration.

The PRESIDING OFFICER. Under the previous order, the pending amendment is set aside and the clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN], for himself, Mr. DODD, Ms. MIKULSKI, and Mr. KENNEDY, proposes an amendment numbered 3419.

Mr. LIEBERMAN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To clarify the principal negotiating objectives with respect to labor)

On page 245, line 14, beginning with ''and'', strike all through ''protection'' on line 18.

Mr. LIEBERMAN. Madam President, this amendment that I offer strikes 27 words in the bill. These words are not many in number, as legislating goes, but they embrace, in their exclusion, a very important series of principles that are at stake. So let me read the words to you that would be struck. And I quote:

No retaliation may be authorized based on the exercise of these rights or the right to establish domestic labor standards and levels of environmental protection.

I say, respectfully, to those who put these words in the bill, and reported it out of the Finance Committee, that these words are a mistake because they essentially cancel out this provision, this section in which they appear, which is one of the 13 principal trade negotiating objectives in this bill before us, and the only one dealing with labor and environmental protections. In effect, because of this language that this amendment would strike, this becomes the only objective in the bill that the bill itself says, in effect, ''we, the United States, will never enforce these portions of an agreement.'' And that is the section relating to domestic labor standards and levels of environmental protection.

I do not understand why we would place such a self-defeating provision in legislation, to create a standard and then to frustrate any potential for realizing and implementing it.

If this bill stated that we would not enforce an agreement we reach on trade and services, for instance—which happens to be the second principal trade negotiating objective in the bill—I am sure we would hear an outcry. And I would be part of that outcry.

If we said in advance we would never seek to enforce an agreement that we might reach on intellectual property protections or anti-corruption obligations or electronic commerce or agriculture, there would naturally be an outcry.

So there is no reason why we would want to enter into agreements on any of these subjects while telling our trading partners in advance that we are not concerned about whether they are actually going to honor the commitments they make to us—in this case regarding labor and environmental protections. But that is precisely what we do in this part of this proposal that I would strike with this amendment.

We say, in the pending bill, that we will never seek to enforce these labor and environmental standards, the agreements made by the parties to agreements. I find this not only illogical but inappropriate and wrong.

Let me be clear, I am not here to propose that we only seek to enforce labor and environmental protections and not seek to enforce any other protections. This amendment proposes that we should have the power to enforce all of the provisions of these trade agreements that would come before Congress under the legislation before us, to enforce them equally, including labor and environmental protections. They should not be placed in a second class of objectives as stated in the bill.

The pending bill already includes a clear statement in support of the equal enforcement principle I am advocating. That is the 12th principal negotiating objective. It states that we should ''seek provisions that treat United States principal negotiating objectives equally with respect to—the ability to resort to dispute settlement under the applicable agreement, the availability of equivalent dispute settlement procedures, and the availability of equivalent remedies.''

Then let me read it again. The words I am striking with this amendment hope to say ''no retaliation'' may be authorized based on the exercise of these rights; that is, ''the right to establish domestic labor standards and levels of environmental protection.''

My amendment simply conforms the rest of the bill to the objective stated in the 12th principal negotiating objective; that is, the availability of equivalent remedies: equal enforcement, equal standing, and no discrimination against the labor and environmental provisions of an agreement.

I have an additional reason to strike the statement in the bill that ''no retaliation'' may be authorized based on ''the right to establish domestic labor standards and levels of environmental protection.'' This enforcement exemption goes even further than the exemption I have just described.

I read the language as exempting any labor and environmental standard a country chooses to set from any potential retaliation under this bill. That includes labor and environmental commitments of the country we might be negotiating with and that that country has specifically agreed to include in a trade agreement. It says, I fear, that any standard is fine with us, even if it conflicts with a standard that has specifically been set, negotiated, agreed to in the trade agreement that would be the subject of consideration by the Senate under the rules established by this TPA proposal.

If countries can establish any domestic standards they wish to and no retaliation can be used regardless of what they do, they will be able to use that language to violate any commitment they have made or be able to bend and break every international standard without fear of consequences.

For example, they will have an excuse to lower domestic standards to enhance their trade competitiveness, something nearly every trade agreement bars. This exemption makes a mockery of labor and environmental protections in trade agreements. It is an invitation to abuse, to sham agreements, and to evasion. That is why I move to strike it.

The labor and environmental protections at issue are very mainstream. They express broadly held American values and broadly accepted American policies.

Let me read to you some of the core labor standards set by the International Labor Organization. One is the freedom of association and the effective recognition of the right to collective bargaining. Another is the elimination of all forms of forced or compulsory labor. These aren't extreme requirements, these are basic humanitarian requirements, in some sense even beyond the normal conflict of labor/management or often the conflict of labor/management negotiations. Third is the effective abolition of child labor.

Does anyone wish to stand in this body, or anywhere else in America, and say we should not make clear that the powers of retaliation that are available for all the other principal trade objectives stated in the bill should not be available against a country that is guilty of child labor abuses?

Finally, the elimination of discrimination in respect of employment and occupation. Again, this is the fourth of the core labor standards set by the International Labor Organization, obviously accepted—enshrined, in fact—in amendments to our Constitution. It was certainly enacted explicitly in our time in a specific series of laws that have made real the promise of equal opportunity and nondiscrimination in employment which we would naturally not want to stand idly by and see violated in countries with which we were negotiating agreements.

Is there any reason we would not want to enforce those values in a trade agreement? Is there something protectionist about those values? Is there some reason we would want to invite countries to violate those standards with impunity and provide no enforcement mechanism or remedy should they do so?

I would ask the same about the environmental protections here. Is there some reason we would not want to support clean air and clean water in countries with which we are negotiating, some reason we would want to tolerate

exposing workers, for instance, to destructive, dangerous toxic chemicals when that country in an agreement has made commitments not to tolerate these low environmental standards?

In its current form, this provision I wish to strike with my amendment cancels out the very provisions on labor and environmental protections it seeks to legislate as one of the 13 principal trade negotiating objectives. It does so uniquely, putting this non-retaliation language only in this particular section dealing with labor and environment and not in any of the other 13 principal trade negotiating objectives.

The issue I wish to raise with my amendment is simple. The question is, will we seek, whether we want to preserve within our Government the power to stand by our word and compel countries that are trade negotiating partners with us to stand by their word, to keep their promises when it comes to labor and environmental commitments, promises that they will have negotiated and made in the agreements we would sign and bring before the Congress for ratification? Or are we going to allow these agreements to be rendered meaningless and unenforceable, even before we enter into them?

The amendment I propose this afternoon says we will hold our trading partners to the commitments they make in trade agreements. We are not legislating to reach out and tell them exactly what to do within their countries. We are saying, if they make an agreement with us regarding environmental protection or labor standards, they have to keep that promise. We will expect them to do no less.

This is a critical part of the proposal before us, making trade agreements that are not only in the interest of commerce and economic growth but that are consistent with some of our most fundamental values and certainly consistent with a wide range of our laws adopted at the Federal, State, and local levels.

I urge my colleagues to support the amendment. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, I rise in opposition to the Lieberman motion to strike. I welcome the opportunity to debate it because this motion goes right to the heart of the constitutional system that we cherish in America, and from which we benefit every single day.

Let me explain this amendment and what it would do, where it came from, and why it is relevant. For the first time under fast-track authority, we in this bill will be bringing labor and environmental issues into the trade negotiation process. In 2000, the Clinton Administration negotiated a free trade agreement with Jordan that for the first time brought both labor and the environment fully into the process. Now, based on the Jordan Agreement, the bill before the Senate would direct our negotiators in all future trade agreements to establish international dispute resolution tribunals to proctor and enforce trade agreements in which labor and environmental issues are involved. And this will probably become the standard for our trade agreements with the rest of the world.

The bill approved by the House of Representatives and then the Senate Finance Committee sets out our negotiating objectives of the United States with respect to labor and the environment. These objectives are pretty clear, and I want to take the time to read them because I want to be absolutely sure everybody understands this issue.

Section 2102(b)(11) says that the principal trade negotiating objectives of the United States with respect to labor and the environment are:

> To ensure that a party to a trade agreement with the United States does not fail to effectively enforce its environmental or labor laws through a sustained or recurring course of action or inaction, in a manner affecting trade between the United States and that party after entry into force of a trade agreement between those countries.

This objective is what we would be trying to achieve, and it would be binding on both the United States and on the trading partner with whom we are negotiating.

I want to remind my colleagues that the first sentence of the Constitution of the United States—article I, section 1—sets forth the legislative power, and sets it squarely in the Congress:

> All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

It is the first sentence of our Constitution, so we are not fooling around here. In other words, there is no question under the American constitutional system that Congress has the power to make the law.

But now we are entering into trade agreements that for the first time will involve passing judgment on our labor and environmental laws and standards. In light of the constitutional guarantees of article I, section 1, the House and Senate authors of the trade promotion authority bill before us decided to set out what our rights are as Americans with regard to our labor and environmental standards. It therefore goes on to say that our objectives also are:

> (B) to recognize that parties to the trade agreement retain the right to exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other labor or environmental matters determined to have higher priorities, and to recognize that a country is effectively enforcing its laws if a course of action or inaction reflects a reasonable exercise of such discretion, or results from a bona fide decision regarding the allocation of resources.

It then goes on to say, and this is the sentence that Senator LIEBERMAN would strike:

> And no retaliation may be authorized based on the exercise of these rights or the right to establish domestic labor standards and levels of environmental protection.

What does this mean? It means that we are going to enter into trade agreements, and that in those trade agreements we are going to try to promote labor and environmental protection, but that we will maintain our sovereignty with regard to writing our own labor and environmental laws, and to exercising Executive Branch power to enforce the law through the promulgation and enforcement of regulations. It means that in exercising our rights under the Constitution of the United States, we could not be subject to retaliation by our trading partners.

Let me point out to my colleagues that the concern about retaliation is not an idle concern. It is the kind of problem that we increasingly will run into as we move further into a world where trade crosses borders and where international agreements increasingly bind the United States. The question as we move into this world comes down to this: What rights will we preserve as a sovereign country?

If we struck the protective language approved by the House and by Senate Finance, we would be passing the decisionmaking authority on domestic labor and environmental issues from the Congress and the President to international tribunals. Those tribunals—not Congress and the President—would be the ones to pass judgment as to whether changes in U.S. labor and environmental laws represented a failure to effectively enforce our laws. The tribunals, on which Americans are a minority, would be the ones making those decisions. And if they found that U.S. actions were wanting, they could authorize retaliation against American exporters—all on the basis of the exercise of our legitimate constitutional rights.

Let me give you some real examples that exemplify this concern. In the North American Free Trade Agreement, we did not include Jordan-like labor and environmental provisions, but we did have side agreements on labor and environment. Those side agreements, which were negotiated after President Clinton came into office, include an enforcement mechanism that allows parties to file claims alleging failure by a NAFTA country to effectively enforce its labor and environmental laws.

The NAFTA experience provides several examples that go to the very heart of this sovereignty issue. For example, a complaint was filed alleging that the United States was not effectively enforcing the Endangered Species Act—namely, in protecting the spotted owl—and therefore was benefitting the United States in trade.

If the protective clause of the pending bill were stricken by the Lieberman motion, and the bill became law, who would make the determination as to whether we are protecting

the spotted owl if a similar complaint were filed under that new law? These decisions would be made not by the American Congress, not by the American President, not by the American courts, but by an international dispute resolution tribunal, the majority of whose members would not be American. That tribunal would decide whether or not we are protecting the spotted owl and, therefore, whether or not we are enforcing the Endangered Species Act. And if they concluded that we were not, they would have the power to order retaliation against American manufactured products and American agricultural products.

Let me give another example. Some years ago we passed a rider to an appropriations bill that eliminated private remedies for salvage timber sales. Following the constitutional process, that rider was approved by the Senate, approved by the House, and signed into law by the President. Subsequently, a complaint against the United States was filed under NAFTA that alleged that by passing that rider, we had failed to effectively enforce our environmental laws.

If this bill were approved without the protective clause, due to the Lieberman motion to strike, then an international tribunal—only one of whom would be an American—would make a determination as to whether or not, in exercising our right to enact laws regarding federal timber policy, we should be subject to retaliation against our manufactured products, our agricultural products, or our services, or anything else we sell on the world market.

Let me give one more example. I could cite examples that involve apple growers, and egg workers, but let me talk about one that involves Connecticut. A complaint was filed under NAFTA against the United States by the Yale Law School Worker's Rights Project alleging failure to effectively enforce U.S. minimum wage and overtime protections.

If this bill were approved as modified by the Lieberman amendment, we would face a situation where the decision as to whether or not the United States was enforcing fair labor standards would have been determined not by a Federal court sitting in Connecticut but by an international tribunal. In the case of NAFTA, that tribunal would include only one American among the three judges. In the case of a trade agreement with Europe, that tribunal making a determination about whether or not we are enforcing our laws would include mostly Europeans. I submit that we do not want to put ourselves in that position.

The issue here is pure and simple: it is sovereignty. If we strike this protective provision, we will be putting ourselves in a position where we can change our laws but we will be subject to a judgment by non-Americans that in making that change we gained an unfair trade advantage and can be penalized for it. Determinations about whether or not we are enforcing labor and environmental laws would be transferred from Congress and the President to international tribunals.

I believe it is critical that we preserve American sovereignty. I cannot believe that the American people, if they were alerted to this issue, would support putting decisions on labor and environmental issues in the hands of international tribunals rather than in the hands of American courts, the Congress, and the President.

Let me give a final example. I know many people in the Senate did not vote to open ANWR, but had Congress made a decision to open ANWR based on national security concerns, under the provisions of this bill as proposed to be amended by Senator LIEBERMAN, we could see retaliation imposed on cotton growers, computer manufacturers, or any other exporter in the United States. Based on a complaint filed before an international tribunal, the majority of whose members are not Americans, we could see a decision that we benefited in trade by opening ANWR, and therefore, that we could be subject to sanction. A tribunal could not overturn our action in making the law, but it could authorize retaliation in the form of punitive tariffs against American manufacturers, agricultural producers, and service providers. That is something I do not believe we want to do.

I want submit for the RECORD a letter from the American Farm Bureau Federation that is dated today:

The American Farm Bureau Federation urges your opposition to the Lieberman motion to strike language in the Trade Promotion Authority bill that would safeguard U.S. sovereignty and protect U.S. agricultural producers from retaliatory tariffs.

I ask unanimous consent that the letter be printed in the RECORD.

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

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, May 15, 2002.

Hon. PHIL GRAMM,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR GRAMM: The American Farm Bureau Federation urges your opposition to the Lieberman motion to strike language in the Trade Promotion Authority bill that would safeguard U.S. sovereignty and protect U.S. agricultural producers from retaliatory tariffs.

As approved by the House and reported by the Senate Finance Committee, the TPA bill contains a protective clause that will ensure that Congress and the President may make and enforce U.S. labor and environment laws and can protect U.S. farmers and ranchers from the threat of retaliation. Without this critical protection, U.S. agriculture could be targeted by our trading partners solely on the basis of the normal exercise of Congressional lawmaking.

As you know, U.S. farmers and ranchers worked hard to ensure that exports markets around the world would be open to our products. If successful, the Lieberman motion to strike would effectively allow international panels to authorize retaliation against the United States for exercising its sovereign discretion on U.S. labor and environmental laws.

For these reasons, we urge your opposition to the Lieberman amendment to the Trade Promotion Authority bill.

Sincerely,

RICHARD W. NEWPHER,
Executive Director.

AMENDMENT NO. 3417 TO AMENDMENT NO. 3401

The PRESIDING OFFICER. Under the previous order, the hour has come for 4 minutes to be evenly divided on the Edwards amendment.

Mr. GRAMM. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Is the Edwards amendment subject to a point of order under the Budget Act?

The PRESIDING OFFICER. At this time, the Chair does not have information as to the specifics of that order.

Mr. GRAMM. I raise a point of order that the amendment violates section 311(a)(2)(B) of the Congressional Budget Act.

The PRESIDING OFFICER. The point of order is not in order while time remains for debate on the amendment.

Mr. GRAMM. I will reserve until the appropriate time.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I ask unanimous consent for no more than 3 minutes to respond to my colleague, the Senator from Texas.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Madam President, I understand the order was given to go to the Edwards amendment at 1:45 p.m. I ask that the Senator from Connecticut withhold his comments at this point.

Mr. LIEBERMAN. I ask my friend from Montana if he would be certain that I have an opportunity, before the vote, to respond to the Senator from Texas.

Mr. BAUCUS. Absolutely.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to 4 minutes of debate evenly divided on the Edwards amendment.

Who yields time?

The Senator from Montana.

Mr. BAUCUS. Madam President, I urge my colleagues to support the Edwards amendment and, frankly, I urge my good friend from Texas to also support it and refrain from raising a point of order or otherwise opposing the Edwards amendments. They are very good amendments. They help this bill. I am quite surprised, frankly, that the Senator from Texas was having objections to them. I am not going to use all the remaining couple minutes we have. I will let my friend and colleague from North Carolina make those statements, but I strongly urge us to work this out so we can get these Edwards amendments passed.

I yield the remaining time to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EDWARDS. Madam President, I point out for my colleagues that both the ranking Republican Member and the chairman of the committee support these amendments.

I ask unanimous consent that the following Senators be added as cosponsors: Senators HOLLINGS, MILLER, CLELAND, LINCOLN, and ALLEN.

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

Mr. EDWARDS. Madam President, this amendment does two things. First, it says our trade negotiators have to stop entering into trade agreements that hurt North Carolina textile workers and that are unfair to North Carolina textile workers. North Carolina's textile workers are entitled to a level playing field, and that is what this amendment is designed to give them—no better, no worse than anybody else, just a level playing field.

Second, it makes sure that workers who have lost their jobs because of trade have an opportunity to get the education and the training they need to get another job at as good or better wages.

At its base, that is what this amendment is about. The amendment serves those two purposes. It is a critical amendment for the textile workers in my State of North Carolina where, over the course of the last 5 years, over 100,000 workers have lost their jobs. These people have been hurt by trade. We need to give them an opportunity to get their lives back in shape. That is what this amendment is about: No. 1, making sure any trade agreement that is negotiated is fair and fair to North Carolina textile workers; No. 2, for those people who have lost their jobs, families who have lost their jobs, making sure they have an opportunity to get back on their feet and do what they have always done—work and help to support their family and give their kids a chance for a better life.

I urge my colleagues to support this amendment, as the chairman of the committee and the ranking Republican Member do.

I yield the floor.

Mr. BAUCUS. I reserve the remainder of my time.

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

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

Two minutes remain in opposition to the Edwards amendment.

The Senator from Texas.

Mr. GRAMM. I will not speak at length on the Edwards amendment, but I would like my colleagues to note that under this amendment, we once again would be expanding trade adjustment assistance benefits. The Congressional Budget Office, for some inexplicable reason, is saying that the Baucus-Grassley amendment—already itself subject to a point of order—has some savings in the outyears, even though those savings are grossly smaller than the new expenditures. Therefore, they are saying that because the program put in place by this amendment would take 18 to 24 months, it would not be subject to a point of order.

It sounds to me as if people are decided on this amendment. But under this amendment we once again would be adding additional benefits for up to 26 weeks for people who are not now receiving trade adjustment assistance. It seems to me at the very moment we are spending Social Security trust funds, we should care about preserving funds. But nobody seems to care. Yet if we were debating giving someone a new tax cut, there would be a great hue and cry that we were taking money away from the Social Security trust fund. Yet here, when we would be adding more benefits and creating more programs, nobody seems to care.

I am opposed to this amendment. I hope some will join me in voting against it. I don't know how we are ever going to pay for all these new spending programs at the very moment when we are running a deficit and spending Social Security surplus. Everyone seems joyful to create a new program to benefit someone. But at some point, we have to draw the line.

I yield the floor.

Mr. BAUCUS. How much time do I have remaining?

The PRESIDING OFFICER. No time remains.

Mr. EDWARDS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 3417.

The clerk will call the roll.

The legislative clerk called the roll.

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

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote ''yea.''

The result was announced—yeas 66, nays 33, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—66

Akaka	Corzine	Kerry
Allen	Daschle	Kohl
Baucus	Dayton	Landrieu
Bayh	Dodd	Leahy
Biden	Dorgan	Levin
Bingaman	Durbin	Lieberman
Boxer	Edwards	Lincoln
Breaux	Feingold	Mikulski
Byrd	Feinstein	Miller
Campbell	Graham	Murray
Cantwell	Grassley	Nelson (FL)
Carnahan	Harkin	Nelson (NE)
Carper	Hollings	Reed
Chafee	Hutchinson	Reid
Cleland	Hutchison	Rockefeller
Clinton	Inouye	Sarbanes
Cochran	Jeffords	Schumer
Collins	Johnson	Sessions
Conrad	Kennedy	Shelby
Smith (OR)	Stevens	Warner
Snowe	Thurmond	Wellstone
Stabenow	Torricelli	Wyden

NAYS—33

Allard	Enzi	McCain
Bennett	Fitzgerald	McConnell
Bond	Frist	Murkowski
Brownback	Gramm	Nickles
Bunning	Gregg	Roberts
Burns	Hagel	Santorum
Craig	Hatch	Smith (NH)
Crapo	Inhofe	Specter
DeWine	Kyl	Thomas
Domenici	Lott	Thompson
Ensign	Lugar	Voinovich

NOT VOTING—1

Helms

The amendment (No. 3417) was agreed to.

The PRESIDING OFFICER (Mrs. CARNAHAN). The majority leader is recognized.

Mr. DASCHLE. Madam President, we are making better progress this afternoon. I really appreciate the two managers and the work they are doing to move it along. I hope we can line up a series of amendments, hopefully with time agreements. I know there is an interest on the part of both sides to accommodate as many amendments as possible. The best way to do that is with time agreements. I encourage all Senators to agree to a time limit on their amendments so that we can move through additional amendments.

There have been questions about the schedule. To accommodate an event I know a number of our Republican colleagues want to attend tonight, we will not be in late tonight, but I do hope, for those who could offer their amendments and have some debate on the amendments without having a vote, we might do that in the interest of moving the legislation forward. We should not just look at tonight as a lost opportunity. To the extent Senators can come to the floor and offer amendments, we can certainly stack some of those votes tomorrow morning.

It is also our expectation that we will not be in session during the gold medal ceremony tomorrow afternoon. That will last about an hour from 2 to 3. We need to make the most of the time that is available to us tonight and tomorrow, both before and after the ceremony.

Senators should know that we will be in session on Friday and we can expect votes Friday morning. We will try to move this legislation along and accommodate as many Senators who have amendments as possible, but they need to help us by agreeing to time limits.

I know there has been some concern for the May 16 deadline. That is tomorrow. The Andean Trade Preference Act expires tomorrow. We do know that the administration has the authority to move that date, should they choose to do so. I hope they will consider doing that given the fact that tomorrow is May 16. We will move this expeditiously. We will do all we can to get this job done. Nobody wants to pass ATPA more than I do. I do think it is important for the administration and for all of us to work together to ensure

that we leave no question about our determination to complete our work on ATPA and ensure there is continuity when it comes to the application of the trade legislation and our determination to ensure that that continuity is created in law.

Mr. MCCAIN. Will the majority leader yield?

Mr. DASCHLE. I am happy to yield to the Senator from Arizona.

Mr. MCCAIN. I believe the majority leader is correct as to the May 16 date, that the administration does have the ability to change that day, because it was set, as far as an agreement, with the chairman of the Ways and Means Committee in the other body. The fact remains, there is great uncertainty in these countries. They don't know how the Congress of the United States works. They don't know that May 16 isn't a drop dead date. It does not remove the compelling aspect of us reauthorizing ATPA as quickly as possible.

I hope the majority leader will consider, if there are further problems—and I hope not—that we would split that bill out and pass it, which would be overwhelming, 98 or 99 votes. The President of Peru has been up here. There is enormous uncertainty in already unstable economic situations in those countries. I still don't think it is right for us to unnecessarily tie ATPA to the other legislation. I appreciate the majority leader's appreciation for that as well. I thank the majority leader.

Mr. DASCHLE. Madam President, I will just say that the Senator from Arizona is absolutely right. If all else fails, we have no other choice but to split it off. We would do so if we were not able to make progress, which is why I started out as I did urging Senators to come to the floor. I know Senator LIEBERMAN and others are prepared to offer amendments this afternoon. Senator BAUCUS and Senator GRASSLEY have accelerated the consideration of these amendments. As always, Senator REID has been on the floor to help serve as a motivator in getting the job done.

Mr. REID. Will the leader yield?

Mr. DASCHLE. I am happy to yield.

Mr. REID. I would note, while the leader has been engaged in other business during this last vote, I have checked with the two managers. It is my understanding within the next few minutes, next 15 minutes or so, there will be a motion to table Senator LIEBERMAN's amendment. He knows that. Following that, we are in the process of working out an agreement with the Senator from New Hampshire who will offer an amendment. The Senator from Illinois will offer an amendment—maybe in inverse order. They have both agreed to time limits. We should have that done by the time the next vote occurs.

Mr. DASCHLE. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I would like to echo the colloquy between the Senator from Arizona and the majority leader. It is true that the Secretary, pursuant to the discretion he is given under the law, did extend the period with respect to the Andean tariffs to May 15. It is also true that he has the authority to extend it even longer. It is also true that the last time this issue arose, some in the administration suggested to Chairman THOMAS in the House that this would only be extended once. We are very close to passing the trade package in the Senate, getting to conference very quickly. I urge the administration to extend the period for a little bit longer.

Having said that, it is important to remind all Senators that the underlying bill is drafted to make benefits retroactive to December 4, 2001. So even if the period the administration has suggested expires and we would move past that period, nevertheless all collected tariffs would be returned retroactive to December 4, 2001. It is our hope to get this passed very quickly.

I say all that so it is clear that we have pressure but all is not lost if we don't move to get it all passed within the next days or the next few weeks. We are working together to solve the problem which has been mentioned.

AMENDMENT NO. 3419

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Madam President, I believe my friend from Texas would like to enter a letter into the RECORD. I yield to him.

Mr. GRAMM. Madam President, I thank our dear colleague from Connecticut.

I would like to enter a letter, and at that point I would like a minute toward the end to sort of sum up. I have a letter here from the three principal Democrat cosponsors of the trade promotion authority bill in the House, CAL DOOLEY, BILL JEFFERSON, and JOHN TANNER. This letter is important because it discusses the very provision of the bill related to no retaliation based on sovereign rights, an issue which is being discussed here with an effort to strike this language. Since they discuss it directly, I would like to commend it to my colleagues.

I ask unanimous consent to print the letter in the RECORD.

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

CONGRESS OF THE UNITED STATES,
Washington, DC, December 10, 2001.

Senator MAX BAUCUS,
Chairman, Senate Finance Committee, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR BAUCUS: We were happy to hear that you and Senator Grassley reached an agreement regarding trade promotion authority legislation. We have spoken many times on this issue. As you know, many of your TPA concepts are reflected in the House-passed legislation.

We are particularly proud of the progress this legislation makes on labor and environmental issues. The legislation passed by the House incorporates fully the enforceable standard on labor and the environment in the Jordan Free Trade Agreement, and includes objectives that will allow negotiators to seek and obtain all of the commitments in the Jordan FTA. Moreover, by including the enforceable Jordan standards and provisions promoting increased standards on worker, child labor, and environmental protections, the legislation reflects the principle that countries should improve—not roll back standards for labor and environment.

Last week, you had inquired about the principal negotiating objective on labor and the environment, in particular, section 2(b)(11)(B). Subparagraph (B) provides that one of the principal negotiating objectives will be: to recognize that parties to a trade agreement retain the right to exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other labor or environmental matters determined to have higher priorities, and to recognize that a country is effectively enforcing its trade laws if a course of actions or inaction reflects a reasonable exercise of such discretion, or results from a bona fide decision regarding the allocation of resources and no retaliation may be authorized based on the exercise of these rights or the right to establish domestic labor standards and levels of protection.

You had asked about the meaning of the last phrase, which was added to section 2(b)(11)(B) as a part of the rule providing for consideration of H.R. 3005: ''and no retaliation may be authorized based on the exercise of these rights or the right to establish domestic labor standards and levels of protection.'' This phrase, which is limited to subparagraph (B), clarifies what was already the case in the TPA legislation that was reported out of the Ways & Means Committee, and reflects the standard set forth in the Jordan FTA. That is, countries have the right to exercise discretion needed to enforce regulations regarding to health, worker safety and the environment without fear of retaliation for a reasonable exercise of that discretion.

We hope this is helpful to you. We look forward to working with you to pass this legislation.

Sincerely,

CAL DOOLEY.
BILL JEFFERSON.
JOHN TANNER.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair.

I want to come back to respond to some of the things my friend and colleague from Texas said in opposition to my amendment.

I do want to state for the record what I hope is clear, which is that I support the underlying bill. I support the trade promotion authority, so-called fast track. I believe one of the great lessons we learned in the 1990s, under President Clinton, was that trade is a pillar of economic growth in our country.

We only have so many people in our country. There is only so big a market. We have to open up markets around the world to create more jobs at home. We have to find other places around the world to sell our products.

We have obligations, and that generally creates not only economic growth, more jobs, more wealth but improves our country generally. So I support the underlying bill.

This amendment I have offered deletes words in the pending bill which I

believe are very unfair and discriminate against the provisions of the bill that call for some concern and consideration of labor standards and environmental objectives in the agreements.

The statement of my friend from Texas in opposition to my amendment fascinated me, surprised me, and I say with all respect, I do not believe it is real. I do not believe his concerns are justified by the terms of the legislation or what would be normal trade practice. Let me speak to this.

The amendment strikes language that is unique to one of the 13 principal trade objectives in the bill that deals with labor standards and environmental protection. The language is unique and says:

> No retaliation may be authorized based on the exercise of rights of discretion that are uniquely given with regard to labor and environmental standards and the right to establish domestic labor standards and levels of environmental protection.''

In essence, we are saying to those with whom we enter into a trade agreement that in regard to commitments they make that affect labor standards or environmental protection in their country, we will not have the capacity to enforce those promises they have made. That was the concern I had about the pending bill that motivated my amendment.

The Senator from Texas has a very different response. He is worried that foreign nations may retaliate against us for our failure to keep our promises regarding labor standards and environmental protection. That thought never struck me. I must admit, it never struck me because our standards are higher, generally speaking, than most of the nations with which we negotiate, so I could not conceive they would want to retaliate against us.

Also, remember the obligations that are imposed on a party to a trade agreement are set in that agreement. They are agreed to by the parties. We would not be held to fulfill any commitments regarding labor and the environment that we and they did not make in the agreement. The same is true of our foreign negotiating partners and of us.

I want to respond to, I guess, what we used to call in law school, since my friend from Texas mentioned my law school, a ''slippery slope'' argument. If the United States commits to enforce the Endangered Species Act or a labor standard is applied to a particular law school that happens to be in New Haven, which I went to, the United States would be bound by those commitments. Those would be pledges we would have made.

If the United States agrees to enforce every labor and environmental statute we have on our books and makes that agreement in a trade agreement—I cannot imagine we would make such an agreement, but if we did—we would be bound by that commitment.

The rights we give to others must be found in the agreement we ratify. No foreign country will have free-range opportunity to challenge any action or inaction we take with regard to labor or environmental protections.

For instance, the trade negotiation objective for foreign investment—I use this as an example; it is one of the other 13 principal trade negotiation objectives in the bill—calls for negotiation of agreements that reduce or eliminate exceptions to the principle of national treatment, freeing the transfer of funds relating to investments, et cetera.

If we reach an agreement where we and our trading partners commit to ''reduce or eliminate exceptions to the principle of national treatment'' that is in the bill, that is the commitment that each party has the right to seek to enforce. That is in the agreement.

Countries, again, have no free-wheeling right to challenge any U.S. action or inaction concerning foreign investments; certainly no right to rewrite our laws. We can only be held to what we have promised to do in the agreement, just as the foreign country can only be held to that.

Foreign countries' rights are set and limited by the terms of the agreement we negotiate. Our own standards, again, with regard to labor and environmental protection, are almost always higher than the foreign nations with which we are negotiating. The agreements focus on trying to slightly raise the standards of less developed countries. That is what we are all about and about which some have been concerned.

Second, this trade objective focused on labor and environment is unique in another regard in this bill. My amendment takes out the part that prohibits retaliation for any reason. It does not eliminate any of the rest of section (B) of this part—I believe it is trade negotiating objective No. 11.

What does the rest of it do? It does something unique in this bill. The 11th principal negotiating objective is already qualified in ways not applicable to any other trade negotiating objectives. That makes it even more important that we retain the power to enforce these commitments, which my amendment would do with regard to trade in services—these are other negotiating objectives—intellectual property, agriculture, and other subjects. Compliance of the parties is strictly enforced. No excuses are permitted; no discretion is granted. If there is a violation, the parties are held strictly liable.

With regard to labor and environmental commitments, the pending bill already states that noncompliance can be tolerated under certain circumstances. Parties are granted the right to ''exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters,'' and they are granted the right to ''make decisions regarding the allocation of resources to enforcement with respect to other labor and environmental matters determined to have higher priorities.''

This discretion and these decisions must be reasonable and bona fide according to the bill. It explicitly states that we ''recognize that a country is effectively enforcing its laws if a course of action or inaction reflects a reasonable exercise of such discretion, or results from a bona fide decision regarding the allocation of resources.''

We do not see language about discretion or allocation of resources applied to any other section in the bill—not to the services section, not to the intellectual property section, not to the agricultural section, not to any other section.

Madam President, I am, in fact, troubled by the inclusion of this language regarding such discretion as it applies to labor and environmental protections. I worry that it is a bit open-ended, perhaps ambiguous. But despite those misgivings, the language does come verbatim from the United States-Jordan trade agreement. We granted that discretion in that agreement. Therefore, that is why the language has been picked up in the bill and I do not move to strike it. The language to prohibit any retaliatory action does not come from the Jordan Agreement. It is something new and it says essentially that we are not going to hold the other party to its promises and, in that sense, viewing this from the perspective of the Senator from Texas, they cannot hold us to our promises.

That is not the kind of country we are. That is not the kind of Congress I believe we are.

Why include in this bill a negotiating objective that contains its own negation? Why include fine print that essentially says we do not mean what we have said, and we do not care to hold the foreign country into which we have entered a trade agreement to what they have said?

The issue is simple: Do the commitments made in these trade agreements regarding labor and environment—our commitments and their commitments—mean something?

I am pleased again to say that the U.S. is much more likely to have higher standards and be committed to honoring those commitments. So I strongly urge my colleagues to support this amendment, which I think improves the bill and still leaves a lot of discretion in the enforcement of these labor and environmental sections of this pending legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. First, I express appreciation to the Senator from New Hampshire for allowing us to go forward with the unanimous consent agreement.

I ask unanimous consent that following disposition of the Lieberman amendment No. 3419, Senator DURBIN be recognized to offer his amendment regarding TPA; that there be 90 minutes for debate in relation the amendment, equally divided in the usual

form, prior to a vote in relation to the amendment, with no second-degree amendments in order prior to the vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I have the highest regard for the Senator from Connecticut and his adherence to provisions to protect the environment. I do not know who has worked as hard as he or as effective as he in working to support measures to help not only the Nation's but the world's environment. However, I strongly oppose his amendment and I will say why.

First, the provisions in the underlying bill are a dramatic improvement to protect the American environment overseas as compared with current law, any other fast-track bill. It is a major step forward. For example, it incorporates the basic provisions of the Jordan agreement, provides no derogation, that is, neither country will derogate, will reduce, the environmental protection that has an effect on trade. That is a major step forward.

I cannot overemphasize how important it is to have those Jordan standards in the underlying trade agreement, that is, the fast-track agreement. It is incredible. I am, frankly, surprised to be saying at this point that those provisions are already in the bill because it was such a hard battle to get them.

In addition, this is the first time that the environment has been made a principal negotiating objective. It is the first time the environment was given priority to other matters. It is the first time the multilateral environmental agreements are recognized, the so-called MEAs, that is, to protect the ozone, for example. That is a big first step. It is also the first time efforts have been made to improve the ability of other countries to enforce their environmental laws. So it is important not to just talk about this subject in the abstract but to compare it with what is in the underlying bill. The underlying bill goes a tremendous way to improving the environment.

This reminds me of the metaphysical question: How many angels are there on the head of a pin? That debate has gone on for years. We do not know how many angels there are on the head of a pin. It is a metaphysical question as to the meaning of life and its existence. It is also unknowable.

To be honest, that is what this amendment is, and I will explain what I mean. I take a slightly different tack than my good friend from Texas. I think the amendment does nothing, either way, with respect to protecting the environment. It is, frankly, poorly drafted. It is ambiguous. It is hard to say what is meant by it. So I say if we already have strong provisions to protect the environment, why add something that takes or does not take away a provision which is ambiguous and redundant, an argument made either way?

However, the main point is, this fast-track bill is the result of very intensely negotiated positions and it is in the balance. If this amendment passes, I fear for the life of this bill in the Senate. This is a killer amendment, as strange as that may sound.

I said earlier, this is basically a metaphysical question: How many angels are on the head of a pin? Why would that be a killer amendment? I grant that is another metaphysical question. That is another very strange situation we find ourselves in, but I must say that it does. This is an amendment which, if it passes—first, it has no practical effect, has no substantive effect, but it has, unfortunately, a strong sort of political effect within this body.

I support the protection of the Senator from Connecticut of the environment, but this is one amendment which, frankly, does not further protect the environment and, if passed, is going to weaken this bill.

In a moment I am going to move to table, but I am first going to recognize my friend from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, I will be very quick. The Senator from Connecticut asks us: What is wrong in being held to our promises? What is wrong in fulfilling our commitments? There is nothing wrong with it. But the real question is who should make the judgment as to whether we have fulfilled our commitments and holding to our promises. Should those judgments be made by the Congress, the President, and our Federal courts, or should it be made by international tribunals?

If we could divide the question so that we could impose these judgments on our trading partners, and in the process deny their sovereignty, I think that might find some favor around her. But the problem is that the objectives in this bill apply to us as well. Therefore, this is not an environmental question. It is not a labor question. It is a sovereignty question.

I yield the floor.

Mr. BAUCUS. Madam President, I move to table the Lieberman amendment, and I ask for the yeas and the nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Virginia (Mr. WARNER) are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote ''yea.''

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

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 112 Leg.]

YEAS—54

Allard	Enzi	McConnell
Allen	Fitzgerald	Miller
Baucus	Frist	Murkowski
Bennett	Graham	Nelson (NE)
Bond	Gramm	Nickles
Breaux	Grassley	Roberts
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Hutchinson	Smith (NH)
Chafee	Hutchison	Smith (OR)
Cochran	Inhofe	Snowe
Collins	Inouye	Specter
Craig	Kyl	Stevens
Crapo	Lincoln	Thomas
DeWine	Lott	Thompson
Domenici	Lugar	Thurmond
Ensign	McCain	Voinovich

NAYS—44

Akaka	Dodd	Levin
Bayh	Dorgan	Lieberman
Biden	Durbin	Mikulski
Bingaman	Edwards	Murray
Boxer	Feingold	Nelson (FL)
Byrd	Feinstein	Reed
Cantwell	Harkin	Reid
Carnahan	Hollings	Rockefeller
Carper	Jeffords	Sarbanes
Cleland	Johnson	Schumer
Clinton	Kennedy	Stabenow
Conrad	Kerry	Torricelli
Corzine	Kohl	Wellstone
Daschle	Landrieu	Wyden
Dayton	Leahy	

NOT VOTING—2

Helms	Warner

The motion was agreed to.

Mr. REID. I move to reconsider the vote.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Parliamentary inquiry: Has the motion to reconsider been made?

The PRESIDING OFFICER. The Senator from Nevada has just moved to reconsider.

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

The motion to lay on the table was agreed to.

Mr. REID. Mr. President, it is my understanding on the Edwards amendment there was no motion to reconsider and motion to lay on the table in that regard.

The PRESIDING OFFICER. The Senator is correct.

Mr. REID. Mr. President, I move to reconsider the vote on the Edwards amendment, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois, Mr. DURBIN, is recognized to offer his amendment.

Mr. REID. If the Senator will withhold, I say to the chairman and the ranking member, Senator GREGG has agreed to offer his amendment upon the completion of the vote on the Durbin amendment. He would lay down that amendment tonight. There would be debate as long as anyone wanted to speak tonight. And in the morning there would be an hour and a half prior to a vote on that amendment.

We will have something written up so that the minority can review it so that we can see if there are any problems with it. That is what we are trying to do. There would be a vote tomorrow morning around 11:30, something like that.

Mr. GREGG. Mr. President, I say to the Senator, if that is a unanimous consent request, I don't think we need to have anything written up—with no second degrees.

Mr. REID. Yes.

Mr. DURBIN. Mr. President, is there a unanimous consent request before the Senate?

Mr. REID. If the Senator will withhold, I ask that the unanimous consent agreement then be effectuated with the Senator's addition that there would be no second-degree amendments in order.

Mr. DURBIN. Would the Senator restate the unanimous consent request?

Mr. REID. Mr. President, I ask unanimous consent that, upon disposition of the Durbin amendment, Senator GREGG be recognized to offer an amendment which will strike the wage insurance portion of the underlying substitute amendment; that the amendment be debated tonight; on tomorrow, when the Senate resumes consideration of the bill at 10 a.m., there be 90 minutes remaining for debate in relation to the Gregg amendment, with the time on Thursday equally divided and controlled in the usual form, with no second-degree amendment in order, nor to any language which may be stricken.

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

The Senator from Illinois.

AMENDMENT NO. 3422 TO AMENDMENT NO. 3401

(Purpose: To provide alternative fast-track trade negotiating authority to the President, and for other purposes)

Mr. DURBIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself, Mr. DORGAN, and Mr. WELLSTONE, proposes an amendment numbered 3422 to amendment No. 3401.

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

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

(The text of the amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. DURBIN. Mr. President, it is my understanding we have an hour and a half to debate the amendment equally divided.

The PRESIDING OFFICER. The Senator is correct.

Mr. DURBIN. I would like to, during this opening period of time, try to lay out for my colleagues in the Senate the reason why I am offering this amendment.

Let me, first, give accolades to the Senators from Montana and Iowa, Mr. BAUCUS and Mr. GRASSLEY, for their hard work on this underlying legislation. This is not an easy issue. It is an issue that is extremely complicated. It is one I know they have devoted their efforts to in a very good-faith way for a long period of time.

I disagree with one of the fundamental principles of their bill, and that is why I am offering the amendment. I hope during the course of this debate to engage my colleagues in a discussion about their vision of trade and the difference between the Baucus-Grassley bill and the Durbin amendment.

There are some Senators who will come to the floor to discuss the trade issue but have never voted for a trade agreement in their entire congressional careers. That is their right. They are representing people in States and parts of the country that obviously concur with that point of view. But that is not my position.

In my time that I have served in the House and Senate, I have voted for trade agreements—some of the most important, some of the biggest. I believe they have been in the best interest of the United States, though, clearly, they have brought both gain and pain to parts of the American economy.

I have voted for NAFTA. As a Democrat in the House of Representatives voting for NAFTA, I heard a lot about that vote. I think it was the right vote. I think history will prove it. But I do not dispute for a moment that the agreement with Canada and Mexico has caused pain within our economy. Yet I think it reflects the end of the 20th century and the beginning of the 21st century where, more and more, countries are engaged in trade in an effort to not only share their comparative advantage in making a product but also to share certain values.

When we look at the course of history, we in the United States believe that if you can combine democracy with an open market economy, you can strive for a winning combination.

Expanding trade goes hand in glove with disseminating and distributing the values of America. That is why I have supported many of these trade agreements. Yet I have had difficulty with the concept before us today.

This was once known as fast track. Now it is known as trade promotion authority. In my time on Capitol Hill, I have learned this: When you have to change the name of a program consistently, it is because the program is not very popular. If there is a program that is popular, such as Pell grants for college students, nobody has suggested changing the name. But in this case, fast-track authority was such a pejorative term that now in Congress its proponents have been banned from using it. Instead, they are supposed to talk about trade promotion authority. That tells me that the underlying concept is fraught with controversy. It should be.

At issue in this debate—I will go to the specifics in a moment—is a most fundamental question for the Senate to consider. What is at issue is the power of the Senate and Congress under the Constitution and the protection of the rights and future of American businesses and labor. What we are being asked to do with this bill is to extend to a President, not just this President but future Presidents, a very significant authority. It is not only the authority to negotiate broad-ranging trade agreements. It is the authority to bring back those agreements, propose significant changes to U.S. law, and require Congress to approve those changes on an up-or-down vote.

This bill, the trade promotion authority, is going to tie the hands of Congress when it comes to considering trade agreements in the future with consequences that I believe could be substantial and even historic.

This bill represents the most significant giveaway of congressional authority to the President in modern memory. Presidents throughout history have resisted congressional intrusion in their realm of government, in areas as fundamental as the declaration of war, treaty agreements with foreign nations, and the power to advise and consent. The tension between the executive branch, the President, and the legislative branch, Congress, has historically resulted in a confrontation at these desks.

I am in the process of slowly reading an amazing book called ''The Master of the Senate'' by Robert Caro. It is his third volume in the biography of Lyndon Johnson, former President, Vice President, majority leader of the Senate, and Member of the House. I am reading it slowly because I appreciate it so much.

In the first 100 pages, Robert Caro, with painstaking precision, goes through the history of this body. He starts by referring to a moment when he sat in one of our galleries and looked down at the semicircles of desks and reflected on what was going on in this Chamber, not just on that day but in the history of the United States, since we have been in the new Chamber of the Senate.

The thing he noted was the role of the Senate, the preeminent role of the Senate in decisionmaking in America. If you take a look at our Constitution closely, Presidents come and go. The House of Representatives changes every 2 years. But in the Senate only a third of the membership stands for reelection every 2 years. The Senate is a continuing body under the Constitution with rules that are not abandoned, ratified again, but rules that continue time and time again.

Because of the continuous nature of the Senate and its role in Congress, it has played a most important role in terms of power in the United States. The Senate more than any other institution is a check on the power of the President. The Senate is where the President's power may stop, when a decision is made by a majority here that he has gone too far.

Presidents don't like that. There isn't a President who has ever served who wanted to go hat in hand to the Senate. In the same book, Caro talks about Teddy Roosevelt who, when he was elected President—first appointed, then elected President—came to a position where he was pushing through patronage positions without clearing it with the Senate. They came down on him like a ton of bricks. He came up to the Senate, this bully leader of the United States, and was humbled by the Senate and its leadership and worked with them very closely from that point forward.

Historically, the Senate has played that key role with trade promotion authority. We are saying this generation of Senators, this U.S. Congress is going to give power back to the President—our power, our authority, our responsibility. We are saying that when this President negotiates a trade agreement, we will not stand in judgment of that trade agreement in its specifics but only an up-or-down, yes-or-no vote.

That, to me, is a significant constitutional and historic decision. It is the reason that though I have voted in the past repeatedly for globalization and expanding trade and looking for new markets, I have resisted fast track and trade promotion authority because I cannot believe that a Senate in good conscience would walk away from its constitutional authority.

The President makes the argument: Of course, you know these trade agreements are very complicated, and if you expect me to have to answer to the American people through the Senate for each and every provision, I will never reach a trade agreement.

Excuse me, if you look at the history of the United States, many treaties which we have considered and were pretty complicated—I think of Woodrow Wilson and the League of Nations; I think about the treaties relating to proliferation of nuclear weapons—were very complicated, but they came to the floor of the Senate. Historically, trade agreements came to the floor of the Senate, and we walked through them.

Why do we want to do that? I represent a diverse State, strong in farming, manufacturing, and financial services. Certainly, when a trade agreement comes to the floor of the Senate, as a Senator from Illinois, I want to step back and look at these areas of the economy and how that President's idea of a good trade agreement actually has an impact on the jobs and the businesses of my State. I think that is part of my responsibility. Yet the trade promotion authority bill before us says the Senate is going to give away this authority.

We are being asked to surrender the authority of the Congress to ratify trade agreements. This has been a dream of every President in our history and, of course, this President could negotiate a trade agreement with broad and far-reaching implications for farmers, workers, and businesses across the Nation without fear of scrutiny or close review by Congress.

Instead, our role would be limited, our constitutional authority constrained to an up-or-down vote, a take-it-or-leave-it vote. Why? As the President said, they do not want Congress to meddle; they do not want Congress to interfere; they do not want Congress to delay. I believe that is wrong.

Let me tell my colleagues specifically why I think we should consider this approach I am suggesting as an amendment to the underlying bill.

The Baucus-Grassley bill does not clearly delineate the authority they are asking the Senate to give to the President and to future Presidents. Further, this legislation sidesteps many of today's key challenges in such a way that will diminish America's chances to negotiate solid trade agreements with other nations which would benefit our workers, farmers, and businesses.

The process of economic integration across borders, often referred to as globalization, is the defining economic event of our era. Globalization has had and continues to have fundamental transformative economic, political, and social consequence, and it is undergoing a revolution as profound as interstate commerce in the United States a century ago.

There has been a dramatic increase in the volume and value of trade. The number of countries participating in the international trade arena has mushroomed from 23 in 1947 to 111 10 years ago, to very likely 170 or more before this decade is completed.

Trade expansion now involves China, Vietnam, Russia, and many countries with different traditions and different economic structures than the United States. Major developing countries such as Brazil, Korea, India, Singapore, even South Africa, no longer compete in trade primarily in raw materials, agricultural products, or light manufactured goods. They also compete in steel, automobiles, electronics, and services such as telecommunications and software.

Trade is not only far different in its quantity but also in its quality. We have progressed beyond the relatively uncomplicated world of tariffs reflecting the success of the GATT in the first 50 years in addressing most international trade barriers.

We have now even moved beyond the challenges of many basic nontariff barriers and have entered an era in which trade policy includes a full range of policy laws and regulations that used to be considered exclusively or primarily domestic policy, including domestic agricultural programs, antitrust law, food safety, telecommunications, natural resources, conservation, labor standards, insurance regulation, and the intersection of effective protection of intellectual properties with health policy. Trade policy directly impacts domestic policy, and domestic policy impacts trade policy in ways that have far-reaching implications on our negotiating trade agreements and the legislation of domestic policy.

It is precisely at this great time of great change and great challenge that it is most important for U.S. trade policy to reflect a real understanding of the substantive issues involved and be driven by sound guiding principles. Unfortunately, the bill before us does not rise to this challenge.

Let me show one chart which demonstrates what is happening in the area of trade negotiations just over the past 30 or so years.

In the Tokyo Round in 1979, we were focused on tariff levels and four or five other concerns, such as antidumping and government procurement.

In the Uruguay Round, just 15 years later, one can see we went beyond the tariff levels and those issues that were part of the Tokyo Round and started including specific items such as textiles and clothing, natural resource products, services, dispute settlement, intellectual property, trade-related investment measures, trade in agriculture, health and safety measures. This was 1994.

In 2001, in the WTO negotiations, one can see we have included all the things before from the Uruguay Round and added to that antitrust law, investment issues, pharmaceutical pricing, trade facilitation, electronic commerce, and many other issues.

The point I am trying to make is if one reads the history of the United States and the issue of trade, for over 150 years this Nation focused almost exclusively on tariffs—that is the tax that we will impose on imports coming into the United States—and some very heated and pitched battles resulted.

By 1979, we had gone beyond tariffs and four or five other issues. By 1994, we added many more issues. By 2001, all of a sudden a trade agreement becomes much more than questions about tariffs and taxes. We start talking about policy considerations as varied as pharmaceuticals to agriculture—across the board.

Giving the President the fast-track authority, trade promotion authority is saying to him: We are prepared to let you come to your best judgment with any country in the world when it comes to trade on all of these issues, and before you take your last stop in Congress and give us an up-or-down vote, we expect this is going to be ratified.

Congress is walking away from all of these issues and subjects of concern. I can tell my colleagues that as I get into this, they will realize we have not lost any of our fervor or interest in any of these issues. In fact, Members who come to the floor today will say: What about textiles? What about intellectual property? What about electronic commerce?

The fact is, if trade promotion authority passes as suggested by the Baucus-Grassley bill, we will have given

away our constitutional right to be part of this debate. The best you get, Mr. Senator, is an up-or-down, take-it-or-leave-it vote. I believe this is moving us in the wrong direction.

Let me address two issues included in my amendment. The first is labor. The one thing I have noticed is this: Without fail, those who vote for it and those who even oppose it say the same thing about labor. Listen, I understand it may be cheaper to hire somebody in the Third World, in a developing country, to make a product, but shouldn't we as the United States, as part of a trade agreement, be encouraging some basic issues when it comes to labor overseas? Shouldn't we ask that both countries in a trade agreement have some basic dignity in their treatment of labor?

People say, sure, I understand that, and you get down to specifics. Let me show a chart.

Is there much doubt in the minds of all the Senators about what America thinks of child labor? If we knew we were entering into a trade agreement that would in any way promote the exploitation of children overseas, the hue and cry against it in the Senate would be overwhelming.

This is a photo illustration. It may not be too visible to my colleagues, but it shows the use of child labor from 1908 all the way to 1992, a street vendor, a tiny little girl in Mexico City. It shows a brick worker, a young man in 1993 in Katmandu in Nepal. It is an illustration that when Americans see this, when Senators see it, they want to make certain, if we are going to enter into a trade agreement, it will not result in the exploitation of children overseas.

We do not want to promote forced labor, slave labor, prison labor. We want to stand for the right of workers around the world to associate together and bargain collectively. These are core values of America, and they are core labor standards. Sadly, the Baucus-Grassley bill does not provide adequate protection for these principles.

It does not require countries to implement core labor standards. The only enforceable commitment in this bill is the commitment that countries enforce their existing labor laws. The Baucus-Grassley bill does not require countries with inadequate labor laws to improve their standards to include core, internationally recognized labor rights.

Let me be more specific, if I may, on this issue. We are considering this Free Trade Area of the Americas agreement, and in this free trade agreement is a question of whether or not we will try to expand trade with countries in our hemisphere. Certainly that, in and of itself, is a positive thing to do. But when one looks at the labor standards in some of the countries, they can understand why many of us are concerned that the Baucus-Grassley bill does not have adequate protections.

Bolivia—part of the negotiations—has been criticized by the International Labor Organization for provisions in its labor law that permit apprenticeships for children who are 12 years old, which is considered by some as tantamount to not only child labor but to bondage. The International Labor Organization Committee of Experts also reports that abuses and lack of payment of wages constitute forced labor in the agricultural sector of Bolivia.

Does the United States want to be party to an agreement with Bolivia, a trade agreement that would perpetuate this kind of exploitation? I do not think so. I think instead the United States wants to stand up for basic labor principles.

This Baucus-Grassley bill would allow Panama to deny worker protections in export processing zones. In fact, in the so-called export processing zones, they would suspend basic collective bargaining and impose mandatory arbitration.

The list goes on. It is a list which tells us that this should not be a naive endeavor in the belief that every country in the world shares our values. They do not, nor will they. But is it not important that as part of our trade agreements with labor standards we establish some basic standards on which we agree?

We have done this now. President Clinton, in his administration, in the Jordan free trade agreement, based it on the premise that the parties to the agreement reflect core, internationally recognized labor rights in their domestic labor law. I quote the chairman of the Finance Committee, Senator BAUCUS, when we had the Jordan free trade agreement before us. Senator BAUCUS said:

> Both Jordan and the United States, both countries, have strong labor and environmental laws. Recognizing this, both countries agree to effectively enforce their own laws.

Senator BAUCUS recognized then and there the point I am making with this amendment. The key is not to say we are going to have strong labor standards and respect for working people in America and we will enter into a trade agreement with your country which may ignore them but, rather, to say we should agree to some basic, core labor standards. Otherwise, what will happen? You know what will happen. We will lose jobs in the United States. We will lose them to companies that shift their production overseas, that put the production out of the hands of American workers who are making a decent wage and into the hands of children and people who are being paid little or nothing, people in other countries that, frankly, do not have the most basic labor law protection.

Is that what the United States is about? Is that what we want to achieve with trade agreements? Is it so important that we can buy something on sale in a store on Sunday that we can ignore the fact that a month before it was made with the hands of children in bondage in some small country on the other side of the world? I hope not.

Unfortunately, the Baucus-Grassley bill, without the protection of this amendment, will leave the door wide open for little or nothing when it comes to labor standards.

This amendment calls for the FTAA countries to implement and enforce five core International Labor Organization standards in domestic law. This objective only applies to the FTAA and other free trade agreements, not to the WTO, and it recognizes that least developed and developing countries should not be penalized because they face serious resource constraints in raising labor standards. My amendment calls for the inclusion of a work program in FTAA to assist lesser developed countries in implementing core labor standards using market access incentives and technical assistance.

I also add that contrary to critiques being circulated by trade associations, the amendment does not require countries to sign International Labor Organization conventions.

The most common questions I hear about trade agreements are: Are you going to exploit labor overseas and therefore kill American jobs? And I have addressed that. The second question is: Well, what are you going to do about the environment? Are you going to ignore the fact that some companies, because they do not like the restrictions of American law on the environment, will ship their production overseas and pollute the rivers, contaminate the air, and leave toxic waste behind? What are we going to do about the environmental side of the equation? I have never heard a Senator on either side of the aisle for or against trade agreements who has not said the following: Well, we should hold them to environmental standards. We do not want to say it is unreasonable, but certainly they ought to be held to environmental standards.

As to the environment, this bill, the Baucus-Grassley bill, does nothing to address the intersection between trade rules and environmental standards.

As to investment, the Baucus-Grassley bill could be read to broaden the ability of investors to challenge U.S. environmental, health, safety, and other regulations. In contrast, my amendment includes important clarifications to investment standards to ensure that investment rules cannot be used to undermine legitimate U.S. laws while ensuring effective protection for U.S. investors overseas.

Let me try to be specific about that, if I may. Imagine that we had entered into an agreement with a foreign country with one of their companies and that foreign company wanted to locate in the United States, and that country then came in and said: Before we locate in the United States, we want to take a look at your laws and see if they are discriminatory.

Let's use an example. They take a look at a wetland regulation. What is a wetland regulation? Well, it is a protection of the environment for certain

fragile land that is important for us to maintain drinkable water, safe water, habitat for animals. American businesses customarily are bound by wetland regulations. So the company from overseas, because the trade agreement says, wait a minute, we do not have to play by your wetland regulation rules because of the trade agreement, we consider that to be unfair, uncompetitive, and a taking from our company. So what we have done with the Baucus-Grassley bill is to open up a challenge from a foreign corporation that wants to come into the United States against our environmental standards. That, to me, is not consistent with what most of us want to see achieved in our trade agreements.

Let me give a couple of other illustrations. There is the area of multilateral environmental agreements. The Baucus-Grassley bill does nothing to clarify the relationship between World Trade Organization rules and multilateral environmental agreements. In contrast, my amendment calls for creating an explicit rule ensuring that a country can enforce a multilateral environmental agreement without violating WTO obligations.

What would that mean? Let me give an example. We enter into an international agreement about endangered species around the world. All of the countries sign on and say, we are going to protect these species, and if one of the countries overseas violates it, they are subject to penalty provisions. Whether we are talking about protecting an endangered animal or whether we are talking about eliminating the trade in skins or ivory tusks, countries around the world enter into these multilateral environmental agreements. Our fear is that the Baucus-Grassley bill will allow a trade agreement between two countries to supersede this multilateral environmental agreement. It is playing to the lowest common denominator when we allow trade agreements to supersede these kinds of multilateral agreements.

On enforcement of environmental standards, the Baucus-Grassley bill retains the midnight change added to the bill in the House of Representatives. That change guts the already weakened environmental provisions in the bill by making clear that a country can lower its environmental standards for any reason with impunity. I want to make clear what that is all about because that is an important issue. It is one that was raised by the Senator from Texas, and it is one that I would like to address.

We have a situation in the United States where we have established standards, and what if we had a provision where, in order to entice a certain company to locate its factory in the United States that our partner overseas would ask for a change in standards when it comes to environmental safety. The language which was added in the House states that no enforcement actions can be brought against a country for lowering environmental standards for any reason, including to begin a competitive advantage—again, playing to the lowest common denominator. The Baucus-Grassley bill retains this change from the House.

Finally, in the area of regulatory authority, the Baucus-Grassley bill includes antiregulatory, anticonsumer provisions. These include requirements for a cost-benefit analysis for proposed regulations and a very reactionary approach toward food and labels.

I have been through the cost-benefit analysis. Some who are opponents of consumer safety and environmental safety say, if you cannot prove to me there are dollars to be saved, we certainly should not allow the regulation to be in place. Many times the things that protect us the most in this country are hard to quantify in dollar terms. We know they are of value to us. Frankly, putting a dollar amount on it, so-called cost-benefit ratio, becomes difficult. That is the standard of this bill.

Do you think as an American consumer it should be wrong or against the law that the food we import from overseas is labeled as to the country of origin? I don't think that is unreasonable. The Baucus-Grassley bill characterizes food labeling as ''unjustified trade restrictions.'' Is it your right as a consumer to know when you buy canned goods that they are from overseas? Do you have a right to know that? I think you do. Then you can make your decision. Maybe you still want to buy that product from overseas. But should you have the right to make that decision? The Baucus-Grassley bill says no, it is an unfair trade restriction. That is what we face with the Baucus-Grassley amendment.

Aside from the failure of this bill to adequately address the issues of labeling and environment, this legislation is dangerously flawed because it fails to ensure the vital role the Congress and the American people need to play at a time when trade is affecting so many businesses and so many jobs. I have listened to Senators on this floor, Mr. LOTT, a Republican, minority leader, complain about Vietnamese catfish farmers. He said their competitive advantage was ''due to cheap labor and very loose environmental regulations.'' Senator LOTT, my amendment addresses that. I hope you and others who feel the same will consider supporting it.

I reflect for a moment on what has happened when it comes to steel, recalling I voted for these trade agreements. I cannot state how disappointed I am in the way we have dealt with challenges to the steel industry in America. I believe in trade, but I think it should be according to the rules. Countries around the world violated the rules; they dumped their product on the United States.

What does it mean to dump a product? It means you sell your product in the United States at a price lower than the cost to produce it in your own country or lower than the amount that you sell it in your own country. You are clearly trying to run competitors out of the market. You are dumping. You are violating the rules. It happened in the United States and we lost over 25 of our best steel mills and tens of thousands of steelworker jobs.

The President responded with an imposition of tariffs with some exceptions and made a move in the right direction. Critics came forward and said that was a very wrong thing for the President to do—too political. Excuse me, but if we are going to trade with other countries around the world, don't we owe it to our businesses and our workers to enforce laws? Don't we need to have a Congress and a President who will stand up for American businesses and workers? That is not political; that is what the debate is all about.

The people who believe you can just expand trade without taking concern of its consequences, frankly, believe that the expansion of trade in and of itself is something that is ultimately going to be good no matter the consequences. I don't believe that. We have a responsibility. We as a Congress have to maintain this responsibility, to make sure that we have a process for the disapproval of certain trade agreements, to make certain that we have a voice when it comes to enforcing labor and environmental standards.

Before closing, I acknowledge in particular two House Members, Congressman CHARLIE RANGEL, the ranking Democrat on the House Ways and Means Committee, and Congressman SANDER LEVIN of Michigan. They have been invaluable in working with me to bring this amendment to the floor.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I thank the Chair.

(The remarks of Mr. HATCH and Mr. LEAHY pertaining to the introduction of S. 2520 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. Mr. President, I yield some time to myself.

The PRESIDING OFFICER. The Senator from Montana controls the time.

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

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I rise to speak in opposition to the amendment offered by my friend from Illinois, Mr. DURBIN.

Before I discuss the specifies of the Durbin amendment, I feel compelled to comment upon some of the dynamics of the trade bill.

First, we reported the trade promotion authority bill out of the Finance Committee by a broad bipartisan 18-to-3 vote. There is strong bipartisan support for trade. I was the one, I believe, who called for the vote.

I believe this vote was in accordance with the tradition of the Finance Committee in doing what is right for the American people. I am afraid that from the moment this bill hit the floor this emerging spirit of bipartisan consensus on trade has been jeopardized. Throughout, the committees, work this Congress, I stated my view that both trade promotion authority and trade adjustment assistance legislation must be passed or neither would be adopted. I still believe that is the case.

Frankly, the compromise that was reached on TAA last week was at the very limit of what many of us on our side of the aisle could stomach. I have many reservations about the health care policies embraced by the compromise and the overall cost of the program.

I think it is going to louse up the health care system of this country, and it is unfair to those workers who do not have health care, who have to pay for those who do not work so they can have health care. That is just one comment about it.

As everybody knows, I worked very hard in the area of health care, and I really think we have made some big mistakes on some of the provisions we are going to accept in this bill.

As I understand it, the final deal on TAA was at a cost that is very close to what Republican members of the Finance Committee opposed last fall.

And then yesterday, the Senate accepted the Dayton-Craig amendment, which stands in violation to the very principle of TPA—a simple up or down vote on each trade agreement that USTR negotiates.

The Dayton-Craig amendment, if signed into law, will establish a new set of rules with respect to agreements that purport to impinge upon U.S. trade remedy laws. Talk about opening a Pandora's box, that us what Dayton-Craig does.

If you don't like the way a particular trade agreement affects the trade remedy laws, vote it down. USTR will quickly get the message. TPA is known is fast track for a good reason; let's not adopt amendments that act to slow down TPA.

I have no doubt that President Bush, Secretary Evans, and Ambassador Zoellick will not undermine our trade protection laws.

We saw that the administration did with steel and is doing on softwood lumber. I have had something to do with that. I stood up on the steel matter, lining up with my colleagues on the other side, especially Senator ROCKFELLER. This administration took a pretty tough position and has been criticized, especially in Europe, for having done so. There is good reason to have confidence in the administration and every reason to fear that enactment of Dayton-Craig would encourage some of our trading partners to attempt to wall off areas of the law that will be deemed near and dear to them.

I hope that other nations will not try to relax their intellectual property laws or enforcement of these laws or enforcement of these laws as high technology represents an important area for U.S. interests and for the world at large. We are talking about software, information technology, entertainment, and biotechnology, all of which the whole world depends on. And we better protect it—in the sense of protecting the rights under these intellectual property laws.

So I understand that we accepted Dayton-Craig, I am becoming fearful that the accumulated weight of the additions of the trade bill from the time it left the Finance Committee will bring down support for the bill.

It is true that we passed a farm bill, but the loaded up version that we passed should not make us very happy. Let us not repeat that experience by passing a trade bill that tries to do too much for too many interests that are extrinsic to trade that, at the end of the day, it does not deserve our support.

Comes now the Durbin amendment.

I know Senator DURBIN. He is a good man and has nothing but the best of intentions. I personally appreciate his help in funding the generic drug interests lost year. He did a good job.

But, if enacted, the substitute would make it difficult or impossible to bring home the best trade deals for the United States. The substitute is so prescriptive it removes needed flexibility. It contains 70 pages of ''principal negotiating objectives.'' The effect of all this detail is to bind the administration's hands at the negotiating table and to telegraph a long list of U.S. ''bottom-lines'' to our negotiating partners—who will make us pay a heavy price.

The substitute changes negotiating ''objectives'' into mandates. It gives 18 ''congressional advisers'' the right to withdraw TPA after an agreement is negotiated unless a majority considers that the trade agreement ''substantially achieves'' the substitute's principal negotiating objectives. That effectively makes the 70 pages of detailed negotiating objectives into requirements, setting an unrealistic and unobtainable standard for negotiations.

The substitute adopts inconsistent approaches to negotiating objectives. For example, while the substitute says the United States should try to amend or clarify the GATT conservation exception, it says the United States should oppose opening the SPS Agreement, which is derived from the same set of GATT exceptions.

The substitute will make it harder for the President to strike the best possible deals with our trading partners because it raises questions about whether the President will be negotiating on behalf of the United States as a whole.

The substitute creates a biennial fast-track procedure for Congress to withdraw TPA for any reason after a negotiation has begun. That procedure—and the one allowing the congressional advisers to withdraw TPA if the administration has not ''substantially achieved'' the substitute's negotiating objectives—will lead our trading partners to question whether Congress and the President are united at the negotiating table. How could you make it tougher on the President and the U.S. Trade Representative?

Instilling confidence is a major reason for enacting TPA. It means the President can push other governments to their ''bottom lines.'' The substitute bill would remove that confidence.

The substitute is not drafted with an eye to what the United States can realistically achieve, or should try to secure, in trade negotiations. For example, the substitute says the administration should ''establish promptly a working group [in the WTO] on trade and labor issues.''

This is something that the overwhelming majority of WTO members adamantly oppose. There is no realistic hope of achieving it anytime soon.

In sum, the proposed substitute is based on the flawed assumption that Congress can pre-negotiate our future trade agreements through highly detailed negotiating objectives, regardless of whether they are achievable, and the implied threat to withdraw TPA if those objectives are not met. That is a recipe for no agreements, rather than better agreements. To achieve the best results, the two branches need to work together.

I have to say that I have been a supporter of the U.S. Trade Representative since I have been in the Senate. I supported President Clinton's U.S. Trade Representative. I was one of the people who cleared the way for some of the things she did—and others as well.

But the fact is, I think we need to support this Trade Representative, someone as bright as anybody we have ever had in that position, and someone who understands the need to satisfy 535 Members of Congress.

The Finance Committee got it right. The House got it right. I oppose the Durbin amendment and will oppose other efforts to load up this trade bill with so much unnecessary, although sometimes well-intentioned, baggage that the bill will fall of its own weight.

That is the net effect of many of these amendments. The American labor force would have been better off if we had entered conference with the bill passed by the Finance Committee, rather than this ever growing extravaganza.

This is important stuff. The Finance Committee is a great committee. Our two leaders on the committee have done a great job. I compliment Senator BAUCUS and Senator GRASSLEY for the work they have done. They deserve our support. We ought to support them.

We should not be undermining what they and 18 members of the committee did. It was a bipartisan bill if there ever was a bipartisan bill. All of us knew that we have to get together in

order to do the constructive trade work that benefits our country.

This amendment, unfortunately, undermines almost everything that we did in the committee and that the House has done. It is tough to get this kind of broad consensus in the Finance Committee on something that is very complex anyway, but we did. And I think that ought to be given greater consideration than we have thus far given it.

I want to support my chairman. He has stood tall on this issue. And I look forward to working with him.

I yield the floor.

The PRESIDING OFFICER (Mrs. CLINTON). Who yields time?

The Senator from Montana.

Mr. BAUCUS. Madam President, I yield myself about 10 minutes.

I obviously have the highest regard for my colleague from Illinois. He is advocating a point of view that is extremely important; namely, the protection of American employees, the environment, basic principles that are fundamental to the human condition, working hard. I highly applaud him for what he is doing.

I would like to comment a bit on some of the points that the Senator and that others who are in support of his amendment have made, just to clear the air a little bit so we know what is in the underlying bill and what isn't.

The Senator said—and we all agree—that we want to uphold the dignity of law, particularly the dignity of labor, and do all we can to discourage the exploitation of children around the world, or other employees who are in adverse conditions. We all know that.

I might say that one of the core objectives in the underlying bill is to promote the ILO core standards in new trade agreements. That has not been mentioned very frequently here. I think it is something that should be stated very clearly. That is, one of the negotiating objectives in the underlying bill is that the United States pursue promotion of the International Labor Organization core standards as one of our negotiating objectives.

It is also important to know that each of the negotiating objectives in the underlying bill is of equal weight. We are not picking and choosing here. They all have the same weight.

Some talk about textiles. There is a negotiating objective on trade in textiles. That is in a special category. There are other objectives, but the bill makes clear they all have equal weight, and our trade negotiators must pursue them all equally.

Pursuance of ILO core standards is certainly one objective stated in the bill. It also has been said the bill does not push the United States strongly enough toward promoting ILO core standards. But, again, I want to underline that the provision in the bill directing our negotiators to pursue ILO core standards has the same weight as other negotiating objectives. It is not less important than any other objective; it is equal.

Now, it has been stated that the so-called investor-State dispute resolution provisions in the bill kind of tilt toward foreign investors at the expense of American investors, or that environmental provisions that a State may pass, that Congress may pass, that a local government may pass, are in jeopardy because of rights we may afford to foreign investors; that is, it is asserted that foreign investors will have an easier time in challenging a State action as a compensable taking than a domestic investor.

I might say, we corrected that problem with the Baucus-Grassley-Wyden amendment. The Baucus-Grassley-Wyden amendment makes it very clear that foreign investors should not be accorded a greater level of protection in the United States than domestic investors in the United States. That is, there should be a level playing field.

We make that very clear in the Baucus-Grassley-Wyden amendment that we adopted just yesterday.

Now, it has also been stated: Gee, we have these multilateral environmental agreements that could be superseded by trade agreements. I urge all Senators to read the bill, and read it fairly closely, because it states very clearly that one of our overall objectives is for trade agreements and MEAs to be mutually supportive. That is the goal.

It is clear that the United States cannot dictate exactly what the outcome of a trade negotiation will be, but it is certainly clear that we, in the underlying bill, have set as our objective making multilateral environmental agreements and trade agreements consistent with one another; that is, they should be mutually supporting. And many of those multilateral environmental agreements are good agreements.

The one on ozone, for example, or the CITES on trade in endangered species products are terrific agreements. It is only proper that our trade agreements not undermine these environmental agreements.

It has also been stated here: Well, gee, under the provisions of this bill, it says we cannot have country-of-origin labeling. I ask Senators to go back and read the bill. That is not an accurate statement. It is accurate to say there are provisions in the bill that say that we should not agree to deceptive labeling requirements or labeling requirements that are not based on scientifically sound principles. That is true. We should not allow labeling requirements that are not based on scientifically sound principles.

But there are all kinds of labeling requirements that are permissible. I know my friend from Illinois agrees, as do others, that we should not have deceptive labeling or labeling requirements that are not based on sound science.

It has been stated here that enforcement of environmental and labor laws is weak in the underlying bill. But, again, I remind my colleagues that enforcement of environmental and labor laws is a priority; it is one of the objectives that is listed in the underlying bill. It has equal weight with all of the other objectives.

We want to enforce environmental laws. We want to enforce labor laws. It is also important, on this point, to remind ourselves that the vision of the bill with respect to labor and environment is a dramatic improvement over the status quo; that is, over current law, current law being no fast track.

Let's remember, in previous fast-track bills, there was virtually nothing on the environment or on labor that made any sense. It took a lot of work to get these provisions in, that is, the Jordan provisions, which provide that no country should derogate from its environmental or labor laws in a manner that has an adverse effect on trade with the United States. That is very important.

Clearly, that is a first step. We have to take steps here. The United States cannot today pass, in my judgment, fast-track legislation which really dictates to other countries what their environmental and labor standards should be.

The amendment offered by my friend from Illinois unfortunately goes in that direction. It is an extremely prescriptive bill. It is unworkable. It basically is not a fast-track bill delegating negotiating authority to the executive branch, which we must do if we are going to have trade agreements. Rather, it is writing the trade agreements. It is saying what all the provisions must be, which is clearly a very unworkable way for the United States to negotiate trade agreements.

I have deepest sympathy for the intent of my friend from Illinois. But I must say, after listening to his presentation, there are provisions in the bill which address some of the concerns he has—in fact, almost all the concerns he has. We have to take this a step at a time. We cannot solve all the world's problems in one fast-track delegation bill, but we can take tremendous steps forward, as this bill does.

I strongly encourage my colleagues to not adopt the amendment by the Senator from Illinois. It goes much too far. The provision the Senator is suggesting was defeated resoundingly in the other body by over 100 votes. In the Ways and Means Committee, the vote was 22 to 10. So it is not a consensus measure by any stretch of the imagination. It was defeated quite soundly in the other body. On the other hand, the Finance Committee passed out the current version by a vote of 18 to 3, favorably, which indicates a much stronger consensus. It would have to go back to the House.

I urge Senators again to not support the Durbin amendment.

The PRESIDING OFFICER. Who yields time?

The Senator from Illinois.

Mr. DURBIN. Madam President, how much time do I have?

The PRESIDING OFFICER. Twelve and a half minutes.

Mr. DURBIN. And on the opposition side?

The PRESIDING OFFICER. Nineteen minutes.

Mr. DURBIN. I yield 3 minutes to the Senator from North Dakota.

Mr. DORGAN. Madam President, I support the Durbin amendment but not because I support fast track. Trade promotion authority, which is better known as fast track, is a piece of legislation this Congress should not adopt. However, if the Congress decides that there are sufficient votes for fast track, I certainly want the provisions dealing with labor and the environment offered by Senator DURBIN to be in that final package.

Yesterday, at some length I described the dilemma. The dilemma is, in international competition, what is fair competition and what is the admission price to the American marketplace? Do we want standards, when we adopt trade agreements, that do not put American producers in a circumstance of having to compete with others around the world who are hiring 12-year-old kids, putting them in factories working 12 hours a day, paying them 30 cents an hour? Yes, that happens. The question is, Is that fair competition for American producers? The answer is clearly no.

What do we do about that? Every single trade agreement we seem to adopt—and it is proposed now that we adopt them under fast track so we can offer no amendments when they come back—every single trade agreement fails to address these underlying issues. What is fair competition? Will we really deal with the labor issues? Will we really tell others that you cannot hire kids and put them in plants at age 12 and 11 and 10 and pay them pennies and then ship their products to Pittsburgh or Toledo or Cleveland or Fargo or Los Angeles? Will we do that or will we tell companies you cannot pole-vault to Sri Lanka or Bangladesh or China and pollute the water and air and hire kids? Is that fair competition? Will we ever as a country decide that we will stand up for our producers and our workers to say, yes, you must compete, you must be ready to compete, but we will make sure the competition is fair?

That is why the underlying issue is not fast but fair trade; not fast track but fair trade.

This debate will go on at some great length. If this Congress is to pass fast track, it must do so with the provisions on labor and the environment offered by my colleague from Illinois, Senator DURBIN.

I do not support fast track. Our trade deficit is growing every single year. It is now at record high levels: $450 billion, over $1 billion a day every single day in merchandise trade deficit.

That is not a debt we owe to ourselves. That is a debt that will be repaid someday with a lower standard of living in this country. Why? Because our trade agreements haven't been in this country's best interests. They don't deal with the central issues of what is fair competition.

That is why my colleague, Senator DURBIN, is proposing, if we have an amendment dealing with fast track that allows no amendments to be offered when trade agreements come back, that at least fast track include the labor and environmental provisions he proposes. I will not support fast track, but I do believe his attempt to insert these provisions in this legislation makes good sense.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Illinois.

Mr. DURBIN. It is my understanding I have about 9 minutes remaining.

The PRESIDING OFFICER. Exactly.

Mr. DURBIN. And 19 minutes on the other side.

The PRESIDING OFFICER. Right.

Mr. DURBIN. In the interest of expediting the debate, if the Senator from Montana has anyone who wants to speak in opposition, I invite him to use the time now. I can close using my 9 minutes and then allow him similar time to close, if that would be appropriate. If we could bring this to a close, it would be in the best interest of the Senate.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I did not hear the response. How much time remains on both sides?

The PRESIDING OFFICER. The Senator from Montana has 18 minutes 54 seconds; Senator DURBIN has 8 minutes 42 seconds.

Mr. BAUCUS. Madam President, just a couple points to make here. We have to pass this bill. We in America must show that we are not isolating ourselves from the world but, rather, moving forward; we are engaging the world in trade agreements. We must move forward. As the largest, strongest country in the world, we must not abdicate our leadership position in the world.

The underlying bill, the fast-track bill before us, which includes trade adjustment assistance as well as the Andean Trade Preference Act, will help the United States regain some lost position in world leadership certainly with respect to trade, international affairs, and economic affairs, particularly. We can say no. We can say we are not going to pass this bill. One Senator said he is opposed to fast track.

Frankly, if we as a body say no, we as a Congress say no, we are, as a country, like the ostrich with his head in the sand, isolating ourselves from the rest of the world. We cannot go backwards. We must embrace the future, embrace it, work with it, help it work to our advantage, work with other countries to our mutual advantage, but certainly not to the disadvantage of the United States. That is what we must do.

The amendment offered by my friend from Illinois is a killer amendment. It is clearly a killer amendment. It is an amendment to totally undermine the provisions of this bill. It is totally contrary to a balanced effort on a bipartisan basis, working together, both sides of the aisle, to get legislation passed. For that reason, it is essential that it not be adopted.

Let's not forget, too, that in addition to the trade negotiating objectives, which we have been talking about, this bill also includes another provision which, frankly, is the driver. It is the main provision in the whole bill. That is trade adjustment assistance. That is the most important part of this legislation. It expands the current program by three or fourfold. It includes secondary workers. It includes health insurance benefits, provisions that don't exist today in current law.

This bill is designed to strike a bargain between manufacturers and producers on the one hand and people who work in plants and factories and companies on the other hand. We are all Americans in this together. It is true that trade with other countries yields tremendous economic advantages to the United States. We all know that. That is a given. We also know that trade with other countries also causes dislocations, the topsy-turvy world we are in now, almost chaotic, certainly sometimes unsettling. We know that. The trade adjustment provisions in this bill help people who are dislocated, who lose their jobs on account of trade. It also provides them health insurance if they lose their jobs on account of trade. That cannot and should not be forgotten here. That is part of the bargain in reaching a trade agreement; namely, helping make sure our country can negotiate trade agreements overseas but doing the best we can to protect our workers at home. It is vitally important.

The Senator earlier said that we have a huge trade deficit that has been caused by all these trade agreements. That is not accurate. We have a large trade deficit for many reasons. One is, frankly, because American consumers want to buy cheaper products made overseas. I do not think that very many Americans want to move overseas, or work for 25 cents or $1 an hour making shoes or products that are produced overseas. Rather, it is up to us in the United States to keep working on the areas we are best at; and that is, educating our workforce, providing more job training and more ways for us to secure better, higher paying jobs. That is the goal we should have.

Another cause of the trade deficit which has nothing to do with trade laws in a certain sense, is the high U.S. dollar versus other countries' currencies. In fact, that is the main reason we have a trade deficit. I think to some degree it is a little secret, but all Treasury Secretaries who followed this the last 20, 30 years, like the high dollar. Why? Because a strong dollar

keeps inflation down. They think it is good to keep inflation down, so we have a high dollar.

As a consequence, foreign products are cheaper, irrespective of trade agreements—totally irrespective of trade agreements. That is one of the main reasons we have a trade deficit, which should be addressed, I grant my colleagues, but not addressed in a way that says: Let's have a very prescriptive fast-track bill which dictates what all the provisions should be in a way that is totally unworkable. It will not work at all, and that means not giving the President authority to proceed.

I will yield back the remainder of my time—I do not have much to add—with the understanding my good friend from Illinois also will not have a lot to add so we can vote.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Madam President, I yield 3 minutes to the Senator from California.

Mrs. BOXER. Madam President, I rise in strong support of the Durbin amendment. It is just what we need to get this fast track on the right track because right now it is not. The reason it is not is because we are giving up our rights under the underlying bill to amend to take care of our people, to make sure these agreements are fair to our workers, to our families, to our environment.

When I got elected to the Senate, I did not say: I want to come here and fight for you, but there is one area I am going to give up all of my views and allow the President to address. I am not going to do it. It does not make sense. The Durbin amendment understands that we are here to do a job. He makes sure we are putting into place environmental checks. He makes sure working standards are looked at. It is very important.

I did not give fast-track authority to a President of my own party because I did not want to give up my rights. I agreed with that President so much of the time. I think it is a matter of how we view ourselves here: Do we come here to whimp out on important issues that have an impact on the daily lives of people? I did not come here to go home and face workers and say: Gee, I am really sorry, we could not fight for you. We gave that authority to President Bush. Especially when President Bush was Governor, he supported a minimum wage of $3.35 cents an hour in Texas, and he is trying to roll back environmental standards in our own country. Talk to Jim Jeffords about it. Talk about how this President said he was going to do something about global warming and not only backed out of Kyoto but now does not want to do anything about CO2.

Why on Earth would we give over our authority and our vote to someone who has not fought for the rights of workers? As a matter of fact, he fights ergonomics standards. He fights when we try to pass a minimum wage. He is fighting us on this. Why would we give up our rights to that kind of President? It does not make sense.

In closing, I want to read a letter I found in the New York Times in the Metropolitan Diary:

> Dear diary:
> Got out of bed:
> Took off my pajamas—made in Guatemala.
> Put on my shorts—Brooks Brothers imported fabric.
> T-shirt—Dominican Republic.
> Terry robe—Pakistan.
> Slippers—China.
> Drank my coffee—Colombia.
> Put on my pants—China.
> Golf shirt—Peru.
> Socks—Korea.
> Belt—Uruguay.
> Zipper jacket—Korea.
> Drove to the mall.
> Which countries will I discover today?
> Good morning, America.
>
> It is signed Henry Karig.

If all these nations treated their workers fairly, had good environmental standards, up to our standards, I would not be here today because I would give fast-track authority for a treaty where we are negotiating with someone who is our equal. But we are giving this President the broad authority to walk in and, frankly, negotiate the rights of our workers, our families, and our environment.

I hope we adopt the Durbin amendment. I think it is a solid amendment. I thank the Chair.

Mr. DURBIN. Madam President, how much time do I have remaining?

The PRESIDING OFFICER. Five minutes 19 seconds.

Mr. DURBIN. I thank the Senator from California for her words of support.

Senator HATCH said the Durbin amendment makes it tougher on the President. I remind my good friend from the Senate Judiciary Committee and my colleague from Utah that the Constitution makes it tough on the President. Article I section 8 says:

> The Congress shall have Power . . . To regulate Commerce with foreign Nations . . .

Every President would like to see that stricken from the Constitution so they do not have to worry about this meddlesome interference from Congress. Congress comes in here representing all these people, all these businesses, all these farmers, all these ranchers, and Presidents do not have time for that. So they need fast track so they can have a fast track around Congress, give us a quick up-or-down, take-it-or-leave-it, thank-you-ma'am vote and go home. That is what this is about. It is a question of constitutional authority and whether Congress is going to vote to give away our authority under the Constitution which we have sworn to uphold and protect.

Also, the Senator from Montana has said his bill is going to dedicate us to ''pursuing international labor objectives.'' My amendment goes further. It does not talk about pursuing them. It says implement and enforce them. Do my colleagues know the difference? I can pursue a career in the movies for as long as I want. I do not think I am going to get it. But if I am told that I have to get one, get out to Hollywood and get busy, I take it a little more seriously. That is what the Durbin amendment does when it comes to labor standards.

This has been characterized—and it is typical in debate—as a killer amendment. Allow me to respond. Without this amendment, the Baucus-Grassley bill is going to, frankly, put us in a position where we will be killing jobs in America.

To say we have a strong adjustment assistance section is like saying: I am sorry I have to spread disease across America, but the good news is we are going to open more hospitals. In this case, we are saying: We know we are going to lose jobs to these trade agreements; the good news is we will keep your family together for a few months and give you health insurance. How is that for a deal? Not a very good one.

Frankly, we should be saying we need expanded trade, we need trade agreements, but we need to work with countries that respect the basic standards and treatment of workers so we do not have exploited child labor, slave labor, and forced labor; so that workers around the world have the rights they have in the United States to bargain collectively and to associate together.

What is radical about this notion? For 70 years in America it has been one of our core values. Why isn't it part of our values when it comes to trade agreements? If we do not have it as part of our values, believe me, we are going to be continuing to lose jobs.

We have to have trade that is fair, and if we fail to pass this amendment, we are also going to kill environmental quality. Let's be very clear about this. These multilateral environmental agreements are not respected by the Baucus-Grassley bill. Our bill basically says if two countries have entered into these agreements, they will be respected. No trade agreement is going to supersede it. Should we not be striving for a cleaner environment around the world? Is it not important to us, whether it is in Mexico, Brazil, or Uruguay, that we have environmental standards? I think it is.

Expanding trade is good, but it is not always good. It should be done in the context of fairness, of rules that can be enforced, of standards and values that America is proud of so that when it is all said and done, we can say to the American workers: Roll up your sleeves and let's get ready to compete, you know we can.

We are competing against a country that is going to play by the same rules we are playing by or aspire to the same values, but the Baucus-Grassley bill says, no, do not force those standards; play to the lowest common denominator when it comes to labor standards, play to the lowest common denominator when it comes to environmental protection. That is not what we should do.

Before this Congress gives away constitutional authority established by our Founding Fathers, in a constitution we have sworn to uphold and protect, stop for a minute and think: Should we not put safeguards in this process so that the Senate and Congress have a voice, so that the American people have a voice, so that the millions I represent and others represent when the trade agreements come due understand they have the protection of a Congress that will fight for their rights, not an alternative of take it or leave it, up or down, thank you, ma'am, good-bye Congress?

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, my good friend from Illinois ridiculed the concept that if he pursued to be an actor or movie star, he would never be one. I might say I think the Senator is a great actor. I will nominate the Senator for an Oscar for best actor or best supporting actor. I think the Senator has a great career in the movies based upon this last performance.

In that vein, to be honest about all of this, we have to ask ourselves, what is best, given all the complexities we are dealing with? That is really the question. This bill is a huge step forward with respect to protecting labor and the environment overseas. It is massive compared to what we have done in the past. A basic question we have to ask ourselves is: Are we in favor of trade agreements or are we not? Generally, that is the basic question.

I think we should pursue trade agreements. There are some in this body who will vote against all of them, fast track or trade agreements. Let's not forget, most trade in this country has nothing to do with fast-track negotiating authority. Some of it has to do with some trade agreements that are reached without fast track. We are talking only about the very complex multilateral trade agreements. That is what fast track is about. Companies, employees, and people should pursue their economic objectives worldwide, irrespective of anything they call fast track.

In addition, there are lots of bilateral trade agreements that are negotiated and reached all around the world, irrespective of fast track. Fast track will only be used for the very complicated multinational trade agreements, and we have to delegate authority to the President because we are the only nonparliamentary government negotiating these agreements in most cases. That is in our separation of powers and in our Constitution. Other countries are not going to negotiate with the President knowing that the Congress can totally amend it according to our own particular State and congressional interests. They cannot negotiate with us. We have to, on the very complex agreements, have a fast-track negotiating authority. It is just a given. Otherwise, nothing happens on the very large, complex agreements we hope we can reach to knock down trade barriers around the world in agriculture and lots of other areas if we are really going to help our people get these trade barriers overseas knocked down, which is the real goal of all of this—to open markets. We need to pass this to get that done.

Second, we have to ask ourselves, do we want a partisan bill or a nonpartisan bill? We know we have a closely divided Senate. We have to have a nonpartisan bill. It has to be nonpartisan. The provision the Senator is advocating is totally partisan. It received not one vote from the Republican Party on the other side—not one vote on the floor or in committee.

Now, I am a Democrat. I am very proud to be a Democrat, but I am also a Montanan and an American, and I want practical results that really move us forward. This bill before us is that. It is a bipartisan bill. It is not a partisan bill. It is a bipartisan bill. It passed the committee 18 to 3, and it has strong bipartisan support in this body.

So if we really want to reach our objectives and get things done and work to try to solve these extremely complex problems—and they are complex—I believe we should do it on a bipartisan basis, not on a totally partisan basis. Even though I am a Democrat and strongly support the ideas of our party, we have to be practical about things and get some results as well.

Third, this is the most progressive fast-track bill this country has ever seen, by far. I understand some of the problems the Senator from Illinois is suggesting. We cannot let perfection be the enemy of the good. The Senator is seeking perfection. We cannot have perfection. His idea of perfection is totally opposite to some other Senator's idea of perfection, and we can think right now in our minds who that Senator might be.

We cannot let perfection be the enemy of the good. We have to find a good solution, a good result, and this underlying bill is just that. I ask my colleagues, therefore, to vote for the most progressive trade bill this body has ever seen. Unfortunately, that means voting against the amendment of my good friend from Illinois for all the reasons I have indicated.

Mrs. CARNAHAN. Mr. President, as we emerge from last year's recession, we must remain focused on promoting economic opportunities and creating jobs.

Expanding international trade can help our economy.

Our small and large companies, and our workers benefit when we open foreign markets to American goods. Our farmers and ranchers benefit when they can sell their agricultural products overseas and our families benefit when reduced tariffs lower the price of consumer goods.

However, as we look to expand economic opportunities through international trade, we should remember the Hippocratic oath that all physicians must take: ''First, do no harm.''

While we should strive to expand international trade, we must first do no harm to our economy and our workers.

Now more than ever as our Nation continues to lose manufacturing jobs. We must not allow our trading partners to gain unfair advantages at the expense of American workers.

Fair trade expands opportunities and creates jobs. Unfair trade ships opportunities and jobs overseas.

My State alone has lost nearly 40,000 manufacturing jobs since 1998. In fact, in fiscal year 2001 alone, Missouri lost 25,000 jobs. Jobs were lost in every region of the State.

Springfied, MO, used to be home to a Zenith Electronics facility that manufactured molded cabinets. Four-hundred and thirty residents of that community lost their jobs when the company closed down and moved to Mexico in 1994.

Lamy Manufacturing had been making pants in Sedalia, MO, for 132 years. They made pants for the army during World War II. The company was forced to close its doors and lay off approximately 350 workers in 1999 because of a flood of inexpensive imports.

Eight-hundred and twelve people lost their jobs last year when GST Steel shut down its plant in Kansas City. That closing marked the end of a plant whose history dated back to 1888.

And earlier this year, Ford Motor Company announced that it was closing its manufacturing facility in Hazelwood, MO. This plant employs nearly 2,600 people. It has been open since Harry Truman was in the White House.

The jobs we have lost are good jobs, the type of jobs that come with health benefits, and a pension, the type of jobs that enable you to pay the mortgage and put some money aside to pay for college or care for an elderly parent.

On April 2, the Los Angeles Times ran an article about this phenomenon entitled ''High Paid Jobs latest U.S. Export.''

The article told of the efforts of several U.S. manufacturers to lower their costs by moving facilities abroad.

Our government should not encourage these moves, which result in thousands of American jobs being exported to foreign countries. But this is precisely what happens when we sign trade agreements with countries that do not allow workers to form labor unions, countries that allow children to work in unsafe factories, and countries that produce cheap goods because their factories can wantonly pollute the environment.

I firmly believe that expanded international trade can benefit American companies, American farmers, and American workers. But unless we ensure that our trade agreements contain real labor standards, working families will continue to suffer and we will continue to lose American jobs.

President Bush has announced that he wants to expand NAFTA to the rest of the hemisphere and cared a Free Trade Area of the America. If we want to prevent even more jobs form being lost, we must ensure that an agreement to expand NAFTA contains meaningful protections for American workers.

That is why I support Senator DURBIN's alternative. His proposal strikes the appropriate balance between promoting trade and protecting jobs. It would give the President the authority he needs to pursue international trade agreements. And at the same time, it would ensure that those agreements do not threaten working families.

Workers in this country fought for years to gain the rights they currently enjoy: the right to organize; the ban on child labor; the 40-hours work week; and the minimum wage.

The Baucus-Grassley Amendment concerns me because it does not adequately protect working families. It doesn't require our trading partners to have any laws or regulation to protect workers. The amendment only requires that a country enforce its existing labor laws—regardless of how weak those laws may be.

How can we possible engage in fair trade with a country that permits 14-year-olds to work in factories?

How can we engage in fair trade with a country where the hourly wage is mere pennies an hour?

We cannot. And if we sign trade agreements with countries like this, and don't demand basic protections, we will continue to see American jobs evaporate.

To make matters worse, the Baucus-Grassley amendment contains a provision that actually allows a country to weaken its labor and environmental laws in order to attract investment.

This flies in the face of the concept of fair trade. In order for fair trade to truly exist, all of the nations involved must meet and maintain certain minimum requirements so American workers can compete fairly.

The proposal that Senator DURBIN has offered provide real protections. His amendment requires countries to implement and enforce five core standards. Those standards include: One, the right of association; two, the right to collectively bargain; three, a ban on child labor; four a ban on forced labor; and five, a ban on discrimination.

Ensuring that these minimum labor standards are included in our trade agreements will enable American workers to compete on a level playing field and help stop the loss of American jobs.

I believe in America's workforce. And I am confident that, given the chance to compete fairly, American workers will thrive.

I believe that the alternative that Senator DURBIN has put forward strikes the right balance.

This common-sense approach will enable all the working families of this Nation to enjoy the benefits offered by expanded international trade.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. I yield whatever time my friend from Utah desires.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, I also agree that the distinguished Senator would make an excellent actor. In fact, I am going to talk to our mutual friends at DreamWorks to make sure they extend an offer to him because I believe he could do much better than he is doing on the floor today.

Secondly, on the Constitution, we are going through this exercise because we control this process. The Finance Committee, 18 to 3, said we should have a process that works, and it should be a nonpartisan process that works. We have come very close to having a very partisan process as it is. We cannot take any more of these kinds of amendments and have a process that will work at all in the best interest of our country.

I am, of course, kidding my partner. I have a lot of respect for him. He is clearly a very intelligent and very articulate spokesperson for his point of view. But the fact is, it is not easy to get 18 votes in the Finance Committee on most issues. Our chairman has done a terrific job. So has our ranking member. We need to back them. We need to back our U.S. Trade Representative. He is a terrific human being, and he works very hard, as did his predecessors in the prior administration. I supported them.

This bill is an extremely important bill for our country, and I believe in the end it is an important bill for the world. We know our role in the world. We know we have to play that role, and we have to help many countries throughout the world.

I think it is a little ironic that some would suggest our country would not do what is right for the rest of the world, even though we cannot do everything the rest of the world wants, nor can we always please our friends in Europe or anybody else for that matter. But this bill will help us. This bill will help strengthen our economy. This bill will help every worker in America. This bill helps people who are not able to work right now.

I have said we have to have both TPA and TAA. I said it in committee. I want to compliment our leaders on the Finance Committee and our leaders on the floor. They have done a terrific job and they deserve backing. We ought to defeat this amendment.

I yield the floor.

Mr. DURBIN. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The Senator from Montana.

Mr. BAUCUS. I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

Is all time yielded back on the amendment?

Does the Senator from Montana yield back all time on the amendment?

Mr. BAUCUS. I do.

The PRESIDING OFFICER (Mr. KOHL). The question is on agreeing to the motion. The clerk will call the roll.

The senior assistant bill clerk called the roll.

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

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote ''yea.''

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

The result was announced—yeas 69, nays 30, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—69

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

NAYS—30

Akaka	Dorgan	Levin
Boxer	Durbin	Mikulski
Byrd	Feingold	Reed
Carnahan	Feinstein	Reid
Clinton	Harkin	Rockefeller
Conrad	Hollings	Sarbanes
Corzine	Johnson	Schumer
Daschle	Kennedy	Stabenow
Dayton	Kerry	Torricelli
Dodd	Leahy	Wellstone

NOT VOTING—1

Helms

The motion was agreed to.

Mr. REID. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I ask unanimous consent that upon disposition of the Gregg amendment, Senator DODD be recognized to offer an amendment related to environment and labor standards; that the next Democratic amendments following the Dodd amendment will be the following——

The PRESIDING OFFICER. The Senate will be in order.

Mr. DORGAN. Will the Senator restate the consent because I was not able to hear.

Mr. REID. I will be happy to.

Madam President, I ask unanimous consent that upon disposition of the Gregg amendment, which should be at around 11:30 tomorrow morning, Senator DODD be recognized to offer an amendment relating to environment and labor standards; that the next Democratic amendments following the Dodd amendment be the following; provided further, that if there is an amendment from the Republican side, then the amendments will be considered in an alternating fashion, as follows: Republican amendment, Rockefeller-Mikulski amendment regarding steel, Republican amendment, Kerry amendment regarding investors, Republican amendment, Dorgan amendment regarding Cuba, Republican amendment, Torricelli amendment regarding labor standards.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Madam President, reserving the right to object, are there time agreements on these amendments?

Mr. REID. No.

Mr. DORGAN. Can the Senator state it again? I apologize. I was unaware of this request. Can you tell me again the order of the amendments?

Mr. REID. I am happy to: Dodd, Republican, Rockefeller-Mikulski, Republican, Kerry, Republican, Dorgan, Republican, Torricelli.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Under the previous order, the Senator from New Hampshire is recognized.

AMENDMENT NO. 3427 TO AMENDMENT NO. 3401

Mr. GREGG. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 3427.

Mr. GREGG. Madam President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To strike the provisions relating to wage insurance)

Strike section 243(b) of the Trade Act of 1974 as added by section 111.

Mr. GREGG. Madam President, this amendment deals with one of the issues in the trade adjustment section of the bill. This bill, as has been mentioned in numerous discussions here, has four major sections, four major issues. One of them is trade adjustment.

First off, I do not think all these issues should have been joined. Historically, the Congress has taken up trade promotion authority, which used to be known as fast track, independent of these other issues. It has taken up trade adjustment as a freestanding bill. And certainly it has taken up the Andean trade preference bill as a freestanding bill.

They should not have been merged, but, unfortunately, they were merged. As a result of being merged, I believe a lot of language has been basically hooked to the train because they know the train is leaving the station.

The language, regrettably, is not good. It is not good policy. In fact, it is extremely detrimental policy. It should be rejected by the Senate. However, it is part of the package, and there is concern about the whole package going down if this language is deleted.

In my opinion, some of this language is so egregious, we as a Senate need to be on record about it, and we should defeat it. Two of these sections that are egregious, because they open huge new entitlement questions, are the health care section of the trade adjustment language and what is called the wage insurance section, wage subsidy section of the trade adjustment language.

The health insurance language has been talked about quite a bit. I have certainly talked about it. It basically, in a very haphazard way, addresses one of the fundamental issues we as a Congress have to address, which is how we deal with people who are uninsured in our society in health care. In my opinion, doing it in this very narrow way is taking a step down a path which will probably lead to having poor policy overall in the area of health insurance, something I have spent a lot of time working on in the Senate. Therefore, I think this is the wrong vehicle in which to have that type of language.

I am not addressing that tonight. What I have proposed is a motion to strike the wage subsidy language in this bill. What is wage subsidy? It is very important to understand this right upfront. What this is is a new concept, a concept which essentially says that if you lose your job as a senior citizen—not a senior citizen, I am not a senior citizen—if you lose your job and you are over age 50—although you do qualify to be a senior citizen over age 50; I get all these forms now that tell me I am a senior citizen—if you lose your job over age 50 as a result of a trade adjustment event, and then you go out and take another job, you will have a right—this is the point, the big point of context—you will have a right to receive, if the second job you take pays you less than the job you lost as a result of trade activity, you will have a right to get from the taxpayers of America up to $5,000 to make up the difference between the job you lost and the job you have taken.

This is a concept which, as I mentioned earlier, is in great vogue in places such as Italy and France but which goes fundamentally against the free market society we have in our country and which has been the dynamic that has made our society so strong. That dynamic is essentially this: We have a marketplace which says we want people to be the most productive they can be; we want them to have jobs where they are going to obtain the best benefit, not only for themselves but the best benefit for the whole, by doing the best they can in a job that is producing economic activity that is benefiting everyone.

The way you do that is you allow the marketplace to decide what a person's value is within the marketplace, and the person can move from job to job and improve their standing and, as a result, improve their own personal income but also improve the economic activity of the whole country.

What this bill is proposing is that we no longer do that, that we reward people for taking a less efficient job, for taking a job where they are less productive, and for taking a job which basically is less of an incentive for them to be productive than what they presently have, and we are going to reward them for that. We are going to reward them for stepping out of the mainstream of the marketplace, where they have been successful, and stepping backwards.

It is really a unique concept for us as a country to pursue at this time. It is especially ironic in light of what has happened in such other industries; for example, the whole technology industry, where you had a huge reorganization as a result of the late 1990s activities and the Internet and the boom in the Internet and then the bust in the Internet, people having to move from job to job.

Suddenly we are going to say we no longer have any confidence in the marketplace. We are going to tell people, you can take a lesser job, be less productive, but we will pay you more money and use tax dollars to do it. It is a concept which is used in France and Italy, but it certainly is not appropriate here.

I want to talk about the specifics of how this is structured. The structure of it is also unique. It abandons all the basic rules and regulations under the present trade adjustment authority. Then I want to talk about the philosophy of it.

To outline what it does, it says, if you lose a job as a result of trade and you are over 50 years old and you get a new job within 26 weeks and the new job pays less than the old job, then the taxpayers will make up the difference up to $5,000 if the job pays less than $50,000. It does not require any training. It does not require that you choose a similar or suitable job that is available.

In other words, if there is a job out there that is equal to what you are presently doing and you can have that job or you want to take a different job that pays a lot less—I can think of a lot of reasons somebody might want to do that if they are over 50 years old—then you can take that job that pays less and the taxpayers have to make up the difference. You do not have to take a similar or suitable job.

It does not require that you remain in the community, which is something the trade adjustment clause has required. There is no limitation based on necessity, and the program does not consider whether wage rates at the new employer have been altered or negotiated or manipulated to basically make a deal.

These are all big issues. There is no requirement that the relationship be arm's length between the new job you take that is subsidized by the taxpayer and the old job that you lost. There is no protection afforded to other workers who may be displaced. It just runs to the people who are over 50 years old and who are subjected to trade adjustment.

The fact that there is no training required flies in the face of the whole concept of the trade adjustment proposal. Anybody who has spent any time with trade adjustment knows its real strength is that it says to a person who loses their job because the industry they are in maybe can't compete with products coming in as a result of a trade agreement or for some other reason—we say to that person, we are going to give you all sorts of training options so you can improve your position, improve your knowledge base, and move forward, hopefully to a higher level job in a different sector that has not been so significantly impacted by trade.

That is one of the key ingredients to trade adjustment. The wage subsidy has absolutely no training requirement. So it basically throws out one of the key components of trade adjustment.

Another key component is that if there is a similar or suitable job available, you should take it. Why shouldn't you? Let's say you are working for an employer for whose product you have a skill that you have developed but the employer didn't do a good job competing in that area. That skill is unique and it is special. And there is another employer over here across the street who is making the same product and is competing well in the international marketplace. If that job is available to you, you should take it. Under trade adjustment, you are supposed to take it.

Under this proposal, you don't have to take that job. You don't have to take a similar, suitable job. So basically it throws out the concept that people should be encouraged, before they start getting Federal benefits, if the availability is there, to move laterally and even move up. No. Instead, you can take a lesser paying job where you are less productive and the taxpayer comes in and pays you $5,000 to do it.

You don't have to remain in the community. One of the keys to the whole concept of trade adjustment was that you would remain in the community. This is a bill that is structured around the concept of trying to keep people and communities vibrant when they are hit by a huge trade event. That grew out of the textile and clothing fights, problems not only in the South but in the North.

In my State, where we had all our shoe factories closed, all our textile mills closed, we have recovered dramatically because the people who were working in those textile mills and those shoe mills moved into industries which were competitive and which involved being retrained. Actually they ended up, in most instances, with higher paying jobs; certainly their kids did. By staying in those communities, they are being productive citizens. That is a concept.

Under this bill, you can leave the State, move across the country, and take a job somewhere else. And if it pays you less than what your old job paid you, even though there may be lots of jobs in the community that paid you more, you just wanted a job that paid you less, the taxpayers pay you $5,000 for taking that job and for leaving your community. It is an incentive to leave your community rather than an incentive to stay.

It does not require any showing of need before the person gets this money. It is just basically a payment. If you meet the requirement of $50,000, you get paid.

There are a lot of people out there who might have personal assets, wealth, or who may be part of a family who has an income who certainly doesn't need a $5,000 subsidy coming from the Federal Government.

Other taxpayers are working hard. There should be, obviously, some threshold standard to meet as to assets which the person has, or as to what their income is as a family, rather than simply sending them the money.

A steelworker might get laid off from a steel plant. He or she may go to work for his or her son who runs a construction company, take a significant cut in pay, have the taxpayers pay a $5,000 supplement.

Basically, this is a great deal for the son. He gets an employee with $5,000 of the cost of that employee picked up by the taxpayers. No arm's length necessity, no limitations on arm's length transactions, no requirement that they be arm's length, no requirement that there be any review for the purposes of fraud or abuse.

There could be all sorts of deals made out there—and I can see them actually occurring—where somebody closes a plant, alleges it is trade adjustment, reopens another facility, or has somebody else reopen another facility—I am not talking large numbers of people here maybe—and they work it out for a couple years where these employees will get this $5,000 payment from the taxpayers and they do not have to pay it. As a result, they have a huge windfall and a gaming of the system. It is a very distinct possibility.

Of course, without the arm's length transaction, there are all sorts of implications for the ways this could be gamed by somebody. One does not even have to be that creative to game the system.

The actual language of this section is poorly drafted, to be kind, and has significant problems substantively in its application beyond the policy problems—beyond the huge policy problems—of being a totally new approach to how we address our productivity as an economy and how we approach market forces in our economy.

It is important to remember that the TAA proposal had some core purposes. I alluded to them, but one of them is, of course, to retrain people who are dislocated. It has had tremendous success in this area. In fact, in 2001, 75 percent of dislocated workers who sought service got jobs and averaged 100 percent of their predislocation earnings. Furthermore, 86 percent were still working after 6 months in those new jobs.

The theme of trade adjustment is: Give people training so they can move to a new job when they lose a job and have that job be a better job. That is logical; that makes sense.

Unfortunately, this proposal says: No, we are going to tell people when they lose their job, to get a job that pays them less, which means they are less productive; and it also probably means they have chosen a different type of activity that is maybe more lifestyle appropriate to them, but they are doing it all at a subsidy from the taxpayers.

It is not too farfetched to presume that if you are 50 years old and you lose your job through trade adjustment and you are working in the Northeast that you may want to go to Florida or you may want to go to Arizona or New Mexico because you are tired of the snow, you are tired of the winters. All that shoveling does catch up with you when you get a little older sometimes and trying to get your car started in the cold weather.

Madam President, you can see where this proposal is going, basically, to create a huge incentive for people to leave those communities in the North, move to the Sun Belt, take jobs that pay significantly less, have the taxpayers send them $5,000 as a benefit, and go into, basically, semiretirement. We could almost call this the ''Disney World Employment Act.'' Disney World is going to be overwhelmed with people in their fifties who want to come down and maybe do the Adventure Ride and the Jungle 3 days a week and spend the rest of the time enjoying Florida's weather and golf courses and get a $5,000 bonus.

That is not the concept of trade adjustment. If somebody wants to do that, that is fine, but the guy or woman who is out there working on a factory line somewhere paying taxes or working in a restaurant paying taxes or working in a computer company paying taxes should not have to subsidize that sort of mismanagement of our economy, that sort of activity which is going to basically redirect

productivity to nonproductive activity and take tax dollars to do it.

The way the bill is drafted flies in the face of all the basic policy we have passed in Congress relative to age discrimination. Basically, the concept of age discrimination we passed has been that when people hit age 50 or 55 and want to work, they should not be discriminated against in maintaining and improving their position in the workplace.

What this bill says is: When you reach age 50, we are going to create an economic incentive for you to reduce your productivity and to reduce your position in the workplace. It is totally inconsistent with the Age Discrimination Act and the Older Americans Act because it is basically subscribing to a theory that when you hit 50, you should be pushed into a job that pays you less and have the taxpayers come along and subsidize it.

That is the opposite of what we thought the Age Discrimination Act was. The purpose of the Age Discrimination Act was when somebody reaches 50, they cannot be pushed out of their job because of their age and they should be encouraged to continue to improve in their productivity by growing in their job.

The language says if a person is over 50 and loses their job, we do not have any confidence they can find another job that is going to pay them more; we do not have any confidence they can go through trade adjustment training and improve their position; we do not believe what we said in the Age Discrimination Act or the Older Americans Act.

No, rather, this language believes you cannot teach an old dog new tricks. So instead of trying to teach him new tricks, we are going to pay him $5,000 a year to forget everything he knew, everything he learned at his workplace, and take a lesser job. What an outrageous policy that is.

On the specifics, this language, first, is terribly drafted because it has no training requirement, no requirement that similar and suitable jobs be taken, no requirement you remain in the community, no requirement that it be based on necessity, no requirement for arm's length, no requirement you check for fraud and abuse, no requirement there be a necessity, some sort of test as to whether or not the person should get the $5,000, and it does not protect anybody else except people over age 50 and actually creates an incentive which flies in the face of all the age policy, antidiscrimination language we passed in this Congress for the last 10, 15, 20 years.

Other than that, it is a great idea. Beyond those specific problems in the drafting, there is a bigger issue at stake and it goes to something I mentioned earlier and have alluded to, and that is the question as to how our economy remains resilient.

I happen to believe, and I think there are a lot of people who agree with this, especially ironically in Europe and in Japan today, that one of the key elements of the resiliency of our economy is the flexibility of our workforce and the fact that we have a workforce which is dynamic and is capable of moving with the times from jobs to jobs which are more and more competitive.

I take my State as the classic example. Twenty years ago in my State—maybe 30 years ago now—we were a textile, woolen mill, shoe factory State, where most of the people worked in large factories. In fact, up through the middle part of the last century, we had the largest continuous mill in the world in Manchester, NH. It was built in the 1800s and functioned right into the 1900s. Then everybody moved to the South. All our textile mills closed, our shoe mills closed, and they took all this business down south where they could get a different wage rate.

So New Hampshire had to adjust. I remember when I was growing up in Nashua, NH, we lost our single biggest employer. They left the city and we had to adjust. So those people in the mills that had been textile and shoe mills had to find something else to do. They started moving into technology-related activities. Slowly, we developed this technology-based economy to the point where today more people on a per capita basis work in technology-based activities in New Hampshire than in any other State in the country.

What has been the practical impact? It has meant that we went from a per capita income which was in the mid-thirties—relative to other States we were about 35th, 36th in the country in the 1960s and 1970s—to a per capita income which is now fourth in the country. That has been a function of the fact that we have not changed our people but we have retrained our people. Our people have shown the initiative and the creativity to take new jobs, different jobs, and people have come to New Hampshire to employ them. Jobs have been created in New Hampshire, and we have created an economic climate where we have seen this huge expansion.

This is not a unique New Hampshire story. This is an American story. We, as a culture, are constantly moving through different forms of value-added activity where we create new concepts, new initiatives, whether it is in the technology area or whether it is in the medical area or whether it is in the widget area or whether it is in the Starbucks area. There is always a new idea in America that is creating jobs and activity.

Regrettably, on the other side of the coin there are quite often industries which have not kept up with the times or which can no longer compete for some reason with some international company that maybe is able to do something at a lower wage.

Those people who are in those jobs for the most part find themselves with opportunities in other industries which are growing. We have not pursued the Italian model where, when you get a job, you have that job for life, literally have it for life, and that company cannot fire you, or the French model which essentially says, when you get a job, first you do not have to work too hard and, second, if you lose that job you are basically taken care of as if you still had the job and you get to retire very early.

In fact, I remember the truckdrivers in France about 3 years ago struck because they wanted to be able to retire at full pay when they were 55. Well, the life expectancy has extended quite a bit, so basically you had people working half their working lives and retired half their working lives, and they basically ran out of money. It becomes a pyramid that is inverted after a while in the classic Mark Twain story where there is only one person still working and everybody else is taking, which totally undermines productivity when there is that sort of approach to the economic structure of your country in what amounts to an alleged market economy.

We have not pursued that course. We have instead pursued a course to maintain flexibility. We want people to be able to move up and always improve, and if somebody has gone on hard times because the competition from an international commodity has been overwhelming and they have lost their job because of it, we have trade adjustment to help train that person and move up and improve their life. We do not want to say to that person, you should move down in your economic activity, you should slow your productivity, you should reduce your efficiency, you should take a job which we, the taxpayers, or everybody in America, all taxpayers, have to end up subsidizing so that you can have a job that pays you less where you probably are asked to do less and where the skills which you have are probably not adequately used.

If you as a citizen lose your job because of trade adjustment, whatever the job might be—steel is being talked about today so let's say it is steel—and there is not a similar job—if there was a similar job, theoretically you should take it but, of course, under this language you do not have to—but you decided that you wanted to go to Florida and become a greens keeper, that was always your dream and you were 50 years old and you thought you might be running out of time and you wanted to be on that golf course every day and play a little golf when you were not working on the golf course, or maybe be a part-time golf pro, that is your right. You can do that, but there is absolutely no reason that we should come along and, as a society, subsidize your taking that position and doing that job which basically you are overqualified to do.

You could do something else if you wanted to that would pay you significantly more and which would be much better in the sense of the overall economy potentially.

This is one of the worst ideas to come down the pike in a long time. It, obviously, arises out of a philosophy which is attracted to the way things occur in France and in Italy. It is a 1950s form of economics which was in vogue at one time, sort of a quasi-socialist view of the world which says essentially that someone should always be able to receive a benefit from the government, even if they are making choices which are basically counter to what the government policy should be.

It is a view of the world which seems to have incredible disregard for those Americans who are working and who are paying taxes, because it is essentially saying to those Americans who are working hard every day and paying taxes, we are going to subsidize someone to the tune of $5,000 to take a job they do not necessarily need to take in many instances, but we are going to subsidize them, and then we are not going to ask that person to train. We are not going ask that person to take a similar job. We are not going to ask that person to stay in the community. We are not going to find out whether that job was agreed to at arm's length. We are not going to check on the abuse. We are not going to check on even whether the person needs the job from a financial situation. We are simply going to pay that person $5,000 to take less of a job, simply because they were allegedly put out of work as a result of a trade event and because they are over 50 years of age.

It delivers the wrong message to somebody who is working pretty hard, who is under 50 years old and happens to lose their job because they do not have this opportunity. It clearly delivers the wrong message to somebody who is working very hard trying to make ends meet, paying a significant amount of their income in taxes, and suddenly finds they are supporting someone to the tune of a $5,000 benefit that creates less efficiency, less marketplace productivity, and undermines the basic concept of our approach as a nation to how one remains vibrant in a competitive world.

So this language, I would hope, would be deleted. Tomorrow we will have a vote on it. I appreciate the courtesy of the Senate, and especially the staff of the Senate, for listening.

I yield the floor.

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

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

Mr. REID. Mr. President, I ask unanimous consent that the next Democratic amendments in order following the Torricelli amendment be a Landrieu amendment regarding maritime workers, a Harkin amendment regarding child labor, and a Reed of Rhode Island amendment regarding secondary worker TAA benefits. These, of course, will be interspersed with the Republican amendments, if they choose to offer them.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators allowed to speak therein for a period not to exceed 5 minutes each.

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

RUSSELL JANICKE

Mr. REID. Mr. President, I would like to take a moment to commend Russell Janicke on his successful tour as Commanding Officer of the U.S.S. *Louisville*. Under Russell's command, the *Louisville* has demonstrated superior tactical and operational competency, pioneered new tactics, and excelled in joint operations.

Russell was recently awarded the Retention Excellence Award for fiscal year 2000. This pennant recognizes ships, aircraft squadrons, shore commands and other units and organizations for achieving high levels of personnel retention—getting sailors to reenlist and stay in the Navy at the end of their first, second, and later terms of enlistment. It is awarded by the two fleet commanders in chief as well as by the commanders of other major commands.

This award is a visible recognition of Russell's commitment to maintaining a command climate that promotes retention. Russell's command's proactive personnel programs have led him to achieve the highest levels of retention excellence and have helped to reduce attrition. By receiving this award along with others, and praise Russell and his crew has received for successful missions, are testimony to his leadership qualities.

Sincere congratulations to Russell on a job well done.

AFGHANISTAN

Mr. HATCH. Mr. President, as the loya jirga process moves forward in Afghanistan, all of us must realize that U.S. security depends on a political solution in that far-away country that truly creates functioning stability there. All of us know what the costs of an unstable Afghanistan have been—those costs were delivered to us on September 11.

A political solution in Afghanistan, in my opinion, cannot rely solely on the Northern Alliance leaders who control many aspects of the government today. While we have had numerous military successes in Afghanistan, we must be as serious about our commitment to a truly multi-ethnic political resolution to the country's current ingovernability.

Last week, Dr. Marin Strmecki, a scholar on Afghanistan for the past 20 years, a fine intellectual who served on my staff many years ago, wrote an excellent analysis in the National Review. I have much respect for Dr. Strmecki's analysis and would urge my colleagues to read it. I ask unanimous consent that this article be printed in the RECORD.

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

[From the National Review, May 20, 2002]

WINNING, TRULY, IN AFGHANISTAN

(By Marin J. Strmecki)

In late March, President Bush placed a call to Prime Minister Silvio Berlusconi of Italy that led to the delay of the departure from Rome of the former king of Afghanistan, Zahir Shah. The king had wanted to return to his war-torn country in the hope of reunifying it—but the U.S. had credible information that there would be an attempt on his life. The most dismaying aspect of this news was that the ringleaders of the plan were members of the Northern Alliance, an Afghan faction closely aligned with the U.S. and propelled into Kabul by the U.S. rout of the Taliban.

This episode illustrates a growing danger: Despite having won militarily in Afghanistan, the U.S. may still lose politically. A complete victory would mean a pro-Western government in Kabul, one that would mop up the remnants of al-Qaeda and cooperate in the larger regional war. But if the U.S. doesn't change its policies soon, radical Islamists could end up in the driver's seat in Afghanistan.

The critical error came last fall, when U.S. officials selected their principal Afghan allies. The Bush administration opted against working with ''the Rome group,'' a faction of Western-oriented Afghans (including the former king) who sought to recreate the country's moderate and secular pre-1978 government. Though it had no forces in the field, the Rome group could have rapidly mobilized sympathetic commanders and fighters, particularly in Taliban strongholds in southern and eastern Afghanistan. The U.S. chose instead to ally itself with the Northern Alliance, a faction supported by Iran and Russia and in control of about 10 percent of the country.

The Northern Alliance was a dubious choice. Two of its principal leaders, Burhanuddin Rabbani and Abdul Rasul Sayyaf, are major figures in the jihadist movement and were close associates of Osama bin Laden in the 1980s. When Rabbani served as president in the early 1990s, his administration granted visas to the foreign elements of al-Qaeda. Also, he and his party, Jamiat-i-Islami, sought to seize dictatorial power, with his secret-police and interior ministries, led by Qasim Fahim and Yunus Qanooni respectively, killing thousands of members of other political groups. Moreover, Rabbani's Tajik-led military forces carried out atrocities against ethnic Pashtuns in many areas, abuses that contributed greatly to the outbreak of the civil war out of which the Taliban emerged.

Not surprisingly, when Northern Alliance forces rolled into Kabul last fall, its leaders picked up where the Rabbani government had left off. Rabbani himself reoccupied the