

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

PROTECTIONISM HAPPENS TO BE CONGRESS'S
JOB

(By Ernest F. Hollings)

Free trade is like world peace—you can't get there by whining about it. You must be willing to fight for it. And the entity to fight for free trade is the U.S. Congress.

Instead, Congress—whose members are shouting “fair trade” and “level the playing field”—is the very group tilting the playing field when it comes to trade.

By piling items onto the cost of doing business here, Congress has helped end the positive trade balance that the United States ran right up until the early 1980s. Over the past 40 years, the minimum wage went up, the Environmental Protection Agency was established, and the Occupational Safety and Health Administration was set up. Lawmakers added the Equal Pay Act, the Age Discrimination in Employment Act and the Employment Retirement Income Security Act. Then came the sharp increase in payroll taxes for Social Security in 1983, measures requiring plant closing notice and parental leave, and the Americans With Disabilities Act. Health costs increased, too, making it \$500 a car cheaper in health costs alone for General Motors to make Pontiacs in Canada. All this helped give us a trade deficit that hit a record \$43.1 billion in January alone.

Even if wages were equalized, it would still pay for U.S. companies to move operations to places such as China, which requires none of these aspects of America's high standard of living. Recently, columnist George Will wrote: “The export of jobs frees U.S. workers for tasks where America has a comparative advantage.” But in global competition, what matters is not the comparative advantage of our ability so much as the comparative disadvantage of our living standard.

To really level the playing field in trade would require lowering our living standard, which is not going to happen. We value our clean air and water, our safe factories and machinery, and our rights and benefits. Both Republicans and Democrats overwhelmingly support this living standard and many are prepared to raise it. The only course possible, then, is to protect the standard.

To talk in these terms raises cries of “protectionism.” But the business of government is protection. The oath of the public servant is “to preserve, protect and defend.” We have the Army to protect us from enemies without and the FBI to protect us from enemies within. We have Medicare and Medicaid to protect us from ill health, and Social Security to protect us from poverty in old age. We have the Securities and Exchange Commission to protect us from stock fraud; banking laws to protect us from usurers; truth in lending laws to protect us from charlatans.

When it comes to trade, however, multinational corporations contend that we do not need to protect, but to educate and to improve skills; productivity is the problem, they say. But the United States is the most productive industrial nation in the world, with skills galore. BMW is producing better-quality cars in South Carolina than in Munich. There are other obstacles that need addressing. For 50 years we have tried to penetrate the Japanese market, but have barely done so. To sell textiles in Korea, U.S. firms must first obtain permission from the private Korean textile industry. If you want to sell in China, it's a lot easier if you produce in China.

“But we will start a trade war,” is the cry. Wake up! We have been in a trade war for more than 200 years. And it's the United

States that started it! Just after the colonies won their freedom, the mother country suggested that the United States trade what we produced best and, in exchange, Britain would trade back with what it produced best—as economist David Ricardo later described in his theory of “comparative advantage.” Alexander Hamilton, in his famous “Report on Manufactures,” told the Brits, in so many words, to bug off. He said, we are not going to remain your colony shipping you our natural resources—rice, cotton, indigo, timber, iron ore—and importing your manufactured products. We are going to build our own manufacturing capacity.

The second bill ever adopted by Congress, on July 4, 1789, was a 50 percent tariff on numerous articles. This policy of protectionism, endorsed by James Madison and Thomas Jefferson, continued under President Lincoln when he launched America's steel industry by refusing to import from England the steel for the Transcontinental Railroad. President Franklin Roosevelt protected agriculture, President Eisenhower protected oil and President Kennedy protected textiles. This economic and industrial giant, the United States, was built on protectionism and, for more than a century, financed it with tariffs. And it worked.

The Washington mantra of “retrain, retrain” comes up short. For example, Oneita Industries closed its T-shirt plant in Andrews, S.C., back in 1999. The plant had 487 employees averaging 47 years of age. Let's assume they were “retrained” and became 487 skilled computer operators. Who is going to hire a 47-year-old operator over a 21-year-old operator? No one is going to take on the retirement and health costs of the 47-year-old. Moreover, that computer job probably just left for Bangalore, India.

In global competition there is a clash between standards of living. I supported free trade with Canada because we have relatively the same standard of living. But I opposed free trade with Mexico, and therefore voted against the North American Free Trade Agreement (NAFTA), preferring to raise the standards in Mexico, as Europe did with Portugal, Spain and Greece before admitting them to Europe's common market. To be eligible for a free trade agreement you should first have a free market, labor rights, ownership of property, contract rights, rights of appeal and a respected judiciary. Mexico lacked these, and after NAFTA there was an immediate flow of jobs out of the United States because of Mexico's lesser standards. Australia, on the other hand, has labor rights, environmental rights and an open market, so the trade agreement reached with Australia this month should be approved.

We must engage in competitive trade. To eliminate a barrier, raise a barrier. Then eliminate them both.

Our trouble is that we have treated trade as aid. After World War II, we were the only country with industry, and in order to prosper we needed to spread prosperity. Through the Marshall Plan, we sent money, equipment and expertise to Europe and the Pacific Rim. And it worked. Capitalism defeated communism in the Cold War. Our hope in crying “free trade” was that markets would remain open for our exports. But our cries went unheeded, and now our nation's security is in jeopardy.

National security is like a three-legged stool. The first leg—values—is solid. Our stand for freedom and democracy is respected around the world. The second leg of military strength is unquestioned. But the third leg, the economic leg, is fractured and needs repair. We are losing jobs faster than we can create them. Some time ago the late Akio Morita, founder of Sony Corp., was lec-

turing leaders of third-world countries, admonishing them to develop their manufacturing capacity to become nation states. Then, pointing at me in the audience, he stated, “That world power that loses its manufacturing capacity will cease to be a world power.”

What should we do? First, we need to stop financing the elimination of jobs. Tax benefits for offshore production must end. Royalty deductions allowed for offshore activities must be eliminated, and tax havens for corporations must be closed down.

Next, we need an assistant attorney general to enforce our trade laws and agreements. At present, enforcement is largely left to an injured party. It can take years to jump over legal hurdles. Then at the end, based on national security, the president can refuse to implement a court order. Rather than waste time and money, corporate America has moved offshore.

We need to organize government to produce and protect jobs, rather than export them. The Commerce Department recently co-sponsored a New York seminar, part of which advised companies on how to move jobs offshore. This aid for exporting jobs must stop. The Department of Commerce should be reconstituted as a Department of Trade and Commerce, with the secretary as czar over the U.S. trade representative. The department's International Trade Administration should determine not only whether goods have been dumped on the U.S. market, but how big the “injury” is to U.S. industry. The International Trade Commission should be eliminated.

While it is illegal to sell foreign-made goods below cost in the U.S. market (a practice called dumping), we refuse to enforce such violations. The Treasury Department reports \$2 billion worth of illegal transshipments of textiles into the United States each year. Customs agents charged with drug enforcement and homeland security are hard-pressed to stop these transshipments. We need at least 1,000 additional Customs agents.

It won't be easy. A culture of free trade has developed. The big banks that make most of their money outside the country, as well as the Business Roundtable, the Conference Board, the National Association of Manufacturers, the U.S. Chamber of Commerce, the National Retail Federation (whose members make bigger profits on imported articles) and the editorial writers of newspapers that make most of their profits from retail ads—all these descend on Washington promoting “free trade” to members of Congress. Members looking for contributions shout the loudest.

Not just jobs, but also the middle class and the strength of our very democracy are in jeopardy. As Lincoln said, “The dogmas of the quiet past, are inadequate to the stormy present. . . . As our case is new, so we must think anew, and act anew. We must disenthrall ourselves, and then we shall save our country.”

Today's dogma is the belief that protectionism will mean trade war and economic stagnation. But we are already in a trade war, one from which the president and the Congress are AWOL.

ADDITIONAL STATEMENTS

TRIBUTE TO EARLE C. CLEMENTS JOB CORPS CENTER

• Mr. BUNNING. Mr. President, today I would like to take the opportunity to honor the Earle C. Clements Job Corps

Center in Morganfield, KY. One of Job Corps' oldest centers, Earle C. Clements, and its dedicated staff will be marking their 39th anniversary on Wednesday, April 7.

The shining record of the Earle C. Clements Job Corps Center is a strong example of the way Job Corps works. When I visited this center in August of 2002, I had the pleasure of witnessing firsthand the competent dedication with which the staff at this Job Corps Center approach the problems of men and women looking for a job and a way to better their lives. The work carried on at the center fills me with confidence that the Federal Government can rely on these men and women to train the American workforce for the needs of the economy and of the American people.

The importance of Job Corps and of the Earle C. Clements Center cannot be underestimated. A skilled workforce is the key to a strong economy, to happy and prosperous citizens, to a well-run government, and to a strong nation. The men and women who make our economy work are the backbone of America. Without them our great Nation would be forced to collapse on itself. Training the workforce of America is not simply an isolated act of kindness: every worker also makes an important contribution to the United States that enables it to succeed economically. I believe that a prosperous United States is not only good for the American people but good for the world.

I ask that my colleagues join me in honoring the 39 years of excellence and dedication of the Earle C. Clements Job Corps Center in Morganfield, KY. Their years of service and dedication have earned the praise and gratitude of the Senate. I hope for the very best in their continued years of service.●

HONORING THE ACCOMPLISHMENTS OF TYLER BROWN

● Mr. BUNNING. Mr. President, I pay tribute and congratulate Tyler Brown of Louisville, KY, on his reception of the Lyman T. Johnson Distinguished Leadership Award given to him by the Louisville Central Community Centers. This award is given to an adult and a youth for outstanding volunteer work.

Tyler Brown has proven himself to be an ideal volunteer. While he is only 16 years old, he has already done more volunteer work than many people will do in their whole life. He has worked with Habit for Humanity in Colorado, Florida, and even in Canada. He is also very active in his church, Bethlehem Baptist, where he gives his time to their Dare to Care program in addition to numerous other projects.

The citizens of Louisville are fortunate to have a young man like Tyler Brown in their community. His example of dedication, hard work, and compassion should be an inspiration to all throughout the entire Commonwealth.

He has my most sincere appreciation for his work and I look forward to his continued service to Kentucky.●

MESSAGES FROM THE HOUSE

At 12:16 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 2057. An act to require the Secretary of Defense to reimburse members of the United States Armed Forces for certain transportation expenses incurred by the members in connection with leave under the Central Command Rest and Recuperation Leave Program before the program was expanded to include domestic travel.

S. 2231. An act to reauthorize the Temporary Assistance for Needy Families block grant program through June 30, 2004, and for other purposes.

S. 2241. An act to reauthorize certain school lunch and child nutrition programs through June 30, 2004.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3036. An act to authorize appropriations for the Department of Justice for fiscal years 2004 through 2006, and for other purposes.

H.R. 3104. An act to provide for the establishment of separate campaign medals to be awarded to members of the uniformed services who participate in Operation Enduring Freedom and to members of the uniformed services who participate in Operation Iraqi Freedom.

H.R. 3966. An act to amend title 10, United States Code, to improve the ability of the Department of Defense to establish and maintain Senior Reserve Officer Training Corps units at institutions of higher education, to improve the ability of students to participate in Senior ROTC programs, and to ensure that institutions of higher education provide military recruiters entry to campuses and access to students that is at least equal in quality and scope to that provided to any other employer.

ENROLLED BILLS SIGNED

At 5:35 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 2584. An act to provide for the conveyance to the Utrok Atoll local government of a decommissioned National Oceanic and Atmospheric Administration ship, and for other purposes.

S. 2057. An act to require the Secretary of Defense to reimburse members of the United States Armed Forces for certain transportation expenses incurred by the members in connection with leave under the Central Command Rest and Recuperation Leave Program before the program was expanded to include domestic travel.

The following enrolled bills, previously signed by the Speaker of the House, were signed by the Acting President pro tempore (Mr. COLEMAN).

S. 2231. An act to reauthorize the Temporary Assistance for Needy Families block grant program through June 30, 2004, and for other purposes.

S. 2241. An act to reauthorize certain school lunch and child nutrition programs through June 30, 2004.

At 6:54 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4062. An act to provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through June 4, 2004, and for other purposes.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3036. An act to authorize appropriations for the Department of Justice for fiscal years 2004 through 2006, and for other purposes; to the Committee on the Judiciary.

H.R. 3104. An act to provide for the establishment of separate campaign medals to be awarded to members of the uniformed services who participate in Operation Enduring Freedom and to members of the uniformed services who participate in Operation Iraqi Freedom; to the Committee on Armed Services.

H.R. 3966. An act to amend title 10, United States Code, to improve the ability of the Department of Defense to establish and maintain Senior Reserve Officer Training Corps units at institutions of higher education, to improve the ability of students to participate in Senior ROTC programs, and to ensure that institutions of higher education provide military recruiters entry to campuses and access to students that is at least equal in quality and scope to that provided to any other employer; to the Committee on Armed Services.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC-6927. A communication from the Manager, Oak Ridge Operations Office, Department of Energy, transmitting, pursuant to law, the Oak Ridge Reservation Annual Site Environmental Report (ASER) for 2002; to the Committee on Energy and Natural Resources.

EC-6928. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, a draft of legislation relative to authorizing appropriations for the Commission for fiscal year 2005; to the Committee on Environment and Public Works.

EC-6929. A communication from the Regulations Coordinator, Centers for Medicaid and Medicare Services, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare Program; Physicians Referrals to Health Care Entities With Which They Have Financial Relationships, Phase II" (RIN0938-AK37) received on March 29, 2004; to the Committee on Finance.

EC-6930. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Tax Return Preparers—Electronic Filing" (TD9119) received on March 29, 2004; to the Committee on Finance.